

# Project Nikko








Project Nikko is a 75+ person, Mid-Atlantic-based, highly successful and profitable, fully-integrated home electrification, smart home, residential solar construction, sales origination, solar battery installation and service company. Located in the rapidly-expanding, energy intensive “data center of the world”, in 2024 Nikko had \$44.1M in Revenues, and \$5.1M in adjusted EBITDA (12.0%).





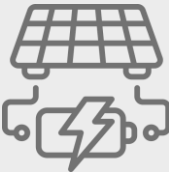
## Transaction Overview

Sauk Capital is seeking a platform to execute an aggressive organic and inorganic growth strategy in the rapidly growing home electrification, smart home, and residential battery installation, and residential solar installation market. Nikko is an ideal candidate given favorable market dynamics, rising energy prices, general inflation, and shifting consumer needs and demands. Nikko is structured with an attractive acquisition price (5.4x EBITDA), generous seller financing, and significant equity rollover (20%) to create alignment.

## Investment Highlights

	<b>Growing sector in an expanding market</b>	<ul style="list-style-type: none"><li>In 2024, the US solar industry installed nearly 50 gigawatts direct current of capacity, a 21% increase from 2023. This was the second consecutive year of record-breaking capacity (SEIA)</li><li>Solar accounted for 66% of all new electricity-generating capacity added to the US grid in 2024, as the industry continued experiencing record growth (SEIA)</li></ul>
	<b>Strong Track Record of Success</b>	<ul style="list-style-type: none"><li>Nikko is ranked in the top 20 in residential solar construction, and near the top 100 overall (<a href="http://www.solarpowerworldonline.com">www.solarpowerworldonline.com</a>)</li><li>Nikko serves high-end, high margin residential market exclusively</li></ul>
	<b>Energetic, hungry, young and focused Management Team</b>	<ul style="list-style-type: none"><li>Company leaders are in their late 30s and 40s and have been there for 10+ years</li><li>Significant equity rollover (20%) and generous seller financing</li></ul>
	<b>Business buoyed by attractive market trends</b>	<ul style="list-style-type: none"><li>As of 2024, approximately 5% of single unit households in the US have solar power systems installed. By 2032, this is expected to increase to 18% by 2032 (Statista)</li><li>Nikko is located in the “data center capital of the world,” and energy demands in the area are expected to rise 85% over the next 15 years (MAREC Action)</li></ul>
	<b>Clear and achievable plan to aggressively scale both in existing and adjacent markets</b>	<ul style="list-style-type: none"><li>Nikko’s Management team has a clear and achievable plan to aggressively grow in adjacent markets in the East and MidAtlantic</li><li>Nikko has recently partnered with Walmart to sell services to consumers in their stores</li></ul>

## Key Services

	
Smart Home	Residential Solar Installation
	
Home Electrification	Residential Battery Installation
	
Solar Battery Service	

## Financials Returns Summary

Case	Growth	2026 EBITDA (E)	Exit Multiple	Gross MOIC	Gross IRR
Base	5%	\$5.5M	6.0x	3.4x	30.6%
Management (Upside)	12%	\$6.2M	6.5x	4.8x	40.7%
Downside	0%	\$5.1M	5.5x	2.6x	23.2%

## Sauk Capital Team

### Ronald Douglas, Managing Principal (Boston, MA)

- Previous relevant deal experience includes the acquisition of Coastal Painting of South Florida, the largest specialty contractor of its type in Florida, servicing HOAs, high rises, condos and large commercial properties, with Small Business Community Capital and Bosworth Capital
- Extensive background in investment banking with roles at Deutsche Bank, Rothschild, and Cora Capital (Clean Technology). Also has experience in international tax with Price Waterhouse Coopers LLC
- Holds a JD from Harvard Law School (*cum laude*), an MBA from Columbia Business School (honors), and a BA from Morehouse College (*magna cum laude*)

## Outstanding Financial Profile

<b>~12.6%</b> 2025E Adj. EBITDA margin
<b>~\$6.2M</b> 2025E Adj. EBITDA
<b>Top 20</b> Top 20 Residential Solar Construction