

Available for Acquisition

**4<sup>th</sup> Generation, Family-Owned Sawmill and Wood Production Manufacturing Co.  
14.5 million EBITDA**

*Project Woodchuck*

**Opportunity Type:** Acquisition  
**Location:** 2 locations both in the Southeastern United States  
**Industry Focus:** Manufacturing; Forest to Finished Products: Lumber and Flooring  
**Number of Employees:** 201

**OVERVIEW:**

Operating from state-of-the-art facilities located in the Southeastern United States, this company started with one truck, and a forklift. Built on the backbone of four generations and 114 years of combine industry experience, the Founders have grown the company to 201 employees operating out of two locations, comprised of approximately 344,000 square feet of production space spanning a total of 145 acres of land.

The company's ability to control every step in the process from forest to finished product enables them to produce exceptional, high-quality hardwood, cypress, and pine products along with engineered flooring, complimented by a variety of value-add services to distributors throughout the continental United States and international markets around the world.

**INVESTMENT HIGHLIGHTS:**

- ❖ Located in the Southeastern United States this company enjoys a competitive edge, having access to ample premium grade wood sources, low taxes, and a robust labor pool.
- ❖ Highly experienced and relatively young management team expected to stay post-acquisition.
- ❖ Diversified product mix: Multiple lines of lumber and engineered wood products.
- ❖ Diversified customer base and geographic footprint that spans 7 countries with the majority of revenue generated stateside.

**GROWTH OPPORTUNITES:**

- ❖ The Company started the Engineered Flooring operation in 2017 and this part of the operation is expected to continue a natural "ramp-up" trajectory while being augmented by growing demand for engineered wood products.
- ❖ The Company works to keep up with technological advances and just added a new capability that will increase production. They are also looking at another advancement that would further automate processes and reduce cost and increase production.

- ❖ Demand for US based lumber is expected to increase as lumber supply out of Canada continues to dwindle, a result of the ongoing Pine Mountain Beetle infestation.
- ❖ Climate Change could drive demand for lumber use. Lumber products stores more carbon than they produce and as the building industry moves toward meeting climate impact goals, they look to lumber products over steel and concrete. Mass Timber Products, while relatively new to market, are products that are expected to significantly change the building industry in the future.

#### FINANCIAL HIGHLIGHTS:

	2019A	2020A	2021A	TTM 07/22
<b>Revenue</b>	<b>49,111,790</b>	<b>44,812,274</b>	<b>67,050,949</b>	<b>70,209,724</b>
COGS	(26,180,893)	(23,762,104)	(37,167,389)	(39,843,947)
<b>Gross Profit</b>	<b>22,930,898</b>	<b>21,050,170</b>	<b>29,883,560</b>	<b>30,365,777</b>
<i>Gross Margin %</i>	<i>46.7%</i>	<i>47.0%</i>	<i>44.6%</i>	<i>43.3%</i>
<b>Operating Income</b>	<b>3,205,068</b>	<b>1,113,052</b>	<b>7,339,357</b>	<b>11,456,748</b>
<b>Adjusted EBITDA</b>	<b>\$ 5,633,880</b>	<b>\$ 2,678,190</b>	<b>\$10,103,202</b>	<b>\$ 14,584,615</b>
<i>Adjusted EBITDA Margin</i>	<i>11.5%</i>	<i>6.0%</i>	<i>15.1%</i>	<i>20.8%</i>

Source: Company Financials.

**REASON FOR SALE:** The Founders are ready to retire and younger family members have other interests.

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