

Acquisition Opportunity

[JDLP] – Industrial Fabrication & Machining Company

ASKING: \$4,100,000

Business Activity

This business specializes in high-quality fabrication and machining services, supporting industries such as oil field services, aerospace, and agricultural machinery. With a focus on machine design, custom builds, and precision parts manufacturing, the company delivers essential components for aircraft, tractors, and heavy equipment. Key offerings include welding, fabrication, machining, and comprehensive field services. Orders average around \$25,000, reflecting the business’s focus on substantial, high-value projects. Operating steadily throughout the year without seasonal fluctuations, this business is well-positioned to maintain consistent demand and revenue.

Deal Summary

| | | | |
|--|-------------|----------------------------|---------------|
| (TTM) Revenue: | \$4,480,000 | (TTM) Adj. EBITDA: | \$697,000 |
| FF&E*: | \$1,000,000 | Corporation Type: | LLC/S-Corp |
| Working Capital*: | \$500,000 | Location: | Houston Metro |
| Total Assets*: | \$1,500,000 | Year Established: | 2015 |
| <small>*Included in Asking Price</small> | | NAICS Code: | 332000 |
| Accounting Method: | Cash | Financial Year End: | December |

Financing Terms

With a down payment of \$850,000 (20%), 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 (the owner is willing to carry a portion of purchase price as a seller note if needed). All notes will be personally guaranteed.

Top Things to Know About This Business

- **Specialized Business Model:** Focuses on fabrication and machining for oil field services, custom machine design, and parts manufacturing for aircraft and tractors.
- **Efficient Operations:** Well-defined systems and processes ensure a turnkey operation.
- **Consistent Revenue Stream:** Average gross revenue of \$4.5 million over the past three years.
- **High Cash Flow:** Strong cash flow averaging \$650,000+ in recent years.
- **Healthy Profit Margins:** Sustained cash flow margins of over 13.5% in the last three years.
- **Transparent Financials:** Clean books with minimal addbacks, providing clear financial insight.
- **Strong Market Reputation:** Known for reliable, on-time, and on-budget delivery.
- **Referral-Driven Growth:** 90%-95% of revenue generated from referrals and repeat customers.
- **Significant Asset Base:** Includes \$1,000,000+ in fixed assets.
- **Experienced Management Team:** Skilled leadership supports operations and strategic decisions.
- **Stable Workforce:** Long-tenured employees reflect a supportive work environment and lower turnover costs.

Strengths and Weaknesses

Key Strengths

Possible Weaknesses

Efficient Cost Structure: The company maintains low overhead, optimizing operational expenses.

Lack of Sales Staff: The company does not have a dedicated sales team to drive business development and customer acquisition.

Lean Workforce: A compact, highly efficient team ensures smooth operations and productivity.

Limited Marketing Efforts: The absence of advertising hinders the company’s ability to expand its market presence and reach new customers.

Product Excellence: The company is known for consistently delivering top-tier, high-quality products.

History

The company was founded by the current owners in 2015 and has operated at its current location for over eight years.

Business Days and Hours

| | |
|-------------------------|-------------------|
| Monday – Friday: | 7:00 am – 4:00 pm |
| Saturday: | Optional |
| Sunday: | Optional |

Marketing Strategy

The company does not have an outside or inside sales team; one of the owners serves as the sole salesperson.

Financial Summary

| Year (Financial Year End: 12/31) | TTM Nov '23 - Oct '24 | 2023 | 2022 | 2021 |
|-------------------------------------|--------------------------|-------------|-------------|-------------|
| Revenue: | \$4,480,000 | \$5,179,000 | \$5,526,000 | \$2,935,000 |
| Gross Profit: | \$1,669,000 | \$1,835,000 | \$1,831,000 | \$775,000 |
| Adj. EBITDA*: | \$697,000 | \$799,000 | \$755,000 | \$192,000 |
| Adj. EBITDA Margin | 15.6% | 15.4% | 13.7% | 6.5% |

**Profit before interest, tax, depreciation, amortization (non-cash items) including owner salary, one-time and discretionary expenses. All adjustments to EBITDA were provided by seller*

Employees

The company employs a total of 22 full-time and one part-time staff member. Key team members include a Shop Foreman, Assistant Shop Foreman/Welder, Executive Assistant, Welder, and Fitter, with an average tenure of seven years among these key roles.

Assets and Liabilities

An asset list is available for the \$1,000,000 of furniture, fixtures and equipment. All debts on the company will be paid off by the Seller at closing. If there is any owner financing as determined by SBA underwriting, any such debt is to be personally guaranteed by the buyer.

Facilities

The business operates out of a 19,000 sq ft facility featuring four offices and five bays, owned by one of the company's owners.

Real Estate: Land and Building (not included in purchase price) can also be acquired in conjunction with business for \$2,000,000.

Support and Training

The owner is committed to a smooth business transition, ensuring uninterrupted customer service for the buyer. They are willing to provide 30 days of training at no cost, with the option for an extended consulting contract of up to one year.

Reason for Selling

Retirement

Next Steps

In order for us to release the Confidential Information Memorandum, complete the Non-Disclosure Agreement and Buyer Profile and return to:

Jacob Davis, Managing Director

jacob@thevantgroup.com

979.218.4429

CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

Description of Business: Industrial Fabrication & Machining Company

Asking Price: \$4,100,000

1. For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned ("The Recipient") enters into this Confidentiality Agreement with The Vant Group, Inc., a Texas corporation ("the Broker") and for the benefit of the Broker's client (the "Company") that shall be identified by the information disclosed under this Confidentiality Agreement.
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, investors, tax advisors and attorneys, 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. If Buyer decides not to pursue the possible purchase of the Business or Seller decides not to pursue the sale of the Business, Buyer will promptly destroy, delete and return to Broker all Information previously furnished by Broker or Seller, including any and all reproductions of same, and further, shall destroy any and all analyses, compilations or other material that incorporates any part of said Information.
9. The Recipient warrants that the undersigned is a duly authorized by the Recipient to enter into binding legal contracts on its behalf.
10. 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 | _____ City | _____ State | _____ Zip |
| _____ Print Name | _____ Email Address | | | |
| _____ Signature | _____ Phone | | | |
| _____ Date | _____ Fax | | | |