

Recurring revenue, high margin, niche passenger transportation service

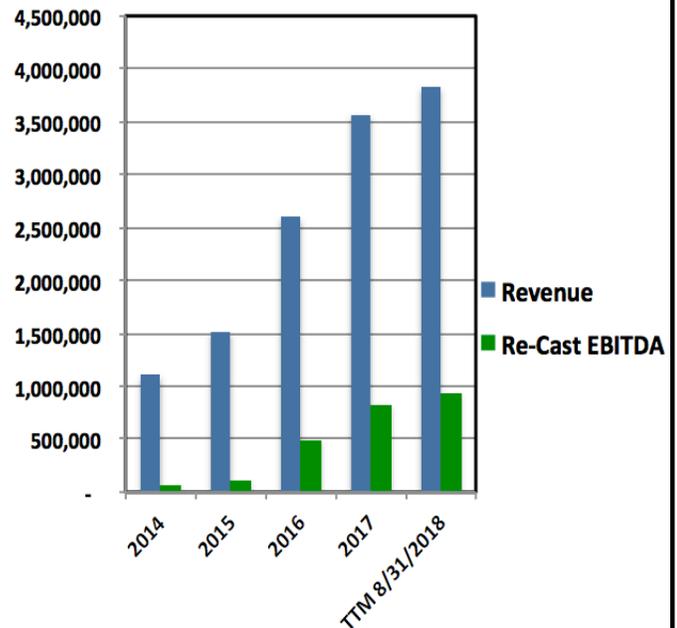
This niche business provides government-mandated and paid-for passenger transportation to some of the most vulnerable members of society. With ~\$1 million in cash flow this business allows a buyer to do well while doing good.

Strong 38% average annual revenue growth has been achieved over the past five years and there are logical growth opportunities if the current rate of growth being generated without marketing activities were to subside. Its customers produce predictable recurring revenue with no real receivables collection risk.

The owners have strong corporate management experience and have professionalized the company since they acquired it ten years ago. The result is a highly efficient and well-organized company. While there are over 170 total employees, the business is operated with a lean five-person management & administrative staff.

There are a number of differentiators the business enjoys that create competitive barriers to entry, and it has a unique business model that results in lower operating costs compared to other transportation companies.

The sellers would like to find a buyer who will continue the social mission of serving and helping its target



clients, and continue to grow the business so that it can serve far more people in the state who aren't able to access such a service despite it being mandated by the state.

While a buyer could be another logistics or transportation company, it could also be an individual who is passionate about the company's social mission and wants to take over a well-performing business with strong growth and good cash flow.

Listing Number	1000012812	12 Months
Type of Business	Niche Passenger Transportation	8/31/2018
Location	Portland Metro Area	Revenue
Year Founded	1997	\$3,823,554
FT Employees*	2	Seller Disc Earnings
PT Employees*	172	\$1,010,104
Why Selling	Pursue other interests	EBITDA
Price	\$4,600,000	\$925,360
Seller Financing	Possible depending on buyer, price, and deal terms	
Seller Financing Details	Up to 15%	

* Not including single primary owner

Benefits of This Business

Recurring revenue model of business provides predictable cash flow

Transportation is provided on a recurring daily basis, creating predictable cash flow.

This is a transportation niche that falls under the radar of most potential competitors

There are only four known competitors serving the same geographic market that this company serves, and certain nearby geographic areas that the company does not currently serve don't seem to be served by other companies. Because of this, the company has not had to do much in terms of marketing and sales to grow to its current level given the demand caused by the unmet need for service.

This company uses a less capital-intensive business model than its competitors

While there is virtually no direct competition in the niche served in the same geographic market, in its broader category and when looking at similar businesses serving other geographic markets, such businesses tend to have far more capital-intensive business models that are more difficult to scale and are less profitable.

Do good while doing well

Clients of this business are some of the most vulnerable in society. A business owner can feel good about helping and providing stability to these under-served members of society who desperately need a helping hand, but payors (the government agencies that contract for the services) are reliable and financially capable customers with virtually no receivables risk.

Low overhead and a 24% EBITDA margin limits business / financial risk

For simplicity, the company does not show Cost of Goods Sold separate from Sales, General, and Administrative expenses on its financials. However, if these are separated out the SG&A expenses are less than 20% of revenue. This is important because it mitigates risk associated with revenue fluctuations versus companies with more overhead.

Lean administrative staff, and good processes and procedures make the business manageable

While the company employs over 170 people, there are only five central office staff. This, coupled with strong policies and procedures, makes the business easier to manage than companies with a broader number of administrative staff.

Business growth has primarily been through word-of-mouth

When the current owner acquired the business in 2008 initial sales and marketing activities were initially undertaken, but it has now been several years since active sales and marketing activities have been pursued, with recent growth being from word-of-mouth referrals. The current owner does not know of any customers that have been lost to a competitor during the duration of their ownership (10 years).

Opportunities

May be able to sub-contract other transportation services

Because of its reputation and track record it may be able to sub-contract additional transportation services to its customers. Similarly, if it wants to expand to other markets or other government agencies, one way to do so would be to act as a subcontractor for another type of transportation service.

Marketing to government agencies that they don't already service

Because growth of the business has been so strong with limited business development efforts, this business has not pro-actively marketed to many applicable government agencies in the geographic markets it serves (not to mention adjacent geographic markets). It is believed that its reputation and referrals from currently satisfied agencies, coupled with the unmet need due to few companies providing this type of service, it would be possible to materially grow the business through such marketing and sales activities.

Provide complementary forms of transportation

When the business was formed by the prior owner in 1997 it provided service to another market segment. When the current owners acquired the business they decided to focus solely on the current market segment since it was a very under-served market and there was plenty of growth opportunities from focusing solely on this niche. However, the process, management, and infrastructure is in place that would allow for providing transportation to other market segments.

Convert to a business model that would more easily allow private-pay clients

This business has been set up to serve government agency customers. However, the owner recognizes that there are ways that its business model could be altered that may allow it to also serve a variety of niche private pay market segments which also appear to be underserved.

Have a website

The business has chosen not to have a website for a few practical reasons: 1, to prevent calls from individuals believing that they may be able to directly hire the business for non-recurring transports; 2, because it has had as much business / growth as it has wanted without proactively attracting more customers; and 3, it has wanted to stay below the radar of would-be competitors for which the need for the service would not be apparent. However, a buyer wanting to more aggressively grow the business may see results from having a website so that other agencies can find the business and learn more about it with ease.

Financial

Year	2014	2015	2016	2017	12 Mos Ending 8/31/18
Sales	\$1,105,168	\$1,513,487	\$2,600,856	\$3,569,912	\$3,823,554
Cost of Goods Sold	\$0	\$0	\$0	\$0	\$0
Gross Profit	\$1,105,168	\$1,513,487	\$2,600,856	\$3,569,912	\$3,823,554
Depreciation	(\$25,000)	\$0	(\$40,500)	(\$6,000)	\$0
Amortization	\$0	\$0	\$0	\$0	\$0
Sales General & Admin	(\$1,048,371)	(\$1,405,920)	(\$2,104,339)	(\$2,739,759)	(\$2,898,194)
Net Operating Profit	\$31,797	\$107,567	\$456,017	\$824,153	\$925,360
Interest Expense	\$0	\$0	(\$51)	(\$179)	(\$1,516)
Interest Income					\$0
Other Financial Income					\$0
Profit After Financial Items	\$31,797	\$107,567	\$455,966	\$823,974	\$923,844
Exceptional Expense			(\$13,207)		\$0
Profit Before Tax	\$31,797	\$107,567	\$442,759	\$823,974	\$923,844
Tax					\$0
Net Profit After Tax (NPAT)	\$31,797	\$107,567	\$442,759	\$823,974	\$923,844
EBITDA	\$56,797	\$107,567	\$496,517	\$830,153	\$925,360
Capital Expenditures					\$0
Estimated Fed & State Tax					\$0
Operating Free Cash Flow	\$56,797	\$107,567	\$496,517	\$830,153	\$925,360
EBITDA	\$56,797	\$107,567	\$496,517	\$830,153	\$925,360
Market Rate of Owner Salary	\$111,125	\$111,125	\$96,860	\$84,753	\$84,744
Seller Discretion. Earnings	\$167,922	\$218,692	\$593,377	\$914,906	\$1,010,104

Any financial or operating information relating to the company was prepared by, or from figures, documentation and information supplied by the Seller. Codiligent LLC, its principals, and employees can not guarantee the accuracy, completeness, quality, or reliability of information, financial data, or assumptions provided. A buyer should not rely on Codiligent LLC, its principals, or employees for any investigation, interpretation, or opinion as to the accuracy, completeness, quality, or reliability of said information. A buyer should conduct its own independent investigation and evaluation of this business opportunity, ascertain the accuracy, quality, reliability, and completeness of information provided, and assumptions used, and develop and rely on independently developed projections. Codiligent LLC, its principals, and employees shall neither be responsible for the accuracy, completeness, quality, or reliability of information, financial data, assumptions used, or projections provided, nor shall it be responsible for Buyer relying on said information and data.

Market Comparable Value

		Multiple	Value Estimate	Value Adjusted For Deal Structure*	Weighting	Weighted Value
Revenue	\$3,823,554	0.990	\$3,785,318	\$3,785,318	15%	\$567,798
N/A						
EBITDA	\$925,360	5.310	\$4,913,662	\$4,913,662	60%	\$2,948,197
SDE	\$1,010,104	4.550	\$4,595,973	\$4,595,973	25%	\$1,148,993
Total weighed value						\$4,664,988

* Deal Structure Adjustments (as of 8/31/18)

Cash & Deposits will be retained by Seller	\$0
Marketable Securities will be retained by Seller	\$0
Inventory is N/A	\$0
Accounts Receivables will be retained by Seller	\$0
FF&E will transfer to Buyer	\$0
Real Property is N/A	\$0
PrePaid Expenses will be Seller's property	\$0
Current Liabilities are Seller's Obligation	\$0
Total Deal Structure Adjustments	\$0

BUYER REGISTRATION FOR CODILIGENT LISTING #1000012812

Thank you for inquiring about Codiligent listing #1000012812.

Confidentiality in this transaction is of utmost importance. A more comprehensive package of confidential information is available to qualified buyers who complete and submit the following forms to Codiligent LLC. You are welcome to submit an alternate certified personal financial statement in place of using the provided form.

Please submit these forms by email: e@codiligent.com or Fax: 888-324-5888

Name:	<input type="text"/>	Company:	<input type="text"/>
Email:	<input type="text"/>	Address:	<input type="text"/>
Phone:	<input type="text"/>	City, State, Zip:	<input type="text"/>
Mobile Phone:	<input type="text"/>	Website:	<input type="text"/>

Are you an owner, director, shareholder, manager, employee, advisor, or consultant to any other businesses in this business' industry? YES or NO (please circle one)

If you answered "Yes" to the last question, name the business(es) and describe your affiliation:

Please describe your career background in 2-3 sentences:

What's the source of your down payment:

What is the minimum average annual return on equity that you require? %

What are your top acquisition criteria?

1	<input type="text"/>
2	<input type="text"/>
3	<input type="text"/>
4	<input type="text"/>

What is most appealing about this business based on information you have already reviewed?

What concerns do you have about this business based on the information you have thus far?

What businesses / industries or geographic locations are of interest for an acquisition?

Businesses / Industries:	<input type="text"/>
Geographic Locations:	<input type="text"/>

CONFIDENTIALITY AGREEMENT FOR CODILIGENT LISTING 100012812

THIS IS NOT AN AGENCY AGREEMENT

Neither this agreement nor any other communications between Codiligent LLC and you will establish a Principal-Agent Relationship, unless explicitly stated in writing. Codiligent LLC represents the Seller. Nothing in this agreement shall be construed to create a Principal-Agent Relationship between you and Codiligent LLC. You agree and acknowledge that you will engage professional advisors as you deem necessary and appropriate in connection with a potential acquisition, and that Codiligent LLC is only providing you with certain information. You agree and confirm that you have neither engaged Codiligent LLC to provide any advice to you about an acquisition, nor will you rely on information provided by Codiligent LLC in making a purchase decision. Codiligent LLC makes no representation or warranty, express or implied, as to the truth, accuracy, or completeness of any information provided to Codiligent LLC by the Seller. You further agree that you have not established a Principal-Agent relationship with Codiligent LLC.

CONFIDENTIALITY

This Agreement is made between the undersigned individually, and any business entity in which the individual is employed by, an officer of, or has a financial interest in, as well as any such entity's officers, directors, employees, agents and advisors ("The Buyer") and Codiligent LLC for the benefit of Codiligent LLC and the owner ("The Seller") of the number-designated business listed above ("The Business") of which information is being requested.

In consideration of the disclosure of confidential information regarding The Business by Codiligent LLC to Buyer, it is understood and agreed that:

1. Confidential Information is defined as: all information received by The Buyer from Codiligent LLC or The Seller now and in the course of future investigations or due diligence, which is not available to the general public. This confidential information includes all oral, written, or electronic data inclusive of, but not limited to, records, reports, analyses, photos, plans, financial statements, policies, procedures, ideas, customers, samples, notes, and studies. Anything prepared by Codiligent LLC, The Seller, or another party pertaining to The Business is to be considered Confidential Information unless explicitly stated in writing otherwise by Codiligent LLC or The Seller. If there is any reasonable doubt whether anything is, or may be Confidential Information, it is.
2. The Buyer will not disclose any Confidential Information or make known by confirmation, that this company, division, or product line is for sale or that financing is being sought, either before or after termination of investigations or negotiations to any person or organization not authorized in this agreement.
3. Without specific prior written approval of Codiligent LLC or The Seller, The Buyer shall not provide any Confidential Information to any broker, intermediary, lending institution, prospective equity partner, syndication member, investor, or other financing source. If disclosure to such parties is desired, Codiligent LLC may require the execution of a separate confidentiality agreement with those parties.
4. The Buyer will not contact the The Seller's employees, customers, suppliers, competitors, accountants, bankers, or attorneys to discuss The Business or seek information about it, without written permission from Codiligent LLC or The Seller.
5. The Buyer will not contact The Seller directly unless authorized by Codiligent LLC.
6. All Confidential Information provided by Codiligent LLC or The Seller to The Buyer shall be used solely for the evaluation of a potential acquisition or financing decision, and shall not be used for any other purpose.
7. All Confidential Information shall be promptly returned or destroyed, as directed by Codiligent LLC or The Seller.
8. The Buyer shall not enter into any agreement for the purchase of stock or assets of any companies about which Codiligent LLC furnished information to The Buyer, unless said agreement contains an acknowledgement that Codiligent LLC is the procuring cause of such agreement and Codiligent LLC is entitled to a commission as agreed upon by such company and Codiligent LLC.

Dated at _____ am/pm this _____ day of _____ 20__.

Name (printed): _____ Phone: _____

Address: _____

Signature: _____

CERTIFIED STATEMENT OF PERSONAL WORTH AND INCOME

Name (printed): _____ Date: _____

Address: _____ Phone: _____

I certify that the following information is true & accurate (please sign) _____

ASSETS

AMOUNT IN US\$

Cash on Hand
US Government Securities
Other Stocks & Bonds
IRAs & Tax Deferred Retirement Accounts
Accounts, Loans & Notes Receivables
Cash Surrender Value of Life Insurance
Real Estate
Equity in Business Owned
Automobiles
Plane, Boat, RV, Motorcycle
Household Furnishings and Personal Effects
Other Assets

TOTAL ASSETS

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LIABILITIES & NET WORTH

AMOUNT IN US\$

Credit Card Debt
Line of Credit Balance
Notes Payable
Auto Loans
Liens on Real Estate
Plane, Boat, RV, Motorcycle Loan
Other Liabilities

TOTAL LIABILITIES

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TOTAL NET WORTH (ASSETS - LIABILITIES)

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SOURCE OF INCOME

AMOUNT IN US\$

Salary
Bonus & Commissions
Dividends & Interest Income
Business Income
Real Estate Income, Royalties
Other Income

TOTAL INCOME

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