



HFL327 IT Support and Hosted Services Company For Sale

Business Summary

- Opportunity to acquire a long-established IT Support and Hosted services company with a desirable client base.
- The company is well located to service both London and Southern England, and its national network of engineers serve the rest of the country - particularly the Midlands, the North and Scotland.
- Founded in 1990, the company has built strong partnerships with the world's key IT vendors and suppliers.
- It has maintained long term client relationships - 61% of customers, many of which are Blue Chip, have been with the company for between 10 and 22 years.
- The company has strong technical knowledge and industry experience of large complex networks and continually invests in training.
- The service package is fully comprehensive, covering the spectrum of Hosted/Cloud-based business solutions and support for companies ranging from 5 to 500 users.
- A large part of the current business is Microsoft-based networks, and the company was an early adopter of the 'VMWare' virtualization platform software.
- In the financial year ending 31st December 2015, there were 56 individual customers.
- There are currently 36 clients on 12 month contracts with between 4 and 150 users.
- Following a thorough review of the business, the company has transitioned to managed or web-based services and established a strong 'Helpdesk' team.
- Field Support Engineers have been reduced to remove costs and a greater emphasis has been put on remote management tools and helpdesk software.
- They have taken on new products with monthly recurring revenue streams, such as Back-Up ('DRaaS') Disaster Recovery and web-managed WiFi solutions.
- Their ideal clients are entrepreneurial SMEs and the main geographical areas of interest are those surrounding England's major airports.
- The acquisition offers an outstanding opportunity for another IT support, hosted services, technology or telecoms company looking for a strategic acquisition to add to their portfolio of clients and increase revenue and profit 'overnight'.



Products and Services

- IT Support Services
- Hosted Services
- Email Services
- Security Services
- Network Services
- Consultancy Services
- Procurement
- Business Continuity
- Virtualization Solutions

Employees

- The four Directors/vendors plus six full-time staff members and a part-time accounts executive.

Premises

- The business operates from high quality offices located within a listed building in the South East of England.
- A 5-year lease expires in May 2017. The annual rent is £19,600 and the rates £8,591.

Reason for sale

- Retirement though all some of the directors are prepared to stay involved with the business going forward.

Financial overview

| <i>Year ending 31st December</i> | <i>(31/3)2011</i> | <i>2012</i> | <i>2013</i> | <i>2014</i> | <i>Draft 2015</i> |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Sales revenue | £1,263,610 | £1,095,644 | £1,696,284 | £1,476,905 | £1,179,470 |
| Gross profit | £653,644 | £560,415 | £741,005 | £627,047 | £546,407 |
| <i>Percentage</i> | 52% | 51% | 44% | 42% | 46% |
| Adjusted EBITDA | £117,315 | £87,466 | £304,390 | £185,976 | £122,881 |
| <i>Percentage</i> | 9% | 8% | 18% | 13% | 10% |

Adjusted EBITDA is stated after normalising the directors' takings.

Offers invited