A Neumann & Associates, LLC

Affiliated with Americas Largest Network of M&A Professionals

Business Profile **Engagement: 1492-2162**

Company Information

Line of business: Plumbing Contractor

Location: Northern New Jersey

In Business: 25+ year

Employees: 1+ 1099 Contractors

Facilities: 1,700 SF Shop (leased)

Reason for Sale: Retirement

Company Assets:

• Net Working Capital	$14,500
• Leasehold Improvements	$0
• Office – Furniture & Computer	$0
• Vehicles, Trailers, Forklifts	$0
• Equipment & Tooling	$12,000
• Other	$0
Total Assets included in Sale	$26,500

Sales and Cash Flow: **(All Information Based On P&L/Tax Returns)**

Fiscal Year End	Revenue	Seller Discretionary Cash Flow
2023	$350,000	$176,000
2024	$350,000	$175,000
2025	$383,000	$177,000
2026 (e)	$400,000	$188,000

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Executive Summary

This well-known **Residential Plumbing Contractor** provides plumbing and heating services to residential customers and condo complexes in multiple counties in the area. The business currently operates from a conveniently located 1,700 sq. ft. leased shop. The ideal buyer should have a NJ plumbers license.

The company enjoys a **strong competitive advantage** in the service area through its reputation and pricing for the services they provide. The Company has a solid client list and a new owner can accelerate growth by tapping other areas of service.

It is projected that a new owner will obtain **significant additional growth** by expanding the service opportunities by adding employees and equipment. A new owner can also expand into commercial work and work with contractors on major renovations.

The company has been **fully reviewed and conservatively appraised** by an accredited national valuation firm at 4.3x EBITA (ttm). A full valuation report is included and there is $14,500 in Net Working Capital plus another $12,000 in Fixed Assets included in the deal. The business is pre-qualified by an SBA lender subject to buyer's financials, and by implementing the proposed deal structure an owner operator will obtain almost **$100,000 benefit in after-acquisition-debt cash flow in Year #1 – over 88% return on equity investment**.

A comfortable **transition period** will be provided by the owner who truly wants to see the business continue to flourish. Seller will consider a mid-term consulting agreement thereafter.

(ALL DATA BASED ON SIGNED TAX RETURNS)

Deal Structure

(***Proposed***)

Buyer Cash Down @ Closing	$111,200
Buyer Bank Financing	$333,600
Seller Financing @ 9.75% / 5 years	$111,200
Long Term Debt Assumption	$0
Total Purchase Price	**$556,000**

Note: If applicable, all real estate only offered via ANA Commercial Real Estate, LLC

Buyer Benefits

1) Solid business for 35+ years – well known in residential area with solid growth potential
2) Motivated owner helping in the transition
3) Acquisition financing approved for 80% of asking price – 88+% ROI in Year #1

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NOTE: All data is based on signed tax returns and financial records. A Neumann & Associates has made no investigation or verification of the information presented herein. No additional information will be released until the Buyer has been fully reviewed and sufficient cash is available.

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