

Atlas Engineered Products

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Atlas Engineered Products closes acquisition of Tandelle-Pacer

Atlas Engineered Products Ltd (CVE:AEP), a supplier of engineered wood products, has completed its previously announced acquisition of Tandelle Specialty Inc. and Pacer Building Components Inc. previously announced in August this year.

With the deal, Atlas adds a large and well-established truss, engineered beam and wall and floor panel business, the firm said.

It also enjoys a large, solid and growing customer base in the Greater Toronto area, entry into the Detroit, Buffalo and Rochester Market, and room to expand operations.

"Completion of this acquisition is a significant milestone for Atlas, as we add enormous engineering and design skill, manufacturing capacity and strong profitability to Atlas," said Dirk Maritz, President & CEO of Atlas.

"We now have a significant level of revenue and cash flow critical mass, which allows us to really target larger, really profitable acquisition targets, and deliver strong results for shareholders."

"Fundamentally, this transaction affirms the strength of both our acquisition and organic growth strategies with Atlas now approaching that \$40m-\$50m top-line revenue mark, and huge opportunity to grow organically in each of our group locations."

To acquire Tandelle-Pacer, which had unaudited revenues for the year to 31 October 2017 of around \$14.4 million, Atlas paid \$8.6 million on closing, based on Tandelle-Pacer having a target net working capital of \$2,280,938 on closing.

The purchase price paid on closing was \$8.1 million in cash, and over 1.063mln shares having an agreed upon value of \$500,000.

Shares in Atlas nudged up 1.28% to \$0.395.

Price: C\$0.36

Market Cap: C\$15.45M

1 Year Share Price Graph



Share Information

Code: AEP

Listing: TSX-V

52 week High Low
C\$0.53 C\$0.29

Sector: Engineering

Website: atlasengineeredproducts.com

Company Synopsis:

Atlas Engineered Products is one of Canada's leading suppliers of trusses and engineered wood products. The company was formed some 20 years ago and operates manufacturing and distribution facilities across Canada to meet the needs of residential and commercial builders.

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