

Full-Service Fabricator & Provider of HVAC Contracting Services

Location: Northeast

Est. 2000 Revenue: \$10,125,000

FYE: December 31

Est. 2000 Gross Profit: \$3,500,000

INVESTMENT HIGHLIGHTS

Rising Sales: Our client has experienced a \$1 million increase in revenue during the last year and is projecting an increase in excess of \$1 million during the current year

Backlog: An existing backlog of \$2.0 million to be serviced over the next year is in place

Fabrication Capabilities: The Company operates a full-service in-house fabrication department allowing for better job scheduling and profitability

Customer Base: Outstanding industry reputation for providing quality services in a timely manner has helped to develop a diversified customer base that reduces dependency on any single account

Staff: A strong, experienced management team is in place that has a track record of successfully bidding, winning and managing projects

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Client #161564
Northeast

This outstanding acquisition opportunity is a full-service HVAC and plumbing contractor with extensive sheet metal fabrication capabilities. The Company is rare in its ability to perform fabrication work that is normally subcontracted in-house; these capabilities allow for better control of job scheduling. Additionally, our Client specializes in fabricating curb adapters for the replacement of air conditioning units and has designed adapters that allow new AC units to be fit to existing curbs, eliminating the need for extensive roof modifications. Although the competition can purchase such adapters, the lead-time is often prohibitive.

This Company's revenue is generated from new construction HVAC contracting (62% of sales), maintenance HVAC contracting (20% of sales), replacement systems HVAC contracting (8% of sales), new construction plumbing contracting (8% of sales), and other miscellaneous service and contracting (2% of sales). Operating from a 10,600 square foot facility, our Client serves over 100 active accounts; 70% of clients are general contractors and 30% are building owners. The Company's rate of repeat business, which speaks highly of the caliber of its services, is over 75%.

A typical sale ranges between \$60,000 and \$100,000 for construction and between \$3,000 and \$5,000 for service. Understanding that project estimation is a critical component to being successful in this industry, our Client employs a full-time estimator aided with state-of-the-art estimation software to ensure project profitability. The Company's mark-up ranges between 21% and 30% of sales on new construction and approximately 30% of sales on service work with, service labor rates vary between \$62 per hour and \$75 per hour, depending on the trade. Our client is an excellent acquisition opportunity for a large industry player interested in gaining additional market share and substantial customer base.