

1. ABOUT NORTHEAST FREIGHT TRANSFER

A. Summary

FOR SALE: Rail Terminal Services for Inbound & Outbound Freight

Passive owner living out of state: Includes over \$5M in Assets!



Financial Overview

List Price: \$6,500,000

Gross Sales
2022: \$4,504,530
2021: \$4,240,187
2020: \$3,683,862

Owner Profit/Cash Flow
2022: \$879,168
2021: \$1,311,739
2020: \$1,582,767

3 Year Average Profit Margin: 31%

Valuation: 3 Yr Avg (20-22) x Multiple = Valuation

\$1,257,891 x 5.25 = \$6,603,928

Assets Included in Purchase*: \$5,085,500

Equipment/Vehicles: \$3,473,000: 9 sand trans loaders/conveyers, 4 hostler trucks, 2 overhead gantry cranes, vacuum lift, variety of heavy lifting equipment, construction pieces, scales

Included Working Capital: \$726,000

Land Improvements: \$727,500

Deposits: \$159,000

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

Funding Example

Purchase Price: \$6,500,000

60% Cash at Closing: \$3,900,000

10% Promissory Note: \$650,000

20% Debt Absorption: \$1,300,000

10% Earn Out or Equity Roll: \$650,000

Business Information

Services: Railroad terminal operation for inbound/outbound freight clients, clerical & inspection work for rail, equipment maintenance, transloading of swamp mats, propane, residual waste, agricultural biproducts

Clients: Transportation Providers, agriculture industry, PennDOT, energy sector, plastics & lumber clients

Service Area: Mid-Atlantic to Northeast U.S.

Location: Philadelphia, Pennsylvania & New York: 6 Locations

Personnel: 36: Operations Manager, VP Business Development, 1 Controller, 1 Accounting/HR, 1 Safety Officer/Project Oversight, plus a number of day and night managers, mechanics, transload operators, crane operators, truck drivers, and clerical; All cross-trained to work at each location

Year Established: 30+ years

Reason for Selling: Retirement / Aging Owner

Seller Training Period: Seller is passive and living out of state. Owner would remain available for 1 year.

Growth Opportunities: Expand service area, add another terminal, increase commodities, look further into increasing residual waste removal services

Recession Resistant: The recently passed US Infrastructure Bill allows for natural growth for this business. Billions of dollars are being dedicated to the improvement of the US infrastructure. Freight supports the delivery of materials directly related to road and bridge work.

Description

Serving the Mid-Atlantic & Northeast region of the US for 30+ years, services offered include railroad terminal operation for inbound & outbound freight clients, clerical & inspection, equipment maintenance & repair, and transloading of commodities such as swamp mats, propane, residual waste, hazmat materials, and agricultural biproducts. The diverse customer base consists of transportation providers, agriculture industry, PennDOT, the energy sector, and plastics & lumber clients. Corporate headquarters are in Scranton; which is where all accounting/bookkeeping, insurance needs, and HR are done. There is an intermodal terminal operations located in Pennsylvania, and a bulk rail facility in New York that is a short line railroad and is project-oriented, handling everything from mats for pipelines, re-bar for road construction, and utility poles for the power industry. They also have a rail facility in PA with a certified truck scale and multiple conveyors. All locations are strategically located, and the employees are all cross trained to work at any location. The reason for sale is an aging owner, who resides out of state and is absentee from the business. The well-developed leadership team allows for passive ownership. The staff is comprised of an Operations Manager, VP of Business Development, 1 Controller, 1 Accounting/HR, 1 Safety Officer/Project Oversight, plus a number of day and night managers, mechanics, transload operators, crane operators, truck drivers, and clerical staff. Assets include 9 sand trans loaders/conveyers, 4 hostler trucks, 2 overhead gantry cranes, a vacuum life, and a variety of heavy lifting equipment, construction pieces, and scales. There is also working capital included of nearly \$800K, plus land improvements and deposits. All assets included total over \$5M! This type of business is recession-resistant, as the recently passed US Infrastructure Bill allows for natural growth. Billions of dollars are being dedicated to the improvement of the US infrastructure. Freight supports the delivery of materials directly related to road and bridge work. Expanding their service area further south, adding another fully functional terminal, increasing commodities, and looking further into increasing residual waste services all offer clear routes to further growth for an already strong operation.

Priced at **\$6,500,000**, the seller is willing to not only hold a 10% seller note, but also retain equity or have a performance based earn out for another 10%. This shows the seller's faith in the ongoing success of the company. She is willing to stay on board for up to 1 year after closing as well to ensure a strong and smooth training and transition.

