

FOR SALE: Equipment Rental with Niche in Directional Drilling

2 Locations with Nearly \$8M in Inventory Fleet!

Financial Overview

List Price: \$11,250,000

Gross Sales

2022 projections	2022 annualized	June '21-May '22	2021
\$18,000,000	\$9,829,533	\$7,393,057	\$6,956,617

Cash Flow

2022 projections	2022 annualized	2021	2020
\$2,700,000	\$1,437,210	\$1,072,898	\$2,496,494

- **2018-2021 Average Profit Margin:** 19%
- ****2021 anomaly low due to COVID**

Valuation: 2020+2022 Avg Cash Flow x Multiple = Valuation
 \$2,598,247 x 4.3 = \$11,172,462

Backlog: \$6,319,587

Business Information

Year Established: 2007

Location: Phoenix, AZ & Salt Lake City, UT

Service Area: Southwestern United States

Services: Rental, sales, repairs, and maintenance of specialty heavy construction equipment

Fleet: Foundation & directional drilling equipment, cranes, rotators

Clients: General contractors, subcontractors, specialized contractors, foundation companies, electrical companies, waste management, infrastructure contractors, owners of large equipment

Location: Main location: 2 buildings, one for shop labor and the other for admin, with a total of 7 acres fenced in for security. Satellite location: 3 offices and a conference room.

Reason for Selling: After 15 years, the owner is ready to move on.

Personnel: 6: 1 COO/Sales manager, 1 Project and Operations Manager, 1 Accounting and Sales Representative, 1 Office Admin, 1 Lead Mechanic and Technician, and 1 Yard Manager and Technician Consultant.

Seller Training Period: 12-18 months.

Growth Opportunities: Increase rental inventory and add divisions of other specialty equipment, expand service area

Current Owner's Responsibilities: Part-time oversight of sales. 15-20 hours a week is spent in the business. There is an opportunity for the current COO to absorb the owner's responsibilities.

Funding Example

Purchase Price: \$11,250,000

15% Seller Financing with Benchmarks	\$1,687,500
5% Seller Equity Roll	\$562,500
80% Buyer and Financing	\$9,000,000

***\$7.9M in tangible assets**

***88% collateralized financing!**

Assets Included in Purchase: \$8M+

Equipment/Inventory: \$7,882,331

Accounts Receivable: \$479,049

**amounts may vary, assets may be depreciated, replacement cost, or fair market value*

Description

This equipment rental business operates out of two locations and specializes in directional drilling with nearly \$8M of equipment in their inventory fleet. This near \$8M in hard assets collateralizes 88% of the Buyer's Financing of the purchase. With a primary location in Phoenix, Arizona and a second location in Salt Lake City, Utah, they are able to service general contractors, subcontractors, specialized contractors, foundation companies, electrical companies, waste management, infrastructure contractors, owners of large equipment in the Southwestern sector of the United States. Their services include rental, sales, repair, and maintenance of niche equipment, including foundation & directional drilling equipment, cranes, and rotators. The team is well known for their excellent customer service and consists of 6 members including the COO/Sales manager, the Project and Operations Manager, the Accounting and Sales Representative, an Office Administrator, the Lead Mechanic and Technician, and a Yard Manager and Technician Consultant. The owner oversees sales for only 15-20 hours a week, which the COO is being mentored to absorb and the current owner is offering a training/transition period of 12-18 months for smooth transition of responsibilities.

Established over 15 years ago, this well-known business offers a solid reputation with only two competitors. Other growth opportunities could include expanding their reach into Texas. They have a client base made up of 75% repeat customers: This is primarily due to clients renting equipment, and then realizing they need to continue renting the unit for increased job performance or purchase it outright.

Priced at **\$11,250,000** this business is ready for new ownership to step in and enjoy continued growth. The current owner believes in the business's onward & upward revenues and, as a show of this faith and to mitigate the risk for future ownership, is willing to roll equity of 5%, plus offer a 15% promissory note.

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