

Overview

Aruba Industrial Services (AIS), established in 2006, is a leading player in heavy equipment rental, sales, and services in Aruba. The company represents global brands like JLG, Wacker Neuson, and International Trucks. It also offers equipment maintenance and parts sales, boasting a strong local market presence with notable clients including government agencies, utility companies, and private contractors.

Strategic Opportunities

1. Repair and Upgrade of Existing Fleet:
 - Investment: AWG 100,000.
 - Expected Revenue: AWG 296,000 annually.
2. Expansion with XCMG Equipment:
 - AIS plans to invest AWG 500,000 in XCMG's competitively priced heavy machinery, expecting a 70% annual return.
3. CTP Aftermarket Parts Inventory:
 - Investment: AWG 100,000.
 - Rationale: To capitalize on high margins (53%) and increase sales by meeting local demand for affordable, quality parts.
4. International Trucks Market:
 - Potential to leverage its dealership with warranty-backed, certified used trucks to address unmet local demand.
5. AIS Real Estate Project:
 - Development of two strategic buildings near the new port at Barcadera, enhancing logistics and rental opportunities.
 - Investment Needed: AWG 783,000 for completion.
 - Market Value: AWG 9,565,000 upon completion.

Challenges

- Limited Financial Resources:
The company lacks a solid financial partner to support its growth.
- Debt Position:
Debt obligations to RBC have strained operations, and refinancing is critical.
- Reputation and Brand Perception:
Public auctioning of AIS Real Estate due to financial difficulties has raised client concerns.



Financial Projections

1. Revenue Growth:
 - Annual revenue is projected to reach AWG 16.8MM by 2028 across consolidated operations.
2. Enterprise Value:
 - Calculated at AWG 30.8MM, assuming a capital infusion of AWG 1.5MM for AIS and AIS Real Estate.
3. Debt Management:
 - The plan includes restructuring and refinancing at an estimated 7% interest rate.

Key Strengths

- Market leader with a 15-year track record and strong client base.
- Representation of globally recognized brands.
- Large rental fleet and access to high-quality machinery.
- Strategic location next to Aruba's main cargo port.

Conclusion

With a manageable investment of AWG 1.5MM, AIS has the potential for significant growth, supported by strategic plans to repair, expand, and diversify operations. The company presents a strong opportunity for investors seeking to partner with a market leader poised for turnaround and growth.