

# FOR SALE: MSP and IT Services with Long-Term Contracts

*SaaS & IT Development: Owner will stay 2 years!*

## Financial Overview

**List Price: \$1,050,000**

### Gross Sales

2022	2021	2020
\$691,514	\$540,605	\$482,973

### Cash Flow

2022	2021
\$315,063	\$249,059

- **2022 Profit Margin:** 46%
- **Reoccurring Monthly Revenue:** \$18,854

**Valuation:** 2022 Cash Flow x Multiple = Valuation  
 \$315,063 x 3.35 = \$1,055,461

*A 10% down payment of \$105,000 returns \$155,641 in the first year after debt payments!*

## Business Information

**Services:** Provide network infrastructure services, backup servers, storage, workstations, security software, and virtualization software.

**Clients:** Corporations and Banks seeking IT assistance

**Intangible Assets:** Newly renewed Long-term contracts for 3 years with top clients.

**Reason for Selling:** Desire to join larger firm via acquisition.

**Seller Transition Period:** 3+ years.

**Revenue Breakout:** SaaS (31%), Service/Project/Labor (45%), Software and Hardware (24%).

**Service Area:** Greater Salt Lake region (80%) and National (20%).

**Location:** Salt Lake County, Utah

**Personnel:** 1 FT (Owner) + 2 part-time 1099

**Year Established:** 2015

**Lease:** Business is run from owner's home office or onsite at client's office; no commercial space needed keeping profit margin high.

**Current Owners' Responsibilities:** Day-to-day operations of the business.

**Growth Opportunities:** Increase client base; excellent opportunity for existing IT Management company

## Funding Example

**Purchase Price: \$1,050,000**

<b>10% Buyer Down Payment</b>	\$105,000
<b>15% Seller Financing</b>	\$157,500
<b>75% Bank Loan</b>	\$787,500

## Description

This Salt Lake City IT and Network Management Firm has been providing security & visualization software, backup servers and Network Infrastructure services to corporations and banks since 2015. In 2023, the firm has renewed additional 3-year contracts with their larger clients! These clients are very lucrative, producing a 46% profit margin and year over year top line growth since 2018. The owner is selling because he would like to join a larger firm via acquisition; and he has offered a 3+ year transition plus is willing to finance 25%. This demonstrates the good faith vested interest in the continued success of the business plus mitigates any risk to the buyer. The revenue breakout is as follows: SaaS - 31%, Service/Project/Labor - 45%, Software and Hardware - 24%. About 80% of the client base is in the Greater Salt Lake region with the other 20% being national.

Along with providing network infrastructure services, this company also provides the necessary equipment and software their clients need: servers, storage, workstations, security software, virtualization software, etc. Services include firewall implementation & management, endpoint security, ransomware protection, data protection, disaster recovery, business continuity, instant virtualization, and proactive endpoint monitoring and management. The company utilizes specialized software, such as Datto RMM, Datto, BCDR, Autotask PSA, Auvik, Lionguard Scale Computing, DataCore, Windows, Citrix Apps, Citrix Hypervisor, Citrix ADC, and Sophos Central Endpoint.

Priced at **\$1,050,000**, a 10% down payment of \$105,000 returns \$155,641 in the first year after debt payments – a 148% return on investment! With a solid customer base intact and an abundance of documentation on each client, a transition would be seamless for an already existing IT management company that is looking to grow the own client list and revenue.

**- CONFIDENTIAL -**

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