

Blind Profile

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FO3994

Metals Distributor and Machine Shop

The company is both a machine shop and a distributor of metals to the machine shop and job shop industry. It is uniquely located in Sacramento County in northern California. The metals and job shop industry is a very competitive and the location is able to take advantage of lower labor and rental rates in the Sacramento valley to service clients from the San Francisco bay area to Reno, Nevada. The company's success and growth rate can be attributed to two factors, geography and speed of service. It is in the heart of agricultural country where industry is largely agrarian. Larger suppliers of metals and machined components tend to be in more urban areas such as 50 miles southwest in the San Francisco bay area. This means that this company can service its local clients quickly and effectively. An order placed with this distributor will be filled and delivered by their trucks in just one or two days. Non local competitors must consolidate smaller orders into larger ones in order to make deliveries cost effective. For machine shops who rely on metals for their production, quick delivery is very important. In addition this company stocks many of the most common material items for their customers, making service and availability key components of their success.

Financial

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	2007		2006		2005		2004	
	9.00 months from P & L	%	from taxes	%	from taxes	%	from taxes	%
Adjusted Gross	\$4,960,364		\$5,167,000		\$5,100,768		\$5,000,980	
Cost of goods sold	\$3,357,611	68%	\$3,500,145	68%	\$3,200,745	63%	\$3,100,765	62%
Gross profits	\$1,602,753	32%	\$1,666,855	32%	\$1,900,023	37%	\$1,900,215	38%
Expenses (net of addbacks)	\$744,633	15%	\$1,093,314	21%	\$1,117,980	22%	\$1,056,500	21%
Sellers discretionary earnings, SDE	\$858,120	17%	\$573,541	11%	\$782,043	15%	\$843,715	17%

Operations

Number of employees		Full time	Part time	Licenses required:				Business							
Non-owners		11	0					Resale							
Owners		3	3					Contractors							
Hours:		Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday	
		8:30 AM	5:30 PM	8:30 AM	5:30 PM	8:30 AM	5:30 PM	8:30 AM	5:30 PM	8:30 AM	5:30 PM	Closed		Closed	

Price and Terms - Business

Purchase price:	\$3,000,000
Seller carry available:	\$500,000
Included inventory:	\$650,000
Equipment, fair market value:	\$90,000
Approximate net current, A/R-A/P:	\$0
Debts to be assumed:	\$0

Property

Price:	\$900,000
Lot size, acres:	1.18
Building size, square feet:	9,876
Total rental income, \$/mo	\$0
Total rental income, \$/yr	\$0

Other

Type of Organization:	S-Corp	Training available:				2	Weeks	20	hours/wk
Reason for sale	Retirement								

Contact Information**Bob Brun****Premier Business Advisors****4096 Bridge St. Suite 3****Fair Oaks, CA 95628**Phone: **800-503-1123**Fax: **866-851-3876**Email: **bbruns@pmbizbrokers.com**