

## Acquisition Opportunity - Site Development Construction Company

This \$11M revenue company (\$2.7M EBITDA) is involved in a wide range of site development projects in the Pacific Northwest ranging from commercial and residential developments to public works. The company has a solid team that focuses on accurate estimating, selective bidding, tight cost controls, and accurate invoicing of change orders. The company enjoys significantly higher gross margins than similar construction companies.

2020 and 2021 financial performance was impacted by Covid however the firm bounced back with 2022 revenues of \$13M and an adjusted EBITDA of \$3.3 M (25%). Despite a very strong opening backlog, 2023 revenues declined due to a decision by ownership to not proceed with a large project that the developer was experiencing financial challenges. Currently the need for site development work is very solid in the Pacific Northwest. The company has strong relationships and is currently partnering with developers of master planned communities and other entities that are less affected by external economic forces.

The owner desires to sell to diversify his investments as part of an estate plan. He is seeking a cash free, debt free sale. He is willing to remain involved during an ownership transition period. The real estate is owned by the seller and is available for lease by a buyer at fair market value. The seller is seeking \$9.5M with flexible terms that requires only \$5M of financing.

This is an excellent opportunity for a buyer that desires to gain a foothold in the Washington State site development construction market. The company's market is projected to remain strong due to the company's strategic market focus. There is room for growth without the need for significant additional CAPEX due to the large inventory and condition of the existing owned and maintained equipment.

### Financial Summary

	2018	2019	2020 Covid	2021 Covid	2022	2023 Estimate	2024 Projection
<b>Revenue</b>	10,381,383	11,105,103	5,941,410	5,993,391	13,074,955	9,000,000	11,000,000
<b>Gross Profit</b>	1,976,275	2,740,509	1,099,085	1,342,036	3,707,842	2,835,000	3,200,000
<b>Gross Margin</b>	19%	25%	18%	22%	28%	32%	29%
<b>G&amp;A</b>	715,536	1,175,829	680,925	666,075	1,072,028	1,075,000	1,100,000
<b>Other Income</b>	(18,794)	2,538	131,326	541,410	-	145,000	-
<b>Net Income</b>	1,226,831	1,567,218	549,486	1,217,371	2,655,463	1,905,000	2,100,000
<b>Interest</b>	14,934	4,575	-	1,173	-	-	
<b>Depreciation</b>	234,133	217,701	178,287	123,901	107,105	100,000	
<b>EBITDA</b>	1,475,898	1,789,494	727,773	1,342,445	2,762,568	2,005,000	2,100,000
<b>ADJUSTED EBITDA</b>	<b>2,210,398</b>	<b>2,896,553</b>	<b>955,846</b>	<b>1,047,388</b>	<b>3,334,568</b>	<b>2,580,000</b>	<b>2,675,000</b>

For additional information please contact:

Bob Champoux: [rchampoux@rcadvisorysvcs.com](mailto:rchampoux@rcadvisorysvcs.com) 425-890-3857

Pete McDowell: [pmcdowell@rcadvisorysvcs.com](mailto:pmcdowell@rcadvisorysvcs.com) 425-577-3503

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