

Reference 1237

### Acquisition Opportunity

## **DIVERSIFIED SPECIALTY METAL MANUFACTURING COMPANY**

**Business Description:** The Company designs and manufactures from concept to completion a wide range of heavy metal products. Organized primarily to serve the oil and gas industry, it quickly developed a reputation for excellence that has propelled it into a much larger and more diverse marketplace. The Company is well pedigreed, ASME Code accredited and utilizes state of the art processes and technologies to insure quality and on-time delivery. It is a customer driven service operation with field and offshore construction and maintenance personnel covering a tri-state area including Louisiana. Products include heavy pressure tank and heavy skid mounted components.

The Company has three locations totaling over 60,000 sq. ft. Facilities consist of modern manufacturing and production space, an industrial coatings shop and a mechanical assembly shop with top running bridge cranes. Facilities include waterfront capability for the turnkey construction and installation of small to medium size offshore structures. The Company has approximately 300 non-union employees.

**Distribution:** The Company has long term relationships with most major oilfield service companies, with its other products and technologies valuable to the agriculture, pulp and paper, petrochemical and marine industries. Its approximate annual breakdown on markets served includes:

Oil and gas	50% onshore and offshore.
Agriculture	20%
Marine	15%
Power	15%

**The Transaction:** The two Owners seek a sale, merger or recapitalization to enable continued orderly growth of the business. They estimate \$50mm in sales is realistic. Both Owners are active as key management executives and are willing to remain.

**Financial Information:** The Company is a C-corp. As of 6-30-07, total assets are \$14,136,852, revenues are \$13,026,103 and EBITDA is \$1,308,315.

### **Financial Summary (\$000)**

	<b>2006</b>	<b>2005</b>	<b>2004</b>
Revenues	29,713	17,903	11,632
EBITDA	2,718	1,228	540

<b>Location</b>	<b>Audited Financials</b>	<b>Management Team in Place</b>	<b>Years in Business</b>
Gulf Coast	No	Yes	20