

FOR SALE: Engineering Firm: Structural – Owner to stay 3 years

Based in Oklahoma City with 90% repeat client base!

Financial Overview

List Price: \$1,390,000

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**

Fair Market Valuation: 2019 & 2021 Avg. Cash Flow x Multiple =
 \$491,205 x 3.55 = \$ 1,743,777

Asking Price: 2019 & 2021 Avg. Cash Flow x Multiple =
 \$491,205 x 2.85 = \$ 1,399,934

- **\$300,000 discounted Valuation due to age of Seller**

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

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

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: \$1,390,000

10% Buyer Down Payment	\$139,000
15% Seller Financing or Equity Roll	\$208,500
75% Bank Loan	\$1,042,500

- **2021 Profit Margin: 49%**

Description

With over 90% repeat clients, this firm caters to a client base which is primarily located in Oklahoma. However, 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. This 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. This Structural Engineering team consists of 3 Engineers, 1 CAD technician; 5-6 drafters, and the owner who handles oversight and final approval of plans. With the qualifications that the staff holds, they can offer any service surrounding the scope of structural engineering. The current owner handles general oversight and gives the final approval on proposed plans. The 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 fitted with private offices, an open work area, and a conference room with space for expansion.

Priced at **\$1,390,000** a 10% down payment of \$139,000 returns \$280,161 in the first year after debt payments, this a return-on-investment rate of 201%! 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.

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