

FOR SALE: K-12 & Municipal Architecture Firm

41% profit margin with full staff and opportunity to bid on \$1B of upcoming projects

Financial Overview

List Price: \$1,100,000

Gross Sales

2017: \$1,622,940 Annualized

2016: \$1,335,528

2015: \$838,018

Owner Profit/Cash Flow

2017: \$721,100 Annualized

2016: \$314,478

2015: \$173,776

YOY Growth: 21% increase in sales since 2016

Profit Margin: 44%

Multiple: 3.5

Valuation: 2016 Cash Flow x Multiple = Price
\$314,478 x 3.5 = \$1,100,673

Funding Example

Purchase Price: \$1,100,000

15% Buyer Down Payment: \$165,000

15% Seller Financing: \$165,000

70% Bank Loan: \$770,000

A 15% down payment profits \$145,879 in the first year after debt payments.

Description

2017 has been a hard year for Houston, but with \$1B of upcoming projects set to bid, this K-12 and municipal architecture firm will continue to grow. Showing a 41% profit margin due to the company cutting internal costs to improve the bottom line, sales have also increased by 14% since 2016, and a whopping 82% since 2015. In business for 33 years, this firm is still strong and growing every year.

Located in Houston and also serving Dallas, projects are 80% K-12 and 10% municipal, with the remaining 10% comprised of retail, healthcare, transit and more. Projects range in size from 6 months in length to 2+ years, with staff continuously working on 14 projects each month. Beyond architectural design, this firm also offers project and construction management, cost estimation, interiors, specifications and more.

Staff includes 1 Architect who mostly handles QA, 1 Office Manager, 2 Project Managers and 4 Interns. The seller is an Architect, and will remain at the firm for a period of 3 to 6 months as part of the transition.

This is a great chance for an architectural firm to add a K-12 arm, or to expand into the Houston and Dallas markets. Priced at \$1,100,000 with 6-figure profits, a buyer should expect a first year's cash flow of \$145,879.

Next Steps

For a detailed financial package, please contact Cortney Sells or one of The Firm Business Brokerage's professionals at 402.998.5288 or email Confidential@TheFirmB2B.com.

Assets Included in Purchase

Equipment: Furniture, fixtures and drafting equipment

Intangible Assets: Reputation and website

Business Information

Years in Business: 33

Location: Houston

Service Area: Houston & Dallas

Projects: 80% K-12 / 10% Municipal / 10% Other

- 14 projects/month

Services: Architectural design, 3D imaging, project management, cost estimates, construction management, interiors, specifications and more

Lease: \$2,900/mo in office space

Reason for Selling: Relocating to South America

Employees: 1 Licensed Architect, 1 Office Manager, 2 Project Managers, 4 Interns 9 (2 ready to sit for qualifications)

Seller Training Period: 3 – 6 months

Growth Opportunities: \$1B worth of Texas school projects coming up. Task order contracts.

Current Owner's Responsibilities: Architect