

## Business Opportunity Package

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**ACME Manufacturing company**

**FO3994**

**01/21/09**

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**Package prepared by:**

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# Company Profile

Not verified by Premier Business Advisors

FO3994

## ACME Manufacturing company

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

Not verified by Premier Business Advisors

	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				Licenses required:										
Full time	Part time					Business								
Non-owners	11	0					Resale							
Owners	3	3					Contractors							
Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Sunday		
Hours:	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

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# Recast Income Statements

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## ACME Manufacturing company FO3994

	<b>2007</b> <small>9.00 months from P &amp; L</small>	<b>2006</b> <small>from taxes</small>	<b>2005</b> <small>from taxes</small>	<b>2004</b> <small>from taxes</small>
<b>Gross receipts or sales</b>	<b>4,960,364</b>	<b>5,167,000</b>	<b>5,100,768</b>	<b>5,000,980</b>
Returns and allowances				
Adjusted Gross	4,960,364	5,167,000	5,100,768	5,000,980
Cost of goods sold	3,357,611	3,500,145	3,200,745	3,100,765
<b>Gross profits</b>	<b>1,602,753</b>	<b>1,666,855</b>	<b>1,900,023</b>	<b>1,900,215</b>
<u>Expenses</u>				
Compensation of officers	306,999	289,990	220,000	220,000
Salaries and wages	450,000	500,000	550,000	530,000
Bad debts				2,500
Rent	87,634	128,000	120,000	120,000
Taxes and licenses		32,789	35,000	35,000
Interest	8,760	3,450	6,900	4,500
Depreciation	5,100	8,970	8,700	8,900
Advertising			10,000	9,000
Pension, profit sharing, retirement plans		56,780	35,000	14,000
Employee benefit programs		34,765	63,000	26,000
Other deductions or expenses		200,990	234,980	220,000
<b>Total expenses</b>	<b>858,493</b>	<b>1,255,734</b>	<b>1,283,580</b>	<b>1,189,900</b>
<b>Net profit or (loss)</b>	<b>744,260</b>	<b>411,121</b>	<b>616,443</b>	<b>710,315</b>
<u>Compensation for EBIT and EBITDA</u>				
Single owner compensation, fair market value	100,000	150,000	150,000	120,000
<u>Addbacks</u>				
Interest	8,760	3,450	6,900	4,500
Depreciation	5,100	8,970	8,700	8,900
<b>Sellers discretionary earnings, SDE</b>	<b>858,120</b>	<b>573,541</b>	<b>782,043</b>	<b>843,715</b>
<b>EBIT</b>	<b>753,020</b>	<b>414,571</b>	<b>623,343</b>	<b>714,815</b>
<b>EBITDA</b>	<b>758,120</b>	<b>423,541</b>	<b>632,043</b>	<b>723,715</b>

Notes: The financial tables presented above were taken from supplied documents and were not verified. Tax forms and P&Ls contain limited information: lines set to zero or left blank may actually contain expenses noted elsewhere in the financials for this company. Single owner compensation, fair market value is used for EBIT and EBITDA calculations and is an estimate used to define these financial figures and differentiate them from sellers discretionary earnings (SDE). The single owner compensation given has no relation to actual owners salary taken or the ability of the company to supply that salary to the owner. SDE = EBITDA plus owners compensation (fair market rate).

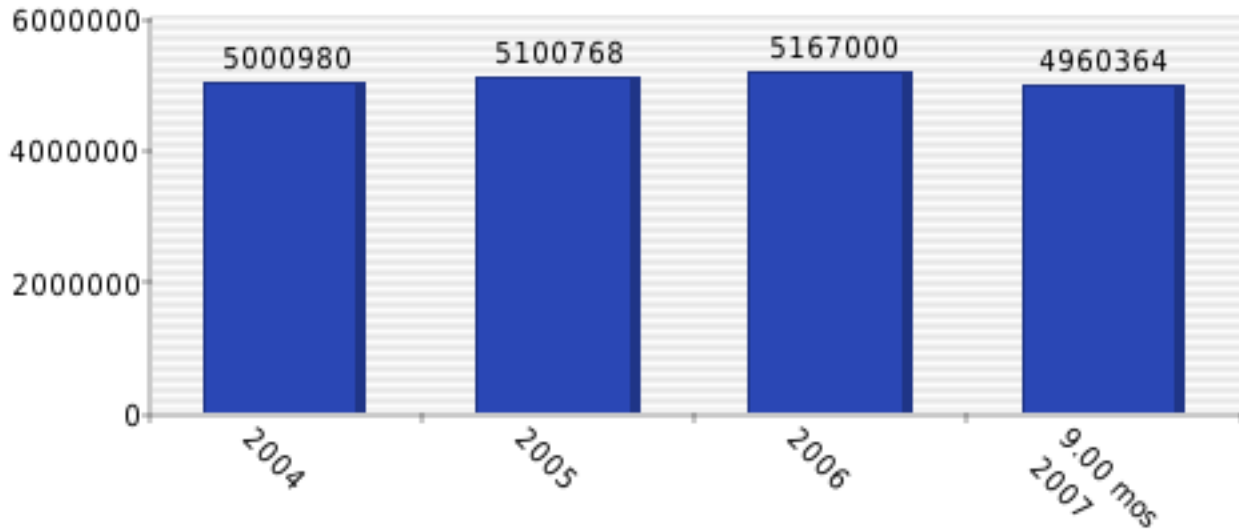
# Charts

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## ACME Manufacturing company FO3994

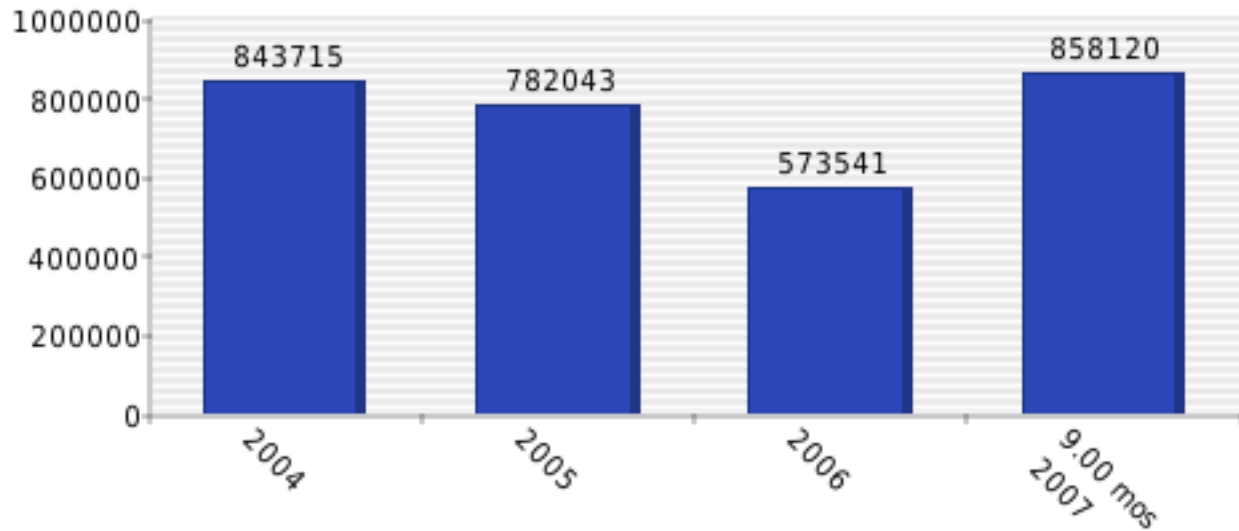
BizValPro.com

### Adjusted Gross Revenue



BizValPro.com

### Sellers Discretionary Earnings, SDE



# Buyer's Fact Sheet

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## ACME Manufacturing company

Business type: Machine Shop and Distributor      Sales: \$4,960,364      Cash flow: \$858,120  
 Business category: Service Misc      For: 9.00 Months ending      from P & L

Asking Price (bus only) \$3,000,000  
 Reason for selling Retirement  
 Down payment: \$500,000

Owner finance amount: \$500,000      % 10.00%      mo. 60      Inventory (inc): \$650,000  
 SBA finance amount: \$2,000,000      Receivables: \$0  
 Payables: \$0  
 Net current \$0

Type of sale: asset      Real estate?: yes      Price \$900,000  
 Debts to be assumed \$0      If yes, income/mo \$0      \$0      Year  
 Assets not included See equipment lists      Assets, Fair Market Value: \$90,000

Business name: ACME Manufacturing company      Building size: 12000 sq. ft.      Land: 1.18 Acre  
 Address: 4096 Bridge St. Suite 3      Rent: \$10,000      CAM \$0  
 City: Fair Oaks      Rent/ft \$0.83      Insurance \$0  
 State, Zip: CA 95628      Taxes \$0  
 Business Phone: 800-503-1123      Monthly payroll: \$12,345      Annual: \$148,140  
 Website: none      Lease expires  
 Org type: S-Corp      Option years:      Deposit \$0

Established: 01/1998      Current Owner: 05/2001  
 Training: 2 weeks      20 hours/week  
 Covenant: 5 years      100 miles  
 Franchise?: no

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	

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**ACME Manufacturing company**

The property for this business is available for purchase:

Company address: 4096 Bridge St. Suite 3 Fair Oaks 95628

Business size:	12,000
Rent, FMV:	\$10,000
Total building size, sq ft:	9,876
Rental income, total:	\$0
Lot size, acres:	1.18
Price, real estate only:	\$900,000

## Balance sheet (items that transfer)

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ACME Manufacturing company

### Net Current Accounts that Transfer

Accounts Receivable	\$0
Accounts Payable	\$0
Notes Payable	\$0

### Other Assets that Transfer

Saleable Inventory	\$650,000
Furniture Fixtures and Equipment	\$90,000
Leasehold Improvements	\$60,000
Other assets that Transfer	\$0

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Assembly Tables



Paint Booth



Metal Punch



Welding, cutting, machining