













Business Overview

RE: Steel Manufacturing & Ag Focused Project Management

Specifications

 Price \$10,500,000	 Cash Flow \$3,694,821	 Revenue \$39,434,598
 Equipment \$4,128,796	 Account Receivable \$1,405,633	 Inventory \$1,091,675
 Location Nebraska	 Reason for Sale Retirement	 Service Area Nationwide clients with a concentration in the Plains states
 Employees 60 FT	 Valuation \$10,544,699	 Industry Manufacturing/Fabrication



SUMMARY OF THE BUSINESS –

A leader in the manufacture and fabrication of livestock housing facilities, this ag-focused project management company recently erected one of the largest dairy facilities in North America. Over \$71,000,000 is out to bid for projects over the next 2 years, with one project for a dairy facility in Texas worth \$48MM. The company has a finely-honed process, with a Sales Team securing bids, in-house Designers and Engineers leading the planning stages, and Project Managers

overseeing the construction process for facilities and the confinements inside.

Four buildings house offices, a warehouse, a mild steel manufacturing shop and a stainless-steel manufacturing shop. Looking to increase margins, the company purchases materials from other manufacturers and then customizes orders to client needs. The majority of projects take about 90 days for completion, but larger projects can span from 6 months to 1 year in length.

While a majority of customers are located in Nebraska and Iowa, many more come from other Plains states, with multi-million-dollar contracts in place in Utah and Idaho. Priced at \$10,500,000, this is a Midwestern-based company with great potential to grow in ag and to break into other industries.

Business Highlights

- Years in Business: 30+
- Location: Eastern Nebraska
- Service Area: Nationwide clients with a concentration in the Plains states
- Sales Breakdown: 51% Project Management / 39% Manufacturing / 10% Equipment Sales
- Construction Breakdown:
 - Swine – 73%
 - Dairy – 10%
 - Commodity – 9%
 - Cattle – 7%
 - Remodel/Rebuild – 1%
- Steel Fabrication Breakdown:
 - Transport/Trailer – 41%
 - Food/Water Processing – 26%
 - Retail – 9%
 - Ag/Farm Equipment – 7%
- Building: 4 – Office (6,816 sq. ft.); Warehouse (7,848 sq. ft.); Mild Steel Mfg. Shop (18,840 sq. ft.); Stainless Steel Mfg. Shop (21,560 sq. ft.)
- Reason for Selling: Retirement
- Employees: 68 FT
- Seller Training Period: Negotiable
- Growth Opportunities: Increase online presence
- Current Owner's Responsibilities: President

Financial Highlights

- List Price: \$10,500,000
- Gross Sales
 - 2017 - 2018: \$34,517,423 Annualized
 - 2016 - 2017: \$39,434,598
 - 2015 - 2016: \$21,808,046
 - 2014 - 2015: \$20,797,106
 - 2013 - 2014: \$24,937,276
- Cash Flow
 - 2017 - 2018: \$3,694,821 Annualized
 - 2016 - 2017: \$2,571,878
 - 2015 - 2016: \$1,477,253
 - 2014 - 2015: \$1,245,994
- YOY Growth Trends: Large project is projected to bill \$30MM over a 2-year period, which has contributed to the jump in sales for 2016
- Assets Included in Purchase Price:
 - Equipment:
 - Manufacturing - \$2,891,264
 - Heavy Equipment - \$577,680
 - Office - \$659,852
 - Vehicles: \$1,200,529
 - Inventory:
 - Building Materials - \$324,591
 - Finished Goods - \$158,395
 - Raw Material - \$608,689
 - Backlog: \$14,182,000 (\$13.5MM in construction)
 - A/R: \$1,405,633
 - Work in Progress: \$1,812,568
- Bids out for 2018/2019: \$71,770,000

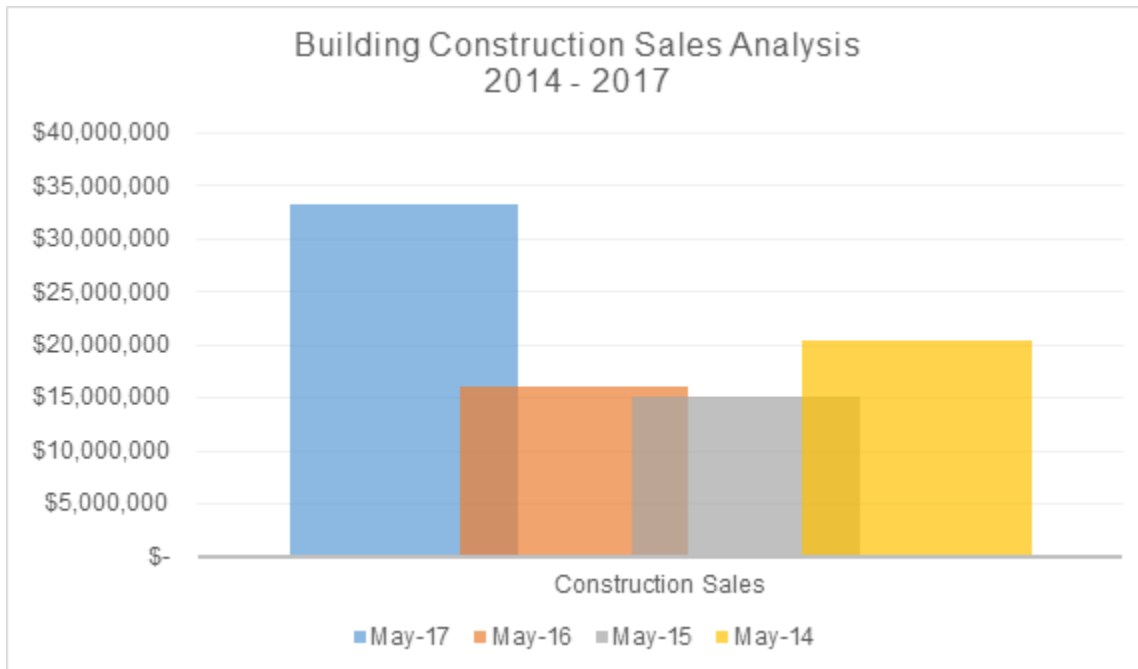
**amounts may vary – equipment & vehicles are listed at replacement value*

Cash Flow Analysis

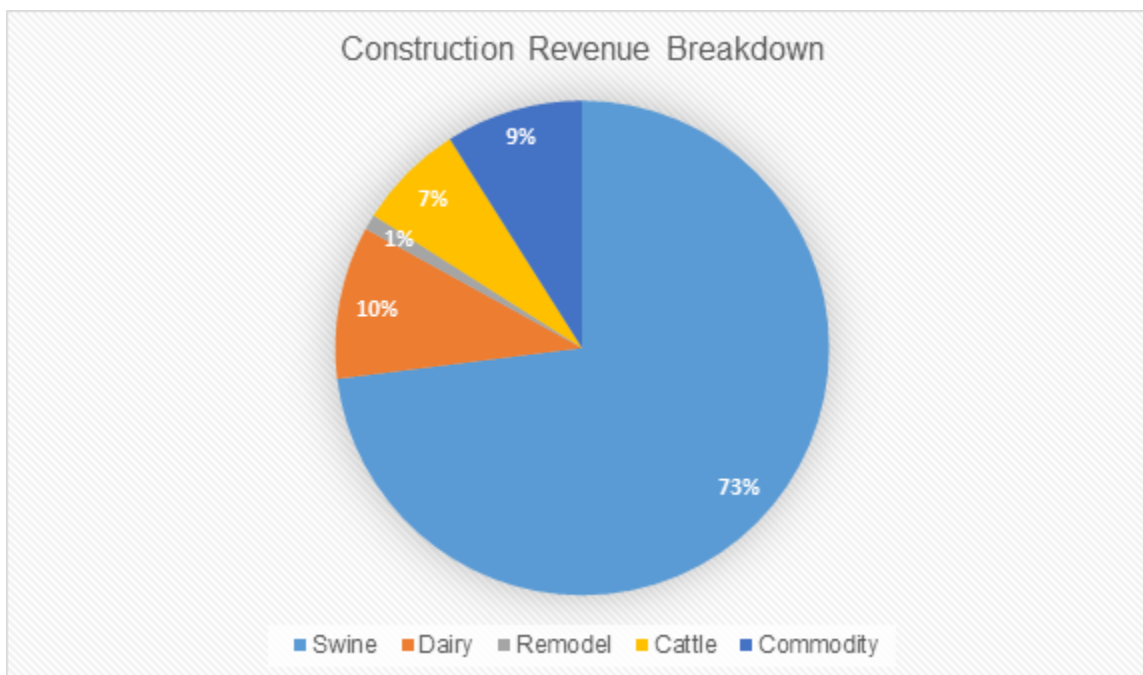
Description of Financial Statement	P&L Statement Audited Financials	P&L Statement Audited FYE May 31	Tax Return	Tax Return	Tax Return	Tax Return	Notes
	2017-2018	2016-2017	2016-2017	2015-2016	2014-2015	2013-2014	
GROSS SALES	\$25,888,067	\$39,434,598	\$39,434,598	\$21,808,046	\$20,797,106	\$24,937,276	
Annualized	\$34,517,423						
Net Income Shown on Financial Statement	\$1,126,797	\$561,021	\$790,492	\$178,914	\$223,685	\$458,613	
ADDBACKS							
Compensation to Owner	\$58,500	\$84,102	\$84,102	\$78,000	\$92,487	\$80,000	
11% Tax on total W2 Salaries	\$6,435	\$9,251	\$9,251	\$8,580	\$10,174	\$8,800	
Depreciation	\$20,248	\$330,524	\$331,264	\$584,597	\$385,591	\$676,884	Non-cash item
Interest	\$0	\$438	\$438	\$3,389	\$7,858	\$4,812	Non-onward going expense
Contributions/Donations	\$3,550	\$7,215	\$7,215	\$3,650	\$1,556	\$3,205	Non-onward going expense
Life Insurance Premiums	\$37,188	\$30,760	\$30,759	\$15,015	\$15,877	\$59,221	For owner
ESOP Contributions	\$431,232	\$500,357	\$500,357	\$379,876	\$308,650	\$271,297	Non-onward going expense
Provision for Income Taxes	\$314,613	\$302,619	\$0	\$0	\$0	\$0	
One-Time Professional Fees	\$25,553	\$35,000	\$35,000	\$0	\$0	\$0	Professional Fees never more than \$35,000 for 4 years prior
Consulting	\$747,000	\$983,000	\$983,000	\$425,232	\$400,116	\$166,983	Paid back to owner
Rent	\$0	\$-200,000	\$-200,000	\$-200,000	\$-200,000	\$-200,000	Rent Adjustment
TOTAL ADDBACKS	\$1,644,319	\$2,083,266	\$1,781,386	\$1,298,339	\$1,022,309	\$1,071,202	
Seller's Cash Flow = Total Addbacks + Net Income	\$2,771,116	\$2,644,287	\$2,571,878	\$1,477,253	\$1,245,994	\$1,529,815	
Annualized	\$3,694,821						
Profit Margin	10.70 %	6.71 %	6.52 %	6.77 %	5.99 %	6.13 %	

- Business has not been largely affected by the economic downturn in past years
 - This is due to diversification of revenue stream via steel fabrication

Revenue Analysis



- Construction revenue is dependent on contracts and some market swing
- There is a current contract that should bill 30MM over a 2-year period



- 73% of construction comes from the swine industry
- Aftermarket retail is mostly for the swine industry as well

Steel Fabrication

Transportation/Trailer	41%
Food/Water Processing	26%
Miscellaneous	13%
Retail/Store Industry	9%
Ag/Farm Equipment	7%
Home/Hospital	4%
Pharmaceutical	1%

While one segment of the company is focused exclusively on the ag industry, the fabrication segment balances out with concentrations in other areas to ensure that the company is less subject to industry swings.

Clients

Livestock Confinement

- Concentration in Nebraska and touching states
- Also working in Illinois, Indiana, North Dakota, Utah, Idaho, Oklahoma, and Minnesota
- Dairy customers are large individuals and feedlots
- Beef producers are smaller operations
- Mid-range construction

Steel Fabrication

- Majority are not in agriculture
- Large presence in transportation
 - Has contract with major client for manufacturing back bumpers, tire carriers and more

Services

Facilities

- No prefabrication
- Custom made to producer's needs
- Materials sourced from third party that can manufacture on a cheaper margin
 - A lot of material comes from China

Swine | Dairy | Beef | Poultry | Metal and wood frame ag shop/storage

Pre-Project Planning

- Budgeting
- Site selection analysis
- Facility design
- Permitting

Construction Service Options

- Complete turnkey
- Construction management
- Project scheduling
- Post-construction service
- Warrant service
- Scheduled maintenance service



Steel Fabrication

Engineering & Design | CNC Machining | Laser Cutting | Welding | Finishing
Water Jet Cutting | Punching & Shearing

- In-house engineering & design utilizing CAD technology for geometric data transfer
- Custom nesting software
- Ability to stack material
- MIG, TIG, ARC and spot welding
- SS Finishing
- Plating – electro polishing, chrome, zinc
- Powder Coating

Machinery

Haas ST 30	Haas VF 2 SS	Fadal	Mazak 400w Optiplex	Calypso 50hp
Accushear 625	HMI 7810-25	Accupress 60 Ton	Euromac 1250 30 ton	Accupress 400 ton

Equipment – gestation, farrowing and finishing equipment developed with each producer's special requirements

- Flooring systems
- Feed systems
- Alarms
- Ventilation systems & parts
- Cooling systems
- Watering
- Plumbing
- And more!

**Some equipment is fabricated and sold by the company, however, the company is a dealer for many brands and most equipment sales are for those brands*

Work

- Average project is \$1MM - \$1.5MM
- A majority of projects last about 90 days
- Large projects span between 6 months – 1 year

Work Orders

- 100 – 200 manufacturing work orders per month
- 10 – 20 construction work orders at any time

For the year ended May 31, 2017:

- 11 uncompleted contracts of \$43MM
- Estimated Gross Profit of \$9,434,107

Assets

Inventory - \$1,091,675

- Building Materials - \$324,591
- Finished Goods - \$158,395
- Raw Material - \$608,689

Equipment - \$4,128,796 (replacement value)

- Manufacturing - \$2,891,264
- Heavy Equipment - \$577,680
- Office - \$659,852

Vehicles - \$1,200,529 (replacement value)

A/R - \$1,405,633

Work in Progress - \$1,812,568

Backlog - \$14,182,000

- \$13.5MM of this is construction

Employees

- 68 FT
 - Most are laborers
- 95% of construction/installation is handled by subcontractors
 - Electricians, plumbers, carpenters, concrete workers
- Sales Reps make contact with clients
 - Designs for what the client wants
 - Visits sites
 - Prepares proposals
- Super Intendent creates blueprint
- Sales Manager (2)
 - One for the confinement operations
 - One for the steel fabrication operations
- CFO
 - Risk management, HR, financial oversight
- Tech Sales Rep for buildings and equipment

To receive a full financial package and specific information regarding this business:

1. Complete the Qualified Buyer Documents (Non-Disclosure Agreement and Buyer Questionnaire) [on our website](#) or print, scan and return the attachments to info@TheFirmB2B.com
2. Call The Firm Business Brokerage at 402.998.5288 to schedule an appointment or conference call with a Broker.

The Firm currently has over 90 cash flowing businesses available. If you find that this is not a fit for you, please let us know and we would be happy to provide you with other opportunities.

The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Brokerage, LLC.