ROOFING CONTRACTOR - US

SZYMON ZEPHAN CAPITAL
Driven Connected Innovators

STRICTLY CONFIDENTIAL Investment Opportunity – Acquisition – Majority Control

TRANSACTION OVERVIEW

SZC is seeking expressions of the whole acquisition of a

- Successfully deployed in Western US
- Profitable and growing
- Superior technology and offering
- Proven management team
- **Seeking Majority equity ownership**

PROJECT OVERVIEW

- Company provides roofing contracting services. Company Org holds the real estate and does sheet metal work for Company Inc. The Company provides single-ply roofing (32% of 2018 revenue), metal roofing (30%), built-up roofing (29%), waterproofing (2%), and maintenance services (7%).
- The Company's primary geographic markets include Western US. Most of the Company's contracts are acquired through a bid process. In addition, the Company has lasting relationships with key general contractors in the industry and generates significant work through these relationships. The Company has an aggregate bonding capacity of $10.0 million. The Company is rated as an A+ business by the Better Business Bureau.

SUCCESS DRIVERS

- Professional services
- Superior capabilities
- Quality products
- Excellent reputation
- Superior customer service

FINANCIAL HIGHLIGHTS

INCOME STATEMENTS

Recast Historical and Pro Forma Statement of Income[(a)]
For the Fiscal Years Ended December 31
($000)

	Historical			Est.	Projected				
	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sales	11,837	19,902	17,575	17,500	18,000	18,500	19,000	19,500	20,000
% Growth	--	68.1%	-11.7%	-0.4%	2.9%	2.8%	2.7%	2.6%	2.6%
Gross Profit	2,427	4,095	4,533	4,550	4,698	4,847	4,997	5,148	5,300
% of Sales	20.5%	20.6%	25.8%	26.0%	26.1%	26.2%	26.3%	26.4%	26.5%
EBIT	861	1,671	1,986	2,082	2,137	2,195	2,250	2,304	2,360
% of Sales	7.3%	8.4%	11.3%	11.9%	11.9%	11.9%	11.8%	11.8%	11.8%
EBITDA	962	1,824	2,178	2,187	2,273	2,360	2,448	2,537	2,626
% of Sales	8.1%	9.2%	12.4%	12.5%	12.6%	12.8%	12.9%	13.0%	13.1%

(a) See Schedule 2 in the Financial Analysis section

EXTERNAL COMPETENCIES
Bullish M&A Activity: The roofing market has been consolidating for the last few years. Profitable contractors are grouping for better competitive advantage. Some corporations, like Tecta America, are consolidators that buy local roofers, apply best practices, and use common marketing and buying functions to achieve higher profitability.
• Favorable Outlook for Industry: The Roofing Contractors industry is expected to continue to expand over the five years to 2024 as the single-family housing, multifamily housing and nonresidential markets expand. Downstream construction markets are expected to boost demand for industry operators, increasing revenue at a projected annualized rate of 1.4% to reach $53.0 billion over the five years to 2024.

OPPORTUNITY SUMMARY & HIGHLIGHTS

Operational & Financial
Operational

- Management Will Remain through Transition: The shareholders are willing to stay with the Company during a transition period in order to ensure a seamless transfer of ownership.
- Superior Name and Reputation: In business since 1991, the Company has built substantial goodwill by providing quality service and excellent customer service. Management credits reputation and established strong customer relationships as the two most critical factors contributing to the Company's historical success.
- Strong Client Relationships: Pioneer is proud of its strong ties to clients and its reputation for quality work and client service. The Company also has a strong relationship with several area general contractors.
- Outstanding Growth Opportunities: Several opportunities exist for Pioneer to increase revenue and profit, including leveraging the Company's proven reputation to pursue new and existing markets. These opportunities are easily attainable given the appropriate investments in capital and human resources.
- Industry Expertise: In addition to the principals' extensive experience, many of the Company's key employees also have significant industry and service knowledge. This wealth of experience and expertise provides Pioneer with a significant intangible asset and advantage over many regional and national competitors.

Financial

- Critical Mass: Pioneer's sales of $17.5 million in 2019 will be attractive to buyers seeking to establish a strong foothold or increase market share within the industry.
- Reviewed Financial Statements: The Company gets reviewed financial statements every year for its bank and bonding purposes. The use of an outside accounting firm reviewing Pioneer's financial statements provides greater assurance to the accuracy and credibility of the historical financial performance.
- Strong Earnings: Pioneer's EBITDA increased from $962,000 (8.1% of sales) in 2016 to $2,178,000 (12.4%) in 2018, representing a CAGR of 50.5% during the historical period.
- Strong Net Working Capital: In 2018, Pioneer's unadjusted current assets were approximately $5,895,000 and current liabilities were $2,731,000, resulting in a Net Working Capital (NWC) of $3,164,000. A strong NWC provides a pool of resources from which the Company can draw for continued growth and a strong buffer to maintain operations in the event of various systematic and unsystematic risks.

INVESTMENT – Majority Control - acquisition

For more information, please contact:

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Disclaimer: Detailed information regarding this financing opportunity is available to principals only. The Company requires parties that wish to review the Company in more detail sign a Non- Disclosure Agreement .. Please return NDA in a PDF to:

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