

Business Sale Overview Memo

Project Highway

Business Opportunity

- Opportunity to invest in or acquire a leading Traffic Management and Civil Engineering business based in the North-West and with operations also in Yorkshire and East Midlands.
- The Company operates in two clearly defined separable business divisions and offers could be made for either or both divisions.
- The current issues facing the Company stem from a contraction of activity and bad debts suffered by the Civils division. Whereas the Traffic Management division remains resilient and strongly performing with EBITDA for 2024 forecast to improve to >£1.1m v 2023 at £0.6m

Business Overview

KEY MARKETS

- The Company operates in the main on secured framework agreements with Tier 1 utility companies, local authorities and developers.
- The Traffic Management division has operated from its North-West base since 2002 and has developed strong long-term relationships. Additional depots have been opened in recent years as part of its expansion plans.

BUSINESS REVIEW

- The Traffic Management division operates a full turnkey service from planning, CAD drawings through to delivery controlled by its owned works management system. Services are undertaken in-house with delivery by Lantra qualified operatives. The division has growing revenues and profitability.
- The Traffic Management business is focused on low-speed works, but there are high-speed capabilities. The division operates a significant fleet of owned traffic lights and a mix of owned and leased vehicles.
- The Traffic Management business has a secured orders book of £5.1M to underpin the 2024 sales forecast of >£6M, with EBITDA to exceed £1.1m (20%)
- The Civils division has historically performed well but has encountered difficult trading conditions over the last 6 months.

ACCREDITATIONS

- Constructionline Gold
- Railway Industry Supplier Qualification Scheme
- ISO 9001, 14001 and 45001
- National Highway Sector Schemes – 12AB 12D and 12C
- Achilles UVDB
- CHAS
- Member of the Traffic Management Contractors Association (TMCA)

	TM			Civil	
	FY24 Forecast	Dec 23 Mgmt	Dec 22 Mgmt	Dec 23 Mgmt	Dec 22 Mgmt
	£'000	£'000	£'000	£'000	£'000
Balance Sheet					
Fixed assets	-	577	716	136	157
Current assets					
Stocks	-	-	-	25	34
Debtors	-	855	1,083	1,008	633
	-	855	1,083	1,033	667
Current liabilities		(1,134)	(1,430)	(1,287)	(651)
Net current assets / liabilities	-	(279)	(347)	(254)	15
Total assets less current liabilities	-	298	368	(118)	173
Net assets	-	298	368	(118)	173
P&L					
Turnover	6,000	5,064	4,586	7,009	6,196
Cost of Sales	(3,662)	(3,199)	(3,431)	(5,744)	(4,893)
Gross Profit	2,338	1,865	1,155	1,265	1,303
Gross Profit Margin	39%	37%	25%	18%	21%
Administrative Expenses	(1,163)	(1,219)	(769)	(894)	(703)
EBITDA	1,175	646	386	371	601
EBITDA %	20%	13%	8%	5%	10%

Expressions of Interest

Requests for further information should be addressed to Neil Evans of SIA Group. Contact details have been provided below.

All interested parties must send their expressions of interest by 5pm on 1 March 2024. All offers must be supported by proof of funding.

For further information please contact:

Neil Evans – SIA Group
T. 07872 543 480
E. neil.evans@sia-group.co.uk

