



## **Strategic Investment Opportunity: *Remote Infrastructure Management Outsourcing Firm***

### **Company Business:**

This privately-held and highly-skilled company has reliably served the Mid-Atlantic region of the United States with world-class high-margin remote, on-site, and outsourced IT services and hardware sales for the past 20 years.

The Company provides remote infrastructure management, system integration, SAN, LAN/WAN, and general IT set-ups, support, installs, moves, adds, changes, and hardware sales across the Northeast corridor. It has a client roster of over 200 well-diversified mid-sized and brand name clients in the health care/life sciences, financial services & real estate, manufacturing, telecom & media, and professional services industries. The Company has deep expertise in developing and leveraging strategic partnerships and has achieved certifications including Microsoft Gold, Oracle Enterprise, IBM Networking, VMWare Enterprise, Cisco Premier, HP One, Packeteer, and LeftHand Networks.

The Company employs a staff of 32 engineers, administrators, and sales personnel across 2 corporate offices in the Baltimore/Washington D.C. and Philadelphia metro areas. The Company provides its services through a combination of on-site and local office delivery. It sells through direct relationships in its key industries and enjoys long-term CFO and IT Manager relationships with its 200 customers. The Company's CEO has 40+ years in the IT services and industry.

### **Key Strengths:**

- Microsoft, Oracle, IBM, VMWare, Cisco, HP, Packeteer, and other certifications and partnerships
- 20-year solid reputation and track record in the mid-Atlantic
- Deep managerial, operational, engineering, and sales talent
- Defensible competitive position in region
- Strong pipeline of new business opportunities

### **Financial Summary:**

The Company has produced revenues above \$5 million for the past decade years and projects double digit revenue growth per annum through 2010. The Company is cash flow positive and, due to recent management efforts, is poised for significant EBITDA growth. Both gross margins and EBITDA margins as a percentage of revenue increased from 2006 to 2007. Gross margins are expected to remain consistent at 22-23% through 2010 with EBITDA margins increasing reaching 7% by 2010.

	2005	2006	2007	Proj. 2008	Proj. 2009	Proj. 2010
Revenue	\$ 6,180,151	\$ 6,339,538	\$ 5,997,511	\$ 7,875,115	\$ 8,928,711	\$ 10,005,157
Cost of Goods/Services	\$ 4,993,504	\$ 4,939,260	\$ 4,606,536	\$ 6,111,627	\$ 6,893,437	\$ 7,673,282
Selling and Admin Expenses	\$ 1,321,724	\$ 1,375,520	\$ 1,337,312	\$ 1,511,488	\$ 1,572,646	\$ 1,612,317
EBITDA	\$ (135,077)	\$ 24,758	\$ 53,663	\$ 252,000	\$ 462,629	\$ 719,558
Gross Profit	19%	22%	23%	22%	23%	23%
EBITDA %	-2.2%	0.4%	0.9%	3%	5%	7%

**The Opportunity:**

The Company seeks to sell a minority stake in the range of \$2-3 Million to a single strategic investor, but is open to control, or 100% acquisition with favorable terms. In addition to equity, a strategic investor will receive the following for its investment in the Company.

- Introductions and team cross-sales to its portfolio of over 200 clients
- Office space for strategic investor sales and engineering staff
- Office administrative and secretarial support
- Guidance from an experienced and professional management team

With invested funds the Company intends to pay down debt, hire engineering and sales staff, and invest in expanding service offerings with strategic investment partner.

**Your Action:**

*Our research indicates that this opportunity could fit with your firm's business. This summary is designed to assist you in determining if this Company represents a possible fit with your firm's objectives. If you would like more information about this Company, please call or return the Confidentiality Agreement below, and we will send you financial statements and a professionally prepared analysis of the Company.*

**Confidentiality Agreement:**

*You agree that your sole use of the information provided to you by David L. Ross and Associates, Inc. and/or its Client will be to consider this opportunity for an equity investment. You further agree to only release such information to those people whose analysis is necessary for your decision. You agree that you will handle all information received in the same manner as you handle your own internal confidential information, and shall not release it to anyone outside your company without the written permission of David L. Ross and Associates or its Client. You represent that you are acting as a principal investor, and not as a broker or intermediary. You agree to carry out preliminary discussions with this company concerning a possible transaction through David L. Ross and Associates to avoid unnecessary exposure, and for the efficient flow of initial information. You understand that David L. Ross and Associates is in a position to arrange a meeting for you with the Client's principals at your request. The respective obligations of the parties under this Agreement shall survive for a period of 36 months following the date below.*

_____ <i>Signature</i>	_____ <i>Company Name</i>
_____ <i>Officer Name</i>	_____ <i>Date</i>
_____ <i>Officer Title</i>	_____ <i>Telephone Number/Fax Number</i>
_____ <i>Company Address</i>	_____ <i>Email Address</i>

*For additional information on this company, call David L. Ross at +1 (312) 498-4770. For copies of the Information Memorandum, sign the Confidentiality Agreement and fax it to Fax number +1 (508) 819-5415, Attention: Remote Infrastructure Management*