

# Atlas Engineered Products

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## Atlas Engineered Products continues to grow as it strikes South Central Building Systems Ltd deal; closes \$4.132M placing

Atlas Engineered Products Ltd (CVE:AEP), a supplier of engineered wood products, continues to grow via acquisitions and has struck a definitive agreement to buy Manitoba based South Central Building Systems Ltd for \$3.4 million.

In today's regulatory release, the group also revealed it had closed the second tranche of its non-brokered private placing, raising gross proceeds of \$333,000. In total, the offering has raised \$4.132 million.

On South Central, Bill Woods, CFO at Atlas, said: "The business is nimble, generates good cash flows, and quite frankly impressive controls." Most recently in fiscal 2018, its revenues grew 35% over 2017 to \$3.5 million, delivering an impressive 23% EBITDA (earnings before interest, tax, depreciation and amortization) margin.

Atlas CEO and president, Dirk Maritz, added: "This is a SMART acquisition for Atlas".

"With the acquisitions, we've completed to date, Atlas is on track to deliver close to \$50 million top-line revenues this year - only one year into its consolidation strategy.

"With our focus on efficiencies, productivity, economies-of-scale and buying power optimization we are confident we can deliver on our profitability targets as well."

He added: "South Central is based in the middle of over 25+ growing communities in Southern Manitoba, can easily reach nearby Winnipeg, and huge potential into the northern parts of Minnesota and Dakota.

"Strategically, we have clearly defined our desired footprint locations, growth potential, revenue, profitability, quality of assets and people expectations - South Central, has checked every box, and we are excited to now be in the Prairies. The Atlas growth story continues."

To acquire South Central, Atlas will pay \$3.4 million, consisting of \$2.5 million payable on closing in the form of cash and assumption of debt, 1M Atlas shares valued at an agreed upon price of \$0.40 per share, and \$500,000 payable in five equal monthly installments.

In October this year, the group announced the completion of its earlier stated acquisition of manufacturer Coastal Windows Ltd. of Nanaimo, British Columbia.

Coastal has a small-footprint and high-quality window manufacturing operation that Atlas will replicate in all its operating regions across Canada.

**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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Its revenues for the 12 months to end May this year were around \$1.7 million with adjusted EBITDA (earnings before interest, tax, depreciation and amortization) of \$98,000.

Also, in today's release, Atlas said it had closed the second tranche of the earlier announced financing, issuing a total of 832,500 units for proceeds of \$333,000 (gross).

The total amount sold under the offering amounts to 10.33 million units for total gross proceeds of \$4,132,000. The offering is now closed.

Each unit consisted of one Atlas share and one-half of one warrant. Each whole warrant entitles the holder to buy one further Atlas share for \$0.60 per share for two years from issue.

Proceeds of the placing were used to acquire Tandelle Specialty Inc. and Pacer Building Components Inc. of Ilderton, Ontario, which was completed in November, with the balance planned for use in financing future acquisitions and for general working capital.

Atlas shares in Toronto added 2.44% to \$0.35

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