

Available for Acquisition #210802

High Production Sawmill & Lumber Distribution Business

ACT Capital Advisors is pleased to offer for acquisition a high-production specialty timber sawmill located on the West Coast. The Company specializes in cutting high-grade timbers of all sizes, up to 24 x 24. It also produces other high-end products like transmissions, crossarms, industrial clears, and FOHC timbers. The Company cuts to customers' specific orders, providing it with a competitive advantage in the size of logs it can cut and timbers it produces.

Investment Highlights

- **Railroad Timber.** The Company has a large market share amongst railroad companies. It provides large timbers that create trestle bridges for railroads typically seen in the mountains. Companies include BNSF Railway, Union Pacific Railway, and Canadian Pacific Railway.
- **Aquatic Lease.** The Company has an aquatic lease, which allows it to reach out further for its log base. Barging logs is more cost effective than using trucks to transport them to the mill. Few mills have access to water transportation.
- **Product Market Share.** The Company has a significant market share in supplying large timbers. These timbers are used in the production of crossarms and glulam planks.

Growth Opportunities

- **Upgrade Equipment.** The Company has multiple pieces of decommissioned equipment - upgrading these can increase revenue while requiring little capital.
- **Additional Production Shift.** The sawmill has the capacity to run one more production shift with the assumption of new hires.
- **Increased Marketing Efforts.** The Company relies solely on relationship marketing. A new strategy can lead to new customers.

Positive Industry Outlook

- Industry performance is heavily reliant on overall construction activity, which has benefited from the pandemic. As housing starts and residential construction activity has boomed, revenue has surged in 2021.
- There has been growth in demand for home repair and remodeling markets, personal hygiene products, and corrugated packaging products.
- The industry is expected to remain strong after the pandemic due to consistently rising household income levels and recovered corporate profit.

11% Profit Margin in 2020 compared to industry average of 7.6%.

38% Expected Revenue Growth in 2021 based on YTD financials.



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Summary Financial Information

	2018	2019	2020	2021E
Sales	\$27.49M	\$22.09M	\$23.50M	\$32.46M
Gross Profit	\$1.86M	\$1.14M	\$3.13M	\$8.86M
EBITDA (adj.)	\$1.28M	\$0.66M	\$2.37M	\$7.25M

Contact Information

For more information, please contact:
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Interested parties should execute the attached Non-Disclosure Agreement (NDA) and return to ACT Capital Advisors with a written request to receive the Confidential Information Memorandum (CIM). NDAs and CIM requests should be submitted to:



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