

# Southeast Based Healthcare Supplies and Equipment Distributor



**2019 Estimated Revenue: \$105,000,000 | 2019 Estimated EBITDA: \$7,200,000**



Founded in 2010, the Company is a Service Disabled Veteran Owned Small Business (SDVOSB) specializing in the distribution of healthcare supplies and equipment to the Federal Government. The award winning entity distributes an array of products for over 200 leading manufacturers and has secured 32 semi-exclusive and 15 exclusive distribution relationships. Operations are run out of a 10,000 square foot warehouse and office facility with a state of the art Enterprise Resource Planning (ERP) and Warehouse Management (WMS) System.

The Company is structured as an S-Corporation and management is supported by 14 full-time, non-union employees.

## **Investment Considerations:**

- **Strong Historical Performance:** Revenue and EBITDA increased at a 64.0 and 63.5% CAGR, respectively, during the historical period. The rapid growth achieved during the historical period is expected to continue through 2019 and is supported by a 54.7% increase in revenue over the same period last year through February 2019, as well as, the \$13.7 million backlog in signed contacts which compares favorably to the \$5.4 million secured a year earlier.
- **Growing Contract Based Revenue Stream:** Key differentiator contributing to success is management's ability to secure contract purchase agreements ranging from 120 days to 10 years in duration. Revenue generated by contract secured agreements now accounts for approximately 25% of all revenue.
- **Award Winning Operation:** The Company has been awarded several local, state, and nation wide accolades over the last five years resulting from the team's ability to perform further solidifying the Company's name as a leader in the market place and effectively increasing brand awareness.
- **Manufacturer Exclusivity Partnerships:** 32 semi-exclusive and 15 exclusive distribution relationships established has directly contributed to the rapid expansion achieved during the historical period.
- **Strong Macro Trends:** Appropriations for medical care to the Veteran's Administration and Department of Defense is projected to grow at a 7.9% CAGR between 2018 and 2021. Funding medical care for these two key customers is popular across both aisles in Congress and is unlikely to be cut in the future despite pressure on the overall Federal budget and regardless of which party is in control.

## **(Financial Summary on Reverse Side)**

**Terry Mackin, Sr. Managing Director**  
**Tel: (214) 529-4598**  
**Email: [tmackin@generational.com](mailto:tmackin@generational.com)**

**Client #62874**

[www.Generational.com](http://www.Generational.com) | [www.DealForce.com](http://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
<b>Sales</b>	33,173	67,340	89,262	105,000	120,000	134,400	150,500
<b>% Growth</b>	--%	103.0%	32.6%	17.6%	14.3%	12.0%	12.0%
<b>EBIT</b>	2,022	4,368	5,404	7,156	8,260	9,319	10,504
<b>% of Sales</b>	6.1%	6.5%	6.1%	6.8%	6.9%	6.9%	7.0%
<b>EBITDA</b>	2,022	4,368	5,404	7,156	8,260	9,319	10,504
<b>% of Sales</b>	6.1%	6.5%	6.1%	6.8%	6.9%	6.9%	7.0%

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

Current Assets	6,871	Current Liabilities	5,238
Net Fixed Assets	--	Non-Current Liabilities	--
Other Assets	--	Equity	1,633
<b>Total Assets</b>	<b>6,871</b>	<b>Total Liability &amp; Equity</b>	<b>6,871</b>