

FOR SALE: Network, Servers and MSP Business with Multi-Year Contracts

Committed clients in Banking Industry: Seller will stay for 3 years!

Financial Overview

List Price: \$1,075,000

Gross Sales

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

Cash Flow

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

- **2022 Profit Margin: 46%**

Valuation: 2022 Cash Flow x Multiple = Valuation
 \$315,063 x 3.4 = \$1,071,214

A 10% down payment of \$107,500 returns \$151,845 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: \$1,075,000

10% Buyer Down Payment	\$107,500
15% Seller Financing	\$161,250
75% Bank Loan	\$806,250

Description

In 2023, the firm has renewed their 3-year contracts with their larger clients for the third time! Providing IT and Network Management, security & visualization software, backup servers and Network Infrastructure to corporations and banks since 2015. 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 15%. 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. 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 **\$1,075,000**, a 10% down payment of \$107,500 returns \$151,845 in the first year after debt payments – a 141% return on investment! Producing a 46% profit margin and year over year top line growth for 5 years since 2018 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.

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