













## Business Overview

### RE: Semi Mechanic Grossing \$1MM+ w/ Exclusive Contracts

Clients from 50-mi radius and exclusive repair work for 3 fleets with 200 semis total!

## Specifications

 Price \$485,000	 Cash Flow \$145,613	 Revenue \$1,145,962
 Equipment \$250,000	 Intangible Assets Reputation - customers are word of mouth and come from 50-300 miles away	 Inventory \$290,000
 Location South Central Nebraska	 Down Payment 10%	 Service Area 50-mi radius for day-to-day jobs, with clients from 300-mi radius
 Reason for Sale Retirement	 Lease \$1,000	 Employees 3 FT skilled mechanics



## SUMMARY OF THE BUSINESS –

Located in Nebraska, this semi repair business has been in operation for 23+ years, and consistently earns

over \$1M in sales. Daily clients come from a 50-mile radius, and many from within 300 miles are served as well. There are 3 local fleets with 200 semis between them that receive anywhere from daily maintenance to monthly or weekly checks. Many of the customers are in the ag industry, and the company's location close to an interstate and a highway are perfect for drawing in customers.

The company is located in a 4,000-sq. ft. space leased at \$1,000/month. 3 full-time employees, all skilled mechanics, earn \$20-\$23/hour repairing semis and trailers for 500 active clients. Labor charges are \$80/hour plus parts, with the average ticket ranging between \$500 to \$600. While the seller is somewhat involved in daily maintenance, the employees are able to handle the workload, and a new owner need not be as involved in mechanic work.

Included in the purchase is roughly \$540,000 in assets, including brake supplies, airbags, suspension parts, and the software/equipment for Cummins trucks and Caterpillar motors. The shop is full-service, with the exception of not completing major engine overhauls. Customers are also able to purchase Riggards and S-Cams through the business, and can stop in to purchase spare parts.

Currently there is no advertising done, and all new business is word of mouth. Due to its prime location between two major thoroughfares, simply advertising along them with billboards would draw in new semi traffic for maintenance and recurrent repair work.

## Business Highlights

---

- **Years in Business:** 23+
- **Location and Service Area:** 50-mile radius for day-to-day jobs, with a customer reach of 300-mi radius
- **Number of Clients:** 500 active customers within a 300-mile radius; customers mostly repeat; handles all repairs on 3 nearby fleets with 200 trucks & 500 trailers between them
- **Lease:** 4,000 sq. ft. leased at \$1,000/month
- **Reason for Selling:** Retirement
- **Employees:** 3 FT – trained mechanics with 3-4 years' employment paid \$20-\$23/hour
- **Seller Training Period:** 90 days
- **Growth Opportunities:** advertising – located between major interstate and highway that would be perfect for signage
- **Current Owner's Responsibilities:** Management and some mechanic work

## Financial Highlights

---

- List Price: \$485,000
- 2017 Gross Sales: \$1,145,962 *\*Sales a bit down due to dip in nationwide ag economy.*
- 2016 Gross Sales: \$1,149,672
- 2015 Gross Sales: \$1,246,418

- 2017 Cash Flow: \$136,637
- 2016 Cash Flow: \$147,444
- \$540,000 in Assets included in the purchase:
  - Equipment: \$250,000 replacement cost
    - Tranny jacks
    - Clutch jacks
    - Seal drivers
    - Air stops
    - Huck guns
    - Software/equipment for Cummins trucks & Caterpillar motors
  - Inventory: \$290,000 (cost before a 10-35% markup)
    - Brake parts
    - Airbags
    - Filters
    - Suspension parts
  - Vehicles (service trucks with service boxes)
    - 1997 Ford Super Duty (outfitted with a crane)
    - 1993 Dodge Ram
  - Intangible Assets: reputation – customers are word of mouth and come from 50 – 300 miles away

# Cash Flow Analysis

Description of Financial Statement	Tax Return	Tax Return	Tax Return	Tax Return	Tax Return	Notes
	2017	2016	2015	2014	2013	
<b>GROSS SALES</b>	\$1,145,962	\$1,149,672	\$1,246,418	\$1,220,279	\$1,388,937	
<b>Net Income Shown on Financial Statement</b>	\$54,975	\$65,810	\$83,513	\$93,885	\$136,928	
<b>ADDBACKS</b>						
Compensation to Owner	\$71,470	\$79,997	\$65,000	\$63,440	\$64,640	
11% Tax on total W2 Salaries	\$7,862	\$8,800	\$7,150	\$6,978	\$7,110	
Depreciation	\$1,411	\$4,286	\$7,526	\$9,407	\$13,820	Non-cash item
Non-Business Telephone	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	Personal lines at \$100/month
Meals & Entertainment	\$4,179	\$4,463	\$4,280	\$3,997	\$3,684	50% claimed on taxes are personal
Part-Time Bookkeeper	\$-15,000	\$-15,000	\$-15,000	\$-15,000	\$-15,000	Cost to replace current bookkeeper (owner's wife)
Rent	\$10,027	\$-2,112	\$-996	\$-6,000	\$-4,596	\$1,000/month going rent
Interest	\$513	\$85	\$0	\$0	\$662	
<b>TOTAL ADDBACKS</b>	\$81,662	\$81,719	\$69,160	\$64,022	\$71,520	
<b>Seller's Cash Flow = Total Addbacks + Net Income</b>	\$136,637	\$147,529	\$152,673	\$157,907	\$208,448	
Profit Margin	11.92 %	12.83 %	12.25 %	12.94 %	15.01 %	

- Sales down a bit due to a nationwide dip in the ag economy.

## Employees

- Three skilled mechanics able to handle workload, from addressing air leaks to transmission repair
  - Pay ranges from \$20/hour to \$23/hour
  - Shop foreman is paid \$23/hour and has been FT for 7 years

- Current owner handles the administrative side of business, and while he does take an active role in repairs, a new owner need not be as full time in that area

## Charges & Services

---

- Customers are charged for labor and any parts needed for repair
- Labor charges are \$80/hour
  - The average ticket is between \$500 - \$600
- Services range from oil changes to transmission repair
- NOTE: no major engine overhaul is performed as there is not much demand for it
  - Factory warranty cannot be applied, as only major dealers can get warranties for engines
- Roughly 5 to 6 repairs are completed per day with small jobs sprinkled in (anywhere from 3 to 20 per day)
- Customers are able to stop by and purchase parts as needed
  - 20 to 40% of business is OTC parts
- Ships Riggards and S-Cams across Nebraska and several other states
- Gross billable of \$100K+ per month

## Typical Customer

---

- Customer base is comprised mostly of semis and small fleets within a 50-mile radius, but some customers come from around 300 miles away
  - Services the lion share of customers in Nebraska
- Majority of business is repeat and word-of-mouth referrals
- Handles repairs for 3 nearby fleets with 200 trucks and 500 trailers between them
  - 1 fleet services 48 states & Canada
    - Ag hoppers
    - Services 365 days/year
  - 1 fleet is a local co-op with 50 trucks needing DOT work
    - Services constantly between December and March
  - 1 fleet serving the south & east
    - Services 4 to 5 times per month

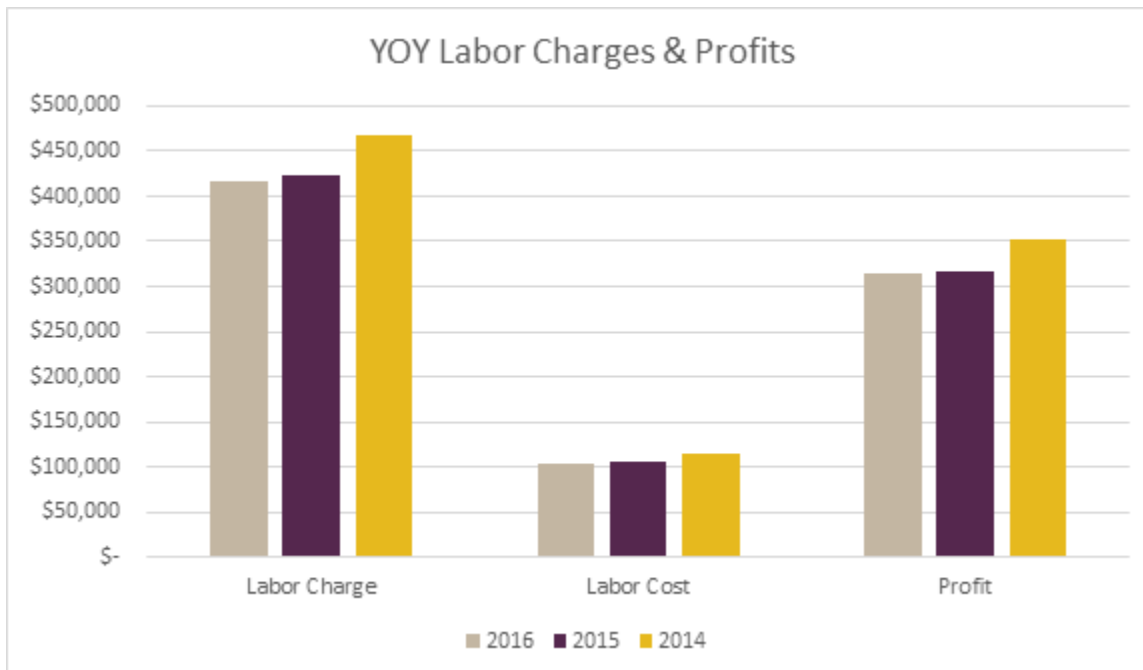
## Tools & Inventory

---

- Equipment: \$250,000 replacement cost
  - Tranny jacks
  - Clutch jacks
  - Seal drivers
  - Air stops
  - Huck guns
  - Software/equipment for Cummins trucks & Caterpillar motors
- Inventory: \$290,000 (cost before a 10-35% markup)
  - Brake parts
  - Airbags
  - Filters
  - Suspension parts

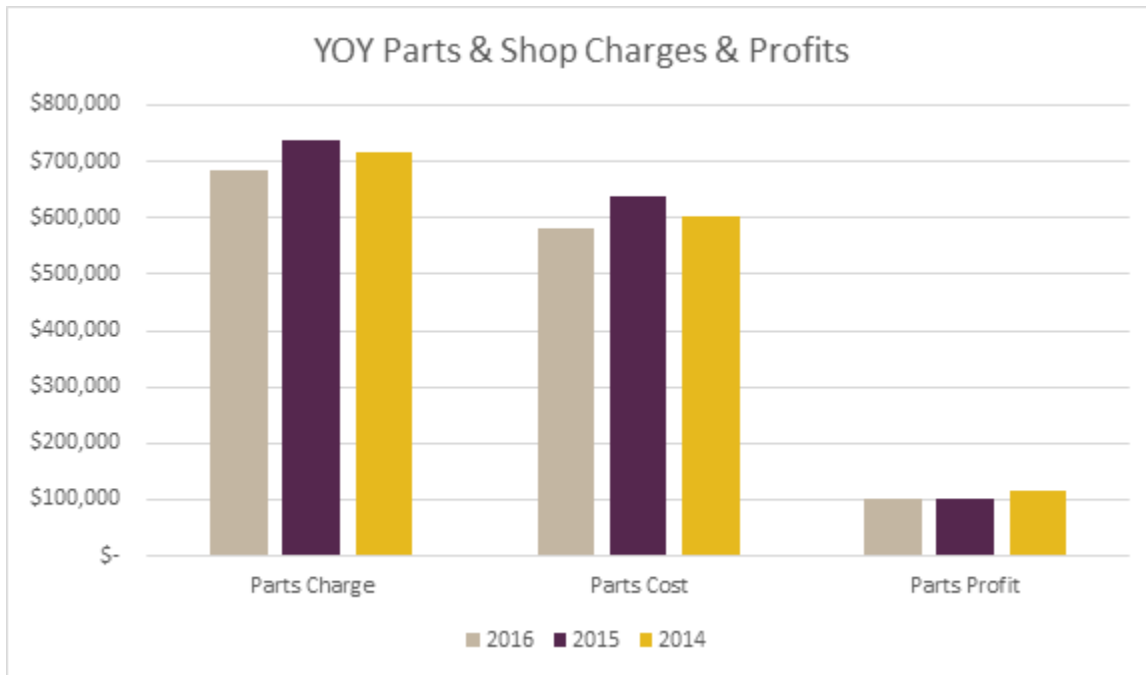
## Earnings Analysis

---



- Consistent YOY labor profits of 75%

- 3-year average labor charges of \$435,633, with 3-year profits of \$328,020



- 2016 profit margin of 14.8%, which is also the 3-year average profit margin for parts & shop

## Growth Opportunities

- Increase OTC sales
  - Clients are able to come in and purchase OTC parts & inventory, which makes up roughly 20-40% of sales
  - Increasing options and other retail products would be an extra revenue stream
- Currently there is no advertising and new customers are word of mouth
  - The business is located between a major interstate and a state highway that would be ideal for signage to attract new customers
- Major fleets such as Crete & Werner have contact the owner for service, but the owner has not wanted to accommodate the increase in work
  - Seller willing to share contact with these fleets to gain this business

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](mailto: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.