

# FOR SALE: Fabrication and Manufacturing for Tech Space: Niche in Servers and IT Racking

*B2B clients with 70% in Canada and 30% in the US!*

## Financial Overview

**List Price:** **\$2,500,000**

### Gross Sales

2023	2022
\$4,000,443	\$3,787,126

### Cash Flow

2023	2022	2021
\$516,283	\$523,322	\$325,301

## Assets Included in Purchase: \$1,473,178

**Vehicles:** \$63,856 **Equipment:** \$224,880  
**A/R:** \$145,010 **AP:** \$1,478 **Working Capital:** \$143,532  
**WIP:** \$650,000 **Backlog:** \$700,000  
**Inventory:** \$390,910  
**Raw Material:** \$237,835 **Finished Product:** \$85,804

## Business Information

**Services:** Manufacturer of racking and cabinetry systems for: IT equipment, servers, telecom systems, routers, and modems. custom desk solutions.

**Business to Business Clients Only:** Focused industries are: IT companies, cabling contractors, distributors, data centers, and financial & banking

**Client Mix:** End user (70%), Distributors (30%)

**Facility:** Spacious 24,000 square foot facility.

**Service Area:** Throughout Canada & US. - Greater Toronto Area (70%); United States (30%)

**Location:** Toronto, Ontario

**Personnel:** 21 full-time: including 3 in Leadership, 4 in Middle Management, and 14 in Technical. No installation

**Year Established:** Over 50 years

**Reason for Selling:** Retirement

**Current Owners' Responsibilities:** Owner provides minimal oversight. He does not actively go to the facility; he is a passive owner working less than 5 hours a week.

**Seller Training Period:** 6 months though likely this will not be necessary as the owner is not active.

**Growth Opportunities:** Only has inside sales, accepting incoming client requests. There is no business development or outreach of any kind.

## Funding Example

**Purchase Price:** **\$2,500,000**

<b>20% Buyer Down Payment</b>	\$500,000
<b>10% Seller Financing</b>	\$250,000
<b>10% Equity Roll</b>	\$250,000
<b>60% Bank Loan</b>	\$1,500,000

*A 20% down payment of \$500,000 returns \$196,650 in the first year after debt payments!*

## Description

For over 5 decades, this manufacturing shop in Toronto has served B2B clients with a focus on IT companies, cabling contractors, distributors, data centers, and financial institutions – 70% is direct to the end user and 30 % is to distributors. They work with forty to fifty clients annually. This manufacturer designs and fabricates racking and cabinetry systems across Canada (70%) and the United States (30%). The company has 26 full-time staff members, including 20 skilled craftsmen in the shop and 6 administrative personnel in the office. They utilize subcontracted installers and have no installer directly on staff. They do not do any wiring of server or telephony products. Equipment, Vehicles, and Inventory included is valued at \$1,473,178, plus AR for the buyer's working capital is \$145,000. In addition, they boast a work in progress of \$650,000 with a backlog of \$700,000! The company operates from a spacious 24,000 square foot facility that houses a design center, and production area. The owner is not involved in the business, providing minimal oversight as he has a team of experienced managers and employees who run the day-to-day operations. The seller has offered to carry 20% of the purchase price in addition to a 6-month training period in order to provide a seamless transition.

Priced at **\$2,500,000**, this business is primed and ready for a new owner to step in and enjoy a reputation that has been built over the past 50 years. A 20% down payment of \$500,000 will return \$196,650 in the first year after debt payments! A 39% return on investment!

**- CONFIDENTIAL -**

Last Revised: BV 11.9.2023