

FOR SALE: Roadwork and Underground Utilities

Heavy Civil Firm with over 80 on staff: infrastructure related in municipalities!

Financial Overview

List Price: \$8,600,000

Gross Sales

2024 Ann	2023	2022	2021
\$19,872,589	\$15,835,718	\$12,024,180	\$11,712,936

Cash Flow

2024 Ann	2023
\$2,014,387	\$1,822,618

Valuation: 2024 Ann. Cash Flow x Multiple = Valuation
 \$2,014,387 x 4.3 = \$8,661,864

Assets Included in Purchase: \$8,058,662

Vehicles and Attachments: \$6,996,716

FF&E: \$50,531

Tools & Equipment: \$86,075

Working Capital: \$952,340

➤ **AR:** \$2,762,169 - **AP:** \$1,809,829

Business Information

Services: Primarily heavy civil in Paving and roadways using both asphalt & concrete. Also perform drainage projects, utility installations, and moving earthwork. They do not perform on vertical structures, only ground based infrastructure

Clients: Primarily municipalities, DOT, airports, parks & trails with 15% per year in private work

Service Mix: 75% roadwork and 25% underground utilities

Service Area: 90-mile radius of Tulsa but has traveled as far as Arkansas to Texas

Personnel: 80+ on staff with developed leadership team including: Operations Manager, Lead Estimator, Paving Manager (manages all asphalt & paving), Survey Manager, Maintenance/Fleet Manager, Safety Director, HR Manager, and Controller. Remaining staff is infield labor

Facility: 1.5 acres with 2 buildings. Building 1: 2 story office with storage space spanning 7,000 sq ft combined. Building 2: 7,500 sq ft Mechanics Shop

Owner Responsibilities: Seller is active in the business providing general oversight. However, he relies on his Leadership Team to manage all day-to-day operations

Reason for Selling: Retirement Planning

Seller Training Period: 1 – 2 years based on the buyers requirements

Year Established: 2004

Location: Tulsa, Oklahoma

Funding Example

Purchase Price: \$8,600,000

10% Buyer Down Payment	\$860,000
15% Seller Financing	\$1,290,000
75% Bank Loan	\$6,450,000

Bank Loan 100% Collateralized

Description

Specializing on roadways, both asphalt and concrete paving, drainage projects, utility installations, and earthwork. The service mix is 75% roadways and 25% underground utilities. Their client base consists of municipalities and the Department of Transportation (DOT), airports and parks with approximately 15% of their annual workload coming from private sector clients. This is a reputable, non-union, 20-year-old heavy civil company with a 90-mile radius of Tulsa. The company boasts a team of over 80 employees with key leadership positions including an operations manager, lead estimator, paving manager, survey manager, maintenance/fleet manager, safety director, HR manager, and Controller. The remaining staff is infield. The current owner remains involved in the business operations providing general oversight however he relies on his Leadership Team to manage all day-to-day operations. The business occupies 1.5 acres which includes two buildings: a two-story office with storage space totaling 7,000 square feet and a large mechanic shop covering 7,500 square feet. The \$8MM in assets make this bank loan 100% collateralized, plus \$950,000 in working capital is included. The seller has offered to stay with the business post-close for 1-2 years and in order to sweeten the deal, he has offered to carry or roll equity of 10-15% of the purchase price.

Priced at **\$8,600,000**, a 10% down payment of \$860,000 returns \$692,269 in the first year after debt payments, an 80% return on investment!

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Last Revised: BV 12.3.2024