



HES275 – Managed Services & Cloud Based Solutions Company For Sale

Business Summary

- Outstanding opportunity to acquire a highly established provider of fully managed IT services and Cloud based solutions, based in one of the London Home Counties.
- The range of services offered by the company include Microsoft 365 and Azure Migrations, Hosted Microsoft Dynamics CRM, Managed Hosting, Software as a Service (SaaS) delivery, and Managed Support Services.
- The business has over 65 clients on contract which in the next 12 months will generate c.£1.1m in revenue which will be c.90% of total company revenue. These contracts are for pure managed services and do not include extensive low margin bolt-ons.
- The client base includes a wide range of business types and no single client accounts for more than 13% of total company turnover.
- The scale of customers ranges from very small with 1-5 end users up to over 160 end users with the upper quartile typically having over 20 users. The servers under management range from 2-4 physical servers per client but with the majority being multiple VM and VM platform structures.
- In recent years the Vendor have rationalised the business into a solid core of managed services contracts and have created a platform for the business which is completely portable. 5 of the 8 full time staff work from home in different locations across the UK so the company is not welded to its current location.
- In the financial year to June 2015 the company achieved revenues of c.£1.3m and an adjusted EBITDA of c.£281k (21%).
- The company has a solid staff team including a full time Sales Director. This (non-shareholding) Director would support a full handover of the business into new ownership and would be keen to stay with the business in the long term.
- The company has Microsoft Silver Certified Partner status, Silver Citrix Access Partner, Cisco Systems Partner Status and ISO 27001 Certification.
- The business would be of particular interest to other Managed Services companies looking for a strategic acquisition to add to their portfolio with the potential to make significant synergy savings.



Reason for sale:

- The company is part of a group that over time has sought to acquire small or distressed businesses and to build them up using the resources of the group and the experience of the owners. The Principal owner now wishes to exit to focus on other non-competing interests.

Products and Services

- Customised Managed Servers
- Microsoft 365 and Azure Migrations
- CRM Microsoft Dynamics
- Sonicwall Protection
- Security
- Hosted Microsoft Exchange

Employees:

- Sales Director, 4 Engineers, 1 Service Manager, 2 Support Desk Staff.

Premises:

- The business operates from a 10 work station serviced office in the London Home Counties which is on a rolling 3 months' notice.

Financial overview

| <i>Year ending 30th June</i> | <i>2011-12 (14 months)</i> | <i>2012-13</i> | <i>2013-14</i> | <i>2014-15</i> |
|------------------------------|----------------------------|-------------------|-------------------|-------------------|
| Sales revenue | £1,581,088 | £1,335,552 | £1,279,878 | £1,328,488 |
| Gross profit | £265,485 | £461,624 | £306,641 | £514,423 |
| <i>Percentage</i> | 17% | 35% | 24% | 39% |
| Adjusted EBITDA | £95,259 | £248,305 | £358,988 | £280,791 |
| <i>Percentage</i> | 6% | 19% | 28% | 21% |

Offers Invited