

Acquisition Opportunity

[AVDW] – [Fast Growing Auto Rental Recovery Business with \$5 Million in Adjusted EBITDA]

Corporation Type: S-Corp Location: DFW Metroplex NAICS Code: 561491

ASKING
\$16,500,000

The company specializes in comprehensive investigations and recovery of assets tailored to car rental agencies, by locating and recovering vehicles that are overdue or have not been returned by renters. Unlike traditional repossession companies, the company employs a unique approach to vehicle retrieval. The company does not own repo trucks or maintain vehicle storage lots. Instead, once a vehicle is located, the company arranges for it to be directly returned to a rental agency's location. The company also developed an intuitive and user-friendly website; it acts as an efficient tool to help its clients manage the assigned territory. Moreover, the company utilizes a network of sub-contract agents to provide detailed field reports, giving you a comprehensive view of the investigation progress.

Top Details/Business Activity

- **Longevity:** Established in 2008, the company has been an industry leader for several years
- **Business Model:** The company recovers rental vehicles for rental car agencies that have not been returned by its customers.
- **Stable Revenues:** With an average gross revenue of over \$13 million over the past three years, the company's consistent and stable revenue stream is a notable strength, showcasing their ability to maintain a strong position in the market.
- **Strong Cash Flow:** With cash flow of \$5 million in 2023, the company's strong cash flow is a testament to its financial management and operational efficiency.
- **Robust Cash Flow Margin:** The company's impressive cash flow margin of over 26%+ over the past three years signifies strong profitability and financial health. Maintaining such healthy margins indicates effective cost management and a sustainable business model.
- **Clean Books and Records:** The Seller Runs ZERO Adbbacks through the Company.

Strengths

- **Nationwide Network of Agents:** With an extensive presence spanning across the country, the company can rapidly respond to rental vehicle recovery requests from various regions and cities.
- **Ability to Prepay Expenses to Bill Client:** This unique and proactive approach streamlines the recovery process, as the company takes care of upfront expenses and later bills the client accurately and transparently. This financial assistance fosters strong client relationships, alleviates the financial stress for their clients, and distinguishes the company from competitors.
- **Ability to Understand Client's Urgent Needs:** In the dynamic and time-sensitive world of auto rental recovery, the company excels in its exceptional ability to grasp and address clients' urgent needs promptly.
- **Client Portal:** The company developed an intuitive and user-friendly website; it acts as an efficient tool to help its clients manage the assigned territory. It provides essential real-time information about ongoing investigations and status of auto recovery.

Opportunities

- **Market Investigative Services to Related Industries:** Offer investigative services to auto lenders, leasing companies, banks, and credit unions by expanding the company's utilization of the Recovery Database Network (RDN), a software platform that tracks repossession orders. The company's expertise in locating and recovering assets can be valuable for these industries as well.
- **Recapture prior rental car recovery business:** Revisiting prior clients is an avenue for growth. The company elected to end servicing of a prior client due to pricing structure changes in 2012. However, the prior client has since undergone new management.
- **Attract Smaller Regional Rental Car Companies:** Targeting smaller regional rental car companies presents an opportunity to expand the client base. Smaller companies will appreciate the specialized approach and personalized service.
- **Expand Services for Current Customers:** Expand the services offered for current clients by adding additional field agents, office staff, and additional services.
- **Market to Equipment Rental Industry:** Applying the company's expertise to the equipment rental industry can be a strategic move. The principles of asset recovery and location apply to various types of rental assets.

Weaknesses

- **Customer Concentration:** Largest client is over 95% of total sales; however, the company has adapted to become the main vendor for this client, significantly minimizing the risk of losing the client and enhancing client retention and has 3-year auto renewal master contract with largest client.

Key Indicators (Accrual Basis):

Year (Financial Year End: 12/31)	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Revenue	16.7 M	12.4M	11.9 M	12.3 M
Gross Profit	6.4 M	4.3 M	4.4 M	4.2 M
Adj. EBITDA*	5.0 M	3.2 M	3.2 M	3.1 M

*Profit before interest, tax, depreciation, amortization (non-cash items) including owner salary, one-time and discretionary expenses.

Terms

- The owner acknowledges a single client constitutes over 95% of the business's sales. Recognizing the potential risk this poses to buyers, the owner is amenable to diverse transaction structures, including upfront cash payment, an earn-out based on future performance, seller financing through an owner note, or a stock swap to ensure a fair and appealing deal. The final terms aim to balance both parties' interests and address the unique revenue concentration.
- The owner is seeking a minimum guarantee of \$13 million for the sale, with the seller requiring a minimum of \$8.5 million at closing and the remaining \$4.5 million to be paid as a seller note without contingencies or offset. The remaining \$3,500,000 can be an earnout provision. \$800,000 in working capital is included in the asking price.

Included in offering

- Assets: \$30,000
- Working Capital: \$800,000

Business Days and Hours

- Monday – Friday*: 9:00 am to 6:00 pm
- Saturday – Sunday*: Closed
- *Agents operate 24 hrs./day, 7 days/week as needed.

Employees

- The Company has a total of 15 full time employees & 1 part-time employee. The key employees are an Accounting/Payroll Specialist, Accounting/Billing Specialist, Office Manager, and Office Supervisor.
- The Company's agent network includes 85 sub-contractors across the nation.

Reason for Selling

- The Owners have grown fatigued and would like to explore other ventures.

Support and Training

- The Owners genuinely desires an effective business transition. The seller will provide initial training to the purchaser for 6 to 9 months at mutually agreement remuneration. If desired by purchaser, the owner is willing to work in a mutually agreed role at mutually agreement remuneration. The seller is willing to further assist with general management functions for a finite period to provide additional training at mutually agreeable compensation.

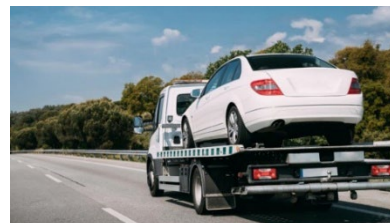
Next Steps

- In order for us to release the Confidential Information Memorandum, complete the Non-Disclosure Agreement and Buyer Profile and return to:

Alex Vantarakis, President

alex@thevantgroup.com

972.458.8989 ext. 102



CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

Fast Growing Auto Rental Recovery Business with \$5,000,000 in Adjusted EBITDA

Sale Price: \$16,500,000

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

Phone

Fax