

FOR SALE: Cloud and IT Managed Services with over \$2 Million in Cash Flow

Current owner has offered to carry 30% of purchase with 1 year transition period!

Financial Overview

List Price: \$8,950,000

Gross Sales

2022 annualized	TTM April 2021-May 2022	2021
\$9,911,310	\$7,742,860	\$3,400,172

Cash Flow

2022 annualized	TTM April 2021-May 2022	2021
\$2,173,224	\$1,680,895	\$464,719

- **Profit Margin:** 22%

Valuation: Annualized Cash Flow x Multiple = Valuation
 \$2,173,224 x 4.15 = \$9,018,879

Business Information

Year Established: 2011

Location: Omaha, NE

Service Area: They have the potential for worldwide clients, but 90% of their customers are in Eastern NE

Services: They offer technology managed services including server architecture and design, Microsoft office 360, system backups, VOIP solutions, network design, dedicated environments, platform hosting, shared servers, and 24/7 monitoring/ crisis control services. Additionally, they offer IT based staffing services which is an add on service for current clients.

Clients: 85% repeat client base annually. For tech: small-medium sized businesses are their primary clients. For staffing they primarily work with the banking industry.

Strategy: Diverse services offered create excellent pipeline and opportunities for cross marketing to client base.

Lease: 5,500 square feet for \$4,500/month

Reason for Selling: Serial Entrepreneur looking to fund next business venture (non-competing)

Staff: 7 (W2): 2 Sales Associates, 3 IT Engineers, and 2 office administrators.

Seller Training Period: Up to 1 year

Growth Opportunities: Expanding into a tech help desk service, geographically expand customer base

Current Owners Role: General oversight and assistance to the team. Skilled staff able to easily absorb owner's responsibilities to become a passive owner.

Funding Example

Purchase Price: \$8,950,000

15% Equity Roll	\$1,342,500
15% Seller Note with Benchmarks	\$1,342,500
70% Cash and Financing	\$6,265,000

Description

The owner of this cloud and IT management service has full faith in the continued success of this business and to show his vested interest in the operation has offered to roll 15% equity with benchmarks and a 15% promissory note. This offer, which is far above the market average of carrying 10% total, is on top of the presented 1 year transition period even though the current owner's responsibilities of general oversight and aiding the team could easily be absorbed by the skilled staff. This company offers managed services such as server architecture and design, Microsoft office 360, system backups and restorations, VOIP solutions, network design, dedicated environments, platform hosting, shared servers, and 24/7 monitoring/ crisis control services. Additionally, they offer IT based staffing services as an add on service for current clients. Based on the first half of the year, and their consistent growth pattern, this company is expected to have an annualized cash flow of over \$2M! The purchase of this business not only includes an excellent reputation for customer service, but also an established and efficient team consisting of 7 W2 employees including 2 Sales Associates, 3 IT Engineers, and 2 office administrators. Their current client base has consisted of 85% repeat customers annually thanks to not only their high levels of vested ongoing customers but also their ability to cross advertise to varying clientele.

Established in 2011, this business is located in Omaha, NE. Their current service area is primarily throughout Eastern NE, but they have the potential for worldwide clients. New ownership has countless possibilities for further growth, or the chance to relax and enjoy the current organic growth path the team is on as 2022 is set to be their best year yet with an annualized revenue of over \$9M and a 22% profit margin.

Priced at **\$8,950,000** this business with an excellent reputation for never losing a client is poised to deliver a stable and continually growing opportunity to the lucky new owners. Growth opportunities for this business could include expanding into a tech help desk service or geographically expanding the customer base outside of Eastern Nebraska.

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