

FOR SALE: NYC Paving Company with \$21M backlog for '22!

Profitable government contracts, passive ownership, and highly experienced crew!

Description

This NYC-based multi-service commercial paving business has **\$21M in backlog to be completed by early 2023, equating to \$1.68 million in profits!** This company is frequently selected for both standard and unique paving projects for multiple government organizations, resulting in repeat clientele. Their services include concrete, excavation, asphalt, and paving work. An excellent team of 20 core employees consistently produce high quality work on even the hardest of projects- the proof is in the performance with this NYC business as they **have never defaulted on a project** in their 43 year history. **Established in 1979**, the current owners are ready to retire but have a vested interest in the continuing success of this business. Any potential owner can feel confident knowing they will receive ample training on the ins-and-outs of this successful NYC paving business.

While owner one is passive, he will continue his favorite part of the job- checking in on work sites in his truck for about an hour a day- for 3+ months after selling. Owner two currently works about 30 hours a week, and will provide training on administrative duties, such as approving financials and payroll, to get the new owner up to speed over the course of 2 to 3 years. Both owners started out on the project team and have worked their way up to ownership in the company, so they will be able to provide any and all pertinent knowledge of company operations.

With a team of 20 core people in place, there is no shortage of trained professionals at hand, including office staff, project managers, and foremen. There are also 30-50 union laborers, who are contracted as needed. This excellent team provides work for some of the largest clients in NYC, including the NYC DOT, Department of Parks & Recreation, NY & NJ Port Authorities, and the Board of Education. Again, their work speaks for itself, recently winning an award for their restorative work at one of NYC's greatest parks! Their pride and eye for detail has led to a stellar reputation & allowed them to soar above competition over the years.

At a purchase price of **\$6,100,000**, a buyer would expect to see a return of **\$428,621** in the first year after debt payments. With natural growth opportunities available and a highly-trained core staff, there is no limit to what this business could do!

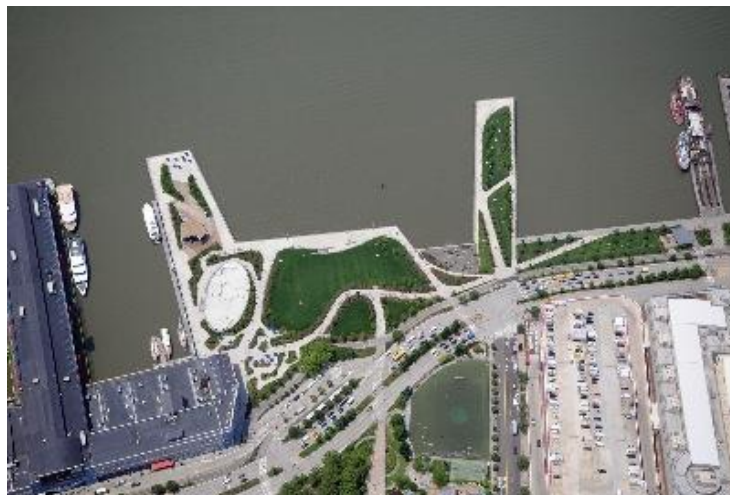


Photo: Completed Pier Project

Financial Overview

List Price: \$6,100,000

Gross Sales

2022 Projected	2021	2020	2019
\$21,000,000	\$16,935,368	\$15,947,179	\$17,973,959

Cash Flow

2022 Projected	2021	2020	2019
\$1,680,000	\$1,286,552	\$332,930*	\$1,141,243

*Cash Flow decreased in 2020 due to operating during Covid-19 in a highly mandated state

Fair Market Valuation:

$$\$1,286,552 \times 4.75 = \$6,111,122$$

Valuation Justifications:

- \$21M in backlog for 2022-2023
- Longstanding business with excellent reputation
- Profitable repeat clientele
- Excellent team of experienced project managers and foreman

Business Information

Year Established: 1979

Location: Long Island, NY

Service Area: New York City

Services: Site work, concrete work, asphalt, excavation, drainage, water mains, landscaping

Clients: NYC DOT, Dept. of Parks & Recreation, School Construction Authority/Board of Education, Port Authority of NY & NJ; 25-30% of business is MBE qualified

Lease: 12,000 sq. ft., including office, shop, machines, storage; there is still about 8,000 sq. ft. of unused space that could be used for expansion!

Reason for Selling: Retirement Planning/Exit Strategy

Personnel: 20 core people (office & project managers & foremen); 30-50 union laborers depending on project needs

Seller Training Period: Owner 1: 3-6 Months; Owner 2: 2-3 years

Growth Opportunities: Add plumbing services as a regular offer to clients, precast, fencing, hardscaping; Marketing

Current Owners' Responsibilities: Owner 1: Passive – spends approximately 1 hour/day checking in on job sites; Owner 2: Admin/office oversight, approving financials/payroll



Photo: Completed Park Project



Photo: Completed Skate Park Project

Assets Included in Purchase: \$9,428,395*

Equipment Includes: Backhoes, Hydraulic Hammers, Spreaders, Generators, Crane, Excavators, Asphalt Pavers, Trailers

Vehicles Include: Service Trucks, Pickup Trucks, Dump Trucks, Diesel Van & Truck

A/R: \$5,800,895

**Complete asset list included in Confidential Buyer Package*

Funding Example

Purchase Price: **\$6,100,000**

15% Buyer Down Payment	\$915,000
10% Seller Equity Roll	\$610,000
10% Seller Financing	\$610,000
60% Bank Loan	\$3,965,000

*A 15% down payment of \$915,000 returns \$428,621 in the first year after debt payments. In addition, this business is **over-collateralized** due to the assets included in the purchase price!*

- CONFIDENTIAL -

Last Revised MG 5.9.2022

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 Advisors, LLC.
The Firm does not sell real estate. The Firm solely advises on exit strategy.