



Acquisition Opportunity Profile

Client ID # 1901

Trucking Services and Rental Equipment – Oil & Gas Industry

COMPANY OVERVIEW

Location: Odessa, Texas

Founded: 1995

2018 Revenue: \$12.7 MM

2018 EBITDA: \$2.7 MM

This acquisition opportunity is a rapidly growing oilfield trucking service business operating in the Permian Basin. The Company has a fleet of Vacuum Equipment and Flatbed Trucks. Additionally, they have a rental business for equipment, including Frac tanks, along with Pulling Units manned by skilled crews. The company consists of 28 employees that operate from its headquarters in Odessa, Texas. The Company has a well-functioning system in place that allows them to put operators and drivers in the field as needed based on the client's preference and size of the project. The majority of sales are made as bundled offerings to nationally-recognized oil and gas producers. Historically the company has always been profitable. During the 2015-2016 downturn in the oil markets the company continued to be profitable. With strong cash flow the company has been investing in people and operating equipment. The Company's significant 9,600 sq. ft. of office, shop and warehouse space, along 28 acres of land, 6 additional shops, 3 bays, sizeable pool of experienced, highly-skilled laborers, stellar safety reputation and favorable industry economics have contributed to the strong growth in 2018 and will enable rapid growth in the future.

ACQUISITION HIGHLIGHTS

Strong Client Relationships: The Company's has strong ties with clients due to its industry expertise and excellent customer service. More specifically, the Company's database includes over 350 active customers and its rate of repeat business is more than 90%.

Highly Desirable

Market: The Company is located in the oil-rich, rapidly developing Permian Basin. According to energy researcher ITG Investment Research, oil production in the area will rise from 1.5 million barrels per day presently to 2.5 million barrels per day in 2025.

2018 Combined Income Statement/Balance Sheet, 2019 Projection
Fiscal Years Ending September 30
(000 omitted)

	2016	Historical 2017	2018	Projected 2019
Sales	\$ 4,038	\$ 6,629	\$ 11,789	\$ 13,700
Gross Profit	\$ 2,608	\$ 3,452	\$ 5,712	\$ 6,641
% of Sales	64.6%	52.1%	48.5%	48.5%
EBITDA	\$ 650	\$ 789	\$ 2,698	\$ 3,300
EBITDA % of Sales	16.1%	11.9%	22.9%	24.1%

Industry Expertise: In addition to the principal's extensive industry experience, many of the Company's key employees and independent contractors also have significant industry and product knowledge. This wealth of experience and expertise provides the company with a significant intangible asset and advantage over many regional and national competitors.

Strategic Growth Opportunities: The established business methodologies refined by the Company are expected to yield growth going forward. Management cites opportunities to accelerate growth trends over the next few years. The resultant revenue and profitability derived from these ventures include; product and service expansion, geographic market expansion, pursuing other customer markets, strategic marketing plan with additional sales personnel.

Safety Record: The last DOT audit was in December 2018 with a rating of 'Satisfactory'.

INQUIRIES

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