

Investment Highlights

- **Gross Revenue:**
TTM: \$3.08 million
2020: \$2.85 million
2019: \$2.66 million
- **Sellers' Disc. Earnings:**
TTM: \$804K
2020: \$725K
2019: \$609K
- Compelling acquisition factors:
 - Business with growing recurring revenue and high profitability metrics
 - Leading player in a highly fragmented and recession/covid resistant industry
 - Low capital expenditure, easily expandable, asset light business
 - Readily implementable growth opportunities with both existing and new customers
 - High Customer Return on Investment compared to alternative options
 - Well-organized with conservative accounting practices
 - Will benefit from infrastructure spending for power and internet improvements
 - Little competition of any size offering on-location services that are off hours

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Regional Mobile Truck Fleet Preventative Maintenance Company – Recurring Revenue with Strong Growth Opportunities

Company offers a comprehensive array of services for small-to-large truck fleet operators in a highly fragmented and unstructured niche industry. Their services include **oil changes, other routine maintenance and minor repairs** that are performed **in the field at the client's site** on larger trucks such as utility company bucket trucks. The Company performs its services **primarily on weekends and at night** allowing clients to maximize fleet and field personnel utilization, reduce expenses, and outsource a non-core activity. The Company's services are more extensive and flexible than most local competitors, allowing clients with wide geographic footprints to consolidate vendors. The Company **services most customers' trucks 3-4 times per year** on an agreed upon schedule and retained **all significant customers for more than ten years**, expanding its business over time with most.

In 20 years, current ownership has grown the Company from one truck and two employees to its current size of 7 trucks and 15 employees with a good culture and a stable workforce. The Company has grown its sales at a **CAGR of 12.8% since 2017** with a high TTM **gross profit margin of 43.7%** and an impressive **Sellers' Discretionary Earnings ("SDE") margin of 26.1%**.

	Proforma Financials, Net of Adjustments (000's)			As of 11/30/21	
	2018	2019	2020	TTM	YTD 2021
Total Revenue	\$ 2,229	\$ 2,656	\$ 2,850	\$ 3,080	\$ 2,810
Growth (y/y)	NA	19.2%	7.3%	10.5%	8.9%
Gross Profit	\$ 972	\$ 1,107	\$ 1,245	\$ 1,347	\$ 1,225
Gross Margin %	43.6%	41.7%	43.7%	43.7%	43.6%
SG&A	\$ 448	\$ 499	\$ 520	\$ 542	\$ 494
Sellers' Discretionary Earnings	\$ 524	\$ 609	\$ 725	\$ 804	\$ 731
Margin %	23.5%	22.9%	25.4%	26.1%	26.0%

The Company has excellent growth opportunities. A number of customers have asked for additional services and/or for additional territories to be serviced. In addition, potential new customers have sought out the Company as it is one of few companies combining two highly valued characteristics: a) services on the customer's equipment site and b) after-hours service to larger vehicles where utilization is important. **Expansion requires little capital** – approximately \$75,000 for a truck, and a satellite facility can be as simple as a storage unit with parking. The current owners have not pursued many of these opportunities due to a high level of satisfaction with the current business size and activity level. The Company's fixed assets are relatively new with **little replacement capex needed for 2-3 years**.

The owners are selling the business to diversify their assets and reduce their level of work-related activity. The primary operating owner will stay on for a period and is particularly interested in helping grow the Company in a consulting sales role. The other owner, part-time accounting manager, will assure continuity in accounting through a transition period.

Financial and operations controls and processes are in place to further grow the business in several areas including expanding into additional sites, industry coverage such as sign maintenance and municipal service trucks, as well as expansion into alternate vehicles such as buses and delivery trucks.