



ACT

CAPITAL

ADVISORS

**Construction Aggregates
Production & Logistics Company**

ACT Client #222002

Available for Acquisition

Company Overview

ACT Capital Advisors is pleased to offer an Aggregates Production & Distribution Company for acquisition. The Company produces and supplies DOT-certified, USACE-approved, and commercial grade aggregate materials. The Company works with a variety of quarries to produce and distribute materials for project owners and contractors throughout the Southeast United States. The Company specializes in the production and delivery of limestone and granite Rip Rap & Armor stone. This includes production, testing & certification, rail transportation & logistics, unloading rail cars and transporting materials to project sites. In addition to its core services, the Company engages in the purchase & resale of materials, production & processing services, and trucking & hauling services.

Investment Highlights

Consistent Revenue Growth and Margin Expansion: The Company has enjoyed consistent growth in both revenues and profits over the past four years, with a revenue CAGR of approximately 10.3% between 2018 and 2021. In the same timeframe, gross profit margins and adjusted EBITDA margins both nearly doubled from 9.9% to 17.1% and from 8.1% to 15.3% respectively. In 2021, the Company generated \$16.4MM in revenue and \$2.5MM in adjusted EBITDA.

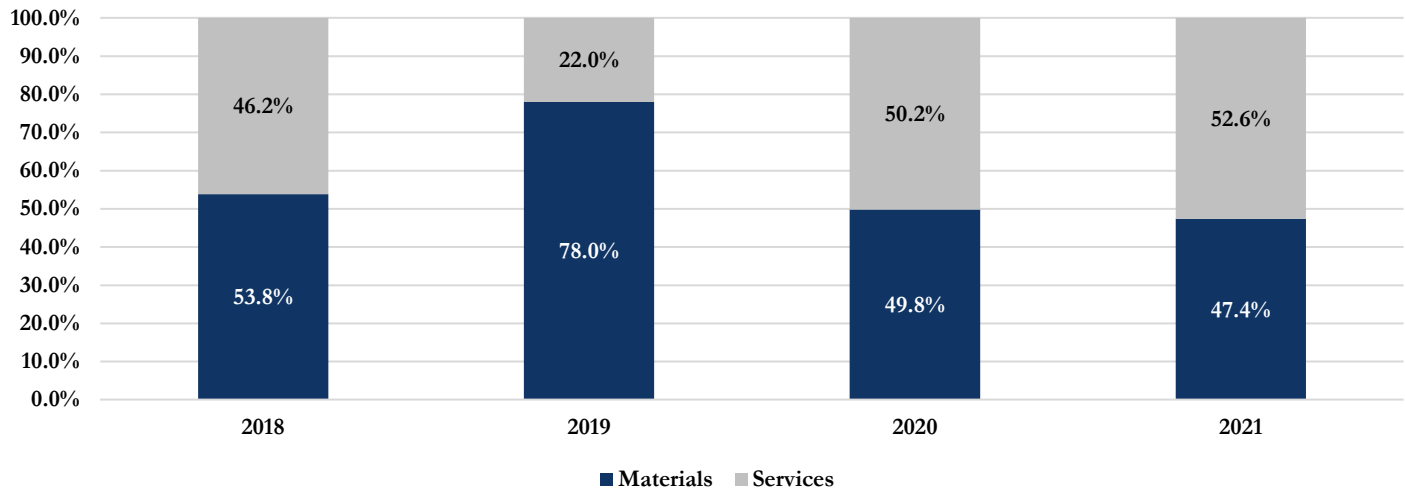
Well-Established Quarry Relationship: By focusing on production & supply of Rip Rap & Armor stone, the Company provides additional revenue and reduced operating costs to quarry operators from which it sources and produces specialty aggregates. As such, the Company has managed to secure production rights for Rip Rap & Armor stone at 16 quarries from eight operators across Florida, Georgia, and South Carolina. On top of that, the Company is able to purchase and resell Rip Rap and other specialty aggregates at four additional quarries in Florida and Georgia.

Extensive Rail Terminal Network: For long-distance transportation of materials, rail hauling is significantly cheaper than trucking. To this end, the Company has established an extensive network of rail terminals for loading, transportation, and unloading of materials to maximize proximity to the final project site. Currently, the Company has contracted access to 14 rail terminals in Florida and two rail terminals in Georgia. However, the Company will also frequently work with sidings owner that are not in the aggregate industry but have available track capacity to maximize cost savings.

Diverse Clientele: The Company supplies materials and services to a wide array of general, heavy civil, and/or marine contractors, with minimal reliance or concentration on any single project. In 2021, the Company completed an all-time high of 277 projects with no single project representing more than 13.8% of total revenue.

Extensive, Well-Maintained Equipment & Machinery: Currently, the Company produces sustainably all of its limestone material in Florida with equipment owned by the Company, thereby minimizing costs. Over the last few years, the Company also made major repairs to older equipment to extend its life. As such, maintenance/replacement capital expenditures are expected to be minimal and covered in budgeted equipment repairs over the next three years. Additionally, the Company owns more equipment than it has operators, positioning it for further low-cost operational expansion and revenue growth.

Revenue Mix: Material Sales vs. Services



Financial Information (Historical & Pro-Forma)

FYE 12/31	2018	2019	2020	2021	2022E	2023E
Revenue	\$12.2MM	\$20.8MM	\$16.3MM	\$16.4MM	\$17.1MM	\$17.7MM
Gross Profit <i>Margin</i>	\$1.2MM 9.9%	\$2.4MM 11.3%	\$2.5MM 15.1%	\$2.8MM 17.1%	\$3.0MM 17.6%	\$3.3MM 18.5%
Adj. EBITDA <i>Margin</i>	\$1.0MM 8.1%	\$2.0MM 9.7%	\$2.0MM 12.5%	\$2.5MM 15.3%	\$2.6MM 15.3%	\$2.9MM 16.3%

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.

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