

# FOR SALE: Pipe-fitting & Plumbing with 2 Million in Sales

*Current owner is looking for a strategic partnership!*

## Financial Overview

**List Price:** **\$1,015,000**

### Gross Sales

Sales	Cash Flow
\$2,167,310	\$347,503

- **Multiple:** 3

**Valuation:** Cash Flow x Multiple = Valuation  
 \$347,503 x 3 = \$1,042,509

## Assets Included in Purchase: \$588,297

**Vehicles:** \$291,678

**Equipment, Tools, and Trailers:** \$48,910

**Working Capital:** \$247,709

**WIP:** \$1MM

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

## Business Information

**Year Established:** 2006

**Location:** Detroit, Michigan

**Service Area:** Centrally located between Ann Arbor, Flint, Detroit, and Toledo

**Services:** Pipe-fitting (25%) and plumbing (75%)

**Clients:** 80% general contractors and 20% direct customers

**Client Type:** Industrial, Healthcare, Municipal, and Commercial

**Lease:** 5,000 sq ft, 3,500 shop, 1,500 office for \$2,250/mo

**Reason for Selling:** Seeking to sell to strategic new owner who will grow the business and overcome competition

**Personnel:** 11 employees which includes 7 field technicians, 2 estimators, 1 bookkeeper, and 1 admin

**Seller Training Period:** 2-3 years

**Growth Opportunities:** Increase marketing and advertising presence. Hiring campaign to bring in more laborers

**Current Owners' Responsibilities:** Is active in the business overseeing estimates and visits job sites once a week!

## Funding Example

**Purchase Price:** **\$1,015,000**

<b>10% Buyer Down Payment</b>	\$101,500
<b>10% Seller Financing</b>	\$101,500
<b>80% Bank Loan</b>	\$812,000

*A 10% down payment of \$101,500 returns \$196,746 in the first year after debt payments!*

## Description

The owner of this plumbing and piping company is looking for a strategic partner to grow the business further and is planning to stay on with the business for 2-3 years to assist in this anticipated growth and ensure a smooth transition. Based in Detroit, Michigan, this well-established business is centrally located between Ann Arbor, Flint, Detroit, and Toledo. This business has a client base made up of 80% repeat customers in a variety of industries including the industrial sector, the healthcare field, and municipal clients. Services that are offered include plumbing (which makes up 75% of service base) and pipefitting (25% of service base). The company comes with a well-established team of 11 including 7 field technicians, 2 estimators, 1 bookkeeper, and 1 admin. The current owner is active in the business overseeing estimates and visiting job sites once a week. The master plumbing license is not held by current ownership but instead is held by one of the team members. This business is primed for new ownership, with the projected \$1,000,000 in backlog and \$600,000 of new projects in their pipeline to be bid on.

The team works out of 5,000 sq. ft. building with 3,500 sq. ft. dedicated to the shop, with the remaining space dedicated to the office for \$2,250 per month. There is plenty of room to expand operations both in the amount of space currently leased and in the opportunities that a buyer could easily take advantage of to see an ongoing development. With their exponentially high rate of return clients, an added marketing or advertising campaign could be expected to result in ongoing dividends of returning clients for years to come. A well-planned hiring campaign to bring in more laborers offers another path of growth.

Priced at **\$1,015,000** the purchase of this company includes all the assets that new ownership will need to continue and grow the current business operation. This includes vehicles, equipment, tools, trailer, and a working capital of \$150,934 which, altogether, add up to be valued at \$491,522.

**- CONFIDENTIAL -**

Last Revised BV 10.24.22

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.