



Pipeline Construction – Oil & Gas Industry

COMPANY OVERVIEW

Location: Permian Basin, TX **Founded:** 2014 **2018 Revenue:** \$49 MM **2018 EBITDA:** \$3.4 MM

This acquisition opportunity is a rapidly growing oilfield pipeline construction business operating in the Permian Basin. The Company's "Stay at Home" strategy focusing on two key principals: 1) Stay close to their core competency, and 2) Focus their growth in the Permian Basin. Since 2014 this company has experience organic growth of over 100% in the past 4 years. Their growth strategy combined with their attention to Safety, Quality and Production has led to the building of a recognized and respected brand. The first full year in business this company produced revenue of \$11.9 MM. With the downturn of 2015 and 2016 there was a loss of 42% but bounced back with a 247% growth in 2017. This company has one the strongest and most experienced pipeline construction management teams in the industry.

ACQUISITION HIGHLIGHTS

Company Philosophy:

From the words of the ownership team, "We build our company one client at a time. Our philosophy is very simple, A strong company is built on integrity. We apply that philosophy to our employees, vendors, clients and communities."

Historical Income Statement/Balance Sheet, 2019 Projection
Fiscal Years Ending December 31
(000 omitted)

	2016	Historical 2017	2018	Projected 2019
Sales	\$ 6,857	\$ 23,798	\$ 49,183	\$ 90,377
Expenses	\$ 7,112	\$ 23,480	\$ 47,837	\$ 81,802
EBITDA	-\$ 32	\$ 800	\$ 2,401	\$ 9,950
EBITDA % of Sales	-0.5%	3.4%	4.9%	11.0%
Normalized EBITDA ¹		\$ 1,034	\$ 3,394	\$ 9,950
EBITDA Margin		4.3%	6.9%	11.0%

1. Adjusted for non-recurring losses in 2017 and 2018

Environment: This is an environmentally conscious company that makes every attempt to prevent harm to the environment. They employ environmental experts to help assist in decision making and uphold environmental standards.

Safety First: Safety is a priority from executive management to field personnel. They use a safety software to improve safety internally.

Forecast: The company's forecast is for strong demand to remain in the new construction vertical for the next 4 – 5 years with an average growth of 12%. Key factors in this forecast include the strong demand for natural gas domestically and the burgeoning export business for WTI and LNG.

Strategic Growth Opportunities: Geopolitical unrest will strain the oil markets removing 100M + barrels a year. A decline in offshore projects coupled with a natural decline in active well reliable production in the U.S. This will maintain the Permian as the predominate oil producer through 2030. Pipeline construction and maintenance will benefit from this.

INQUIRIES