



SOUTHBRIDGE ADVISORY GROUP, INC.

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## **DISTRESSED SALE OF RAILROAD MANUFACTURING COMPANY**

Southbridge is introducing a distressed sale acquisition that has a short window of opportunity to complete, but offers excellent return on investment.

The acquisition is a small but profitable specialty manufacturer and re-manufacturer of equipment needed and desired for rail services. Their market can be international if desired. Their current backlog is over \$1,500,000 at 46% gross margin with \$3,000,000 outstanding in quotes. Revenues have consistently been around \$2,500,000 for the past three years with \$500,000 in normalized EBITDA. Equally important, a team that offers critical industry experience is in place, and only needs a general manager / financial management. We have procured such an individual for the role, if desired by the acquiring entity. A key team member has over 26 years of international experience. With proper overview management, the company is project to create over \$5,000,000 in revenue at the same EBITDA ratios in year one post acquisition and reorganization.

Synergistic acquisitions can be added to this company to quickly create \$20,000,000 - \$30,000,000 annual revenues. These acquisitions would create a single source vendor for the same buyers within the various companies within this market niche.

The company has hard assets of \$6,000,000 and can be purchased for \$3,800,000 as an asset purchase. To maximize growth \$250,000 in capital improvements should occur in year one of acquisition.