



Project Pantheon - Industrial Mechanical Contractor

Teaser

Investment Considerations

TEASER

Our client is a Southeast-based full-service mechanical contractor that specializes in industrial and commercial renovation projects with the emphasis on major mechanical and electrical modernizations. R.L. Hulett has been retained as exclusive financial advisor to explore strategic alternatives for the business, including a potential sale. Ownership is seeking a buyer who recognizes the value of the business and who is interested in continuing to build on the platform developed over many years.

Key Investment Highlights

Strong Resume as a Mechanical Contractor for 10 Federal Agencies:

With nearly 40 years of experience performing under the SBA's federal program, our Client has built out a very impressive resume of completed jobs for 10 different federal agencies, which positions it well to compete for and win new awards with rigid criteria and experience requirements, narrowing the field of competition.

Decades of Industry Experience as a Private Contractor:

With decades of experience, the Company has built an exceptional track record of high-quality mechanical projects for Fortune 500 industrial clients and has developed an experienced management team along with a talented group of estimators, project supervisors, qualified construction professionals, pipe fitters, plumbers, electricians, etc.

Strong Backlog and Bid Pipeline: As of December 31, 2022, the Company had contracted backlog of \$35.4MM and as of August 2023, current open bids outstanding total \$173.5MM.

(in thousands \$'s)

Revenue	
<i>Revenue Growth</i>	
Cost of Goods Sold	
Gross profit	
<i>Gross Profit Margin</i>	
SG&A Expense	
Operating Profit	
<i>Operating Profit Margin</i>	
Other Income (Expense)	
Pre-Tax earnings	
Income Tax	
Net Income	
Add back:	
Interest (Income) Expense	
Income Tax	
Depreciation and Amortization	
EBITDA, as adjusted	
<i>EBITDA Margin</i>	

Years ended December 31,					TTM
2018A	2019A	2020A	2021A	2022A	June 2023
\$ 18,335	\$ 23,991	\$ 20,236	\$ 11,877	\$ 25,097	\$ 36,374
	30.8%	-15.6%	-41.3%	111.3%	44.9%
16,081	21,225	16,927	10,870	19,015	27,765
2,254	2,766	3,309	1,007	6,082	8,609
12.3%	11.5%	16.4%	8.5%	24.2%	23.7%
1,385	1,546	1,741	962	2,269	3,755
869	1,220	1,569	45	3,813	4,854
5.4%	5.7%	9.3%	0.4%	20.1%	17.5%
110	9	7	121	(56)	(64)
979	1,229	1,576	167	3,757	4,790
128	69	321	605	-	-
851	1,160	1,255	(438)	3,757	4,790
4	(9)	(4)	(0)	11	39
128	69	321	605		
115	118	92	151	173	187
\$ 1,099	\$ 1,338	\$ 1,664	\$ 318	\$ 3,941	\$ 5,016
6.0%	5.6%	8.2%	2.7%	15.7%	13.8%

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Reputation for Quality: The Company has developed a reputation in the industry for hiring quality personnel and adhering to strict quality control procedures to ensure the customer is satisfied with the outcome.

Diversified Customer Base with Long, Stable Relationships: The Company has a relatively diversified customer base and strong relationships dating back several decades in some instances.

