

File No: 170108

MFG/DIST & SERVICE BUSINESSES OF CLEANING EQUIPMENT (2 COMPANIES)

- Niche market
- Private brand manufacturing
- No customer concentration
- A general manager and knowledgeable employees with years of practical and technical expertise

THE OPPORTUNITY

Both companies are owned by the same shareholder, this is an excellent opportunity to merge the companies for substantial cost savings and growth. Neither company has a customer concentration therefore the customer base would increase when the companies are combined.

FINANCIAL INFORMATION

Robbinex has advised and recommended that our client merge both companies, but for personal reasons our client has decided against our recommendation. Robbinex believes that the combined value of the two companies far outweighs the sum of the parts. Merging the two companies in one location could result in a significant cost savings as illustrated and highlighted below, as well as an expanded customer list.

	Company 1 2017	Company 2 2017	2 Cos. Total (Normalized) 2017	Normalized			
				Combined (1 Location) 2017	Projected (1 Location) 2018	Projected (1 Location) 2019	Projected (1 Location) 2020
REVENUE	\$3,400,000	\$2,100,000	\$5,500,000	\$5,500,000	\$6,000,000	\$6,500,000	\$7,000,000
COGS (incl. F/X expense)	\$1,750,000	\$1,050,000	\$2,800,000	\$2,800,000	\$3,000,000	\$3,250,000	\$3,500,000
GROSS PROFIT	\$1,650,000	\$1,050,000	\$2,700,000	\$2,700,000	\$3,000,000	\$3,250,000	\$3,500,000
OPERATING EXPENSES							
Rent	\$ 68,000	\$ 93,000	\$ 161,000	\$ 70,000	\$ 70,000	\$ 70,000	\$ 70,000
Utilities	\$ 24,000	\$ 11,000	\$ 35,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Salaries and benefits	\$1,068,000	\$ 524,000	\$1,592,000	\$1,300,000	\$1,350,000	\$1,400,000	\$1,450,000
Insurance	\$ 37,000	\$ 18,000	\$ 55,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Professional fees	\$ 46,000	\$ 19,000	\$ 65,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000
Other expenses	\$ 456,000	\$ 87,000	\$ 543,000	\$ 432,000	\$ 450,000	\$ 500,000	\$ 550,000
Total	\$1,699,000	\$ 752,000	\$2,451,000	\$1,862,000	\$1,930,000	\$2,030,000	\$2,130,000
OPERATING EBITDA	\$ (49,000)	\$ 298,000	\$ 249,000	\$ 838,000	\$1,070,000	\$1,220,000	\$1,370,000

Note: the above illustration has combined and normalized both companies 2017 Financial Statements

REASON FOR SALE

Owner wishes to retire.

CONTACT DETAILS

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