

FOR SALE: 13 Architects in Toronto Based Firm

Owners will finance 20% and stay on board for 3-5 years!

Financial Overview

List Price: \$9,300,000 CAD

Gross Sales

2022 Ann.	2021
\$4,499,306	\$3,332,478

Cash Flow

2022 Ann.	2021
\$2,373,790	\$1,498,284

- **Profit Margin: 45%**

Valuation: 2022 Cash Flow x Multiple = Valuation
 \$2,373,790 x 3.95 = \$10,814,270

Assets Included in Purchase: \$613,597

Equipment: \$85,228

Working Capital: \$439,756

A/R: \$524,984 **A/P:** \$85,228

Prepays: \$88,613

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

Business Information

Services: Guide clients through unique architecture that is both elegant and intelligent. Lead planning, design, and work alongside clients in construction phase.

Location: Toronto, Ontario, serving primarily in Ontario, but has done work in the US in the past.

Industries: Casinos & Racetracks (60%), Condos (15%), Commercial (10%), Corporate Interiors (10%), Luxury Custom Residential (5%)

Personnel: 21 FT including CFO, General Manager, 9 registered architects, 4 technical draftsmen, and 3 architect interns. They also have 3 contract architects who handle overflow.

Current Owners' Responsibilities: Partners 1 & 2: Client relations, team & project management; Partner 3: Limited design work but is not hands on; no replacement needed.

Reason for Selling: Succession Plan

Seller Training Period: Partner 1: 4-5 years, Partner 2: 3-4 years

Years Established: 30+ years

Growth Opportunities: Returning to the United States and using deep connections. Also a new owner should develop and operate a marketing plan as they do not have any marketing or advertising – everything is repeat or referral!

Funding Example

Purchase Price: \$9,300,000 CAD

15% Buyer Down Payment	\$1,395,000
10% Seller Financing	\$930,000
10% Equity Roll	\$930,000
65% Bank Loan	\$6,045,000

Description

The focus of their firm is to guide clients through unique architecture that is both elegant and intelligent, along with lead planning, design, and working alongside clients in the construction phase. Located in Toronto, this architecture firm's staff primarily services clients in Ontario but have worked in the US because of their expertise in casinos, which a buyer could reimplement easily, as they still have client connections and resources. This architecture firm with nearly 35 years of experience specializes in the entertainment and gaming sector (60%), a large portion of their services are related to designing complex casinos, a service that not all firms are able to efficiently provide. This firm also handles condos (15%), commercial and industrial spaces (10%), corporate interiors (10%), and luxury residential work (5%). The team includes 21 employees, including a CFO, general manager, 9 registered architects, 4 technical draftsmen, and 3 architect interns. As a show of vested interest in the ongoing success of the company, the owners will offer an extended transition period of 3-5 years.

The price of **\$9,300,000 CAD** includes a 10% seller carry, along with a 10% equity roll to show good faith in the business continuing successfully post-close. Over the last 5 years, the business is boasting an incredible 45% profit margin! With the purchase, a buyer would also be receiving \$439,756 in working capital. This firm is back to pre-Covid levels with revenue, and a 2022 cash flow of over \$2.3 Million!

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Last Revised: BV 12.20.2022

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