

Simply Smashing: Evergreen Pacific Buys Demolition Co. Nuprecon

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7/31/2006 – Evergreen Pacific Partners is investing between \$15 million and \$45 million in equity for a majority stake in Nuprecon Inc., the eighth largest demolition contractor in the U.S.

Evergreen Pacific, which targets companies in the Western U.S., liked the company because it operates in a stable industry and is well-positioned for growth, Thomas J. McGill, a managing partner at the firm, said. The company has worked on projects ranging from renovating the Pentagon to demolishing a portion of the Waikiki Beachwalk.

Specific terms of the deal were not disclosed. Evergreen is using equity from a \$275 million buyout fund it raised in 2005. Nuprecon founder and Chief Executive John Hennessy will continue to own a significant equity stake in the company.

The company expects plenty of business in the coming years, as projections over the next decade show a lot of new commercial construction and building rehabilitation occurring, McGill said. Nuprecon, with about 500 employees, is also seeing rapid growth in its ReNu Recycling Services division, which reuses salvaged materials like glass and steel from demolition and construction sites.

Nuprecon started doing business in 1986 as a demolition specialist and has since added concrete sawing and drilling, abatement and recycling services. The company does most of its business in Washington, Oregon and Hawaii, although it is licensed to work in up to 13 states.

Evergreen plans to have Nuprecon selectively pursue more demolition contracts outside of its three core states to increase business, McGill said.

In 2005, the company had about \$52 million in sales, and projects about \$70 million this year, according to its Web site. No management changes are expected at Nuprecon, which is based in Snoqualmie, Wash., and also has offices in Portland, Ore., and Honolulu.

Seattle-based Evergreen was founded in 2005 by Timothy Bernardez, Michael Nibarger and McGill. This is the fourth investment out of its debut fund, Evergreen Pacific Partners LP. Earlier this month,

the firm bought Gene Juarez Salons & Spas chain for an undisclosed amount. Evergreen has also invested in Western Broadband and Finest City Broadcasting.

Nuprecon tapped D.A. Davidson & Co. as financial adviser and Carney Badley Spellman PS for legal counsel. Kirkland & Ellis LLP served as Evergreen's legal adviser. Prudential Capital Group provided debt financing for the deal.

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<http://www.eppcapital.com>

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