Steel Fabrication & Erection Business

DEAL SUMMARY

Assets included

$	**5,000,000**	**Receivables**
$	**-**	**Cash-excluded from Deal**
$	**900,000**	**Inventory**
$	**2,100,000**	**Furniture, Fixtures & Equipment FF&E**
$	**3,000,000**	**Realty**
$	**5,000,000**	**Work-In-Progress**
$	**16,000,000**	**Total Hard Assets Available**
$	17,500,000	Business Price
$	16,000,000	Assets Included
$	**1,500,000**	**Balance**
$	**4,200,000**	**Cash Flow**
Ratio=		**Less than 1X; priced below Industry Standards**

Typical EBITDA Multiples-Industry data

Industry Multiples	Company Attributes
3.5–5.0×	**Small local steel contractor**
4.5–6.5×	**Established regional steel erector**
5.5–7.5×	**Strong management team, recurring customers**

Factors That Push the Multiple Higher

CHECK	Management runs day-to-day operations.
CHECK	Diverse customer base (no customer >15–20% of revenue).
CHECK	Large backlog of contracted work.
CHECK	Strong bonding capacity.
CHECK	Consistent profitability over 5+ years.
Reserved for expansion	Modern fabrication equipment.
CHECK	Union or highly skilled workforce with low turnover.
CHECK	Strong safety record (low EMR).
CHECK	Significant structural steel fabrication in addition to erection.
CHECK	Geographic market with barriers to entry.

Fair Market Value: Approximately $25 million

100% of the $5.0 million Accounts Receivable is collectible; Zero bad debt reserve is needed.

The $5.0 million Work-in-Progress transfers at full value