



For More Information

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Available for Acquisition #19401

West Coast Electrical Contractor

ACT Capital Advisors is pleased to offer a premier, established **Electrical Contractor** for acquisition. Company's core business is providing electrical design and construction services for new construction and renovations clients. The Company has built its reputation as an expert and market leader in wiring K-12 educational facilities, universities, and commercial and multifamily construction. In particular, the Company has made significant investments during the last four years in expanding its multi-family/mixed use service offerings. Company's services runs the full range of institutional wiring – lighting and power, medium voltage, fiber optics, data cabling, audio/video, CCTV, intrusion and access control, emergency power generation, intercom and lock systems, theatrical and stage lighting, photovoltaic and distributed antenna systems, and preconstruction services. Company operates in a high growth, major metropolitan market on the west coast of the United States.

Key Highlights

- **Minimal COVID 19 Impact on Operations and Financials.** The Company weathered COVID 19 in Q2 of 2020 well. Operations were affected for only a period of 45 days and this had a negligible overall impact on Company's Revenue and Gross Profit. Company is presently on track to set a Revenue record in 2020.
 - Company's Revenue from January through June 2019 was \$13,459,048. Company's Revenue from January through June 2020 was \$15,626,987. This means that Company's Revenue in Q1 and Q2 of 2020 rose 16.1% compared to Q1 and Q2 Revenue in 2019.
 - Company received a PPP loan in the amount of \$1,826,000 and has used this amount to pay its employees. Company expects the loan to be 100% forgiven.
 - Company has hired 10 new electricians within the last 90 days. Company is actively and selectively hiring electricians while talent is available and on the market.
- **Educational Facility Specialization.** Company primarily specializes in electrical contracting for educational facilities. Specifically, Company is well known and respected by school districts, architects and general contractors that build K-12 educational facilities and higher education facilities. Company has completed over 80 K-12 projects since the mid-1980s.
- **Development of Multi-Family/Mixed-Use Service Offering.** In 2016, the Company began investing heavily into developing electrical contracting services for mixed use/multifamily



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projects as a core competency. That investment has paid off. In 2020, mixed use/multifamily projects will represent the majority of the Company’s revenue and gross profit margins on projects bid since 2018 have averaged around 20%.

- **Impressive and Sustainable Backlog.** Company has a current hard backlog of signed construction contracts valued at \$33.9 million. This backlog extends through 2022.
- **The Market Demand for and the Costs of Educational Facilities have Increased.** The costs – in both materials and labor - of building educational facilities has increased substantially over the last ten years and will into the foreseeable future. This increase will directly translate into double-digit growth in Company’s primary service offering niche over the next two years.
- **Technology Investments in Building Information Modeling (BIM) have Increased Gross Margins.** Company has invested heavily into technology solutions to facilitate efficient labor processes on commercial construction projects. BIM technology adoption has reduced labor and material costs significantly, thus increasing Gross Margins.
- **Experienced, Competent, and Dedicated Workforce.** Company’s employees are skilled, well-trained, have high morale, and love engineering projects. Company currently has 115 field electricians. Company is a non-union shop.
- **Notable Growth in Revenue and Profitability.** Company has experienced a 120.6% growth in revenue from 2015 through 2020E. The Company has experienced a 479.2% growth in Adjusted EBITDA from 2015 through 2020E. Company has accomplished this growth in revenue and profitability without using debt financing.
- **History of Brand Performance.** Company has a four-decade track record of operational excellence and project performance. Company has cultivated deep relationships with prime contractors and end customers. These relationships take decades to form and Company is confident it can transfer these relationships to new ownership.

<u>Financial Performance</u>							
	2018	2019	2020 (Sept)	2020E	2021	2022	2023
Revenue	\$ 27,034,660	\$ 29,239,977	\$ 23,690,682	\$ 31,587,576	\$ 32,661,554	\$ 33,804,708	\$ 34,345,583
Gross Profit	\$ 3,303,171	\$ 3,335,145	\$ 2,757,528	\$ 3,676,704	\$ 3,839,269	\$ 3,973,643	\$ 4,037,222
Adjusted EBITDA	\$ 2,394,677	\$ 2,105,441	\$ 1,955,532	\$ 2,517,896	\$ 2,616,138	\$ 2,707,703	\$ 2,751,026