



## HEH115 – IT Service and Support Company for Sale

### Business Summary

- Successful provider of fully managed IT support, hosted/cloud services, business continuity and disaster recovery solutions.
- Based in central London with clients predominantly in London and South East.
- Strong contracted revenues accounting for c.60% of total turnover in the financial year to March 2015.
- High quality and loyal customer base, primarily from the private equity market.
- Majority of contracts are 12 month contracts with 3 month notice periods.
- PC users range between 2 to 350.
- An average of c.29% YOY growth in the last 2 financial years.
- Highly profitable with 22% EBITDA in financial year 2014/2015.
- Strong team of mostly long-serving, highly-skilled and experienced employees led by a solid second tier management team.
- Solid business infrastructure which would enable significant future growth.
- Long track record of successful support for medium sized and larger organisations.
- Strong opportunities to cross sell other products and services into existing client base.
- Excellent customer retention.
- Microsoft Small Business Specialist, Microsoft Silver Partner for Midmarket Solutions. Hosting Partner, Datacenter partner, Dell and HP registered partner, Accredited Adobe reseller and a Cryoserver Certified Partner.
- The business would be of particular interest to either a London-based trade buyer as a bolt-on, or as a strategic acquisition to a non-London based firm wanting a foothold within the M25.

### Products and Services

- IT Support Services: on-site and remote
- Full range of cloud services including Office 365.



- Project Management
- Firewalls, network security and remote access.
- IT Security Solutions
- Hardware sales
- Comprehensive electronic record archiving

## Employees

- Operations Director and Projects Director (vendors) and team of 11 staff including a Technical Services Manager, Service Desk Manager and 8 service desk engineers (including team leader).

## Premises

- Fully serviced offices in central London with 11 desks and room for expansion.
- Lease has a potential break at the end of January 2016.

## Reason for sale

- One of the Vendors, the Operations Director, wishes to retire. The other, the Projects Director, would provide a full handover of the business and may be susceptible to staying with the business in the long term if this was mutually desirable.

## Financial overview

<i>Year ending 29<sup>th</sup> March</i>	<i>2010-11</i>	<i>2011-12</i>	<i>2012-13</i>	<i>2013-14</i>	<i>2014-15</i>
<b>Sales revenue</b>	<b>£1,166,381</b>	<b>£1,017,535</b>	<b>£1,230,791</b>	<b>£1,505,625</b>	<b>£2,052,830</b>
Net profit (before tax)	£184,445	£134,801	£207,490	£295,751	£386,172
<i>Percentage</i>	<i>16%</i>	<i>13%</i>	<i>17%</i>	<i>20%</i>	<i>19%</i>
<b>Adjusted EBITDA</b>	<b>£230,932</b>	<b>£171,351</b>	<b>£277,941</b>	<b>£384,674</b>	<b>£458,930</b>
<i>Percentage</i>	<i>20%</i>	<i>17%</i>	<i>23%</i>	<i>26%</i>	<i>22%</i>

## Offers invited