



HDHo37 – Precision Engineering and Sheet Metal Fabrication Company for sale

Business overview

- An outstanding opportunity to acquire a highly successful precision engineering and precision sheet metal fabrication company operating within a niche market.
- Based in the South East of the UK within easy reach of London and the motorway network.
- A highly profitable and cash generating business with a strong balance sheet and a solid client base. Sales are continuing to grow despite the current economic climate with a target to achieve a turnover of £3m in 2013-14.
- The company returns an adjusted EBITDA of over 30%. This level of return is rarely seen in the precision engineering or sheet metal fabrication sector.
- The company has developed specialist skills in the production of highly complex machined and fabricated components. It also offers detail design and 3D modelling capability.
- The owner has always invested in top level plant and equipment so that the company has the capability to consistently produce high quality components and assemblies.
- A capable management team is in place which can run the business day-to-day without input from the owner.
- Circa 90% of the business is recurrent work from the existing client base, which leaves significant potential for the new buyer to expand the business through re-invigorated marketing.
- This business would be of particular interest to an engineering business or investment group which is looking to acquire a company with niche products and specialist manufacturing capability, significant additional revenue, a highly sought after client list and a loyal and skilled workforce as well as a range of valuable specialist equipment.

Products and Services

- The company's activities are grouped into the following categories:
 1. Site surveys and detail design and 3D modelling of new product assemblies
 2. Manufacture of precision machined and fabricated sheet metal products
 3. Quick turnaround work for one-off bespoke components for service and maintenance requirements



Employees

- 1 director + 3 management team + 5 technical and admin staff + 23 workshop staff

Premises

- Leasehold premises in South East UK

Reason for sale

- To allow the director to exit the business and pursue other interests.
- The business is now in a prime position for a larger company or investment group to take on and grow. Having built the business from scratch over the last 20 years, the director feels that such a buyer with more focus and energy would be better placed to take the business to the next level and that now is the right time to sell the company rather than wait another ten years until full retirement age.

Financial overview

<i>Year ending 31st March</i>	<i>2008-09</i>	<i>2009-10</i>	<i>2010-11</i>	<i>2011-12</i>	<i>2012-13</i>
Sales revenue	£3,119,959	£3,162,268	£1,744,058	£2,452,809	£2,686,080
Gross profit	£1,323,895	£1,661,146	£556,855	£1,122,331	£1,386,338
<i>Percentage</i>	42%	53%	32%	46%	52%
Adjusted EBITDA	£850,478	£1,159,925	£51,303	£649,570	£866,481
<i>Percentage</i>	27%	37%	3%	26%	32%

- The adjusted EBITDA takes into account the replacement cost for the director.
- The plant and equipment has recently been valued independently at £454k

Offers invited for company sale