

FOR SALE: Structural Engineering Business – Owner will stay for 3 years.

100% Commercial Client Base!

Financial Overview

List Price: **\$1,425,000**

Gross Sales

2022 Annualized	2021	2020
\$974,641	\$865,591	\$928,222

Cash Flow

2021	2020	2019
\$422,127	\$392,066	\$560,292

- **3-Year Avg. Cash Flow** ['19-'21]: \$438,162
- **2021 Profit Margin:** 49%
- **Multiple:** 3

Valuation: 2019 & 2021 Avg. Cash Flow x Multiple = FMV
 \$491,205 x 2.9 = \$1,424,495

*Due to covid, 2020 cashflow is excluded from full market value calculation

Very Low Multiple

Business Information

Year Established: 2006

Location: Oklahoma City, Oklahoma

Service Area: 95% of clients are in Oklahoma, but projects are completed in 27+ states

Services: Structural engineering

Clients: Commercial clients including offices, industrial spaces, educational facilities, convenience stores – 90% repeat clients

Lease: 2,600 sq. ft.: Private offices, open work area, conference room with room for expansion

Reason for Selling: Retirement planning

Personnel: 4: 3 Engineers, 1 CAD technician; 5-6 drafters at contracted firm

Seller Training Period: 3 years to assist with a smooth transition

Growth Opportunities: Maximize utilization of sister firm to increase capacity while maintaining positive margins, build client base in the OKC area, expand to additional states

Current Owner's Responsibilities: Oversight and final approval of plans. The owner doesn't have any billable engineer hours.

Equipment: \$73,000: Office equipment, furniture, large format printers, drafting and other software

Funding Example

Purchase Price: **\$1,425,000**

10% Buyer Down Payment	\$142,500
15% Seller Financing or Equity Roll	\$213,750
75% Bank Loan	\$995,750

Description

This structural Engineering Business has a client base that is 100% commercial: with their work including institutional buildings, warehouses, retail shopping centers, schools, gymnasiums, churches, and retirement & nursing homes. This steady client base has allowed the firm to reach a profit margin of 49% in 2021. With over 90% repeat clients, this structural engineering firm caters to a client base which is primarily located in Oklahoma. While most of this company's clients are in Oklahoma (95%), those companies have multiple locations throughout the United States and due to their long-term relationships, the firm handles work for many of those projects. The team consists of 3 Engineers, 1 CAD technician; 5-6 drafters at contracted firm, and the owner who handles oversight and final approval of plans. With the qualifications that the staff holds, they can offer any service surrounding structural engineering. The current owner has offered a 3-year training period to assist with a smooth transition of ownership. In addition to this, the owner has offered 15% seller financing or equity roll of the purchase to show good faith in the continued success of the business moving forward.

The company utilizes 2,600 square feet of space in a local office building. There is room within the building for expansion, if desired.

Priced at **\$1,425,000** a 10% down payment of \$142,500 returns \$262,396 in the first year after debt payments, this a return-on-investment rate of 178%! The current owner has agreed to stay on for three years and carry 15% of the business after purchase to show just how much faith he has in the business and in the new owner's opportunities to continue and grow.

- CONFIDENTIAL -

Last Revised BV 8.29.2022

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.