

Opportunity to Acquire Western Canadian based trucking company specializing in Fresh Water Hauling and Vacuum Truck Services.

Investment Opportunity

Transition Advisory Partners Ltd. has been retained by the shareholders of the “Company” to assist with discussions with a small number of buyers regarding the sale of the Company. Our client is looking for a path towards full liquidity, while continuing to provide support through a negotiated transition period.

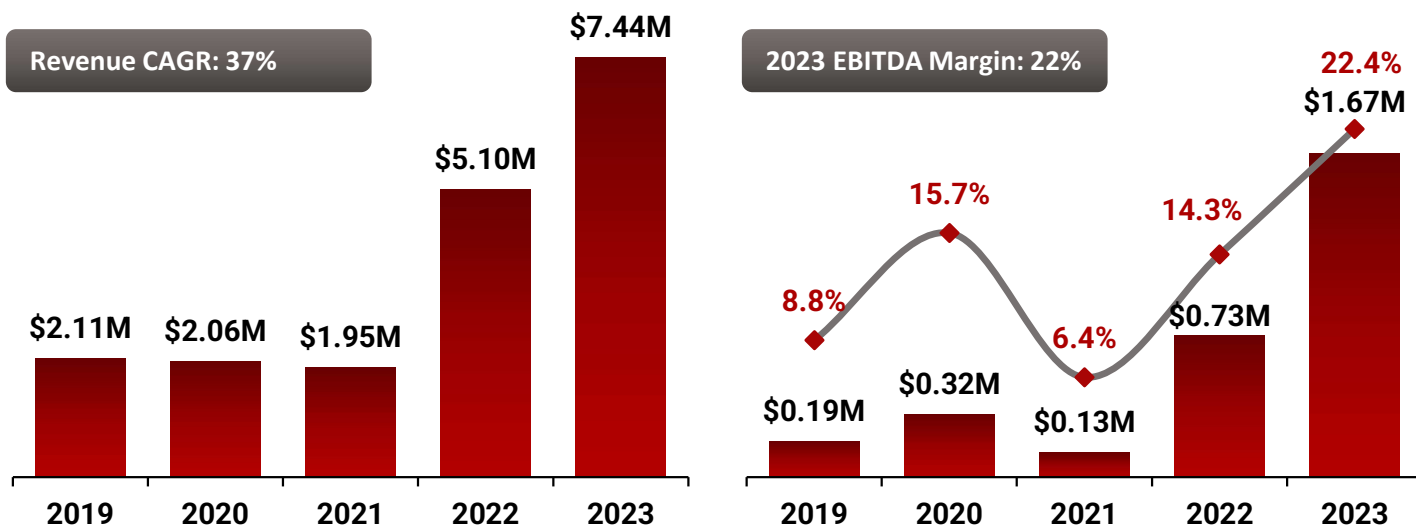
The Company specializes in fresh water hauling and vacuum truck services to a range of commercial and industrial users across Western Canada. The Company, which is headquartered in Alberta, also provides landspraying while drilling, quick fills, and other jobs with their team of employee drivers and a fleet of modern and well-maintained trucks.

Investment Highlights

- ✓ Impressive historical organic-growth trajectory
- ✓ Experienced management and crew focused on high level of customer service and financial success
- ✓ Diverse service offerings helps mitigate concentration risk and provides solid return on assets
- ✓ Timely and quality delivery of services ensuring long-term relationship with key customers
- ✓ Offer services across Canada with strong foothold in Alberta, Saskatchewan, and British Columbia
- ✓ Modern, well-maintained fleet ensures undisrupted and quality of service

Financial Highlights

The Company’s stunning growth of revenue and margins in the past two years is the result of their stellar reputation, more focus on rates and a significant expansion of their fleet. Growth forecasts going forward continue to look very strong for the Company.



Note: The Company’s fiscal year end is May 31st.

Business Highlights



**21 Years of
Operations**



**45 Trucks, Trailers
& Rig Shacks**



**28
Non-Union Drivers**



**53.4%
3 Years CAGR¹**



**48.0%
Gross Margin²**

(In CAD '000s)

	2019A	2020A	2021A	2022A	2023E
Total Revenue	2,114	2,060	1,951	5,102	7,444
Growth %		(2.5)%	(5.3)%	161.5%	45.9%
Gross Profit	1,030	1,021	924	2,374	3,570
margin (%)	48.7%	49.6%	47.3%	46.5%	48.0%
Normalised EBITDA	187	324	126	732	1,671
margin (%)	8.8%	15.7%	6.4%	14.3%	22.4%

The Company caters to upstream oil and gas exploration and production companies which accounted for 81% of total revenue last year. Although a previous customer drove much of the revenue growth in fiscal 2022 and 2023 (to 31 May), the Company has more broadly diversified its customer base since losing that customer's most recent tender.

The loss of the large customer turned out to be a blessing in disguise, as it allowed management to focus on building new customer relationships and improve the utilization of its vehicles and employees more effectively. Management now confidently expects a further improved bottom line in Fiscal 2024 because of this realignment.

The Company recorded an outstanding 45.9% growth in year-on-year revenue to their fiscal year ended on 31st May, as well as an impressive 3-year CAGR of 53.4%, with an overall increase of 82.9% in EBT (Earnings Before Taxes) in the same period.

Fleet Details

	#s
Water trucks	13 ³
Pickup Trucks	12
Wellsite Mobile Rig Shacks	8
Vacuum Trucks	6
Trailers	4
Tractors	2

¹CAGR calculated between fiscal 2020 to fiscal 2023 ended on 31st May 2023.

²Gross margin for the fiscal year ended on 31st May 2023.

³The Company has 12 operational water trucks and is building a new one to be ready in October.

Next Steps

Interested parties are requested to contact one of the persons listed below. A Confidential Information Memorandum will be made available to selected parties following execution of a Confidentiality Agreement.

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