

# FOR SALE: Armor Coating & Chip Seal – In Sioux Falls with \$4.4M in assets

Current Work in Progress exceeds \$7.5M!!

## Financial Overview

**List Price:** **\$5,525,000**

### Gross Sales

2021	2020	2019
\$8,478,792	\$8,458,691	\$6,251,908

### Cash Flow

2021	2020	2019
\$1,202,882	\$1,387,946	\$909,516

- **Profit Margin:** 14%
- **Multiple:** 4.6

**Valuation:** 2021 Cash Flow x Multiple = Valuation  
 \$1,202,882 x 4.6 = \$5,533,257

## Assets Included in Purchase: \$4,420,414

**Vehicles & Equipment:** Includes trucks (\$479k), oil distributors (\$796k), chip spreaders (\$519k), dump trucks (\$437k), tractors, trailers, rollers, and tanker trucks.

**WIP:** \$7.5M

**Intangible Assets:** *Excellent Reputation, repeat clients, and highly experienced team*

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

## Business Information

**Year Established:** 30+ years

**Location:** Sioux Falls, South Dakota

**Service Area:** South Dakota and Nebraska, occasional work in Iowa and Wyoming

**Services:** Asphalt paving (5%), surface treatments and crack sealing (5%), chip sealing, armor coating (90%)

**Clients:** State, County, and Municipal Governments; Corp of Engineers, some residential work

**Lease:** Building with three office spaces, three outdoor parking lots, and 2,500 sq. ft.

**Reason for Selling:** Retirement

**Personnel:** 15 FT W2 Employees + 12 seasonal laborers

**Seller Training Period:** 1 year

**Growth Opportunities:** There is enough existing equipment to support an additional team if desired

**Current Owners' Responsibilities:** Project oversight, no replacement needed as there is a GM in place, owner is in his late 70's.

## Funding Example

**Purchase Price:** **\$5,525,000**

<b>15% Buyer Down Payment</b>	\$828,750
<b>15% Seller Financing or Equity</b>	\$828,750
<b>70% Bank Loan</b>	\$3,885,000

A 15% down payment of \$828,750 returns \$407,583 in the first year after debt payments!

**Over 70% of Purchase Collateralized**

## Description

The current work in progress for this company exceeds \$7.5M and coupled with their fleet of trucks (\$479k), oil distributors (\$796k), chip spreaders (\$519k), dump trucks (\$437k), tractors, trailers, rollers, and tanker trucks this business is primed for the work ahead. Based in South Dakota, this business offers services including asphalt paving (5%), surface treatments and crack repair (5%), and chip sealing, armor coating, making up the other 90%. Having been established over 30 years ago, this asphalt and paving business has built an excellent staff and management system which will allow new ownership the opportunity for passive ownership. The team consists of 15 FT W2 Employees + 12 seasonal laborers, while the General Manager operates the entire company. The extremely efficient general manager knows the ins and outs of the operation and provides support for billing, supply ordering, A/P and A/R, reporting, and contractual agreements. Their client base is made up of primarily State, County, and Municipal Governments as well as Corp of Engineers and they also handle some residential work. Included in the purchase of this business is over \$4M in assets. employees waste no time and often complete small projects while in the area for larger projects. Small projects can be completed in as little as one day, and they complete even their largest projects within 10 days. Billing is also done in a timely manner, with invoices going out on the day of completion of the project. On smaller, private projects, the cost is collected before the project even begins!

Many of their projects come from throughout South Dakota and Nebraska, filling up their schedule by April by winning bids in each area. With enough current equipment to support an additional team, the resources are ready to go to expand the business if desired! Priced at **\$5,525,000**, a down payment of \$828,750 would return \$407,583 in the first year. The assets associated with this business collateralize over 70% of the purchase. This South Dakota asphalt paving business is ready for their next step and is an excellent opportunity for any new owner, as the current responsibilities of the owner consist of only project oversight!

**- CONFIDENTIAL -**

Last Revised BV 9.13.22

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