

FOR SALE: Specialty Equipment Fleet: Rental and Maintenance with Two Locations

\$20M in Backlog!

Financial Overview

List Price: **\$11,600,000**

Gross Sales

2022 projections	2022 annualized	June '21-May '22	2021
\$18,000,000	\$9,829,533	\$7,393,057	\$6,956,617

Cash Flow

2022 projections	2022 annualized	2021	2020
\$2,700,000	\$1,437,210	\$1,072,898	\$2,496,494

- **2018-2021 Average Profit Margin:** 19%
- ****2021 anomaly low due to COVID**

Valuation: 2020+2022 Avg Cash Flow x Multiple = Valuation
 \$2,598,247 x 4.45 = \$11,562,199

Business Information

Year Established: 2007

Location: Phoenix, AZ & Salt Lake City, UT

Service Area: Southwestern United States

Services: Rental, sales, repairs, and maintenance of specialty heavy construction equipment

Backlog: \$20,000 with more in pipeline.

Fleet: Foundation & directional drilling equipment, cranes, rotators

Clients: General contractors, subcontractors, specialized contractors, foundation companies, electrical companies, waste management, infrastructure contractors, owners of large equipment

Location: Main location: 2 buildings, one for shop labor and the other for admin, with a total of 7 acres fenced in for security. Satellite location: 3 offices and a conference room.

Reason for Selling: After 15 years, the owner is ready to move on.

Personnel: 7: CFO, COO, Operating Consultant, Mechanic, 2 Sales Representatives, 1 Accountant, and 1 Yard Manager.

Seller Training Period: 12-18 months.

Growth Opportunities: Increase rental inventory and add divisions of other specialty equipment, expand service area

Current Owner's Responsibilities: Part-time oversight of sales. 15-20 hours a week is spent in the business. There is an opportunity for the current COO to absorb the owner's responsibilities.

Funding Example

Purchase Price: **\$11,600,000**

15% Buyer Down Payment	\$1,740,000
15% Seller Financing with Benchmarks	\$1,740,000
10% Seller Equity Roll	\$1,160,000
60% Bank Loan	\$6,960,000

***68% collateralized**

Assets Included in Purchase: \$8M+

Equipment/Inventory: \$7,882,331

Accounts Receivable: \$479,049

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

Description

This specialty equipment business currently has \$20M in backlog; applying the average 19% profit margin, this business could see profits over \$3M in 2022! Their services are rental, sales, repair, and maintenance of niche equipment, including foundation & directional drilling equipment, cranes, and rotators. With a primary location in Phoenix, Arizona and a second location in Salt Lake City, Utah, they are able to service the Southwestern sector of the United States. Their clients consist of general & specialized contractors, foundation companies, electrical companies, waste management, infrastructure firms, and private owners of large equipment. Included with the purchase of this business is over \$7.9M in equipment and inventory, making the business 68% collateralized. The team includes a CFO, Operating Consultant & Mechanic, 2 Sales Representatives, 1 Accountant, and 1 Yard Manager. The owner oversees sales for only 15-20 hours a week, which the COO is being mentored to absorb.

Established over 15 years ago, this well-known business offers a solid reputation with only two competitors. Other growth opportunities include increasing rental inventory and expanding their reach into Texas. They have a client base made up of 75% repeat customers: This is primarily due to clients renting equipment, and then realizing they need to continue renting the unit for increased job performance or purchase it outright.

Priced at **\$11,600,000** this business has the potential to return \$1,111,409 in 2022 based on the 2020+2022 average cash flow. The current owner believes in the businesses onward & upward revenues and is willing to roll equity of 10%, plus offer a 15% promissory note. This shows good faith in the future success of the business and mitigates risk to the future owner!

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Last Revised HD 06/17/22

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