

FOR SALE: Special Event Rentals with focus in Backdrops and Staging

Pipe and drape rental for corporate and private events!

Financial Overview

List Price: **\$525,000**

Gross Sales

2023	2022
\$737,391	\$632,668

Cash Flow

2023	2022
\$199,163	\$145,147

- **Profit Margin:** 27%
- **Multiple:** 2.65

Valuation: 2023 Cash Flow x Multiple = Valuation
 \$199,163 x 2.65 = \$527,781

Assets Included in Purchase: \$759,583

Vehicles: \$37,876 – 1 Box Truck

Rental Equipment: \$663,216 – Drapery, Linens, fabricated Plants and Floral, Fabric and Tools.

Client Deposits: \$57,062

Business Information

Service Breakdown: Special event rentals with 70% from pipe and drape rentals, 30% from planning and coordinating sub-contractors such as sound, lights and staging. Including décor, sound, lighting, staging and set design. They also offer décor rental and set design

Client Breakdown: 40% Corporate events. 35% referral from Audio Visual companies. 25% are fundraisers or private events such as showers. They do 125 events per year

Staff: 6 core members with 20 contractors that are vetted and reoccurring

Service Area: Within a 100-mile radius of Houston, Texas

Venue types: Banquets, Galas, Trade Shows, Hotels and Pageants

Reason for Selling: Retirement and age

Seller Training Period: 1 year

Lease: Low overhead, 4 remote storage units at \$450/month.

Year Established: 2003

Growth Opportunities: Work closely with caterers for referral business

Owner Responsibilities: Owner works about 30 hours a week. Her duties include administrative oversight, some client interaction and coordination

Funding Example

Purchase Price: **\$525,000**

10% Buyer Down Payment	\$52,500
10% Seller Financing	\$52,500
80% Bank Loan	\$420,000

A 10% down payment of \$52,500 returns \$123,573 in the first year after debt payments!

Description

The company does around 125 events per year – the income breakout is about 70% from pipe and drape rentals and because they own all of the inventory this has a very high margin, 30% of the business comes from planning and coordinating sub-contractors, such as floral, AV, DJ, or catering. Their target client is 40% Corporate Events, 35% comes from referrals from audio visual companies, 25% comes from non-profit events or private events such as showers and quinceaneras. This company has been providing pipe and drape services to produce beautiful back drops for events within a 100-mile radius of Houston for over 20 years. The venue type that this special event company flourishes in are at large banquet halls or convention centers, trade shows, Gala's and pageant stages. The purchase comes with 2 box trucks and a trailer used to haul all of the rental pieces, an abundant amount of inventory such as drapery, linens and table decor and there is almost \$60K in customer deposits that will transfer over for upcoming events. There is a core team of 6 that are well tenured, plus they have a pool of vetted, repeat contractors that they work with on a regular basis. The owner is selling as she is in her 60s and entering retirement, she is happy to stay on train and transition for one year. Additionally, she is willing to finance 10% to show her vested interest in the success of the business moving forward.

The overhead is very low as there are only 4 storage units which is \$450/ month. Priced at **\$525,000**, with a diverse client base consisting of corporate entities, audiovisual companies, fundraisers, and private events, has built a solid reputation in the Houston area with a profit margin of 27%. A 10% down payment of \$52,500 returns \$123,573 in the first year after debt payments!

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