

### Deal Summary

<b>Asking Price:</b>	\$660,000	<b>Listing ID:</b>	DABS
<b>Down Payment:</b>	\$100,000	<b>Company Type:</b>	Advertising (Digital)
<b>FF&amp;E:</b>	\$ 5,600	<b>Location:</b>	Austin, TX
<b>Total Assets:</b>	\$ 5,600	<b>Adjusted EBITDA:</b>	\$189,270

### Terms

With a down payment of \$100,000, third party financing is available to finance the remaining balance over 10 years for a buyer with a requisite background that is qualified by the bank. Note that a bank has pre-approved this transaction for an SBA business acquisition loan. Also, the owner is willing to carry back 10% of the purchase price, if needed. It will require a monthly payment of approximately \$6,876. All notes will be personally guaranteed.

### Legal Organization

Type of Corporation: LLC – S Corp.  
 Year End is December  
 SIC Code: 7311  
 Accounting Method: Cash

### Top Things to Know About This Business

- 1) Company specializes in digital marketing and advertising for activity-based businesses across the US. Leverages latest social media tools to drive new leads, increase new and returning customers, and allow them to avoid costly in-house marketing personnel costs.
- 2) New customers come to this company by word-of-mouth, and substantially all become repeat customers.
- 3) When owner was away on medical leave, the employees were able to successfully run the business and continue to gain new customers, the business could be run semi-absentee.
- 4) Company was founded by its current owner five years ago.
- 5) No one customer represents more than 6% of Revenue.
- 6) Revenue has increased each of the last three years, and customers pay monthly recurring subscriptions.

### Business Activity

- 1) Company has been in business for five years.
- 2) Customer subscriptions range from \$600 - \$850 per month, and this is repeat monthly revenue.
- 3) The owner manages team of account managers and manages a short list of clients. Owner also provides guidance for the business in terms of vision and offerings.
- 4) Company has approximately 65 customers, and no one customer exceeds 6% of sales.
- 5) The main activity of the business is digital advertising and content creation to drive new leads by:
  - a. Facebook advertising: Ad creation, trafficking, optimization, and measurement.
  - b. Google advertising: Ad creation, optimization, monitoring bids, adjusting ad targeting, and measurement.
  - c. Content creation: The team creates content calendars for clients use on social media platforms.
- 6) Bank financing is available to borrowers that have a requisite background as dictated by the bank.

### Key Strengths

- 1) Employees – Company has a strong team of account managers. They have extensive knowledge about clients and the advertising/social media/marketing world.
- 2) Clients – Most of the clients are really fantastic people interested in making a big difference in the world. They tend to have fairly deep pockets and an interest in being cutting-edge.
- 3) Service Offerings – Company’s current service offerings are easy to measure and there is a lot of room to grow. Company currently offers Google Advertising, FB advertising and social media content; but the right owner could potentially offer web design, blog writing, graphic design, email marketing, donor management, etc.
- 4) Competitive Landscape – Very few competitors in this industry. There are only two, or so competitors who offer some overlapping services.
- 5) Opportunity for Growth – Company only works with about 65 clients and there are hundreds across the country in company’s market niche.
- 6) Company is not capital intensive – current owner operates with few fixed assets and no debt.

### Possible Weaknesses

- 1) Niche – There is obviously still a limit to customers within the business niche (though company has a small fraction of these as customers).
- 2) Service Levels – Company provides a really high service level and clients require a lot of hands-on attention. This isn’t a set-it-and-forget-it type of service, which can make it hard to scale (the only way to scale the business is to hire more account managers).
- 3) Advertising Changing – Advertising is always changing so it requires company to be flexible about offerings and what clients want/need at the drop of a hat.
- 4) Clients – Clients are nice, inspiring, and have deep pockets; but they also are very uneducated about what company offers. This requires a lot of client attention and understanding.

## Marketing Strategy

There is an inside sales force made up of three account managers and the owner.

Potential customers reach out to company if interested in learning more about services. Account manager will do a prospecting call and talk to prospect about company's services. Company will send over a proposal based on need. Client decides if they want to sign on or not. If so, account manager sends over contract to get started.

## History

The company was started in 2013 by the current owner. The business has been in its present location for one year. Company is in a business office, but note that customers do not visit the company location.

### Days and Hours:

Monday - Friday: 8:00am to 5:00pm.  
Saturday - Sunday: Closed.

## Sales and Adjusted EBITDA \*

Fiscal Year End	Revenue	Adjusted EBITDA	As a % of Sales
2017	\$489,550	\$189,270	38.7%
2016	\$380,689	\$156,097	41.0%
2015	\$350,068	\$179,384	51.2%

*\* All adjustments to EBITDA were provided by seller*

## Employees

The company has a total of 5 full time employees. The key employees are, three account managers, one account coordinator, and owner.

## Assets and Liabilities

An asset list is available for the \$5,600 of furniture, fixtures and equipment. All cash and accounts receivable will be retained by the seller. All debts of the company will be paid off by the seller at closing. If there is any owner financing as determined by SBA underwriting, any such debt is to be personally guaranteed by the buyer.

### Facilities

The business occupies a portion of a 1,612 sq ft building and pays \$3,800 per month. The current lease expires 5/31/20. The lease has a renewal option for an additional eight years.

### Support and Training

The owner genuinely desires an effective business transition with seamless customer service through to the buyer. Seller will train a buyer for 30 days free of charge. An additional consulting contract can be obtained.

### Reason for Selling

Owner recently had a change to their family situation, and needs to dedicate more time to that.

# CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

## Austin Area Digital Advertising Sale Price: \$660,000

1. For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned ("The Recipient") enters into this Confidentiality Agreement with and for the benefit of The Vant Group ("the Intermediary").
2. The Intermediary has attached hereto or has provided or may subsequently provide to the Recipient in connection herewith certain technical, financial, and/or business information (collectively the "Information") regarding the Company (as above designated) to facilitate an evaluation by the Recipient whether to acquire the Company or stock or assets thereof. The Recipient acknowledges that the Information is highly confidential and proprietary to the Company.
3. The Recipient shall not at any time, without prior written consent of the Company, furnish, copy, reproduce or distribute, in whole or in part, directly or indirectly, the Information to anyone, except Recipient's financial advisors and investors, who may be furnished with the Information for the sole purpose of advising the Recipient as to the structure of any proposed purchase of the Company (or its stock or assets), and it will keep permanently confidential the Information and will use the Information only for the purpose set forth above. The Recipient shall be under no obligation to maintain as confidential any information which (a) Recipient can show by legally sufficient written evidence was in its possession prior to disclosure by the Intermediary and/or the Company; or (b) becomes generally available to the public in tangible form other than by acts or omissions of Recipient; or (c) is lawfully obtained from a third party. The Recipient shall not contact the Company to discuss the sale or purchase of the Company or the Information without prior written consent of the Intermediary.
4. The Recipient hereby indemnifies and holds harmless the Intermediary, and its agents, representatives, employees and attorneys, from and against any and all claims, liabilities, actions, causes of action and damages, arising from or relating to any injury or loss arising out of, from, or attributed to the transactions or matters subject hereof, or the actions, omissions, wrongful conduct or other breach of this Confidentiality Agreement by Recipient, which indemnification shall include, without limitation, reimbursement of attorney's fees and expenses incurred by the Intermediary in connection herewith.
5. The Recipient shall not enter into any agreement for the purchase of the Company or its stock or assets unless said agreement contains a provision wherein the parties thereto acknowledge that the Intermediary is the procuring cause of such agreement and the Intermediary is entitled to a Intermediary's commission as agreed upon by the Company and the Intermediary.
6. While the Information is believed to be accurate, it is subject to change, error or withdrawal of offering, without notice. The Company and the Intermediary expressly disclaim any and all liability for representations or warranties, expressed or implied, contained in the Information, or, for omissions from it. The Company reserves the right to require the return of the Information at any time.
7. A facsimile transmission of this document is legal and binding.
8. The Recipient warrants that the undersigned is a duly authorized by the company to enter into binding legal contracts on its behalf.
9. This Agreement contains the entire agreement between the parties hereto with regard to the subject matter hereof. If one or more of the provisions contained herein shall be held to be invalid, illegal or unenforceable, the balance of this Agreement shall remain in full force and effect. This Agreement shall be binding upon the parties' heirs, successors and assigns, where permitted. This Agreement may not be assigned by the Recipient without the prior written consent of the Intermediary. No ambiguity herein shall be resolved presumptively against any party. This Agreement shall be construed in accordance with the laws of the State of Texas, and the obligations of the parties are performable in Dallas, County, State of Texas, where venue shall lie for any actions brought hereunder.

### RECIPIENT:

_____ Company Name	_____ Street
_____ Signature	_____ City State Zip
_____ Print Name	_____ Phone
Date: _____	_____ Fax