

FOR SALE: 30-year-old Chip Sealing Business with 15 on staff

90% Municipal work with over 7 Million in Backlog!

Financial Overview

List Price: \$5,625,000

Gross Sales

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

Cash Flow

2021	2020	2019
\$1,617,882	\$1,802,946	\$1,324,516

- **Profit Margin: 22%**

Valuation: 2021 Cash Flow x Multiple = Valuation
 \$1,617,882 x 3.5 = \$5,662,287

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

**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 / Aging Owner

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.

Recession Proof: Recently passed Infrastructure bill will provide steady work for this very low risk Chip Sealing company.

Funding Example

Purchase Price: \$5,625,000

15% Buyer Down Payment	\$843,750
15% Seller Financing or Equity	\$843,750
70% Bank Loan	\$3,937,500

A 15% down payment of \$843,750 returns \$393,189 in the first year after debt payments!

Over 75% of Purchase Collateralized

Description

Based in South Dakota, this Chip Sealing business offers services including asphalt paving (5%), surface treatments and crack repair (5%), and chip sealing/ armor coating (90%). The current work in progress for this company exceeds \$7.5M and included in the purchase of this business is over \$4M in assets. Their fleet consists of work 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. 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 company by providing support for billing, supply ordering, A/P and A/R, reporting, and contractual agreements. The employees waste no time and often complete smaller projects while in the area for contracted larger projects. These small projects can be completed in as little as one day, and they complete their largest projects within 10 days. 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. 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 **\$5,625,000**, a down payment of \$843,750 would return \$393,189 in the first year. The assets associated with this business collateralize over 75% 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!

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The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Advisors, LLC. The Firm does not sell real estate. The Firm solely advises on exit strategy.