

FOR SALE: Versatile Scaffold Company with 95 Continually Recurring Clients!

\$2M in backlog, \$1.7M WIP, and \$16.9M in assets!



Financial Overview

List Price: \$18,500,000

Gross Sales: Combined Financial Statements

2021	2020	2019	2018
\$12,723,853	\$13,868,563	\$15,355,875	\$13,520,543

Cash Flow: Combined Financial Statements

2021	2020	2019	2018
\$4,623,103	\$4,674,533	\$6,715,626	\$5,904,433

- **2021 Profit Margin:** 36%
- **Multiple:** 3.8

Valuation:

A.	3-yr. Ave Cash Flow ('18-'21)	x	Multiple	=	Valuation
	\$5,337,754	x	3.5	=	\$18,682,139
B.	2021 Cash Flow	x	Multiple	=	Valuation
	\$4,623,103	x	4	=	\$18,492,412

Funding Examples

Purchase Price: \$18,500,000

10% Seller Financing	\$1,850,000
10% Equity Roll	\$1,850,000
80% Buyer Down Payment and Bank Loan	\$14,800,000

Assets*: \$15,272,682

Vehicles: \$2,356,203 - Flatbed trucks (5), Pickups (25)

Equipment: \$789,400

Furniture & Fixtures: \$41,090

Inventory / Rental Equipment: \$11,124,460

Capital Expenditure: \$700,000

Working Capital: AR (2,671,774) – AP (2,410,245) = 261,529

**amounts may vary*

***100% Collateralized**

Business Information

Year Established: 2007

Location: Minneapolis Metro

Service Area: Twin Cities Metro, with clients as far as 150 miles, such as Duluth, MN

Clients: 95 continuously recurring clients, with customer base of 500

Services: Install, dismantle, rent, sell frame scaffolding, system scaffolding, shoring scaffolding, and hydro mobile platforms

Buildings: 50,000 square feet space – 3,000 square feet is office building; 47,000 square feet is warehouse and 1.2 acres yard for outside storage

Employees: 45 to 60; 7 in office, 12 in yard/shop, and 25-40 laborers from winter to summer

Reason for Selling: Owners are all at different life stages and are planning their exit strategy

Seller Training Period: Owner 1 (passive): 6 months; Owner 2: 2-3 years; Owner 3: 7-10 years

Work in Progress: \$1.7M

Backlog: \$2.05M

Growth Opportunities: Expansion into other cities

Current Owners' Responsibilities: Active; Replacement or Retainment salaries accounted for in Cash Flow

Description

The purchase of this scaffold company includes \$2M of current backlog, \$1.7M of works in progress, and over \$15M in combined assets! This scaffolding company is able to offer a wide range of services thanks to the 60+ skilled employees on staff. Services include installation, dismantlement, rental, or sale of frame scaffolding, system scaffolding, shoring scaffolding, and hydro mobile platforms. 60% of current revenue comes from equipment rentals. With a total client base of 500, 95 of which are continually recurring, including general contractors, concrete & masonry, demolition, and repair & installation contractors, there is no shortage of projects! This company is currently operating at a 31% profit margin and currently is not allocating much funding or effort towards marketing or progressive growth, meaning a new owner has immediate room for expansion if desired.

Looking at the financials, this business was able to continue successfully in 2020 when COVID hit due to the amount of projects already on the table. Things slowed down in regards to getting new contracts though, so there wasn't as much backlog going into 2021. They also moved locations January of 2021, which of course took man power and time to achieve. The business is currently back on track in 2022!

Boasting \$4.5M in hydro mobile inventory (96), they are far ahead of their competitors who only have 1-3 units. They also offer 3D drawings on more complex projects which differentiates them in the market. In addition, the recently passed US infrastructure bill caters to this company's core customer base and will certainly increase their revenue in the coming years.

This company does little to no marketing or advertising due to their recurring clients. A new owner could absolutely grow by simply adding a marketing and sales plan. This business has a sister company (23% of revenue) that is Union based. In any given month, they have around 150 work orders and their large projects that go for longer than one year are greater than \$1M in value.

The current workload consists of 40% construction, 30% restoration, and 20% industrial. At any given time, they have anywhere from 45 – 60 employees with 7 of them in the office, 12 in the yard/shop, and 25-40 laborers. Two of the owners focus primarily on sales; the third owner manages day to day business. They are currently transitioning responsibilities to other employees. Priced at \$18,500,000, this is a business that is positioned to grow in the scaffolding space through acquisition of more inventory and expansion into different cities.

