

Southeast Based Commercial Roofing Service Provider



2019 Estimated Revenue: \$16,500,000 | 2019 Estimated EBITDA: \$3,500,000



Founded in 1994, the Company has become one of the largest commercial roofing contractors in the region. Capabilities and services offered include new roof installations, reroofing services, and service and maintenance for large and high profile projects located within their geographic reach. The client breakdown as a percentage of revenue consists of 43% for the private sector, 36% for local institutions, and the remaining 21% for government entities. The operation is supported by 15 full-time office personnel and an additional 88 full-time roofing laborers.

Investment Considerations:

- **Strong Historical Performance:** Revenue and EBITDA increased at a 10.5% and 47.4% CAGR, respectively during the historical period. Significant growth was achieved organically while management successfully controlled operating expenses partly due to economies of scale as well as the fixed nature of certain overhead costs.
- **Balanced Customer Based Providing Long Term Stability:** The Company's ability to maintain strong relationships in the private and public sector as well as the institutions located within their operating vicinity positions the operation in a strong position should one of the sectors fall off or decline in spending in any given year.
- **Maintenance Service Offering:** The Company's ability to provide maintenance service provides it with a competitive advantage over other commercial roofing contractor while also providing management with a recurring and dependable revenue stream after each and every project is completed.
- **Contract Backlogs:** As of December 31, 2018, the Company's secured backlog was over \$6.1 million.
- **Rising Gross Profit Trend:** Gross profit margins increased from 30.2% in 2016 to 37.7% reflecting management's ability to grow revenue without lowering prices. In fact, the strong margins would indicate an improved position of leverage allowing management to price their services at higher levels the market is willing to bear.

(Financial Summary on Reverse Side)

Terry Mackin, Sr. Managing Director

Tel: (214) 529-4598

Email: tmackin@generational.com

Client #62675

www.Generational.com | www.DealForce.com

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***Recast Historical and Pro Forma Statement of Income
For the Fiscal Years Ended December 31 (\$000)***

	<i>Historical</i>			<i>Est.</i>	<i>Projected</i>		
	2016	2017	2018	2019	2020	2021	2022
<i>Sales</i>	12,890	11,065	15,729	16,500	18,000	19,100	20,200
<i>% Growth</i>	--%	14.2%	42.2%	4.9%	9.1%	6.1%	5.8%
<i>EBIT</i>	1,395	1,686	3,221	3,379	3,790	4,077	4,365
<i>% of Sales</i>	10.8%	15.2%	20.5%	20.5%	21.1%	21.3%	21.6%
<i>EBITDA</i>	1,570	1,874	3,414	3,495	3,919	4,221	4,523
<i>4,853</i>	12.2%	16.9%	21.7%	21.2%	21.8%	22.1%	22.4%

***Adjusted Balance Sheet
As of December 31, 2018 (\$000)***

Current Assets	2,563	Current Liabilities	1,852
Net Fixed Assets	770	Non-Current Liabilities	--
Other Assets	--	Equity	1,481
Total Assets	3,333	Total Liability & Equity	3,333