

FOR SALE: Niche Rental Fleet of Directional Drills – Growth with Infrastructure Bill

Loan over collateralized plus seller will carry 20%!

Financial Overview

List Price: \$9,975,000

Gross Sales

TTM	2022	2020	2019
\$20,512,896	\$17,432,571	\$10,830,022	\$13,115,558

Cash Flow

TTM	2022	2020	2019
\$3,063,846	\$2,075,675	\$2,467,005	\$2,003,771

Valuation: 4 year Avg Cash Flow (18,19,20,22) x Multiple = Valuation
 $2,222,915 \times 4.5 = \$10,003,117$

Backlog: \$4,436,964

Sales Pipeline: \$3,690,200

Business Information

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

Service Area: Southwestern United States

Fleet: Foundation & directional drilling equipment, cranes, rotators

Clients: Prime contractors, specializing in infrastructure work. Also, more specialized contractors such as, foundation companies, electrical, and waste management.

Recession Resistant: With the thought of a "recession" looming, this company will be growing, as the newly passed Infrastructure Bill will directly impact this company's revenue and shield them from economic downfall.

Location: Phoenix, AZ & Salt Lake City, UT. 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.

Personnel: 6: 1 COO/Sales manager, 1 Project and Operations Manager, 1 Accounting and Sales Representative, 1 Office Admin, 1 Lead Mechanic and Technician, and 1 Yard Manager and Technician Consultant.

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.

Reason for Selling: Family.

Seller Training Period: 12-18 months.

Growth Opportunities: Expand into the Mining Sector, Electrical Sector, International Market, Casing Manufacturing and Distributorships for other product lines. They could easily add 3-5 new product lines in a short amount of time. The newly signed Infrastructure bill will allow organic growth making this opportunity recession-proof.

Year Established: 15+ years

Funding Example

Purchase Price: \$9,975,000

20% Seller Note and/ or Equity Roll	\$1,995,000
80% Buyer and Financing	\$7,980,000

**100% of the loan is collateralized*

Assets Included in Purchase: \$7,675,297

Equipment: \$3,110,780

Parts Inventory: \$95,896

Accounts Receivable: \$1,509,454

Equipment Deposit: \$550,475

Retainer: \$2,408,692

Description

With a location in Phoenix, Arizona and in Salt Lake City, Utah, they are able to rent to Prime Contractors, foundation companies, and infrastructure GC's throughout the Southwest. Over \$4M in backlog and \$3.6M in their sales pipeline, this Industrial drilling equipment business is on track to have an amazing 2023. 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. Established over 15 years ago, this well-known business offers a solid reputation with only two competitors. With nearly \$8 Million in assets the buyers' loan is 100% Collateralized! With the thought of a "recession" looming, this company will be growing, as the newly passed Infrastructure Bill will directly impact this company's revenue and shield them from economic downfall. The team consists of industry experts including the COO/Sales manager, a Project and Operations Manager, Accounting and Sales Representative, Office Administrator, a Lead Mechanic plus his Technician, a Yard Manager and Technician Consultant. The current owner only spends 15 hours a week in the business with the role of general oversight and is offering up to a 2-year transition period.

Priced at **\$9,975,000** this business is ready for new ownership to step in and enjoy continued growth. The current owner believes in the business's onward & upward revenues and, as a show of this faith and to mitigate the risk for future ownership, the seller has offered to carry a 20% Seller note and/or Equity Roll. Opportunities for growth include expanding into the Mining Sector, Electrical Sector, International Market, Casing Manufacturing and Distributorships for other product lines. They could easily add 3-5 new product lines in a short amount of time. The newly signed Infrastructure bill will allow organic growth making this opportunity recession-proof.

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