

FOR SALE: HVAC Installation & Repair in Central PA

60% residential and 40% commercial, doing business since 1945!

Financial Overview

List Price:	\$460,000
Gross Sales	
2017: \$470,490	
2016: \$455,285	
2015: \$470,620	
Owner Profit/Cash Flow	
2017: \$128,857	
2016: \$131,857	
2015: \$109,722	
Profit Margin: 27%	
Multiple: 3.6	
Valuation: 2017 Cash Flow x Multiple = Price	
\$128,857 x 3.6 =	\$463,885

Assets Included in Purchase:

Equipment: Includes vacuum pumps and installation tools
Vehicles: 3 trucks
Intangible Assets: Established business reputation
Inventory: \$40,000
A/R: \$17,000
**amounts may vary*

Business Information

Year Established: 1945; current owner 35 years
Location and Service Area: Central Pennsylvania
Client Demographics: 60% residential/40% commercial
Average Ticket: \$3,500 for equipment & install with other related services at time & material
Website: 20% of new residential comes via website
Reason for Selling: Retirement
Employees: 2PT (office & bookkeeping); 3FT installation & service
Hours: 8-4:30 M-F; 24 hr. service available
Seller Training Period: 90 Days
Growth Opportunities: Expand sales and repair services; work with contractors for new build and remodel installs (currently turning that business away); expand marketing
Current Owner's Responsibilities: Owner 1: business growth and operations oversight (to be absorbed by new buyer); Owner 2: Performs 35% of service work (can be absorbed by other existing employees)

Funding Example

Purchase Price:	\$460,000
10% Buyer Down Payment:	\$46,000
10% Seller Financing:	\$46,000
80% Bank Loan:	\$368,000

A 10% down payment of \$46,000 returns \$54,055 in the first year after debt payments!

Description

In business since 1945, this HVAC installation and repair business in central Pennsylvania has established a solid reputation and loyal customer base. Client base breakout is 60% residential and 40% commercial.

With 2PT (focused on office and bookkeeping functions) and 3FT installers and service technicians, one owner focuses on business oversight and sales expansion (does not perform equipment installs or service). The other owner performs 35% of the service work, which can be absorbed by other existing employees. Normal business hours are 8-4:30 Monday through Friday with 24-hour service available.

The business generally carries \$40,000 in standard inventory. Accounts receivable for commercial jobs runs \$17,000 on average. Average ticket is \$3,500 for equipment and install, with additional related services on a time and material basis. This business has positive web traffic, with 20% of new residential customers coming via website.

Business calls for new building and remodeling installs are currently being turned away. Expanding sales and repair services, as well as increased marketing are also opportunities for growth.

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.