

FOR SALE: Roofing Company with 2.4M in Receivables

Residential Roofing: 2 Locations with 2 General Managers!

Financial Overview

List Price: **\$2,800,000**

Gross Sales

2022	2021	2020	2019
\$5,470,759	\$8,529,720	\$6,601,069	\$7,051,543

Cash Flow

2021
\$1,450,753

**Selling for \$853,594
 less than Fair
 Market Valuation!**

Valuation: 2 Yr. Avg. Cash Flow x Multiple = Valuation
 \$1,043,884 x 3.5 = \$3,653,594

Assets in Purchase: \$2,604,186

Vehicles: 10 pickups

Insurance AR: \$2,430,817 **AR:** \$107,095

Equipment and office furniture: \$66,274

Intangible Assets: Client list (5000+), website, 4.8 average rating from online reviews, social media followers

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

Business Information

Services: Roof inspections & installation, gutter repair, siding, windows, floors, decks, drywall, overall storm restoration depending on customer needs

Clients: 95% residential; the largest client is less than 3%; 70% of customers come from referrals!

Strategy: Labor is all subbed out, there is no self-performance, keeping CapEx and liability low

Recession Proof: This business revolves around the repairs due to storms on the east coast and works with insurance companies

Location: 1 location in Manassas, VA and second satellite office 1 hour away

Service Area: 2-hour radius - Virginia, West Virginia, Maryland

Personnel: 16 between two locations – 2 office managers, 5 office staff members, and 7 sales representatives. Bookkeeping, marketing, & insurance work is outsourced

Current Owner Responsibilities: His direct report is the Sales Director, owner role is to maintain oversight of this division. He is willing to stay on board for 2-3 years, and that salary is accounted for in our cash flow.

Seller Training Period: 2-3 years

Reason for Selling: Owners want to spend more time with family.

Year Established: 20+ years

Lease: 3000/sq ft divided between both locations- 1500 sq ft is owned, but owner is willing to lease to the next owner

Growth Opportunities: Expanding services to commercial and government opportunities

Funding Example

Purchase Price: **\$2,800,000**

10% Buyer Down Payment	\$280,000
20% Seller Financing with Benchmarks	\$560,000
70% Bank Loan	\$1,960,000

Description

This residential roofing business has been in service for over 20 years and they have \$2.4M in receivables! they have 2 locations with their main location in Manassas, VA and the second satellite location an hour away, both locations have a General Manager to ensure smooth individual operations. Boasting over \$1.45M in cash flow in 2021 in addition to the previously mentioned \$2.4M in AR, this opportunity would allow new ownership to continue and grow the business's current operations. The team consists of 16 employees including 2 office managers, 5 office staff, and 7 sales reps, this roofing business not only has an established chain of command but has also been able to keep their CapEx and Liability low by outsourcing all of the business's labor. The current owner only focuses on the oversight of sales and even with his minimal involvement in day-to-day activities, he is willing to stay on board with the business for 2-3 years post-close to ensure a smooth transition. The services offered include roof inspection and installation, gutter repair, siding, windows, floors, decks, drywall, and storm restoration which are utilized by over 5,000 clients in Virginia, West Virginia, and Maryland.

In the Northeast U.S., April through September is storm season, which is the busiest time of year for this company. After a hailstorm, there is a 50% chance that a roof will have a leak. They have learned to utilize this information by increasing their cold call and door to door sales to coincide with this optimum business opportunity. Because of this niche market, the business has proven to be pandemic and recession proof. Their team works with clients' insurance companies to ensure that customers get the most out of their claim. Coupled with the high levels of customers coming in due to referrals (70%!), and their average online rating of 4.8, this business is primed for growth. Outside of their already incredible client base, there would be easy expansion into commercial and government work as well.

The current owner is willing to carry up to 20% of the **\$2,800,000** purchase price, to show their established confidence in the company's ability to continue successfully. A 10% down payment of \$280,000 would show a 363% ROI of \$1,016,385 in the first year after debt payments! This fantastic return on investment rate is due to their willingness to sell the business for over \$800,000 less than the fair market valuation!

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