

### Deal Summary

<b>Asking Price:</b>	\$9,700,000	<b>Listing ID:</b>	AVAF
<b>Revenue:</b>	\$8,600,000*	<b>Company Type:</b>	MSP / IT Services
<b>Adjusted EBITDA:</b>	\$1,200,000*	<b>Location:</b>	Metro West Boston / Central Massachusetts

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

\* Last Twelve Months through April 30, 2022

### Legal Organization

<b>Type of Corporation:</b>	S Corporation	<b>SIC Codes:</b>	7379 / 5415 / 8742
<b>Year-End:</b>	December	<b>Accounting Method:</b>	Accrual

### Top Things to Know About This Business

- **Business Model:** Provides IT services to SMEs with an emphasis on Managed Cloud Solutions
- **Recurring Revenue:** On average, 85% of the company's revenue is recurring.
- **Established Brand:** Excellent reputation for outstanding on-time and on budget work
- **Longevity:** Established in 2006, the company has been an industry leader for 15+ years
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Workforce:** Company normally has 10 employees - 8 Full-Time (1 Vacant) and 2 Part-Time
- **NO Client Concentration:** No client represents more than 3% of revenue.
- **Multi-Sector Client Base:** Company has Commercial clients as well as K-12 and governments.
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Geography:** Company has a nationwide client footprint
- **Location:** HQ is in Massachusetts, but company has a satellite WeWork office in the southeast

### Business Activity

Established in 2006, for the past 15 years, the company has evolved from specializing in email security, privacy and compliance to an array of services with a nationwide geographic footprint.

#### Type of Services:

- Digital Transformation
- Managed Cloud Services
- Email, Communications & Mobility
- Security, Privacy and Compliance

#### Client Sectors:

- 60% - Commercial / Private Clients
- 27% - K-12 Education
- 11% - Government
- 2% - Higher Education and Non-Profit

## Strengths / Opportunities

### Strengths

- Born in Cloud - 15 years ago: Not tied to on-premise solutions or geography
- Cloud Agnostic: With majority Google Cloud, means net-add to most MSPs
- Geography: Diverse client base across North America
- Expertise: Principals bring extensive strategic IT consulting credentials
- Marketing / Sales: Efficient pipeline management and process
- Intellectual Property: Expanding number of assessments

### Opportunities:

- Geography: National client base = remote support when expanding to on-prem services
- Intellectual Property: Create/define more to enhance service offerings and pairings.
- Services: Increase operations staffing by ½ to 1 FTE for service desk and professional services
- Automation: Expand automation for billing and receivables management
- Intellectual Property: Secure reliable resources for Digital Transformation related services
- Services: Secure reliable resources for cloud platform (Azure, GCP) migrations
- Operations: Deploy RMM and documentation tools as we move into a broader array of managed services

## Market Areas – 5 Regions

Percentages of customer, by region

### **Northeast = 47.5%**

- ME, NH, VT, NY, MA, RI, CT, NJ, PA

### **Southeast = 23.5%**

- FL, GA, SC, NC, TN, AL, MS, LA, AR, OK, TX, VA, WV, MD, DE, DC

### **Midwest = 10.5%**

- MI, IN, WI, IL, MO, KS, NE, IA, SD, ND, MN, OH, KY

### **West = 13.1%**

- MT, WY, CO, NM, ID, UT, AZ, CA, NV, OR, WA, AK, HI

### **International = 5.4%**

## Marketing Strategy

As a marketing strategy, the company uses content rich inbound marketing along with account-based marketing as it tries to position itself as a subject matter and thought leader within the MSP / Cloud Services industry.

To help achieve this goal, the company uses an omnichannel approach which includes:

- Email Campaigns / Newsletters (Over 25,000 subscribers)
- Webcasts / Events
- Blogging / Whitepapers
- Referrals / Word of Mouth

## History

The Company was started in 2006 and the current owner is the founder.

### Days and Hours:

Monday - Friday: 8:30 AM to 5:30 PM\*

Saturday - Sunday: Closed

\* *After hours services may be scheduled*

## Sales and Adjusted EBITDA

Fiscal Year End	Revenue	Adjusted EBITDA*	As a % of Sales
LTM*	\$8,600,000	\$1,200,000	14.1%
2021	\$8,000,000	\$1,200,000	14.7%
2020	\$6,800,000	\$45,000	0.7%
2019	\$6,200,000	\$400,000	6.888%

\* All adjustments to EBITDA were provided by seller

\* Last Twelve Months (LTM) is from May 1, 2021 – April 30, 2022

## Employees

Currently, the company has 10 employees – 7 Full-Time and 3 Part-time.

### **Assets and Liabilities**

An asset list can be obtained upon request. All debts on the company will be paid off by the seller at closing.

### **Facilities**

The company leases approximately 2,000 sq. ft. of office space in Grade A- commercial office building from a third-party landlord. The lease is in the first year of a 3-year extension. The office consists of 4 private offices, 7 cube workstations and 1 conference room for 8 people. The total building is approximately 16,000 – 18,000 sq. ft.

### **Reason for Selling**

The owners bootstrapped the company 15 years ago and as ownership starts to plan for the next 15 years and beyond; its best for the company to seek a strategic acquisition or be acquired by an investment group who can provide growth capital to maximum growth in this fast-growing industry.

# CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

## Managed Service Provider / IT Services

Sale Price: \$9,700,000

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