

Acquisition Opportunity

DETC – IT Network Infrastructure Company

Location: Dallas / Fort Worth Area



Structured network infrastructure cabling. The company is a cabling business that provides network infrastructure cabling, wireless infrastructure, phone systems, and video surveillance setup. The largest portion of revenue comes from network cabling using copper or fiber optics cables. The cabling services are typically inter or intra building on the premises of the customer. The cabling is never run from the street to the building by the company resulting in no contact with the utility and other cable providers in the area. The company's second largest revenue stream comes from setting up phone systems, including voice over IP that are hosted for clients.

ASKING
\$595,000

Key Aspects

- Established and well run company founded in 2008.
- Largest customer only accounts for 11% of the business in 2017.
- Average length of top 10 customers is 7 years.
- Many schools and public entities are in need of updated network infrastructure to keep up with changing technology
- Opportunity to grow within Texas due to the recently signed contract with Texas DIR (Department of Information Resources) to be a preferred Vendor.

Strengths

- Sales process is streamlined with integrated software.
- Company is lean and able to hire contractors as necessary.
- Recently signed contract with Texas DIR (Department of Information Resources) to be a preferred Vendor. This contract has 3 years remaining.
- Payment terms for the majority of clients is Net 30 or sooner with several clients prepaying.
- Partner's MSP business will need a continuing relationship with the infrastructure cabling company in order to send referrals.
- Tax Returns match the EBITDA numbers without addbacks.

Weaknesses

- Sales efforts are managed and supported by the two owners
- Limited marketing initiatives.
- Due to the burnout of the operating partner, business does not aggressively pursue new business.
- Close ties with non-operating partners other business, but businesses are run independently.
- Competitive Industry

Marketing Strategy

- There is not a comprehensive marketing strategy currently in place. Much of the existing business has been from referrals or word of mouth. However, the company is approved as a preferred vendor through the Texas DIR (Department of Information Resources). The process of becoming a vendor with DIR is a lengthy, 12 month process and requires resubmission after the first year of the award. The company has successfully completed the first year's re-approval with DIR and the contract is now auto-renewed for the remaining 3 years of the contract, which is transferable as well.

Reason for selling:

- After 30 year in the industry, one of the partners is wishing to slow down and pursue other interests. The remaining partner has owned a successful MSP for the past 19 years, which is going through a rapid phase of growth and feels his time is better spent focused on a single company, versus two.

Key Indicators (Cash Basis):

Year (Financial Year End: 12/31)	TTM Ending June 2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
Revenue	548	576	477	836
Gross Profit	396	405	293	545
Adj. EBITDA*	193	197	93	282

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

Included in offering:

- Assets: \$87,700 including 2 vehicles
- All debts, if any, on the company will be paid off by the seller at closing.

Business Days and Hours

- Monday - Friday: 8:00am to 5:00pm.
- Saturday - Sunday: Closed.

Employees:

- The Company has a total of 2 full time employees. The company also outsources accounting functions. The employees are a lead technician and junior technician. Company hires contractors on a job by job basis as needed.

Support and Training

- The Owner genuinely desires an effective business transition with seamless customer service through to the buyer. They will train a buyer for 30 days. An additional consulting contract can be obtained.

Possible Terms

- With a down payment of \$65,000 (10%), third party financing is available to finance the remaining balance over 10 years for a buyer with a requisite background that is qualified by the bank. All notes will be personally guaranteed.

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:

Dwayne Evans, Managing Director
dwayne@thevantgroup.com
(972) 458-8989 ext. 204



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

CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

Network Infrastructure 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

Street

Signature

City State Zip

Print Name

Phone

Date: _____

Fax