

### Deal Summary

<b>Asking Price:</b>	\$595,000	<b>Listing ID:</b>	AVPJ
<b>Down Payment:</b>	\$59,500	<b>Company Type:</b>	Audio / Video Installation
<b>Inventory:</b>	\$65,000*	<b>Location:</b>	Dallas County
<b>Revenue:</b>	\$614,000**	<b>Adjusted EBITDA:</b>	\$207,000**

\* Included in Asking Price

\*\* Represents 2020 financials

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 \$535,500 (excludes any SBA and/or deal fees) and an interest rate of 6%; the monthly loan payments would be approximately \$5,945/month or \$71,340 annually. The SBA loan will be personally guaranteed by Buyer.

### Legal Organization

<b>Type of Corporation:</b>	S Corporation	<b>SIC Code:</b>	5963
<b>Year-End:</b>	December	<b>Accounting Method:</b>	Cash

### Top Things to Know About This Business

- **Business Model:** Designs and installs custom residential and small business entertainment and technology systems (home theaters, automation, commercial-grade networks, etc.)
- **Established Brand:** Excellent reputation for outstanding on-time and on budget work
- **Longevity:** Established in 2002, the company has been an industry leader for 19 years
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Workforce:** Excluding the owner, the company has 4 employees - 3 full-time and 1 part-time
- **No Customer Concentration:** The largest customer only represents 4% of revenue.
- **Training:** Seller will train free of charge for 30 days to ensure smooth transition.

## Business Activity

Established in 2002, for the past 19 years, the company has specialized in designing and installing custom residential and small business entertainment and technology systems (home theaters, automation, commercial-grade networks, etc.). The company specifies custom mid- to high-end electronic systems to fulfill the lifestyle and entertainment needs/wants of our discerning clients. This includes all phases: design, installation, programming, and service of these systems. “Systems” range from a simple TV and sound bar installation to a full-blown cinema room. For small businesses, the company will design and install conference room systems, and whole-office music for doctors’ exam rooms, for example.

Type of Designs / Installs:

- Home Theaters
- Surround Rooms
- Kitchen and Dining
- Bed and Bath
- Patio and Outdoor
- Conference Rooms

The typical customers are:

- Builders
- Architects
- Remodelers
- Designers
- Homeowners
- Small Business Owners

Geographic area served:

- North Texas

## Key Strengths

- **Established Brand:** Excellent reputation for outstanding on-time and on budget work
- **High Referral Rate:** 99% of the company’s business comes from referrals / word of mouth.
- **Experienced Labor Force:** The average tenure of the employees is 17 years
- **Loyal Client Base:** The company is now doing work for 3<sup>rd</sup> generation family members
- **Growing Market:** With the constant change in technologies, there’s always a constant need for equipment upgrades or new equipment.

## Marketing Strategy

The company does minimal marketing. To ensure a streamlined process, the company's designer serves as the primary salesperson to ensure what is sold can be produced by the company.

- 99% - Word of Mouth / Referrals
- 1% - Walk Ins

## History

The Company was started in 2002 and the current owner is the original founder.

### Days and Hours:

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

Saturday - Sunday: Closed / By Appointment

## Sales and Adjusted EBITDA

Fiscal Year End	Revenue	Adjusted EBITDA*	As a % of Sales
2021 Annualized	\$1,361,000	\$214,000	16%
2020	\$614,000	\$207,000	34%
2019	\$829,000	\$150,000	18%
2018	\$704,000	\$87,000	12%

\* All adjustments to EBITDA were provided by seller

## Employees

Excluding the owner, the company has three (3) full-time employees:

- Technician / Programmer
- Installer / Warehouse
- Designer / Salesperson

Additionally, the owner's wife works part-time in the business and handles administrative tasks such as bookkeeping and human resources.

The owner serves as the general manager and handles the purchasing.

The average employee tenure of 17 years is remarkable as the company was established 18 years ago.

### **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 a 2,100 sq ft building and pays \$2,300 per month. The latest lease commenced on January 1, 2020, for a period of 2 years and is set to expire on December 31, 2021.

### **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 in San Marcos, TX.

# CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

## Audio / Video Installation Sale Price & Down Payment: \$595,000

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