

FOR SALE: Telecommunication & Data Installation With Hospital Contracts

Current owner does not do any service calls!

Financial Overview

List Price: **\$695,500**

Gross Sales

2017: \$1,106,342

2016: \$830,243

2015: \$588,027

2014: \$394,559

Owner Profit/Cash Flow

2017: \$226,194

2016: \$186,175

2015: \$111,206

YOY Growth: 110% increase in sales from 2014 to 2016

Profit Margin: 20%

Multiple: 3.08

Valuation: 2017 Cash Flow x Multiple = Price
\$226,194 x 3.08 = \$696,678

Assets Included in Purchase

Equipment: \$20,049 in furniture, fixtures and tools

Vehicles: Company truck used by Tech for deliveries

Inventory: Minimal inventory is kept – company utilizes Graybar for supplies

A/R: \$69,858

Backlog: \$500,000 **amounts may vary*

Business Information

Years in Business: Over 50; under current owner for 18

Location and Service Area: Omaha

Clients: Company has a long-standing, reoccurring contract with a local organization undergoing infrastructure revamps over the next several years

Services: Voice and data cabling, digital telephone systems, IP telephone systems, paging systems, fiber optic systems, call accounting systems, video cameras, recorders and voice mail systems

Building: 2,000 sq. ft.

Reason for Selling: Retirement

Employees: 9 Techs, 3 PT Office Staff

Seller Training Period: 90 days

Growth Opportunities: New phone systems (requires training techs on systems first). Power over ethernet. Maintenance contracts.

Current Owner's Responsibilities: Employee management & sales. Owner **does not** do installs or service.

Funding Example

Purchase Price: **\$695,500**

10% **Buyer Down Payment:** \$69,550

10% **Seller Financing:** \$69,550

80% **Bank Loan:** \$556,400

A buyer paying 10% down would see a first year's profit of \$113,096 after debt payments.

Description

This data & telephone installation & service business has been open for over 50 years! The current owner has been there for almost 20 years and does not do any install or service. The core of this business is installing voice and data networks in businesses of all sizes. They also install digital and IP telephone systems, fiber optic cabling, voice mail systems, as well as call accounting systems. Located in Omaha, this telecommunications company has completed work in 20 different states.

Between 2014 and 2016, sales increased by 110%, and 2017 is expected to surpass 2016 by 42%. In conjunction with sales, cash flow has grown each year. Costs are maintained partially by keeping minimal inventory, as the company utilizes Graybar for supplies.

The seller employs 9 techs, many of whom are currently working for the largest client under a recently-renewed 3-year contract that has been reoccurring for 20 years. While the seller manages employees and sales, there are 3 PT office staff to assist with billing, mailing and receptionist duties.

Next Steps

For a detailed financial package, please contact Cortney Sells or one of The Firm Business Brokerage's professionals at 402.998.5288 or email Confidential@TheFirmB2B.com.

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