

<b>Asking Price:</b>	\$8,600,000	<b>Listing ID:</b>	AVAF
<b>Revenue:</b>	\$8,980,000*	<b>Company Type:</b>	MSP / IT Services
<b>EBITDA:</b>	\$ 740,000*	<b>Location:</b>	Metro West Boston / Central Massachusetts
<b>Adjusted EBITDA:</b>	\$1,070,000*		

\* Estimate pending final revenue and annual adjustments through December 31, 2022

### Legal Organization

<b>Type of Corporation:</b>	LLC	<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 Managed Cloud Services and related IT services to small and midsize organizations.
- **Recurring Revenue:** On average, 85% of the company's revenue is recurring.
- **Established Brand:** Excellent reputation for outstanding on-time and on budget work; Multiple industry and business awards;
- **Longevity:** Established in 2006, the company has been an industry leader for 16+ years; An original Google Cloud Partner, was a pilot partner Google Workspace to assess its commercial viability.
- **Management Team:** Leadership team with more than 60 years of experience in a wide range of information technology and service roles.
- **Turnkey Operations:** Company is guided by well-defined systems and processes.
- **Workforce:** Company has 7 Full Time, 2 Permanent Part Time, and 1 to 3 Temporary Part Time (student interns). Company has standing relationships with specialized service providers as subcontractors.
- **Broad Client Base:** Over 1,100 active clients; Largest client represents less than 3.1% of revenue.
- **Multi-Sector Client Base:** Company services Commercial, Nonprofit, K-12 Education, and local / regional government market sectors.
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Geography:** Company has a nationwide client footprint with limited operations and clients in Canada.
- **Location:** HQ is in Massachusetts; Satellite sales office in Georgia.

## Business Activity

Established in 2006, the company has evolved from specializing in email security, privacy and compliance to an array of services with a nationwide geographic footprint over the past 16 years,

### Type of Services:

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

### Client Sectors:

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

## Strengths / Opportunities

### Strengths

- Born in Cloud: More than 16 years ago
- Legacy IT Independence: Not tied to existing on-premise solutions
- Cloud Agnostic: Partnerships with Google and Microsoft enable best match with client needs
- Google Workspace Expertise: Majority of seats are Google Workspace, a net-add for most MSPs
- Expertise: Principals bring extensive strategic IT consulting credentials
- Marketing: Strong brand identity as a recognized business and industry leader
- Sales: Efficient pipeline management and process
- Intellectual Property: Expanding number of assessments and services
- Geography: Diverse client base across North America

### Opportunities:

- Traditional Managed Services: Expand remote support for on-premise and other IT services to a national client base
- Managed Security: Extend security offerings to meet evolving industry and regulatory demands
- Remote Desktop / VDI: Migrate clients off on-premise servers/networks to improve efficiency, security, resilience, and cost
- Business Transformation for SMBs: Low/No Code solutions for Process Automation and Business Intelligence, such as “Dashboard in a Day”
- Intellectual Property: Create/define more to enhance service offerings and pairings.
- 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 Geography

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

The company runs a content rich inbound marketing program along with account-based marketing campaigns, positioning itself as a subject matter expert, thought leader, and trusted within the Managed Cloud Services and MSP industry.

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

- Email Campaigns
- Newsletters (Over 25,000 opt-in subscribers)
- Webcasts / Events / Speaking Engagements
- Blogging / Whitepapers
- Referrals / Word of Mouth
- Participation in Industry Conferences and Events

## History

The Company was started in 2006 by the CEO, majority owner, and the COO. For over 16 years, Cumulus Global has been an innovated leader in cloud services to small and midsize entities.

**Days and Hours:**

Monday - Friday: 8:30 AM to 5:30 PM, *with scheduled after-hours services.*  
 Saturday - Sunday: Closed

### Sales and Adjusted EBITDA

Fiscal Year End	Revenue	EBITDA	Adjusted EBITDA*	As a % of Sales
2022 est	\$8,950,000	\$782,000	\$1,070,000	11.9%
2021	\$8,040,000	\$950,000	\$1,060,000	13.2%
2020	\$6,820,000	\$80,000	\$90,000	1.3%
2019	\$6,190,000	\$260,000	\$260,000	4.1%

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

### Employees

The company has 9 to 12 employees, including temporary employees hired for marketing and admin projects:

- 7 Full-Time
- 2 Permanent Part-Time.
- 1-3 Temporary Part-Time

### Assets and Liabilities

An asset list can be obtained upon request. The Company has no long-term debt.

### 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 16+ years ago and ownership is looking forward. The company is seeking a strategic acquisition, or to be acquired by an investment group, to enable and maximize growth. The owners expect to remain involved for several years.

# CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

## Managed Service Provider / IT Services

Sale Price: \$8,600,000

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name

Date: \_\_\_\_\_

\_\_\_\_\_  
Street

\_\_\_\_\_  
City State Zip

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Phone

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Fax