

FOR SALE: Electrical Services Focused in Cable & Low Voltage Data installs

Selling at a Discounted Valuation due to age of seller!

Financial Overview

List Price: \$1,290,000

Gross Sales

2021	2020	2019	2018
\$1,302,917	\$1,891,481	\$2,718,611	\$1,183,694

Cash Flow

TTM	2021	2020	2019
\$670,808	\$390,737	\$763,260	\$1,340,452

- 2021 Low due to COVID
- Selling at a Discounted Valuation due to age of seller

Fair Market Valuation:

$$4 \text{ Yr. AVG Cash Flow} \times \text{Multiple} = \text{Valuation}$$

$$\$791,314 \times 3.6 = \$2,848,731$$

Asking Price:

$$\text{Cash Flow (TTM)} \times \text{Multiple} = \text{Valuation}$$

$$\$670,808 \times 1.95 = \$1,308,075$$

Assets Included in Purchase: \$317,000

Vehicles: \$235,000

Equipment: \$12,000

A/R: \$70,000

- **Profit Margin:** 47% (3-Yr Avg)

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

Business Information

Year Established: 2015

Location: Tampa Bay, Florida

Service Area: 2-hour radius from Tampa

Services: High/low voltage cable installation (50% of total work each), including electrical, data, and phone wire work

Clients: 50; Local commercial construction firms, subcontracting work for a national low voltage company

Lease: 1,200 sq ft. warehouse/\$730/month

Reason for Selling: Retirement

Personnel: 7 FT Field Technicians | 2 PT Office/Delivery Workers

Seller Training Period: Owner 1 = 1-3 years (accounted for in cash flow); Owner 2 = 3-6 months (No replacement needed)

Growth Opportunities: Expand marketing presence and services into the residential sector

Current Owners' Responsibilities: Owner 1 = conducting estimates for projects and sales work; Owner 2 = part time, office work and some A/R & A/P (these roles can be absorbed by current staff)

Funding Example

Purchase Price: \$1,290,000

10% Buyer Down Payment	\$129,000
10% Seller Financing	\$129,000
80% Bank Loan	\$1,032,000

A 10% down payment of \$129,000 returns \$479,205 in the first year after debt payments!

Description

Due to the current owners age, they have made the decision to sell the company below fair market value. With this purchase, a buyer would receive \$317K in assets, which includes \$235K in vehicles, \$12K in equipment, and \$70K in A/R while benefiting from a low overhead at the current 1,200 sq. ft. warehouse. This well-established high/low voltage cable installation company has \$950,000 in project backlogs for 2022 and works with 100% commercial clients boasting an average of 47% profit margin! There are currently 7FT field technicians for installation work, with 2 PT office employees. The amount of field technicians employed varies depending on the project load, but their experienced crew provides excellent service, working with large, nationally known retail clients. With their well-trained staff, this company extends their services to 50 solid clients which includes local commercial construction firms, and subcontracting work for a national low voltage company. The two owners are married, with one acting as president of the company (and handling the A/P and A/R work, permits, and other office tasks) while the other owner acts as the vice president, handling the purchasing of materials for projects, and doing the estimating for forthcoming projects. Most of the owners' responsibilities can be absorbed by staff members to allow for a more passive ownership but the current Owner is willing to stay with the company for up to 3 years in order to provide a smooth transition.

This company has licenses to work in both Florida and Georgia, with their main service area spanning 2 hours from their home base in Tampa Bay, Florida. Services provided include high/low voltage cable installation, pre-construction design, generator installation, and troubleshooting for electrical, structured cabling, building controls and security, and life safety systems. The current process for obtaining contracts takes about 1-2 months, with the average cost per project being \$10,000.

Priced at **\$1,290,000**, after debt payment the buyer would see a return of **\$479,205** in the first year after debt payments! This contractor provides a new owner with an experienced crew and client base that can not only continue its significant work in the commercial sector but also expand greatly into the residential market.

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Last Revised BV 10.11.2022

The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Advisors, LLC. The Firm does not sell real estate. The Firm solely advises on exit strategy.