



**A Neumann & Associates, LLC**  
 Affiliated with Americas Largest Network of M&A Professionals

**Business Profile**

Engagement: 1492-2100A

*Company Information*

Line of Business: Residential HVAC Contractor - Recurring Revenue

Location: Ocean County, New Jersey – 350 Service Contracts

In Business: 30+ Years – Growing Revenue & Significant Potential

Employees: 12 - Experienced Management & Technicians in Place

Facilities: 1,500 SF Office & 2,500 SF Warehouse

Reason for Sale: Retirement

Company Assets:

• Net Working Capital	\$200,000
• Leasehold Improvements	\$0
• Office – Furniture & Computer	\$25,000
• Vehicles, Trailers, Forklifts	\$125,000
• Equipment & Tooling	\$100,000
• Other	\$0
<u>Total Assets included in Sale</u>	<u>\$450,000</u>

Sales and Cash Flow:

(All Information Based On P&L/Tax Returns)

<u>Fiscal Year End</u>	<u>Revenue</u>	<u>Seller Discretionary Cash Flow</u>
2019	\$2,600,000	\$325,000
2020	\$2,700,000	\$385,000
2021	\$3,100,000	\$620,000
2022 (e)	\$4,450,000	\$850,000



## Executive Summary

This well-known **Residential HVAC Contractor with over 350 Service Contracts** has provided quality heating and air conditioning services to the local Ocean County New Jersey community for over 30 years. The Company has experienced consistent revenue growth and enjoys high operating margins with documented profitability. The seller's 4,000 SF facilities are perfectly suited to servicing the local target market.

The Company enjoys a **competitive advantage** by leveraging its locally recognized brand, industry expertise and impeccable reputation to provide its loyal client base with an exceptional customer experience and fair pricing - stability and growth have been the result. This is a turnkey operation with experienced management and technicians in place plus an owner that is willing to stay on in an advisory role. It is projected that a new owner will obtain **compelling additional growth** by expanding the direct sales efforts to serve a wider territory with a minimal personnel investment of \$100k to \$200k per year. The company projects an accelerated revenue growth rate under such premise of 20% to 30% per year.

The Company has been **fully reviewed and conservatively appraised** by a well-known national valuation firm at 2.6x EBITDA (2022). A full valuation report is included and there is \$200,000 in Net Working Capital plus another \$250,000 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 over **\$480k benefit in after-acquisition-debt cash flow or over 125% ROI** in Year #1.

A comfortable six-months **transition period** will be provided by an owner who truly wants to continue to see the business flourish. A very well trained and highly qualified team will stay in place and support the new owner in all aspects of the business.

**(ALL DATA BASED ON SIGNED TAX RETURNS)**

### Deal Structure

*(Proposed)*

Buyer Cash Down @ Closing	\$380,000
Buyer Bank Financing	\$1,140,000
Seller Financing @ 8% / 5 years	\$380,000
Long Term Debt Assumption	\$0
<b>Total Purchase Price</b>	<b>\$1,900,000</b>

### Buyer Benefits

1) Stable Business for 30+ Years - Significant Revenue Growth and Potential
2) Significant Recurring Revenue - Over 350 Annual Service Contracts in Place
3) Motivated Owner - Transition & Consultation - Experienced Management
4) Acquisition Financing Approved for 80% of Deal - Over 125% ROI in Year 1

### **A NEUMANN & ASSOCIATES, LLC**

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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.**