



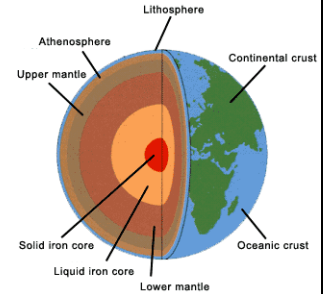
# FACTUM

File No. 181003  
Description: GEOPHYSICAL SCIENTIFIC  
ENGINEERING & MANUFACTURING COMPANY  
Location: Canada

## COMPANY OVERVIEW

Profitable Scientific/engineering company with a globally-recognized brand in niche market with strong barriers to entry, requires transition to aid in an orderly retirement of key shareholders

- This Canadian-based company has been designing and manufacturing CSEM (Controlled Source Electro-Magnetic) and MT (magnetotelluric) equipment since 1975 - longer than any other company in the industry.
- The company's revenues are approximately 80% of a niche market which the company dominates
- Team includes Geophysicists, Engineers and Technicians.
- Global business and a recognized global brand- servicing 80+ countries, 15 languages spoken by employees
- The entire product line has been revitalized since 2012 with new proprietary items
- Products look as deep as 100 km into the planet for exploration (oil & gas, geothermal, mining) and research.
- Research includes monitoring of:
  - -Lava pressure build-ups at volcanoes in Hawaii
  - -Earthquake precursors (Japan, USA)



## OPPORTUNITY

Our clients would like to see the transition with features next shown.

- Control should lie with the new partner who will provide strong leadership through an active board of directors
- The transition program should:
  - Assist senior members to retire over the next two to five years
    - Possibly using retention contracts and/or
    - Liquidity events (at sale, at retirement)
  - Possibly allow some of the founding partners to retain some equity if they wish
  - Provide equity participation to the younger, competent and well-trained mid-management team now in place
  - Oversee continued financing for ongoing research projects.

The ideal purchaser would be active and provide business development support and general team building skills.

## FINANCIAL INFORMATION

Y/E March 31	2017	2018	2019	2020 (Projection)
Revenue	\$ 9.7M	\$ 8.4M	\$9.1M	\$ 9.0 - 10.0M
Recast Operating EBIT	\$ 1.6M	\$ 215k	-\$ 134k	\$ 1.0 – 1.4M

*The Company has no debt except current accounts payable and usually retains a healthy cash balance. Our clients have reasonable expectations and would consider a portion of the purchase price to be tied to the results of new products and services. We anticipate this opportunity will require a minimum cash investment north of \$12M.*

## REASON FOR SALE

## CONTACT DETAILS

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