

FOR SALE: Manufacturer of Racking Systems for IT and Servers

Over \$1,200,000 in upcoming work!

Financial Overview

List Price: \$4,200,000

Gross Sales

2024	2023	2022
\$5,736,386	\$4,000,443	\$3,787,126

Cash Flow

2024	2023	2022
\$1,410,581	\$646,283	\$643,322

Backlog: \$1,200,000

Assets Included in Purchase: \$939,429

Equipment: \$224,880

Inventory: \$390,910

Raw Material: \$237,835

Finished Product: \$85,804

Working Capital: \$143,532

- **A/R:** \$145,010
- **AP:** \$1,478

Business Information

Services: Manufacturer of racking and cabinetry systems for: IT equipment, servers, telecom systems, routers, and modems. custom desk solutions. No installation

Business to Business Clients Only: Focused industries are: IT companies, cabling contractors, distributors, data centers, and financial & banking

Client Mix: End user (70%), Distributors (30%)

Personnel: 24 full-time: including 2 in Leadership, 6 in Middle Management, and 16 in Technical

Facility: Spacious 29,000 square foot facility

Service Area: Throughout Canada & US. - Greater Toronto Area (70%); United States (30%)

Current Owners' Responsibilities: Owner provides minimal oversight. He does not actively go to the facility; he is a passive owner working less than 5 hours a week. There is a President in place

Seller Training Period: 6 months though likely this will not be necessary as the owner is not active

Reason for Selling: Retirement

Year Established: Over 50 years

Location: Toronto, Ontario

Growth Opportunities: Only has inside sales, accepting incoming client requests. There is no business development or outreach of any kind

Funding Example

Purchase Price: \$4,200,000

15% Buyer Down Payment	\$630,000
25% Seller Financing w/ Benchmarks	\$1,050,000
60% Bank Loan	\$2,520,000

Description

This manufacturer designs and fabricates racking and cabinetry systems across Canada and the United States. Established in Toronto for over 50 years, this fabrication business has experienced significant growth and success in the industry. With over \$1,000,000 in upcoming work, the company continues to expand its market presence and customer base. Their client base consists of IT companies, cabling contractors, distributors, data centers, and financial institutions – 70% is direct to the end user and 30 % is to distributors. They work with 40 to 50 clients annually. The company operates from a spacious 29,000 square foot facility that houses a design center, and production area. The company has 24 full-time staff members, including 16 skilled craftsmen in the shop and 6 administrative personnel in the office, and 2 in leadership. They do not do any installation or wiring of products. The owner is not involved in the business, providing minimal oversight as he has a team of experienced managers and employees who run the day-to-day operations. The seller has offered to carry 15% of the purchase price in addition to a 6-month training period in order to provide a seamless transition. Equipment and Inventory included is valued at \$939,429, plus AR for the buyer's working capital is \$145,000. In addition, they boast a work in progress of \$650,000 with a backlog of \$1,200,000!

Priced at **\$4,200,000**, this business is primed and ready for a new owner to step in and enjoy a reputation that has been built over the past 50 years. A 15% down payment of \$630,000, will return \$792,611 in the first year after debt payments!

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