

## HDM187 – Technology and Systems Integrator for sale

### Business overview

- Outstanding opportunity to acquire a highly established technology and software provider based in South East Australia. The company is a pioneer in systems integration solutions in the Not for Profit (NFP) sector in Australia and New Zealand.
- Initially slower to embrace technology than other business sectors, the uptake of technology solutions in the NFP sector now has major traction. The company has a solid track record of helping more than 80 NFP clients to enable organisational streamlining by better integrating their business, financial, marketing and website systems.
- The business has delivered steady revenue growth in the last 2 years with sales turnover to June 2013 of AUD\$1.74m. Profit margins are exceptionally high with Net Profits Before Tax to June 2013 of AUD\$525,342 (30%) and adjusted EBITDA of AUD\$636,970 (37%).
- The business has a strong balance sheet with Current Net Assets of AUD\$751,940, Total Net Assets of AUD\$780,505 and no long term debt.
- Established in 1998, the business has developed an extremely loyal client base of companies across Australia and New Zealand. Due to the evolving nature of the services provided by the company repeat business from this client base accounts for c. 30% of turnover. In the year to June 2013 no single client accounted for more than 12.5% of total turnover..
- There is a team of 10 highly qualified consultants who are employed by the company on a full time basis. This team is led by a General Manager who has overall accountability for running the business day to day.
- The business has had a primarily vertical market focus and a fairly latent business development strategy relying on referrals and direct approaches from customers. There is a significant opportunity to develop the business through more aggressive marketing and a wider lateral market focus, as well as the potential to move into other geographic territories including South East Asia, India and China.
- The business would be of particular interest to other technology solutions providers who are looking for a strong foothold in the lucrative NFP sector and who could integrate this highly profitable business into their group.
- The reason for the sale is that the Vendors wish to retire and despite having a highly capable General Manager who is in day to day control of the business the current owners are committed to ensuring that the business makes a successful transition into new ownership and will fully support any handover.

### Financial overview

<i>YE: 30th June</i>	<b>2012</b>	<b>2013</b>	<b>2014(for)</b>
<b>Sales revenue AUD</b>	<b>\$1,686,090</b>	<b>\$1,737,982</b>	<b>\$1,816,671</b>
<b>Net Profit AUD</b>	<b>\$208,291</b>	<b>\$525,342</b>	<b>\$560,395</b>
<i>Percentage</i>	<i>12%</i>	<i>30%</i>	<i>31%</i>
<b>Adjusted EBITDA AUD</b>	<b>\$450,757</b>	<b>\$636,970</b>	<b>\$681,680</b>
<i>Percentage</i>	<i>27%</i>	<i>37%</i>	<i>38%</i>

### Offers invited for a company sale

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