



## One of the Oldest California Underground Utilities Contractor



This is a rare opportunity to acquire one of the oldest and recognized S. California Underground Utilities Contractors with a huge backlog and pent up demand from its clients. This 70 year old underground, dry utilities firm with some 40 employees has been the “go to” contractor for many of the major developers and contractors in S. California. It always has a strong backlog with more demand from its clients than it has historically been willing to accept. With little or no subcontracting, management can control gross profit margins tightly resulting in annual EBITDA running at significantly higher rates than similar contractors. Organic growth opportunity is strong from just its own clients. But for a new owner, 20+%

annual growth for the next few years is easily achievable without the addition of new clients. Further, we (EE) have a similar, but larger wet underground utilities contractor in N. CA that is also available making the combination a 2+2=7 synergy to cover the state and all underground services.

### Acquisition Highlights

- **Recognized Leader.** Established, recognized leading underground dry utilities contractor in Southern California. Well Run. Mgmt in place.
- **Market Diversity.** Service range of underground work of any size or complexity- both public-private, wet & dry.
- **Clientele.** Largest name brands in S. CA
- **Qualified, Experienced Personnel.** Highly skilled, employees– The top 10 employees have been with the company for an average of 24 years.
- **Well-Equipped.** Large array of heavy equipment in excellent condition for several years of growth.
- **Steady Profitability and strong backlog.** Basic organic growth of at least 20+% is achievable for the next five years.



	2017	2018	2019	2020	2021 (p)	3 Year
Gross Revenue	8,024,448	9,536,961	9,431,448	7,069,313	8,500,000	8,333,587
Gross Profit	3,197,773	4,409,746	4,718,607	3,405,639	3,718,384	6,775,296
<b>Net Income</b>	1,138,976	2,014,944	2,551,117	1,356,310	1,920,131	1,942,519
Total Adjustments	149,647	380,132	174,968	129,159	141,269	148,465
Cap Ex	(200,000)	(356,184)	(148,593)	(93,280)	(60,290)	(100,721)
<b>Normalized EBITDA</b>	\$ 1,088,623	\$ 2,038,892	\$ 2,577,492	\$ 1,392,189	\$ 2,001,110	1,990,264
<b>% of Revenue</b>	14%	21%	27%	20%	24%	24%

**Next Steps:** EEnginuity (EE) has been engaged as the Company’s exclusive financial advisor regarding this contemplated transaction. For NDA & Buyer profile, go to [www.eenginuity.com/1060](http://www.eenginuity.com/1060), or contact [dkimbrell@eenginuity.com](mailto:dkimbrell@eenginuity.com) @ 785.766.1756.