TELOS CAPITAL ADVISORS
ADVICE/REPRESENTATION/RESULTS

Acquisition Opportunity

Investment Highlights

- Gross Revenue:
  2021: $8.5 million
  2020: $7.1 million
  2019: $5.1 million

- Adjusted EBITDA:
  2021: $1.6 million
  2020: $1.0 million
  2019: -$2K

- Compelling acquisition factors:
  - Business with rapidly growing revenue and high profitability metrics
  - Highest performing territories of the strongest brand in the business nationwide
  - Leading player in the highly fragmented and recession resistant industry
  - Differentiated service offerings put Company in a less competitive, more profitable niche subset of the market
  - Market experiencing high population growth and increased demand for services
  - Low overhead and asset light business
  - Substantial growth opportunity in recurring pest control business
  - Market share increasing opportunities by focusing on geographies with lower penetrations within the territories
  - Prominent growth opportunities in partnering with HVAC companies for referral

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Acquisition Opportunity of Highest Performing Territories of a Premier National Animal Wildlife and Pest Control Franchise

The owners seek a minimum Total Enterprise Value of $9.5 million.

Telos Capital Advisors is representing a full-service animal wildlife management and pest control franchisee that owns major Texas territories. The Company has been servicing residential and commercial clients for over 23 years in one of the fastest growing metroplexes in the United States. The Company offers animal intrusion remediation and repair services, a highly fragmented industry. The Company has carved a niche in the market by specializing in not only animal intrusion remediation and repair but also insulation removal and installation as part of the cleanup and restoration process. Their services include dead animal removal, live animal catch and release, and animal penetration prevention. They also offer recurring pest control services. Their services are more extensive than an average franchisee in the network and most local competitors.

The Company has developed operational efficiencies allowing them to cut unnecessary costs and improve profitability. A buyer would acquire a streamlined lead-to-customer niche service offering within a recession- and Covid-resistant industry with attractive remaining growth potential.

The Company has grown its sales at a **CAGR of 30%** over the last two years with impressive adjusted earnings before interest, taxes, depreciation, and amortization ("EBITDA") margin of approx. 20% for the last year. **Year 2021 revenue was $8.6 million and $1.6 million of adjusted EBITDA.**

Financial Results	2020	2021
Revenue	$7,080,832	$8,529,191
Cost of Goods Sold	$2,513,403	$3,078,869
Gross Profit	**$4,567,429**	**$5,450,321**
Operating and Other Expenses & Income	$4,374,243	$4,755,828
Net Income	$193,186	$694,493
Adjusted EBITDA	**$1,033,773**	**$1,606,974**

Opportunity and Transaction Rationale

The current owners of the Company are selling the business to focus on their personal goals, retirement and family. The wife (50% owner) is not active in the business. The husband (50% owner) will stay on through a transition period to ensure a successful transition.

Financial and operational controls and processes are in place to further the growth of the business in several areas including pest control, geographic penetration, focused lead prospecting, team expansion and business partnering for referrals.

The Franchisor will need to approve the new owner.