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 **ID#: AEI006-E**

***FOR SALE:*** **Structural Engineering Firm with 49% Profit Margin**

*Heavily Repeat Based Commercial Client Base!*

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| **Financial Overview** **List Price:** **$1,500,000****Gross Sales**

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| **2022 *Annualized*** | **2021** | **2020** |
| $974,641 | $865,591 | $928,222 |

**Cash Flow**

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| **2021** | **2020**  | **2019** |
| $422,127 | $392,066 | $560,292 |

* **3-Year Avg. Cash Flow [’19-‘21]:** $438,162
* **2021 Profit Margin**: 49%
* **Multiple**: 3.05

**Valuation:** 2019 & 2021 Avg. Cash Flow x Multiple = FMV $491,205 x 3.05 = $ 1,498,175 \*Due to covid, 2020 cashflow is excluded from full market value calculation |  | **Funding Example** **Purchase Price**: **$1,500,000**

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| **10% Buyer Down Payment** | $150,000 |
| **20% Seller Financing or Equity Roll** | $300,000 |
| **70% Bank Loan** | $1,050,000 |

*A 10% down payment of $150,000 returns $258,508 in the first year after debt payments!***Description** This structural engineering firm caters to their 90% recurring client base which is primarily located in Oklahoma. Their clients are 100% commercial, with their work including institutional buildings, warehouses, retail shopping centers, schools, gymnasiums, churches, and retirement & nursing homes. This steady client base has allowed the firm to reach a profit margin of 49% in 2021. This coupled with their annualized gross revenue of $974,641 for 2022 shows that this firm is primed for continual onward growth. With the qualifications that the staff holds, they can offer any service surrounding structural engineering. The team consists of 3 Engineers, 1 CAD technician; 5-6 drafters at contracted firm, and the owner who handles oversight and final approval of plans. The current owner has offered a 1–2-year training period to assist with a smooth transition of ownership. In addition to this, the owner has offered 20% seller financing or equity roll of the purchase to show good faith in the continued success of the business moving forward. While most of this company’s clients are in Oklahoma (95%), those companies have multiple locations throughout the United States and due to their long-term relationships, the firm handles work for many of those projects. The company utilizes 2,600 square feet of space in a local office building. There is room within the building for expansion, if desired. Priced at **$1,*5*00,000** a 10% down payment of $1*5*0,000 returns $*250,752* in the first year after debt payments, this a return-on-investment rate *of* 1*62*%! The current owner has agreed to stay on for two years and carry 20% of the business after purchase to show just how much faith he has in the business and in the new owner’s opportunities to continue and grow. |
| ***Assets Included in Purchase:* $73,000****Equipment:** $73,000: Office equipment, furniture, large format printers, drafting and other software |  |
| ***Business Information*** **Year Established:** 2006**Location:** Oklahoma City, Oklahoma**Service Area:** 95% of clients are in Oklahoma, but projects are completed in 27+ states**Services:** Structural engineering**Clients:** Commercial clients including offices, industrial spaces, educational facilities, convenience stores – 90% repeat clients**Lease:** 2,600 sq. ft.: Private offices, open work area, conference room with room for expansion**Reason for Selling:** Retirement planning**Personnel:** 4: 3 Engineers, 1 CAD technician; 5-6 drafters at contracted firm**Seller Training Period:** 1-2 years to assist with a smooth transition**Growth Opportunities:** Maximize utilization of sister firm to increase capacity while maintaining positive margins, build client base in the OKC area, expand to additional states**Current Owner’s Responsibilities:** Oversight and final approval of plans. The owner doesn’t have any billable engineer hours. |  |
|  ***- CONFIDENTIAL -*** Last Revised JB 7.19.2022 |
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