










Business Overview

RE: Commercial Contractor with Full Staff

Specifications

 Price \$985,000	 Cash Flow \$283,787	 Revenue \$2,609,755
 Equipment \$207,019	 Valuation \$993,254	 Account Receivable \$208,000
 Reason for Sale Capital for new investments	 Profit Margin 22%	 Service Area Omaha, with jobs across Nebraska and Iowa



SUMMARY OF THE BUSINESS –

For 10 years, this general contractor has steadily grown in size and reputation, earning \$2,609,755 in sales during 2016, an impressive increase of 169% from 2015! With projections of a further 9.6% increase in sales for 2017, this company is only just beginning to stretch its legs. Located in Omaha with jobs across Nebraska and into surrounding states, projects are 95% commercial in nature and 80% new construction.

Each year, roughly 30 jobs are completed, with most lasting around 3 months in duration. Some jobs do stretch to 9 months and beyond, and in anticipation of this the seller is willing to transition for up to 6 months after the sale. Assisting with projects are 7 staff, consisting of 2 Estimators, 2 Superintendents, and 2 office personnel. The seller acts as Project Manager, negotiating deals, planning out projects and handling the front end of

business. A buyer could delegate some of these duties to the Superintendents and Estimators, as the seller has not done so by choice.

Growth areas could be an increase in marketing as the current owner has not devote time to that area. Even without marketing, the company has seen tremendous growth, but some attention here could ensure steady numbers year over year. A buyer would also be wise to focus on business development to see the company into the next 10 years and beyond.

With a purchase price of \$985,000 and a 10% down payment, a buyer could expect a first year's profit of \$126,987.

Business Highlights

- Years in Business: 10
- Location and Service Area: Omaha, with jobs across Nebraska and Iowa
- Projects: About 30/year – jobs average around 3 months, with some lasting 9+ months
- 95% commercial / 5% residential
- 80% new construction / 20% remodel
- Lease: \$850/month for 900 sq. ft.
- Reason for Selling: Capital for new investments
- Employees: 7 – 2 Estimators, 1 Office Manager, 1 Office Assistant, 2 Superintendents
- Hours: Mon – Fri 9am to 5pm
- Seller Training Period: 6 months
- Growth Opportunities: Marketing and focus on business development
- Current Owner's Responsibilities: Project Manager – negotiates deals, plans out projects, handles front end of business

Financial Highlights

- List Price: \$985,000
- 2017 Gross Sales: \$2,865,435 Annualized - a 9.6% increase from 2016
- 2016 Gross Sales: \$2,609,755
- 2015 Gross Sales: \$969,692
- 2017 Cash Flow: \$626,061 Annualized
- 2016 Cash Flow: \$283,787

- Profit Margin: 22%
- Assets included in purchase: \$504,517
 - Equipment - \$207,019
 - Telehandlers, Bobcat, skidsteer, forklift, trailers, boomlift
 - Vehicles: \$89,498
 - Ford F650, Dodge Ram, 2015 Chevy Silverado
 - A/R - \$208,000
 - Generally 60 to 90 days out

Cash Flow Analysis

Description of Financial Statement	P&L Statement January - April	Tax Return	Tax Return	Notes
	2017	2016	2015	
GROSS SALES	\$954,145	\$2,609,755	\$969,692	
<i>Annualized</i>	<i>\$2,862,435</i>			
Net Income Shown on Financial Statement	\$197,578	\$62,034	\$41,964	
ADDBACKS				
Compensation to Owner	\$0	\$13,000	\$15,000	
11% Tax on total W2 Salaries	\$0	\$1,430	\$1,650	
Depreciation	\$0	\$54,763	\$14,229	Non-cash item
Interest	\$3,955	\$11,246	\$14,452	Non-onward going expense
Misc Expenses	\$0	\$58,777	\$0	Personal construction costs for rental home & primary residence
Contributions/Donations	\$250	\$0	\$0	Non-onward going expense
Personal Asset Tax	\$0	\$1,553	\$0	Farm storage asset tax
Non-Business Telephone	\$300	\$900	\$900	\$75/mo for owner's cell phone
Life Insurance Premiums for Owner	\$720	\$2,160	\$2,160	\$180/mo for owner's life insurance
Meals & Entertainment	\$1,416	\$782	\$569	80% of meals & entertainment for owner's personal expense
Auto-Personal Use	\$1,188	\$67,622	\$18,235	70% of auto expense for owner's personal use
Travel	\$1,880	\$5,320	\$0	30% personal
Auto Insurance Premiums for Owner	\$1,400	\$4,200	\$4,200	Owner's personal auto insurance
TOTAL ADDBACKS	\$11,109	\$221,753	\$71,395	
Seller's Cash Flow = Total Addbacks + Net Income	\$208,687	\$283,787	\$113,359	
<i>Annualized</i>				

Profit Margin	21.87 %	10.86 %	11.69 %
---------------	---------	---------	---------

- 169% increase in sales between 2015 and 2016
- 2017 is projected to gross \$2,862,435 – a 9.6% increase in a 1-year period

Services

- General construction & remodeling

- Estimating and project management
- Ground up, buildout and renovation services
- New construction or remodels
- EIFS & stucco coatings
- Masonry, brick, block and stone
 - Block foundations, walls, FEMA enclosures, elevator & stairwell shafts
 - Brick installations
 - Thin brick
 - Tuckpointing restoration
 - Natural and composite stone

Project Sampling

Past jobs:

- Security and energy upgrades for federal space
 - Blast proof glass
 - Perimeter upgrades
 - Fire and communication
 - New roof system
 - Automated and efficient lighting
 - Efficient HVAC and plumbing
- Restoration project
 - City funded
 - Restore to original condition with energy upgrades
 - Residential units nearly 100-years-old
- Small office conversion
 - Creation of performance area
 - Stage, DJ booth, concession and lighting upgrades
 - ADA upgrades
 - Sound baffling glass wall

Upcoming jobs:

- College dorm with over 200 rooms

- City library
- Affordable mixed housing

Employees

- Office Manager
 - \$33,000/year in salary
 - Works 35 hours/week
- Office Assistant
 - \$39,000/year in salary
 - Works 40 hours/week
- Estimator (2)
 - Each is paid \$31,000/year in salary
 - Work 40 hours/week
- Superintendents (2)
 - Each is paid a \$64,000/year salary and works approximately 50 hours/week
 - Oversee job sites on day-to-day basis

In addition these employees, the company subcontracts from 30 companies, all of whom provide their own insurance and bonding. Companies are qualified for jobs based on skill and employee numbers.

Seller works full-time as a Project Manager:

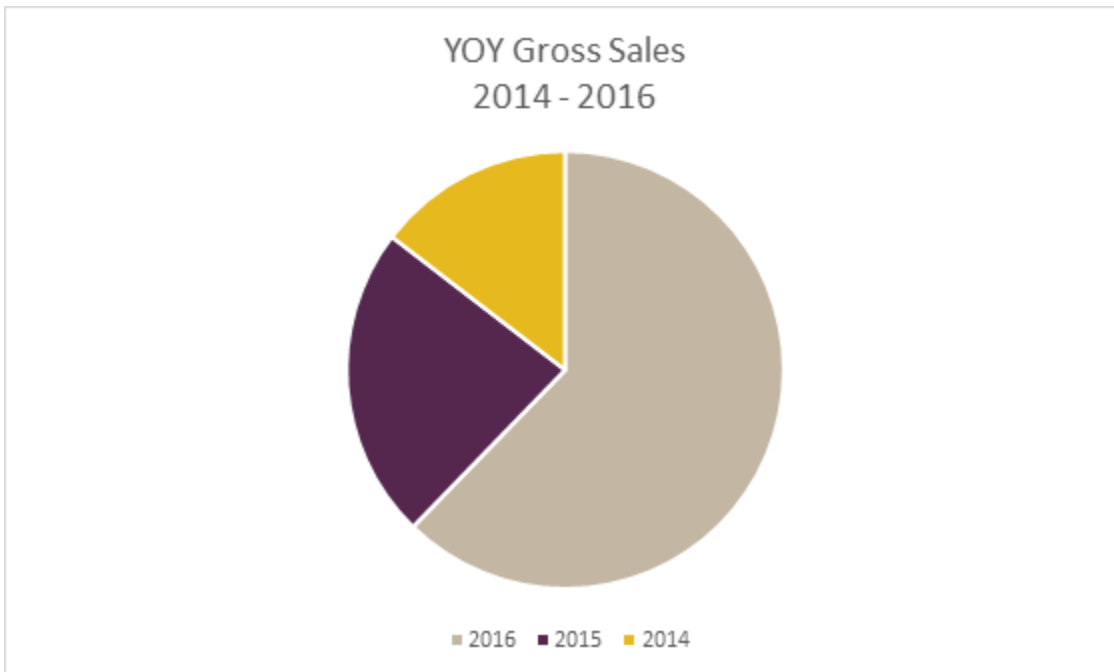
- Negotiates deals
- Handles the front end of the business
- Plans out projects
- Attends weekly or monthly meetings with clients regarding projects
- Spends 1/3 of the time on business operations, and the remaining 2/3 on project managing

Job Statistics

- Company bids on 90% of jobs available
 - Utilizes job bidding services or is approached directly
- 95% of jobs are commercial
 - Of these, 50% are commercial residential with the remaining 50% consisting of:

- Banks
- Schools
- Gas stations
- Libraries
- Jails
- Average job is 3 months in length
 - Many go as long as 9 months or more
- On average, there are 8 jobs being worked on in a month
- Job bids range from \$250,000 to \$600,000
 - Average job is around \$250,000 in billings
- In an average month, billing amounts to \$50,000/job
 - Taking into account that at any one time there are generally 8 open projects, that puts monthly billing at \$400,000
 - Bills are typically 60 – 90 days out

Income Analysis



- 2016 sales increased by 169% from 2015, by a margin of \$1,640,063
- Sales jumped by 326% in a two-year period between 2014 and 2016, by a margin of \$1,998,348

- Company growth can be attributed to increasing staff and more concentrated management, as well as continued bidding and growing reputation

Billing and Contract Analysis

Data has been taken from the year ended December 31, 2016.

As of December 2016, there were 12 projects still on the books, ranging from 0% to 90% completed. Data has been split into 2 charts, the first focusing on estimated costs and earnings, as well as earnings, costs and revenue accrued thus far.

The second chart focuses on current billing, what is left to bill, the remaining costs and estimated earnings.

Project Contracts

Project	Contract	Est. Costs	Est. Earn	%	Revenue	Cost	Earn	% Done
A	668,890	391,940	276,950	41.4	553,909	324,566	229,343	82.8
B	481,260	359,927	121,333	25.2	344,236	257,449	86,787	71.5
C	91,217	43,128	48,089	52.7	82,450	38,983	43,467	90.3
D	114,600	80,496	34,104	29.7	92,238	64,789	27,449	80.4
E	96,800	82,079	14,721	15.2	87,306	74,029	13,277	90.1
F	216,600	183,489	33,111	15.2	65,870	55,801	10,069	30.4
G	86,900	60,655	26,245	30.2	-	-	-	0
H	246,095	186,154	59,941	34.3	90,561	68,503	22,058	36.8
I	325,900	211,870	114,030	34.9	-	-	-	0
J	120,800	89,290	31,510	26.0	-	-	-	0
K	215,000	160,694	54,306	25.2	-	-	-	0
L	219,513	151,755	67,758	30.8	9,187	6,351	2,836	4.1
	2,883,575	2,001,477	882,098	30.5	1,325,757	890,471	435,286	44.4

- Estimated earnings average around 30.5% for jobs with COGS at 69% of revenue
- The year ended with projects averaging 44.4% completed
- Actual earnings were around 32.8%

Billings

Project	Progress Billing	Under Bill	Over Bill	Rev. Remaining	Cost to Complete	Est. Earnings
A	587,352	-	33,443	114,981	67,374	47,607
B	232,178	112,058	-	137,024	102,478	34,564
C	59,279	23,171	-	8,767	4,145	4,622
D	89,640	2,598	-	22,362	15,707	6,655
E	62,100	25,206	-	9,494	8,050	1,444
F	75,222	-	9,352	150,730	127,688	23,042
G	-	-	-	86,900	60,655	26,245
H	105,165	-	14,604	155,534	117,651	37,883
I	-	-	-	325,900	211,870	114,030
J	-	-	-	120,800	89,290	31,510
K	-	-	-	215,000	160,694	54,306
L	-	9,187	-	210,326	145,404	64,922
	1,210,936	172,220	57,399	1,557,818	1,111,006	446,812

- The year ended with over \$1.5M left to bill with remaining earnings of \$446,812 carrying over into 2017

To receive a full financial package and specific information regarding this business:

1. Complete the Qualified Buyer Documents (Non-Disclosure Agreement and Buyer Questionnaire) [on our website](#) or print, scan and return the attachments to info@TheFirmB2B.com
2. Call The Firm Business Brokerage at 402.998.5288 to schedule an appointment or conference call with a Broker.

The Firm currently has over 90 cash flowing businesses available. If you find that this is not a fit for you, please let us know and we would be happy to provide you with other opportunities.

The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Brokerage, LLC.