



# Project Join

**An opportunity to partner with an expanding industry leading shop-fitting and fine joinery business in Queensland.**

**Industry:** Manufacturing

**Deal size:** In excess of \$10m

## Key investment highlights

**Strong growth prospects** – pipeline revenue of approx. \$200m from FY18F to FY20F at various stages of being secured or to be secured.

**Diversified revenue streams** – diversified revenue streams from retail shop fitouts, to medium sized commercial builds and high end A-grade commercial projects.

**Premium brand and reputation** – known for providing high end bespoke designs. Strong relationships with major national building companies and a proven track record of delivery has lead to repeat engagements from A-grade builders, high profile retail clients, government and universities.

**Experienced management team** – commercial and innovation mind set complimented with an experienced delivery team with expert shop fitting, joinery and project management skills.

**Niche market position** – leading player in high end joinery for clients in the hotels, casino and commercial office sectors.

**Clear strategy** – management have identified strategic growth opportunities to establish future expansion across Australia and internationally.

**International supply chain** – invested in a China procurement process with quality control under Australian standards with lowering costs.

**Focus on innovation and technology** – invested in the latest computerised design technology and equipment, with further investment in automation technology planned.

## Key Attributes

Locations	Australia: Brisbane
Revenue	<ul style="list-style-type: none"> <li>\$13.2m FY16A, \$14.4m FY17A</li> <li>\$44.5m FY18F</li> </ul>
EBITDA	<ul style="list-style-type: none"> <li>\$0.7m FY16A, \$1.8m FY17A</li> <li>\$7m FY18F</li> </ul>
Staff	<ul style="list-style-type: none"> <li>45-65 depending on projects</li> <li>Enterprise Bargaining Agreement effective to 31 March 2018</li> </ul>

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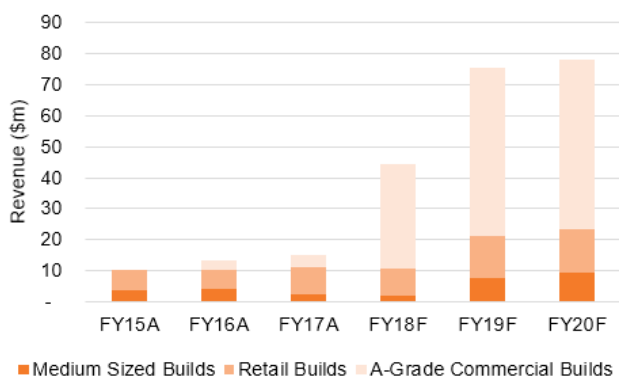
## Business overview

- Offers world-class shop fitting, cabinetry and fine joinery, providing services across the entire process from design, to procurement and manufacturing to installation.
- Medium sized and A-grade commercial building clients based nationally including fitouts for premium grade hotels, offices and residential towers.
- Long standing relationships with key retail clients spanning over 10 years.
- Variable operating expenses do not increase significantly with fluctuations in revenue, with key operating expenses of the business being management, sales staff and occupancy costs.
- The business occupies 7,500sqm of land in a well-established industrial area. It also has access to the remaining 9,500sqm of land on the site which can be used to develop additional warehousing, showrooms, etc.
- Key supplier arrangements with Chinese manufacturers will ensure shorter lead time and lower costs for landed components transported directly to project sites. This also substantially increases their project capacity in Australia, enabling the business to triple its revenue in FY18 and maintain or increase this level in subsequent years.

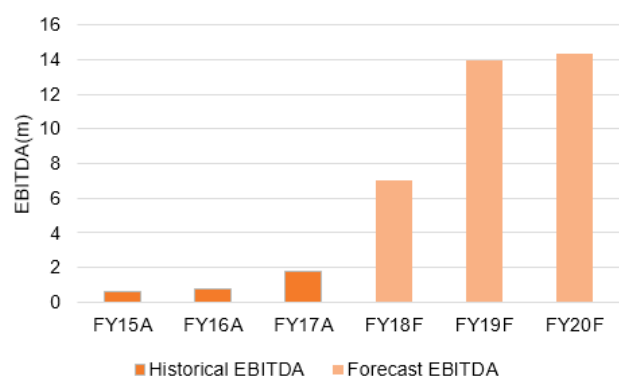
## Growth opportunities

- Forecast FY18 revenue of \$44.5m with ~66% already secured by high end projects and the remainder to be generated through known retail roll outs and medium size build clients. FY18 EBITDA forecast of \$7m is well supported by secured projects currently being delivered.
- Recurring retail work provides base revenue of \$36.6m over FY18F to FY20F via national clients for the fitout of new stores or renovations of existing stores on 5 to 7 year cycles required by shopping centre leases.
- Planned investment in automation technology of approximately \$2m will streamline and improve warehouse stock/inventory picking processes through built-in tracking and tracing. It will decrease overall costs through reduced labour and greater quality control.
- Management is seeking to establish a presence in Australia nationally starting with the South Eastern states, with a focus on winning A-grade sector projects for high end hotels and commercial builds.
- There are potential opportunities in international markets such as New Zealand, where work for some retail clients has been completed. In addition, through the Chinese supplier relationships, future opportunities in China may be explored.

Historical and forecast revenue by project type



Historical and forecast EBITDA



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