

# MERGEN

## INTRODUCTION: GENERAL CONTRACTING INFRASTRUCTURE COMPANY IN NEW YORK

The Company is a union general contracting company with a diverse area of experience in the heavy civil construction industry, operating primarily in New York City's five boroughs, it's surrounding counties, and in the states of Delaware, New Jersey, New York, and Pennsylvania.

**Established in 1987, the Company has achieved a successful track record with \$1.6 billion revenue in total during the last three and a half decades.**

Company offers a variety of retrofitting and maintenance infrastructure services with a focus on the following areas:

- Bridge repair
- Painting
- Mass transit structural rehabilitation

Company has developed a strong presence in the rehabilitation and reconstruction of bridges, especially in linear staged construction and performance of maintenance contracts with multiple locations that require several traffic flow configurations. Aside from its routine work, the Company also provides services in New York metropolitan area on movable (bascule, swing or lift) bridges.

Company has successfully worked for various transportation and local government agencies, including New York State Department of Transportation (NYSDOT), New York City Department of Transportation (NYCDOT), New Jersey Department of Transportation (NJDOT), New York City Transit Authority (NYCTA - MTA), The Triborough Bridge and Tunnel Authority (TBTA - MTA), Port Authority of New York and New Jersey (PA of NY/NJ), and New York City Economic Development Corporation (NYCEDC).

Since its inception, the Company has demonstrated strong ability to:

- Provide in-house construction management teams with extensive knowledge of structural, architectural, and painting methodologies;
- Provide field supervisory crews who have extensive knowledge and experience in lead abatement, complex paint applications, access platforms and shielding systems, erection and removal of temporary shorting and structures, drainage systems, concrete applications and repairs, masonry, demolition, and removal and erection of steel;
- Bring expert subcontractors with whom it has had a long-term relationship with; and
- Mobilize and maintain expert crews on multiple shifts.

## KEY INVESTMENT HIGHLIGHTS

- Strong relations established with all major state and local government agencies and institutions through its 33 years presence in NY and NJ heavy/civil infrastructure and construction industries and through successful completion of 50+ projects with a cumulative worth above \$1.6 billion.
- Capability to bid 20-25 complex heavy/civil projects per year with current team of a Chief Estimator and 5 estimators. 15-20% project win ratio depending on the state of the market. Existing sophisticated estimating systems that allow for rapid upscaling of the bidding capacity through hiring.



- Strong financial results, healthy gross profit and operating profit margins last decade. Please note that full investment deck, and financial schedules and projections are available after signing our NDA.
- Major investments on personnel and systems over the last decade. Fully implemented top notch estimating (HeavyBid), cost control (HeavyJob), contract management (Oracle/Primavera Contract Manager), progress control (Oracle/Primavera P6), and accounting (Sage, Timberscan) systems. Trained, experienced and dedicated personnel who can utilize them effectively and efficiently.
- Capability to execute and manage both self-performed and sub-contracted work profitably and efficiently through creative approaches and solutions of in-house engineering talent.
- Well established and long-term Surety, Banking relations with reputable organizations. Consistent auditing process with the same accounting and auditing company from the beginning.
- In the Top 50 NY Contractors List of ENR in 2017 and 2018.
- Long term strong relations with various labor unions from different regions. Capability to self-perform 70-80% of project scopes with its own workforce. Specialization in paint, steel, and concrete work of elevated structures and rehabilitation of movable bridges.
- Main office with a very reasonable lease (until May 2025) at a prime area and transportation hub. Second floor walk-up Office with roomy partitions, and ample underground parking.
- Well-equipped machine yard/warehouse/repair-shop with ample space, reasonable lease, and good location to support job sites efficiently.
- Various post-pandemic federal stimulus programs like \$1.5 trillion Moving America Forward Act, \$500 billion INVEST in America Act and others, that are expected to be materialized soon. It is widely believed that a considerable portion of these funds will be used towards heavy/civil infrastructure projects at the City and State level.

- The Company is well positioned to benefit from the anticipated increase of infrastructure and bidding activities. “President Biden’s ‘American Jobs Plan’ lays out a \$2.25 trillion, 8-year program of investments in an array of what the Administration broadly describes as ‘infrastructure,’ from traditional bricks-and-mortar spending on roads, bridges, transit, rail and water & sewer systems.”

The U.S. House of Representatives approved first phase of the Biden administration’s infrastructure plan, a five-year, \$715 billion transportation bill in early July 2021.

- Current state of the U.S. infrastructure industry is very strong and industry experts have positive expectations and strong forecasts.

## OBJECTIVE

Company is a family-owned business. The subject transaction is triggered by the family’s succession plans. The second and third generations would like to focus on their other businesses and investments, and divest their ownership interest in the Company.

**Based on the family’s succession plans, the owners of the Company are interested in selling the entirety of the business to a strategic buyer and/or growth-oriented investor.**

The existing management and key executives and personnel are willing to stay at the Company upon the sale of the entire business. The management strongly believes in the Company, and with its strong track records and references, they pledge a smooth transition of ownership and a successful venture. The management believes that strong opportunities offered by the industry and growth potential under the new ownership would make it a great investment for the new owners.

