

# Project Join

**World-class shop fitting and fine joinery business in Qld. Opportunity to partner with an industry leader in Australia and New Zealand, who has a proud 72 year history of outstanding craftsmanship with flagship bespoke projects.**

**Industry:** Manufacturing

**Deal size:** \$10M - \$75M

## Overview

- Established in 1945, the Business has successfully delivered projects of all sizes, whilst still providing customers with personalised service
- Projects range from boutique shop fronts and hand-crafted church pews, to multi-storey residential developments, medical facilities, pubs and clubs, international hotels and motels, and national shop rollouts and complete fitouts for new commercial and residential high-rise developments
- Being one of the larger of players in the Australian domestic market, the Business is committed to the mission "QUALITY—ON TIME!"
- Recent clients include 19 clubs, 17 national stores, 13 restaurants, 17 hotels, and 13 commercial projects
- Experienced management team will continue to drive expansion in Australia & New Zealand, focusing on large scale, high end jobs, where they have competitive advantage
- Strong pipeline of potential forward work, including multi-million dollar projects such as W Hotel, The Jewel, Queens Wharf etc.
- New China-sourcing strategy is expected to reduce lead time and increase profit margins

## Process

- Interested parties should direct their enquiries to the people listed below in the first instance.
- Please include any information requirements in your enquiry.
- You would be expected to execute a Confidentiality Agreement before further information can be released.

## Key Attributes

Locations	Australia: Brisbane, Sydney New Zealand: Auckland
Revenue	<ul style="list-style-type: none"> <li>\$13m FY16A, \$18m FY17F</li> <li>\$35m FY18F</li> </ul>
EBITDA	<ul style="list-style-type: none"> <li>\$0.4m FY16A, \$0.8m FY17F</li> <li>\$6.8 m FY18F</li> </ul>
Working Capital	\$4m from the incoming partner for guarantees on large projects
Staff	<ul style="list-style-type: none"> <li>47-65 depending on projects</li> <li>Enterprise Bargaining Agreement effective to 31 March 2018</li> </ul>

**John Blight**  
Partner, Corporate Finance

T +61 3 8635 1882

M +61 413 480 732

E jblight@shinewing.com.au

**Cissy Ma**  
Associate Director, Corporate Finance

T +61 7 3085 0806

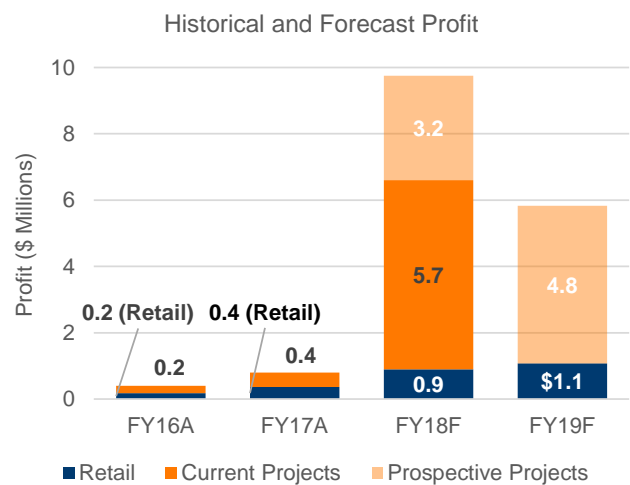
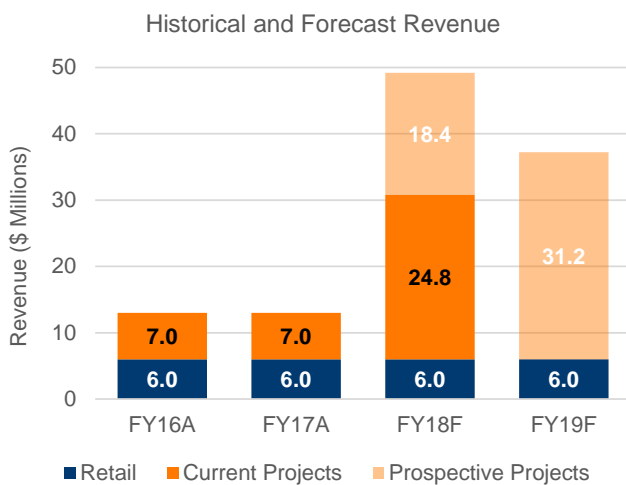
M +61 417 724 784

E cma@shinewing.com.au



## Growth opportunities

- Recurring retail work provides base revenue of ~ \$6mpa 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.
- Current projects for clients based nationally and in Queensland include fitouts for hotels and offices. FY18 contracts and retail account for 88% of the FY18 forecast revenue of \$35m. \$18.4m of tenders have a >50% probability of winning, therefore the \$4.2m of remaining revenue target for FY18 forecasts is conservative.
- Prospective contracts include fitouts for five-star hotels, offices and high-end residential towers.
- Potential to further double the revenue if the existing furniture, fixtures and equipment (FFE) subsidiary in Sydney is utilised in future tenders.
- The \$2m planned automation 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, with potential for higher revenue via improved accuracy and productivity with 24/7 capability. The capex could be reduced in half if the "Made in Queensland" grant application is successful.
- The business had invested considerable time and efforts in building a China procurement process with quality control according to Australian standards.
- The joint venture with a Chinese manufacturer 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.
- The business occupies 7,500sqm of land in a well-established industrial area. The business has access to the remaining 9,500sqm of land on the site which can be used to develop additional warehousing, showrooms, etc.



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