

Reference 2332

**Regional Metal Service Center / Recycler (SIC 5093)**

**Business Description:**

This company recycles scrap and metal products, typically rail cars and automobiles, and processes and sells the raw metals. The company sells into the same commodity distribution channels as other metal producers. They maintain their own in-house brokerage operation to control sales and hedge their risk.

The sale includes the tangible assets (fixtures and equipment, including new, large, efficient processing equipment), intangible assets (the business model and relationships), but not the real estate.

**Distribution:**

The company gets scrap metal and vehicles from a range of sources and sells into the metals market via their in-house brokerage operation. The business is currently capacity constrained as they have more supply than they can service and they sell to a commodity market.

**Operational Strengths:**

Strong, experienced, management team that has attracted new customers and built a strong regional reputation for quality. above average margins for the industry. excellent growth prospects. Current performance is capacity constrained – an injection of less than \$10 Million would allow them to triple capacity and service larger rail companies.

**The Transaction:**

One Owner (CEO / 49%) would like to cash out and retire. The other owners (GM/ 48% and CFO/ 3%) would like to retain an equity position and stay with the company.

**Financial Information:**

**Financial Summary**  
(U.S. \$MM)

	<u>2007 Est.</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenue	<b>27.0</b>	<b>22.0</b>	<b>16.6</b>	<b>14.6</b>
Adjusted EBITDA	<b>4.5</b>	<b>3.6</b>	<b>2.0</b>	<b>1.7</b>