

# Acquisition Opportunity

## Managed IT Services & IP Telephony Provider SMB Southeast MI, US

2018 Revenue: \$4.77MM

2019 EBITDA: \$1.12MM

- **Recurring Revenue Business Model Focus:** Steadily increasing company's revenues generated from managed services contracts (48% of annual sales) with enhanced sales resource and focus.
- **Diversified Customer Base:** With over 275 clients, no single customer represents more than 3.5% of annual revenue, and the top 5 customers represented 15% of sales in 2018. Their customer base is also well diversified across several industries.
- **Growth in Revenues and in Profitability:** The Company has achieved a 69% sales growth from 2015 - 2018 while steadily increasing EBITDA margins from 19% to over 23% over the same period.

### Recast Historical and Pro Forma Statement of Income

For the Fiscal Years Ended December 31 (\$000)

	Historical			Est. 2019	Projected				
	2016	2017	2018		2020	2021	2022	2023	2024
<b>Sales</b>	2,815	4,372	4,767	5,750	6,900	8,300	10,000	12,000	14,400
% Growth	--	55.3%	9.0%	20.6%	20.0%	20.3%	20.5%	20.0%	20.0%
<b>EBIT</b>	546	853	1,119	1,445	1,774	2,178	2,671	3,252	3,952
% of Sales	19.4%	19.5%	23.5%	25.1%	25.7%	26.2%	26.7%	27.1%	27.4%
<b>EBITDA</b>	546	853	1,119	1,445	1,776	2,181	2,675	3,257	3,957
% of Sales	19.4%	19.5%	23.5%	25.1%	25.7%	26.3%	26.8%	27.1%	27.5%

### Client # 60838



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The Company offers data, voice, and interconnect services as well as managed services, premise and cloud phone systems, and cloud services. The Company provides IT Support such as technical helpdesk support, computer support, and consulting to small and medium-sized businesses. Company's Managed Service Plan ensures proactive care, round-the-clock maintenance, and live (24x7x365) help desk support. In 2018, revenue was derived from hardware and software sales (33.8%), recurring revenue (service agreements and circuit commissions) (48%), and break/fix and ad hoc services (18.6%).

Company differentiates itself from the competition on many fronts including: a proprietary process for evaluating and solving technology needs; a comprehensive approach based on years of experience with and a market-leading position in both data and voice technologies; and a full suite of services ranging from infrastructure to cloud services, which is unparalleled in the Company's market segment.

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