

FOR SALE: Established Plumbing and Piping Company

Established Client Base- 80% Repeat Customers!

Financial Overview

List Price: \$1,250,000

Gross Sales

2021	2020	2019
\$2,167,310	\$2,850,712	\$2,718,706

Cash Flow

2021	2020
\$226,131	\$347,503

- **Profit Margin:** 10%
- **Multiple:** 3.6

Valuation: Cash Flow x Multiple = Valuation
 \$347,503 x 3.6 = \$1,251,010

Assets Included in Purchase: \$491,522

Vehicles: \$291,678

Furniture and Equipment: \$10,575

Tools/ Shop and Trailers: \$38,335

Working Capital: \$150,934

Intangible Assets: Excellent reputation, established partnerships, and 80% repeat client pipeline.

**amounts may vary, assets may be depreciated, replacement cost, or fair market value*

Business Information

Year Established: 2006

Location: Livonia, Michigan

Service Area: Southeast Michigan

Services: Pipe-fitting (25%) and plumbing (75%)

Clients: General contractors.

Lease: \$2,250, month to month lease. 5,000 sq ft, 3,500 shop, 1,500 office.

Reason for Selling: Seeking to sell to strategic new owner who will grow the business and overcome competition.

Personnel: 4 PT and 7 FT. All FT employees are field technicians. 2 estimators, a bookkeeper and an admin.

Seller Training Period: 2-3 years.

Growth Opportunities: Increase marketing and advertising presence. Hiring campaign to bring in more laborers.

Current Owners' Responsibilities: Works full time overseeing estimates, and visiting job sites once a week.

Funding Example

Purchase Price: \$1,250,000

12.5% Buyer Down Payment	\$156,250
12.5% Seller Financing or Equity	\$156,250
75% Bank Loan	\$937,500

A 12.5% down payment of \$156,250 returns \$164,706 in the first year after debt payments!

Description

This plumbing and piping company has a client base made up of 80% repeat customers! Based in Michigan, this business is well established with an excellent local reputation. Services offered include plumbing (which makes up 75% of service base) and pipe-fitting (25% of service area). This business comes with a well-established team of 11 including 7 FT field technicians, 2 PT estimators, 1 PT bookkeeper, and 1 PT administrative worker. Current ownership works full time overseeing estimates and visiting job sites weekly. They have offered a transition period of up to 3 years to ensure a smooth transition and to provide all information and skills needed for new ownership to enjoy further growth. A main reason for the success this business is enjoying is their extreme focus on customer service, especially the quality and timeliness of jobs.

Situated in a growing industry in a strong location, clear growth opportunities present new ownership a route to great rewards in the face of growing competition. Outside of receiving work from both open and closed bids, the current owner's only effort put towards recruiting new clients is cold calls when they have time, and a marketing campaign can elevate this business to an even larger client base. With their high rate of return clients, this additional marketing or advertising campaign could result in ongoing dividends of returning clients for years to come. A well-planned hiring campaign to bring in more laborers offers another path to growth. The team works out of 5,000 sq. ft. building with 3,500 sq. ft. dedicated to the shop, and 1,500 sq. ft. to the office. There is plenty of room to expand operations and bring in more laborers.

Priced at **\$1,250,000**, a 12.5% down payment of \$156,250 returns \$164,706 in the first year after debt payments! This established and profitable plumbing service business is ready for new ownership to enjoy currently established partnerships and continue to create new ones.