

FOR SALE: Electrical Contractor with 30 Employees

Over 40 years in West PA serving 3 states with Electrical Engineer on staff

Financial Overview

List Price: **\$1,068,000**

Gross Sales

2016 - 2017: \$3,463,515

2015 - 2016: \$3,010,156

2014 - 2015: \$3,604,478

Owner Profit/Cash Flow

2016 - 2017: \$273,992

2015 - 2016: \$142,168

Multiple: 3.9

Valuation: 16/17 Cash Flow x Multiple = Price
\$273,992 x 3.9 = 1,068,569

Sales Breakdown:

- Construction – 56% (new/remodel)
- Commercial Service Work – 16%
- Energy/Residential Service Work – 28%

Assets Included in Purchase: \$1,021,212

Equipment: \$164,875 – trailers, scissors lifts, ladders, scaffolding, drill units and more

Vehicles: \$62,500 – 9 Chevy Cargo Vans, 1 Ford Transit

Inventory: \$126,635

A/R: \$579,326

Retainage Receivables: \$87,876

Upcoming: \$2,615,000 Bids / \$2,427,805 Contract / \$520,600 Pending

Business Information

Years in Business: Over 40

Location: Western PA

Service Area: Pennsylvania, Ohio, New York

Clients: 100's on a continual basis

Services: Electrical construction (new & remodel), design build services, electrical maintenance, and energy

Building: 15,000 sq. ft.

Reason for Selling: Retirement

Employees: 30 (5 in office, 24 electricians, 1 Electrical Engineer)

Seller Training Period: Seller will transition while Electrical Engineer obtains Master's license

Growth Opportunities: Electrical construction beyond a 50-mile radius. Development of current experience in special systems and services contracts.

Current Owner's Responsibilities: Sales & employee management. Seller is **not** an Electrical Engineer.

Funding Example

Purchase Price: **\$1,068,000**

15% Buyer Down Payment: \$160,200

10% Seller Financing: \$106,800

75% Bank Loan: \$801,000

A bank loan would be fully collateralized by assets.

Description

For over 40 years in western Pennsylvania, this electrical contractor has been servicing the area's commercial and industrial businesses with new construction projects, design build engineer services and more. On staff are 30 full-time employees including an Electrical Engineer, with 25 of them working in the field on job sites. The business has distinguished itself with on time and on budget completions, and has developed an outstanding apprentice program.

Offices and a warehouse are housed in a 15,000-sq. ft. facility with a loading dock and overhead doors. The company enjoys the benefit of an established state and federally-approved in-house apprentice program that has provided excellent training and promoted team spirit for all field employees. Classes are taught in the company's facilities by either the company's in-house Electrical Engineer, or the Assistant Director from a local trade school.

Electrical services include electrical construction, design build services, electrical maintenance and more. Over half of revenue comes from construction jobs, with other services sharing the remaining mix. While the seller is a Master Electrician, he remains in the office overseeing employees and handling sales. Please note that the in-house Engineer is qualified to obtain a Master Electrician's license.

The company maintains steady work in the area, but growth opportunities are possible outside the existing 50-mile radius typically covered in the past. These include construction project opportunities in Pennsylvania, Ohio and New York, if current licensing is updated. As a long-standing Associated Builders & Contractors member, additional construction sales are available.