

HIM163 –Renewable Energy Systems Provider for Sale South of England

Executive Summary

Outstanding opportunity to acquire a uniquely positioned renewable energy provider specialising in the design, installation and maintenance of ground source heat pump systems.

Trading for just over 6 years, the company offers a compelling free of charge service to its clients by utilising a UK government funding scheme providing a guaranteed 20 year revenue stream.

The company already owns and operates 36 commercial heat pump installations, increasing to over 100 by 2021 based on projects already committed. Guaranteed revenues from these installations alone are £44.8m.

The company has established itself in a niche sector of the construction industry where there is a strong and increasing demand and is highly scalable through penetration into other areas of the construction sector.

The sale offers an outstanding acquisition opportunity for other renewable/green energy companies or general utilities engineering companies looking to diversify into this new and rapidly growing sector. We also anticipate significant interest from investment firms in the area of renewable energy.

Highlights

- Design, installation and maintenance of heat pump systems
- Sister company within the group which raises funds for installation and secures guaranteed long-term government revenues
- Highly experienced design and installations teams
- Well established in a niche sector of the construction industry
- Accredited under the government Microgeneration Certification Scheme and members of the Renewable Energy Consumer Code.
- Employees: 2 x Directors, + 5 staff and a network of highly skilled sub-contractors
- Premises: 80sq.m leasehold office premises in South of England

Financial overview – Forecast 2018

- Forecast revenue to the end of the financial year in December 2018 is for group revenues of c.£5m and adjusted EBITDA of £450k.
- The Installation side of the business alone generated revenues of c.£2.4m for the year to December 2017.
- From the installations already completed or committed by current clients to 2021, the guaranteed revenues for the 20-year period are £44.8m.

Current Year Group Forecast

<i>Year ending 31st Dec</i>	<i>2018</i>
Sales revenue	£5,000,000
Adjusted EBITDA	£450,000
<i>Percentage</i>	8.9%

Cumulative 20-year revenue – current committed projects only

Year	No. of installations completed (Cumulative)	Projected 20 year revenue of completed sites (cumulative)	NPV @ 5% discount rate	20 year maintenance cost
June 2018	36	£15.8million	£5.2million	£1.4million
June 2019	54	£24.2million	£8.0million	£2.2million
June 2020	74	£33.2million	£11.4million	£3.0million
June 2021	100	£44.8million	£15.4million	£4.0million

Offers invited