

**Company A | PROJECT XXX**  
[www.CompanyA.com](http://www.CompanyA.com)

<b>Date:</b>	5/8/20XX	<b>Location:</b>	XXX
<b>Deal Source:</b>	XXX	<b>Legal Structure:</b>	N/A
<b>Primary Banker:</b>	XXX	<b>Ownership:</b>	XXX (100%)
<b>'XX   'XX Sales:</b>	\$XXmm   \$XXmm	<b>'XX   'XX EBITDA:</b>	\$XXmm   \$XXmm

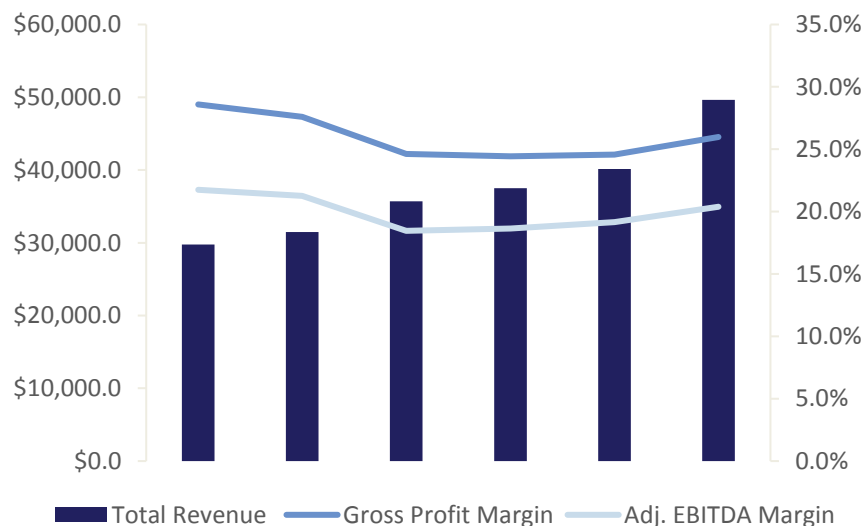
Company Overview	
Business Description	<ul style="list-style-type: none"> <li>Company A provides both transfer station management and transportation services to transfer station owners and operators under exclusive, long-term contracts</li> <li>The company has contracts in place with XX transportation contractors, representing a total driver base of XX individuals <ul style="list-style-type: none"> <li>The average age of the company's transfer trailer fleet is 6.8 years, with useful life of up to 20 years, representing a very young trailer fleet</li> </ul> </li> <li>Founded in 19XX, has 2 maintenance shops in XXX and XXX</li> <li>Operates XX transfer station facilities in 3 states</li> <li>Provides XXX and XXX, using owner-operators to transport municipal solid waste (MSW) from the transfer station to a landfill <ul style="list-style-type: none"> <li>The company provides asset-light station-to-disposal site logistics service through company owned trailers and owner-operator drivers</li> </ul> </li> <li>The company uses an outsourced base of owner-operators to provide all required waste hauling services. Many contractors own and operate a single tractor, however, some contractors own multiple tractors and employ or manage several drivers <ul style="list-style-type: none"> <li>Annual owner-operator turnover is ~XX%, which is very low compared to other trucking sectors, the low turnover stems from the consistent, attractive driving hours and regular local routes, as well as the premium rates paid by the company</li> </ul> </li> <li>The company maintains a base of heavy equipment sufficient to handle day-to-day operations at each transfer station. It owns or leases 73 pieces of heavy machinery</li> <li>Transfer stations are facilities where MSW picked up "at the curb" by collection vehicles is combined, processed and loaded onto larger hauling trucks in order to be transported to landfills or recycling centers for final disposal <ul style="list-style-type: none"> <li>Most transfer facilities are located adjacent to major highways or other arterial roadways to minimize the costs of short-distance hauling</li> <li>The company accepts waste collected by the waste management company (XXX) that owns or presides over the XXX, and provides XXX services utilizing company employees and fleet of XXX</li> </ul> </li> <li>In 20XX, acquired by XXX</li> <li>In 20XX, acquired by XXX and rebranded as Company A</li> </ul>
Revenue Model	<ul style="list-style-type: none"> <li>Generates revenue by providing outsourced transfer station management and waste logistics services</li> <li>The company is paid a pre-determined rate per ton which is specified in each of its contracts and subject to annual increases based on the consumer price</li> </ul>

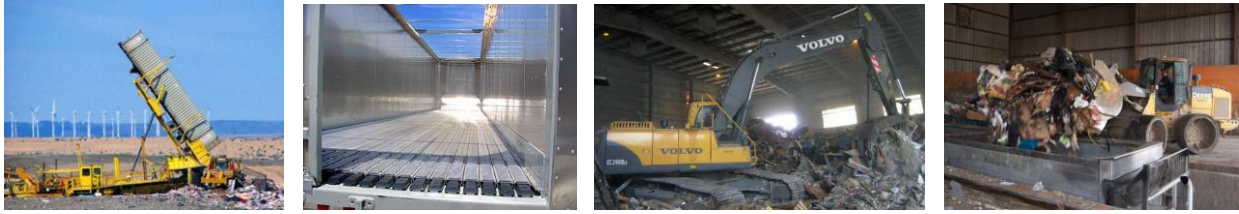
FYE: 12/31

(\$000's)

				LTM			CAGR
	20XX	20XX	20XX	March'XX	20XXF	20XXF	20XX-20XX
Trucking	XX	XX	XX	XX	XX	XX	XX
Fuel Surcharge(2)	XX	XX	XX	XX	XX	XX	XX
Loading	XX	XX	XX	XX	XX	XX	XX
Tipper	XX	XX	XX	XX	XX	XX	XX
Special Projects / Other	XX	XX	XX	XX	XX	XX	XX
Acquisitions / Contract Wins	XX	XX	XX	XX	XX	XX	XX
Total Revenue	XX	XX	XX	XX	XX	XX	XX
% Growth		XX	XX	XX	XX	XX	
Gross Profit*	XX	XX	XX	XX	XX	XX	XX
% Margin	XX	XX	XX	XX	XX	XX	
Adj. EBITDA	XX	XX	XX	XX	XX	XX	XX
% Margin	XX	XX	XX	XX	XX	XX	XX
Net Working Capital (NWC) **	XX	XX	XX	XX	XX	XX	XX
% of EBITDA	XX	XX	XX	XX	XX	XX	
Change in NWC		XX	XX	XX	XX	XX	XX
Total CapEx	XX	XX	XX	XX	XX	XX	XX
% of EBITDA	XX	XX	XX	XX	XX	XX	
FCF (EBITDA - CPX - Chg WC)		XX	XX	XX	XX	XX	XX
FCF Conversion		XX	XX	XX	XX	XX	

\*\*Net Working Capital = Current Assets - Cash - (Current Liabilities - Short term debt and Current portion of long term debt)





**Business Model**

**Customers**

FYE: 12/31  
(\$000's)

- Republic Services
- Waste Connections
- Waste Management
- WCA
- Matagorda County
- All Other

**Total Revenue**

	%	%

- The company has an average relationship length with its customers of over 15 years
- Contract renewal rate of XX%+ over a 20+ year period, many of which occurred without undergoing formal bidding processes
- Key customers include: XXX, XXX, XXX and XXX

**Suppliers**

- N/A

**Growth Plan**

- Additional transfer station contract wins in markets already served:
  - The company believes that there will be opportunities to win significant new business within currently served geographies through the following actions:
    - Bidding and winning contracts that competitors have up for renewal
    - Monitoring and winning contracts with municipalities, and other public and private solid waste service providers that begin outsourcing
    - Pursuing and winning management contracts for any newly built transfer facilities
- New transfer station contract wins in new markets:
  - Management has conducted extensive research to identify markets in which the company could replicate its business model
  - The company has worked to identify markets that are similar to XXX metropolitan area in which management would be able to replicate its business model
- Serving new, untapped customers operating in the solid waste sector:
  - Companies such as XXX, XXX, XXX and XXX are highly active in the transfer station management segment of the solid waste industry
- Capitalizing on continuation of municipality outsourcing:
  - Although many municipalities and other local government entities have traditionally operated their own waste management divisions, the trend towards outsourcing has grown substantially and is expected to continue to do so
- Opportunistic volume growth from transportation of other waste streams:
  - The company has an opportunity to bolster its special projects revenue base through executing additional transportation agreements with industrial and non-MSW waste generators
- Capitalizing on additional acquisition opportunities:
  - Acquiring transfer station management companies or other closely related transportation service providers would enable the company to broaden its customer base and break into new geographies and unserved segments of the overall waste industry

**Management**

**CEO**

- Mr. A, joined in 20XX
- 22 years of industry experience with XXX/ XXX and 18 years of additional transportation experience

President	<ul style="list-style-type: none"> <li>• Mr. B, joined in 20XX</li> <li>• 25 years of experience having previously served as CFO for XXX (predecessor to XXX) and XXX</li> <li>• XXX, and also served as the Director of Finance and Accounting for XXX</li> </ul>
Transitions	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
<b>Industry</b>	
Market Size	<ul style="list-style-type: none"> <li>• The US solid waste industry is expected to generate more than \$XXbn of revenue in 20XX (Source: XXX) <ul style="list-style-type: none"> <li>– Total waste generated throughout the US reached XXmm tons in 20XX</li> </ul> </li> <li>• Waste volume in XXX grew at a CAGR of XX% over the ten years prior to the 20XX recession while population grew at a CAGR of XX%</li> </ul>
Market Growth / Cyclicity	<ul style="list-style-type: none"> <li>• Management believes long term trends in the solid waste industry in the XXX and in XXX will continue to benefit Company A's business model and support its growth. The trends are: <ul style="list-style-type: none"> <li>– The "recession resistant" nature of waste generation</li> <li>– The historical growth of waste volume in excess of population growth</li> <li>– A regulatory environment driving a decrease in the number of landfills and restricting their location within urban centers, with a concomitant increased emphasis on transfer stations</li> <li>– The desire of municipal, public and private waste services providers to focus human and capital resources on their core competencies of collection and disposal leading to increased opportunities for outsourcing of non-core activities such as transfer station management and disposal logistics</li> </ul> </li> </ul>
Leadership	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Regulatory Considerations	<ul style="list-style-type: none"> <li>• The Federal Facility Compliance Act of 1992 has caused the number of solid, nonhazardous waste landfills in the US to decrease from XXX in 1988 to XXX as of 2013</li> <li>• Passed in 1976, the Resource Conservation and Recovery Act Subtitle D relegates the planning, regulation, and implementation of the management of non-hazardous solid waste to state and local governments</li> <li>• Transportation Services Regulations <ul style="list-style-type: none"> <li>– Transportation segment is regulated by the Department of Transportation, as well as other local and state regulatory authorities</li> <li>– Compliance with these regulatory authorities does not present significant barriers to entry as the EPA-mandated regulations do</li> <li>– The company's proactive transportation-related safety practice has led to an impressive track record of DOT compliance</li> </ul> </li> </ul>
Technology Considerations	<ul style="list-style-type: none"> <li>• N/A</li> </ul>
Competitive Rivalry	<ul style="list-style-type: none"> <li>• Key competitor's include XXX, XXX, XXX</li> </ul>
<b>Investment Considerations</b>	
<ul style="list-style-type: none"> <li>• Contract-based business model provides excellent visibility: <ul style="list-style-type: none"> <li>– Over XX% contract renewal rate since inception</li> <li>– Average remaining duration of the contract portfolio is 3.6 years</li> </ul> </li> <li>• Leading position in highly defensible market: <ul style="list-style-type: none"> <li>– Contracted service provider at eight of XXX ten outsourced transfer station (commands 88%)</li> <li>– The company's core geographies of XXX and XXX have been two of the fastest growing MSAs in the country since 2010</li> </ul> </li> <li>• Asset-light operating structure with low capital expenditures: <ul style="list-style-type: none"> <li>– The company uses independent carriers to minimize capital expenditures</li> <li>– Asset-light structure allows the company to generate strong cash flows</li> <li>– Providing both transfer station and transportation management allows the company to operate more efficiently, offer improved pricing and earn higher margins than competitors</li> </ul> </li> <li>• Growing, recession resistant industry: <ul style="list-style-type: none"> <li>– The MSW and recyclables waste streams are very stable and recession-resistant</li> <li>– The solid waste industry is shifting towards fewer, larger, more remotely located landfills serviced by an increasing number of transfer stations</li> </ul> </li> </ul>	

- Customers increasingly willing to outsource non-core functions
- Strong customer relationships:
  - The company has established and maintained deep customer relationships since its inception through a high-touch, integrated business model and focus on customer service
- Significant organic and acquisition based growth opportunities:
  - The company identified multiple acquisition targets in attractive geographies that management believes to be highly actionable
  - The Company has had extensive conversations with one Southeastern-based transfer station manager and management believes that, in partnership with a new owner, this transaction can be closed shortly after closing this transaction
- Recession-resistant business model:
  - The company operates in a segment of the overall waste market that is not significantly affected by slowdowns in the economy
  - Even in a recessionary economic environment, MSW volumes are still generated, albeit at slightly lower levels than in a healthy economy
- Strong financials:
  - Revenue has grown at a CAGR of XX% from \$XXmm in 20XX to \$XXmm in 20XX
  - Adj EBITDA has grown at a CAGR of XX% from \$XXmm in 20XX to \$XXmm in 20XX

Preliminary Questions/Key Risks:

- Company A's Resources are selling the company after owning for ~2 years as operations at the company are not consistent with Company A's long term strategy and other operations
- Future projections are below the historical growth rate. Considering that the company is looking for acquisition, the growth should be more aggressive
  - Revenue CAGR for 20XX-XX was XX% and projected CAGR for 20XX-XX is XX%
- Top 2 customers accounted for more than XX% of the revenues in 20XX and are expected to account for more than XX% of revenues in 20XX