



## HET307 – Multi-national Manufacturer and Leading Australian Supplier of Excavator Attachments

### Business Summary

- Highly successful provider of wear parts and attachments to the mining, construction, quarrying, demolition, waste, recycling and agricultural industries for hydraulic excavator equipment.
- Based in Melbourne, Victoria, Australia with clients across Australia.
- Significant and ongoing increases in profit margin due to the strong growth in the Australian mining, construction and resources sector.
- Projected revenue for the year 2015 is AUD\$15m with a 7% EBITDA.
- The business relies on a well-established R&D department which has developed an innovative, patent protected attachments technology for hydraulic excavator equipment.
- Multi-national manufacturing partnerships in India and China managed by the company's staff to complement its Australian operations.
- The business secures <15% per annum of the addressable market for its products and services in Australia, which has a market size between AUD\$125m – AUD\$150m
- The client base is made up of several large corporate accounts in the coal sector as well as independent contractors, agriculture, demolition, waste and recycling customers in the SME market.
- The company has a good spread of clients with low single customer dependence.
- Experienced and visionary team of mining, construction and resources entrepreneurs and industry professionals with extensive backgrounds in the industry.
- The company is backed by a loyal and talented team with deep vertical expertise who are committed to the further development of world-class manufacturing relationships which have been instrumental in building its market-leading service and technology platform.
- The business represents an opportunity to other investors or companies who want to enter or expand participation in the Australian mining, construction and resources sector, the 4th largest market of its kind in the world.





## Products and Services

- Full CAD-based R&D service.
- Innovative, patented hook-up element of attachments for hydraulic excavator equipment.
- Buckets, wear parts, attachments.

## Employees

- The current CEO joined in 2003 and the company has 57 full time employees who are working out of the company headquarters.

## Premises

- Plants located in Australia, India and China.

## Reason for sale

- The company is majority family owned and the founder wishes to retire.

## Financial overview

<i>AUD</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015 Forecast</i>	<i>2016 Forecast</i>
<b>Sales revenue</b>	<b>17,000,000</b>	<b>13,000,000</b>	<b>12,000,000</b>	<b>15,000,000</b>	<b>17,000,000</b>
<b>EBITDA</b>	<b>1,360,000</b>	<b>390,000</b>	<b>240,000</b>	<b>1,050,000</b>	<b>1,530,000</b>
<i>Percentage</i>	8%	3%	2%	7%	9%

- Management expect strong growth over the next few years, due to an increase in mining output, development of new mining projects and the renewed political commitment to major infrastructure projects from 2015 onwards.

## Offers invited