



**ACT**  
CAPITAL  
ADVISORS

Full-Service Industrial Mechanical  
Contractor

ACT Client #210904

Available for Acquisition

## Company Overview

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ACT Capital Advisors is pleased to offer a Full Service Industrial Mechanical Contractor for acquisition. The Company is a supplier and installer of new and retrofit boiler, gas, steam, heat, hot water, and refrigeration equipment for commercial, industrial and institutional clients. The Company was founded in the year 2000 and is headquartered in Western Canada. The Company provides installation and servicing of district energy systems, energy transfer stations, underground distribution piping systems, installations for new constructions, service & maintenance of equipment, specialty manufacturing, and hot water & steam boiler rentals. Today, the Company is positioned to further accelerate its growth through workforce expansion for the imminent government spending on large-scale industrial and infrastructural projects.

## Investment Highlights

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**Solid Profitability and Revenue Growth:** The Company has enjoyed consistent and solid growth in both profits and revenues over the past two years with an average EBITDA margin of 8.9% for fiscal years 2020 and 2021 and year-over-year revenue growth of 44.5% (due to completion of a large project in 2021). The Company expects both profitability and revenue to grow consistently going forward due to its focus on bidding higher-margin projects and expanding its services geographically and vertically.

**World-Class Reputation:** The Company boasts a world-class reputation in the industry as a result of its solutions-oriented service philosophy and high-quality execution. The Company's stellar brand enhances its ability to win projects, posting an impressive 80% win-rate on competitively bid projects and deriving most of its project revenue from engagements in which it was invited to selectively tender. Historically, about 90% of the Company's customers have provided repeat business to the Company.

**Diverse, Blue-Chip Customer Base:** Most of the Company's projects serve well-established, high-quality institutional clients such as governments, utility providers, municipalities, and universities - leading to larger average project sizes and guaranteed, on-time payments. The Company serves and sells to more than 150 clients in any given year with its largest customers contributing, on average, only 27.9% of revenues during the last three years.

**Talented Management Team:** The Company's management team brings a breadth and depth of expertise and industry knowledge that has been essential to the Company's growth. Key management team members have more than 75 years of combined experience in the industry and intend to stay with the Company for any transition period and beyond.

**Highly-Skilled Workforce:** The Company's workforce is comprised of highly skilled tradesmen with expertise in all major disciplines including welding, insulating, plumbing, heating, refrigeration, electrical, gas fitting, power engineers and pipe-fitting. This allows the Company to complete projects faster and with greater consistency than its competitors (which tend to hire less-skilled apprentices). As a result of its high-quality and efficient work product, many of its clients trust the Company to function both as an engineer and a mechanical contractor on their projects.

**Technology-Enabled Expertise:** The Company employs high-quality equipment and technology, such as a welding robot, to increase work quality and consistency of execution and to reduce labor costs. The Company employs a variety of specialized IT platforms for project management, financial tracking, and other back-office support allow it to complete projects more cheaply and efficiently.

## Services and Active Certifications

<p><b>District Energy Systems</b></p>	<p><b>Retrofits &amp; New Installations</b></p>	<p><b>Service &amp; Maintenance</b></p>
<p>Create, develop and maintain custom-spec temporary energy centers (TEC), energy transfer stations (ETS), and district piping systems (DPS).</p>	<p>Install and maintain gas pipes, boilers, refrigeration systems, plumbing, heating and ventilation, etc. at new construction sites.</p>	<p>Service, maintenance, and recertification of mechanical equipment, boilers, pressure vessels, etc. by experienced certified technicians.</p>
<p><b>Specialty Manufacturing</b></p>	<p><b>Boiler Rentals</b></p>	<p><b>Certifications</b></p>
<p>Design, engineer, and build projects based on clients' unique requirements and specifications.</p>	<p>Design and manufacture industrial boiler equipment and dual-fuel boilers for rent. 24/7 service provided by industrial boiler experts.</p>	<ul style="list-style-type: none"> <li>▪ Technical Safety BC</li> <li>▪ CSA</li> <li>▪ Weld Inspection</li> <li>▪ COR Safety</li> </ul>

## Financial Information - Historical & Pro-Forma (\$CAD)

FYE 02/28	2019	2020	2021	2022 (9/30)	2022E	2023E
<b>Revenue</b>	<b>\$8.06MM</b>	<b>\$12.30MM</b>	<b>\$17.76MM</b>	<b>\$6.48MM</b>	<b>\$12.20MM</b>	<b>\$13.11MM</b>
<b>Gross Profit Margin</b>	<b>\$1.65MM</b> <i>(20.5%)</i>	<b>\$2.58MM</b> <i>(21.0%)</i>	<b>\$2.98MM</b> <i>(16.8%)</i>	<b>\$1.61MM</b> <i>(24.8%)</i>	<b>\$2.30MM</b> <i>(18.9%)</i>	<b>\$2.50MM</b> <i>(19.0%)</i>
<b>Adj. EBITDA Margin</b>	<b>\$0.30MM</b> <i>(3.8%)</i>	<b>\$1.15MM</b> <i>(9.4%)</i>	<b>\$1.48MM</b> <i>(8.3%)</i>	<b>\$0.47MM</b> <i>(7.3%)</i>	<b>\$1.08MM</b> <i>(8.9%)</i>	<b>\$1.20MM</b> <i>(9.2%)</i>

## Contact Information & Next Steps

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").

**NDA's and CIM requests should be submitted to Ivan Trindev, ACT Associate.**

**Email:** itrindev@actcapitaladvisors.com  
**Mobile:** 425.749.0760