

Acquisition Opportunity

JFJP – B2B HVAC Company

Corporation Type: Sole Proprietor Location: DFW NAICS Code: 235110

Mature and stable HVAC company that provides heating and air conditioning services for commercial businesses in DFW for 25 years. These services include diagnoses, repair, maintenance and installation of heating and air conditioning equipment. The owner and one other service technician provide all the technical services in the company. The owner manages schedules, oversees services rendered, maintains customer relationships, prepares work proposals, and orders job materials.

ASKING

\$595,000

Terms

- Terms are flexible for a qualified buyer. Seller is willing to carry back a portion of the purchase price if needed. All notes will be personally guaranteed.

Top Details

- Established company in business for 25 years.
- Average length of top customers is 25 years.
- Owner is willing to remain with the company for up to one year.
- Opportunity to grow outside of DFW to other regions in Texas from the current client base that is expanding and asking for this company to expand their services to meet their growing needs.
- Demand for commercial HVAC equipment and service in Texas will increase with the steady growth of businesses founded or moving to the business friendly state of Texas.
- Opportunity for new owner to expand service offering to include new construction.

Strengths

- Strong customer loyalty and trust. Customer contracts are open-ended.
- Average gross margin of 71% over past three years.
- Low overhead and low capital expenditure.
- Recession resistant.
- Commercial clients that pay on time. Little to no bad debt.
- Employee loyalty.

Weaknesses

- Trained HVAC technicians are difficult to obtain.
- Customer concentration issue.

Marketing Strategy

- The company does not currently market the business. They have retained enough clients to keep the two service technicians full and currently do not seek to retain new customers. All new clients are referred by word of mouth through existing customers.

Reason for selling:

- The owner is nearing retirement age and wants to begin the process of retiring. His commercial customers want him to expand his business to be able to service additional locations, but he is more interested in retiring from this business than expanding his business.

Key Indicators (Cash Basis):

Year <small>(Financial Year End: Dec 2017)</small>	2017	2016	2015
Revenue	\$491,754	\$621,162	\$529,784
Gross Profit	\$358,492	\$408,515	\$393,652
Adj. EBITDA*	\$223,866	\$273,380	\$265,429

*Profit before interest, tax, depreciation, amortization (non-cash items) including owner salary, one-time and discretionary expenses.

Included in offering:

- Assets: \$40,000
- All debts, if any, on the company will be paid off by the seller at closing.

Business Days and Hours

- Monday - Friday: 7:00am to 4:00pm.
- Saturday - Sunday: Closed.

Employees:

- The Company has a total of 2 full time employees which includes the owner. The wife of the owner works part-time in the office doing the bookkeeping.

Support and Training

- The owner genuinely desires an effective business transition with seamless customer service through to the buyer. The seller is willing to stay with the company for at least a year.

Next Steps

- In order that we may obtain our client's permission to release the Confidential Information Memorandum, please complete the Non-Disclosure Agreement and Buyer Profile and return to:

Julie Fleming, Managing Director

julie@thevantgroup.com

(972) 458-8989 ext. 207



CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

B2B HVAC Company

Sale Price: \$595,000

1. For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned ("The Recipient") enters into this Confidentiality Agreement with and for the benefit of The Vant Group ("the Broker").
2. The Broker has attached hereto or has provided or may subsequently provide to the Recipient in connection herewith certain technical, financial, and/or business information (collectively the "Information") regarding the Company (as above designated) to facilitate an evaluation by the Recipient whether to acquire the Company or stock or assets thereof. The Recipient acknowledges that the Information is highly confidential and proprietary to the Company.
3. The Recipient shall not at any time, without prior written consent of the Company, furnish, copy, reproduce or distribute, in whole or in part, directly or indirectly, the Information to anyone, except Recipient's financial advisors and investors, who may be furnished with the Information for the sole purpose of advising the Recipient as to the structure of any proposed purchase of the Company (or its stock or assets), and it will keep permanently confidential the Information and will use the Information only for the purpose set forth above. The Recipient shall be under no obligation to maintain as confidential any information which (a) Recipient can show by legally sufficient written evidence was in its possession prior to disclosure by the Broker and/or the Company; or (b) becomes generally available to the public in tangible form other than by acts or omissions of Recipient; or (c) is lawfully obtained from a third party. The Recipient shall not contact the Company to discuss the sale or purchase of the Company or the Information without prior written consent of the Broker.
4. The Recipient hereby indemnifies and holds harmless the Broker, and its agents, representatives, employees and attorneys, from and against any and all claims, liabilities, actions, causes of action and damages, arising from or relating to any injury or loss arising out of, from, or attributed to the transactions or matters subject hereof, or the actions, omissions, wrongful conduct or other breach of this Confidentiality Agreement by Recipient, which indemnification shall include, without limitation, reimbursement of attorney's fees and expenses incurred by the Broker in connection herewith.
5. The Recipient shall not enter into any agreement for the purchase of the Company or its stock or assets unless said agreement contains a provision wherein the parties thereto acknowledge that the Broker is the procuring cause of such agreement and the Broker is entitled to a broker's commission as agreed upon by the Company and the Broker.
6. While the Information is believed to be accurate, it is subject to change, error or withdrawal of offering, without notice. The Company and the Broker expressly disclaim any and all liability for representations or warranties, expressed or implied, contained in the Information, or, for omissions from it. The Company reserves the right to require the return of the Information at any time.
7. A facsimile transmission of this document is legal and binding.
8. The Recipient warrants that the undersigned is a duly authorized by the company to enter into binding legal contracts on its behalf.
9. This Agreement contains the entire agreement between the parties hereto with regard to the subject matter hereof. If one or more of the provisions contained herein shall be held to be invalid, illegal or unenforceable, the balance of this Agreement shall remain in full force and effect. This Agreement shall be binding upon the parties' heirs, successors and assigns, where permitted. This Agreement may not be assigned by the Recipient without the prior written consent of the Broker. No ambiguity herein shall be resolved presumptively against any party. This Agreement shall be construed in accordance with the laws of the State of Texas, and the obligations of the parties are performable in Dallas, County, State of Texas, where venue shall lie for any actions brought hereunder.

RECIPIENT:

Company Name

Signature

Print Name

Date: _____

Street

City State Zip

Phone

Fax



BUYER'S PERSONAL PROFILE - CONFIDENTIAL INFORMATION

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: Home (____) _____ Office (____) _____ Cell (____) _____

Email Address: _____

Present Occupation/Business: _____

How Did You Learn Of Our Company? Internet Ad Referral Other: _____

Type of Business Preference

(Retail, Wholesale, Manufacturing, Service, Etc):

1. _____
2. _____
3. _____

Location Preference:

1. _____
2. _____
3. _____

Cash In Banks	\$ _____	Notes Payable	\$ _____	x
U.S. Govt Securities	\$ _____	Liens On Real Estate	\$ _____	
Accounts & Notes Receivable	\$ _____	Other Liabilities	\$ _____	
Value Of Businesses Owned	\$ _____	TOTAL LIABILITIES	\$ _____	
Other Stocks And Bonds	\$ _____			
Real Estate	\$ _____	Salary	\$ _____	
Automobiles -- Number ()	\$ _____	Dividends & Interest	\$ _____	
Other Assets	\$ _____	Other Income	\$ _____	
TOTAL ASSETS	\$ _____	TOTAL INCOME	\$ _____	

Monthly Income Required: \$ _____ Down Payment Available: \$ _____

Personal Net Worth: \$ _____ Require Immediate Income?: _____

Who Else Would Be Involved In The Decision Process? _____

Have You Ever Filed For Bankruptcy? _____ Have You Ever Been Arrested? _____

Fields of past Business experience:

- 1 _____ 2 _____ 3 _____

I Hereby Attest That The Above Is A True Representation On My Financial Status. I Agree To Provide, Upon Request By Broker Or Seller, Financial Statements, References And Other Pertinent Information Evidencing Such Financial Sufficiency If Necessary

Signature: _____ Date: _____

A Personal Or Business Financial Statement Will Be Required Of All Potential Buyers Before Receiving Financial Information On Any Listing