



HHMo86 – Building Mechanical Services Company, South East England

Business Summary

- Outstanding opportunity to acquire a well-established building mechanical services company located in South East England (Thames Valley).
- The company offers a complete package of building mechanical services, pipework installation and prefabrication services including process systems for industry, laboratory gasses, pharmaceutical and HVAC building services.
- Founded in 1986, the company is very well established and has long standing and secure relationships with their clients. This is demonstrated by a 95% rate of repeat business from existing clients.
- The company's client base comprises of a wide variety of businesses including large government trusts, hospitals and educational institutions. They have a framework agreement in place with a large vehicle manufacturing company, covering all their UK plants, and are the preferred mechanical services provider for this company.
- The company has use of a fabrication workshop and undertakes the manufacture of small steel structures such as fire escapes and platforms, etc.
- The company typically undertakes projects up to £2 million in value, subject to the duration of project, and are competent to operate as Principal Contractor on this scale of project.
- They pride themselves on offering a competitive charging structure without compromising on quality craftsmanship and personal service.
- Forecasted sales revenue for the financial year to July 2017 is £3.7m with a gross profit of £739k.
- The company would be an excellent opportunity for a larger company in the same sector and looking for a stronger base in the South East, or for a company looking to diversify into mechanical services.

Services Provided

- | | |
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| - Air conditioning | - Water treatment |
| - Refrigeration | - Commercial heating and plumbing |
| - Ductwork – sheet metal | - Industrial process pipework |
| - Ductwork – plastics | - Prefabricated pipework and plant rooms |
| - Kitchen ventilation | - Lloyds Class 1 welding |
| - Local exhaust ventilation systems | - Gas fitting |
| - Thermal sound engineering | - Underfloor heating |



Employees

- There are 3 shareholding directors and 24 employees as follows:
 - o 1 Senior Project/Contracts Manager
 - o 3 Project/Contract Managers
 - o 1 Estimator
 - o 1 Industrial Gas Supply Manager and Driver
 - o 4 Foremen
 - o 14 Operatives

Premises

- 1700 sq. ft. office area
- 1200 sq. ft workshop
- 2900 sq. ft yard area
- Rent of £26,460 per annum (excl VAT), plus £4,700 rates per annum

Reasons for sale

The two majority shareholders of the business are at retirement age and would like to exit following an agreed handover period.

Financial overview

<i>Year End 31 July</i>	<i>2012-13</i>	<i>2013-14</i>	<i>2014-15</i>	<i>2015-16</i>	<i>2016-17 Forecast</i>
Sales revenue	£2,436,075	£5,304,412	£4,391,198	£3,946,268	£3,745,551
Gross profit	£419,960	£1,049,344	£767,068	£676,598	£739,466
<i>Percentage</i>	<i>17%</i>	<i>20%</i>	<i>17%</i>	<i>17%</i>	<i>19.7%</i>
Adjusted EBITDA	£171,834	£744,653	£458,158	£362,183	£381,351
<i>Percentage</i>	<i>7%</i>	<i>14%</i>	<i>10%</i>	<i>9%</i>	<i>10%</i>

Offers Invited