



HEM079 – IT Support & Cloud Services Provider for sale

Business Summary

- Outstanding opportunity to acquire a highly established provider of fully managed IT support services and Cloud based solutions, based within the M25 to the North.
- The business has delivered aggressive growth in recent years and achieved YOY revenue growth of 57% to the end of the last financial year to June 2013. Projected turnover for the year to June 2014 is c. £2.1m.
- The business has over 150 clients on support contracts which contribute c.£1.5m revenue per annum which is over 70% of the current annual revenue. The majority of these contracts are for three years and contract renewal dates are well spread. The business has exceptionally high client retention rates.
- The client base includes a wide range of business types but with emphasis on professional services including the legal, finance and recruitment sectors. No single client accounts for more than 6% of total company turnover.
- The scale of customers ranges from 5-140 PC users with the upper quartile of clients having an average of 50 users.
- In the financial year to June 2013 the company achieved a gross margin of £594,405 (30%) and an adjusted EBITDA of £191,175 (10%)
- The forecast for the year to June 2014 is for revenue of £2,072,453, Gross Profit of £636,524 and EBITDA of £241,465.
- Current run rate of EBITDA is £20-25,000 per month.
- The company has a strong Management and Staff team led by a highly experienced MD who is passionate about the continued success of the business. He has a minority option stake in the business and his preference would be to work with a new partner to continue to grow the business building on the foundations he has created.
- The business has an extremely strong sales pipeline which currently shows over £3m worth of potential new business.
- The company has Microsoft Managed Cloud Partner and Microsoft Gold Certified Partner status.
- The business would be of particular interest to other IT support companies that are looking for a strategic acquisition to add to their portfolio and could make significant synergy savings.



Products and Services

- **Fully Managed IT Services**
 - 24/7 systems management, desk side support, secure remote working, web protection & reporting, disaster recovery & business continuity
- **Cloud IT**
 - Cloud desktop, email, online backup, Cloud infrastructure & storage
- **Enhanced IT Solutions**
 - Project Management, Business Intelligence, Software Solution advice, Telephony including VOIP

Employees

- Managing Director, Head of Technology and 16 staff including 12 technical staff, 3 account managers and 1 office support person

Premises

- The business operates from a 2600 sq ft office in the Northern London Home Counties and the lease has a potential break in November 2014.

Reason for sale

- The current sole owner has a passive role in the day to day business and with a series of other business interests he wishes to exit from this business and raise investment for other parts of his portfolio.

Financial overview

<i>YE: 30th June</i>	2012	2013	2014 (for)	2015 (for)
Sales revenue	£1,255,306	£1,984,387	£2,072,453	£3,468,000
Gross Profit	£478,301	£594,405	£636,524	£1,224,663
<i>Percentage</i>	38%	31%	31%	35%
EBITDA (adjusted)	£176,726	£191,175	£241,465	£563,096
<i>Percentage</i>	14%	10%	12%	16%

Offers invited