

FOR SALE: B2B Leasing of Postage Meters

1,000+ client base with 90% leasing 800 – 900 machines across Indiana

Financial Overview

List Price: \$1,155,000

Gross Sales
2016: \$1,492,697

Owner Profit/Cash Flow
2017: \$325,907 Annualized
2016: \$290,217

Profit Margin: 19%

Multiple: 3.75

Valuation: 2-Yr Avg Cash Flow x Multiple = Price
\$308,062 x 3.75 = \$1,155,233

Assets Included in Purchase: \$87,129

Equipment: \$12,956 (replacement value) of furniture, fixtures and office equipment

A/R: \$74,173

**amounts may vary*

Business Information

Years in Business: 7

Location: Central Indiana

Service Area: Indiana

Number of Clients: 1,000+ client base – 90% lease equipment between 12 – 63 months

- 25% repeat business for equipment
- 80% repeat business for supplies
- There are currently about 800 – 900 machines leased to clients

Products: Mailing systems, addressing, shipping, folding/inserting, communications, tracking, scanning, and more. Postage meters are the best sellers.

Building: 1,400 sq. ft.

Reason for Selling: Retirement

Employees: 3 Territory Managers, 1 Service Tech, 1 IT Manager, 1 Customer Service & Support

Seller Training Period: 90 days

Growth Opportunities: Expand territory to Illinois, Ohio, and Kentucky. Hire more sales & IT personnel to cover more territory.

Current Owner's Responsibilities: There are 3 owners, 2 of whom have duties that can be absorbed by 1. The other owner will remain on staff to run the sales department.

Funding Example

Purchase Price: \$1,155,000

10% **Buyer Down Payment:** \$115,500
10% **Seller Financing:** \$115,500
80% **Bank Loan:** \$924,000

A 10% down payment profits \$105,043 in the first year after debt payments.

Description

Boasting a client base of 1,000+, this mailing and document management systems B2B sales company has 800 – 900 machines across Indiana, 90% of which are leased. Selling to universities and corporate offices, clients can lease or purchase top-of-the-line mailing, addressing, shipping, and tracking systems (and more), and receive regular maintenance services from company techs. Located in central Indiana, great expansion exists in covering territory in Illinois, Ohio, and Kentucky.

On staff are 3 Territory Managers, 1 Service Tech, 1 IT Manager, and 1 Customer Service & Support specialist. The company is currently staffed up, but can still not meet the demand for territory expansion as has been requested. A buyer should consider hiring more sales and IT personnel to cover an increase in the client base.

The company's best sellers are postage meters of all sizes. As equipment is leased, there is a sales cycle for when those contracts are up, but 80% of supply purchases are repeat business. The most popular lease is for 60 months.

Currently, there are 3 owners, 2 of whom have duties that can be absorbed by 1 person. The third owner is skilled in sales, and a buyer would be advised to keep that owner on staff for at least 1 year at his current salary, which has been accounted for in the Cash Flow.

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.

Last Revised 1/4/18 by MT

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