

Deal Summary

Asking Price:	\$1,700,000	Listing ID:	AVGY
Down Payment:	\$170,000	Company Type:	Sign Manufacturing
Inventory:	\$25,000*	Location:	Dallas County
Revenue:	\$2,250,000**	Adjusted EBITDA:	\$415,000**

* Included in Asking Price

** Average of 2018 and 2019 (2020 excluded due to Covid)

Adjusted EBITDA is defined as EBITDA + Owner's Salary + One-time and Discretionary expenses

Terms

This opportunity has been pre-approved by an SBA banker and is eligible for an SBA loan. For full approval, a buyer will need to meet the standards of both the SBA and the bank's credit team.

The seller will retain all the cash and retire any long-term debt. Assuming a 10-year SBA banknote in the amount of \$1,530,000 (excludes any SBA and/or deal fees) and an interest rate of 6%; the monthly loan payments would be approximately \$17,000 or 33,100 or \$204,000 annually. The SBA loan will be personally guaranteed by Buyer.

Legal Organization

Type of Corporation:	S Corporation	SIC Code:	339950
Year-End:	December	Accounting Method:	Accrual

Top Things to Know About This Business

- **Business Model:** Manufactures and install signs and provides vehicle wraps and monuments
- **Established Brand:** Excellent reputation for outstanding on-time and on budget work
- **Longevity:** Established in 1990, the company has been an industry leader for 30+ years
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Workforce:** The company has 22 employees - 20 full-time employees and 2 part-time employees
- **NO Customer Concentration:** The largest customer only represents 6% of revenue.
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Strong Management Team:** There are two VPs with an average tenure of 20 years with company
- **Suppliers:** No supply represents more than 10% of product purchases
- **Training:** Seller will train free of charge for 30 days to ensure smooth transition.

Business Activity

Established in 1987, for the past 30+ years, the company specializes in manufacturing a variety of signs using 3D, digital, engraved, illumination and vinyl.

Type of Signs:

- Exterior Signage
- Interior Wall Signage
- Site Signage
- Monument Signage
- Sandblasted Signage
- Post and Panel Signage
- ADA and Non-ADA signage
- Way-finding Signage
- LED Channel Letters Signage

In addition to the manufacturing of the products above, the company provides the following services:

- Graphic Design
- Engraving
- Production of 3D lettering
- Custom Painting
- Vehicle Wraps
- Banners
- Digital Printing
- Corporate Awards
- Delivery and Installation Services

The typical customers are:

- Commercial Buildings
- Retail Centers
- Apartment Owners
- Construction Companies
- Schools
- Hospitals
- Large Corporations
- Newly relocated or start-up small businesses

Geographic area served:

- Mostly North Texas with some national accounts

Key Strengths

- 1) Well established reputation
- 2) Product line diversity
- 3) Customer problem solving
- 4) Very experienced labor force
- 5) Well-equipped shop

Marketing Strategy

There are no outside salespeople and four inside salespeople. Sources of new business comes from:

- 65% - Online Searches / Online Paid Advertainment
- 20% - Word of Mouth / Referral
- 10% - Walk Ins
- 5% - Outside Sales

History

The Company was started in 1990 and the current owner acquired the business in 1993.

Days and Hours:

Monday - Friday: 7:30 AM To 4:30 PM

Saturday - Sunday: Closed

Sales and Adjusted EBITDA

Fiscal Year End	Revenue	Adjusted EBITDA*	As a % of Sales
2021 Annualized	\$2,135,000	\$516,000 ¹	24%
2020	\$1,908,000	\$103,000 ²	5%
2019	\$2,182,000	\$329,000	15%
2018	\$2,329,000	\$502,000	22%

* All adjustments to EBITDA were provided by seller

¹ Revenue includes about \$160,000 in PPP money that will come off the books when the company files its 2021 Tax Return.

² Due to COVID-19, some projects were either delayed or cancelled. Also, due to a PPP loan, seller kept his employees on staff (some were paid even without working) and kept all the operating costs the same.

Employees

The Company has a total of 22 employees with 20 being full-time and 2 being part-time. The key employees are the four inside salespeople, office manager (some sales duties as well), Vice President of Production (25 years) and Painter/ Installation Specialist (24 years)

Assets and Liabilities

An asset list is available for the furniture, fixtures, and equipment. All cash and accounts receivable will be retained by the Seller. All debts on 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 an 8,500 sq ft building and pays \$12,000 per month. The latest lease commenced on July 1, 2018 for a period of 5 years and is set to expire on June 30, 2022. It is a triple net lease.

The property is owned by a related party and Seller is open to selling the property with the business. If Buyer does not want to purchase the property, the Seller is open to offering \$10,000 per month instead of the current \$12,000 per month.

Support and Training

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

Reason for Selling

The owner wishes to retire.

CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

Sign Manufacturer
Sale Price: \$1,700,000

1. For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned ("The Recipient") enters into this Confidentiality Agreement with The Vant Group, Inc., a Texas corporation ("the Broker") and for the benefit of the Broker's client (the "Company") that shall be identified by the information disclosed under this Confidentiality Agreement.
2. The Broker 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, investors, tax advisors and attorneys, 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 Broker 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 Broker.
4. The Recipient hereby indemnifies and holds harmless the Broker, 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 Broker 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 Broker is the procuring cause of such agreement and the Broker is entitled to a broker's commission as agreed upon by the Company and the Broker.
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 Broker 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 Recipient 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 Broker. 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