

This is not your usual opportunity. It is a rare opportunity for a strategic buyer to acquire the leading California Underground Utilities Contractor with not only a huge market share, but with a current and historic backlog that provides steady growth with unnaturally stable financial metrics. Because this decades old firm, with over



165 employees, has been the “go to” contractor for many of the major infrastructure programs in the region, it always has a strong backlog making its metrics appear more akin to a recurring revenue investment. With limited subcontracting, management can control gross profit margins tightly resulting in annual EBITDA running at significantly higher ratios to net revenue than similar smaller contractors. And growth opportunity is strong with an add on in Southern California as well as strategic packaging and tuck in acquisitions.

## Acquisition Highlights

- **Recognized Leader.** Established, recognized leading underground utility contractor in Northern California.
- **Market Diversity.** Ability to service a variety of underground-related work of almost any size or complexity for both public and private clients.
- **Clientele.** Perform work for the best contractors in Northern California.
- **Qualified, Experienced Personnel.** Highly skilled, experienced employees who can efficiently execute on projects. Its employees are extremely loyal – the top 50 employees have been with the company for an average of 9 years (21 years in the construction industry).
- **Well-Equipped.** Large array of heavy equipment in excellent condition regularly maintained by three full-time mechanics.
- **Smooth & Steady Growth.** No “lumpy” revenue and earnings, due to strong historic backlog and strong professional management.



Basic organic growth of at least 10% is expected and achievable for the next five years. More aggressive growth opportunities into related verticals described above are also possible. Company’s leading position in its market is highly defensible - its size, reputation, expertise, and employees create a sustainable competitive advantage.

Item	2017	2018	2019	2020	2021P
Contract Revenue	56,529,012	65,865,515	77,157,175	80,101,654	92,000,000
Material Pass Through	17,964,643	29,831,531	33,528,293	29,010,969	30,766,831
Net Revenue	38,564,369	36,033,984	43,628,882	51,138,085	58,700,000
Normalized EBITDA	4,784,264	5,315,098	8,199,436	8,107,465	9,500,000
<b>% EBITDA/NR</b>	<b>12%</b>	<b>15%</b>	<b>19%</b>	<b>16%</b>	<b>16%</b>

**Next Steps:** EEnginuity (EE) has been engaged as the Company’s exclusive financial advisor regarding this contemplated transaction. Upon receipt and approval of an executed Confidentiality Agreement and Buyer Profile, EE will forward a more detailed Confidential Information Memorandum. Under no circumstance should the Company be contacted directly. Please direct all inquiries to EE (below). For NDA & Buyer profile, [www.eenginuity.com/1057](http://www.eenginuity.com/1057)