

FOR SALE: SaaS & IT Development with Multi-Year Contracts

IT & Network Management: Owner will stay 2 years!

Financial Overview

List Price: **\$1,075,000**

Gross Sales

2022	2021	2020
\$693,093	\$540,605	\$482,973

Cash Flow

2022	2021
\$337,969	\$249,059

- **2022 Profit Margin:** 54%
- **Reoccurring Monthly Revenue:** \$18,854

Valuation: 2022 Cash Flow x Multiple = Valuation
 \$337,969 x 3.15 = \$1,064,602

A 10% down payment of \$107,500 returns \$167,654 in the first year after debt payments!

Business Information

Services: Provide network infrastructure services, backup servers, storage, workstations, security software, and virtualization software.

Clients: Corporations and Banks seeking IT assistance

Service Area: Greater Salt Lake region (80%) and National (20%).

Revenue Breakout: SaaS (31%), Service/Project/Labor (45%), Software and Hardware (24%)

Reason for Selling: Desire to join larger firm via acquisition.

Seller Transition Period: 3+ years.

Intangible Assets: Newly renewed Long-term contracts for 3 years with top clients.

Year Established: 2015

Growth Opportunities: Increase client base; excellent opportunity for existing IT Management company

Lease: Business is run from owner's home office or onsite at client's office; no commercial space needed keeping profit margin high.

Location: Salt Lake County, Utah

Personnel: 1 FT (Owner) + 2 part-time 1099

Current Owners' Responsibilities: Day-to-day operations of the business.

Funding Example

Purchase Price: **\$1,075,000**

10% Buyer Down Payment	\$107,500
25% Seller Financing	\$268,750
65% Bank Loan	\$698,750

- **Seller offering combined carryback of 25% to show good faith in onward going success.**

Description

Since 2015 this Salt Lake City IT and Network Management Firm has been providing security & visualization software, backup servers and Network Infrastructure services to corporations and banks. About 80% of the client base is in the Greater Salt Lake region with the other 20% being national. The owner is selling because he would like to join a larger firm via acquisition; and he has offered a 3+ year transition plus is willing to finance 25% (standard is 10%). This demonstrates the good faith vested interest in the continued success of the business plus mitigates any risk to the buyer. In 2023, the firm has renewed additional 3-year contracts with their larger clients! These clients are very lucrative, producing a 54% profit margin and year over year top line growth since 2018.

Along with providing network infrastructure services, this company also provides the necessary equipment and software their clients need: servers, storage, workstations, security software, virtualization software, etc. Services include firewall implementation & management, endpoint security, ransomware protection, data protection, disaster recovery, business continuity, instant virtualization, and proactive endpoint monitoring and management. The company utilizes specialized software, such as Datto RMM, Datto, BCDR, Autotask PSA, Auvik, Lionguard Scale Computing, DataCore, Windows, Citrix Apps, Citrix Hypervisor, Citrix ADC, and Sophos Central Endpoint.

Priced at **\$1,075,000**, a 10% down payment of \$107,500 returns \$167,654 in the first year after debt payments – a 155% return on investment! With a solid customer base intact and an abundance of documentation on each client, a transition would be seamless for an already existing IT management company that is looking to grow the own client list and revenue.

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