

Atlas Engineered Products Ltd.

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Atlas Engineered Products profitable for first time since listing as revenue surges

Atlas Engineered Products Ltd (CVE:AEP) (OTCMKTS:APEUF) revealed with second quarter results on Tuesday that it was profitable for the first time since the company went public two years ago.

The Canadian company posted record revenue for the second quarter to June 30, up 152% to \$15,284,242 from \$6,066,495 in the same period a year earlier.

In its statement, the company also said: "Operating income has turned sharply positive at \$782,013 and \$303,092 for the three and six months ended June 30, 2019."

READ: Atlas Engineered Products making great progress as it consolidates Canada's wood product industry
This was in sharp contrast to the operating losses of \$543,575 and \$792,990 Atlas Engineered logged for the same periods a year earlier.

After taxes, the company reported a net income of \$162,876 for the second quarter of 2019, the first profit it has booked since going public.

Atlas Engineered's CEO Dirk Maritz said: "This was achieved through significant organic growth and operational efficiencies in the first half of 2019."

Driven by acquisitions

The company said the increase in overall revenue was also due to "additional revenue from acquisitions."

Atlas Engineered specializes in the manufacture and supply of roof trusses and wood products and is consolidating the industry in North America.

It recently acquired Satellite Building Components, Coastal Windows and Doors, Pacer Building Components and South Central Building Systems and has built a cash-flowing portfolio of companies operating in British Columbia, Manitoba and Ontario.

The company says that typically its acquisition targets have the capacity to churn out revenue of between \$3 million to \$15 million annually.

"In the last quarter we announced significant nation-wide supply and service agreements that will result in long-term bottom line benefits to all our current and future operations," Maritz said.

"We were also able to execute on our plan to expand product offerings at our facilities and continued to grow our sales force, all of which allows us to compete for, and win, larger and more complex project bids across the country."

The firm said the addressable market in Canada for trusses, joists and engineered beams is \$1 billion, while for those products, along with prefabricated walls and floors, it is a whopping \$2.5 billion.

Price: 0.385

Market Cap: \$17.79 m

1 Year Share Price Graph



Share Information

Code: AEP

Listing: TSX-V

52 week High Low
0.6 0.29

Sector: Manufacturing & 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.

action@proactiveinvestors.com

In afternoon trading in Toronto, shares in Atlas Engineered were almost 9% higher at \$0.43, and the OTC listed stock was up over 13% at US\$0.317.

-- Adds share price --

Contact Uttara Choudhury at uttara@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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