

A photograph of a modern, multi-story building with a curved glass facade and a brick base. The building is set against a clear blue sky. In the foreground, there are several scooters parked on a paved area. A dark grey semi-transparent box is overlaid on the right side of the image, containing text.

CONFIDENTIAL BUSINESS REVIEW

IT COMPANY

\$499,999
Selling Price

Executive Summary



BUSINESS NAME

IT COMPANY



INDUSTRY

IT Training & Certification



LOCATION

Address
Lease



WEBSITE

Website
Facebook, Instagram,
LinkedIn



HISTORY

2010 - Began IT training
2015 - Formed S Corp
2018 - Became an exam reseller



HOURS OF OPERATION

Global Support:
24/7
Operations:
Mon. - Fri.
9 a.m. - 5 p.m. EST
Sat. - Sun.
Closed



OF EMPLOYEES

3 Salaried W2
14 Trainers - 1099s



REVENUE

2022 Revenue
\$2,018,235
2021 Revenue
\$1,146,366
2020 Revenue
\$1,273,392
2019 Revenue
\$1,080,807

Selling Price: \$499,999

What Drives

21% of organizations view IT as an expensive overhead

21%

55% view IT as unnecessary

55%

32% see IT as a valued strategic partner

32%

37% feel that business is constrained by IT

37%

14% said "IT is not considered part of their business advancement"

14%

Globally recognized, profitable IT training company

IT training and certification is a vital industry to improving business competency and growth of individual skill sets. "Over the five years to 2027, industry revenue is expected to increase at an annualized rate of 0.8% to \$3.0 billion. After the unprecedented effects of the Coronavirus outbreak, the job market is expected to become more competitive, pushing more job seekers to obtain IT and business certificates to make themselves stand out in the pool," reports industry researcher IBIS World.

More learners, those with college degrees and those without, are choosing to certify in a variety of IT systems to improve pay and job opportunities by enhancing specific skills. In a way, certificates might substitute for more expensive, time consuming and difficult graduate programs. An expected rise in unemployment in the outlook period is contributing to a higher demand for industry services as individuals endeavor to stand out from other job seekers."¹

COMPANY has earned a global following and outstanding reputation for selling the most affordable expensive exam vouchers. COMPANY is widely known in the US and Canada for offering robust on-demand, eLearning, and in-person training, coaching, and consulting options for businesses. It was one of the first companies to offer on-demand, courseware, and live on-site training.

COMPANY established the training/coaching vertical in 2010 and incorporated as an S Corp in 2015. In 2018, IT COMPANY established global IT online, exam sales ensuring the lowest cost exam voucher provider worldwide, which quickly became the revenue driver at 75% of the business.

COMPANY buys exam vouchers in bulk to get the lowest prices possible on PeopleCert and CompTIA certifications. COMPANY passes that savings on to customers and has become

Source 1: Jameson Ayers, "Business Certification & IT Schools in the US," IBIS World, June 2022.

known as the most affordable exam voucher seller worldwide. Voucher sales average 2,500 per year. US sales accounted for 42% of the total exam vouchers sold.

COMPANY offers a robust training system for businesses. Trainers are subject matter experts first and trainers second. Each team member has a minimum of 20 years practical experience, and most have high level security clearances. The Company's philosophy is to look beyond the short term of training of the team to coaching, educating, and mentoring them through the learning process and into practical application. COMPANY offers training on business process, service management, and project management-related guidance education and training for companies' IT needs that includes PMP boot camp and all ITIL® certifications. Training is offered through an on-site, live virtual, or complete e-Learning classroom using IT COMPANY's accredited courseware.

COMPANY saw a brief 10% drop in revenue in 2021 over 2020 as Covid effects lingered. Revenue decreased from \$1,273,392 in 2020 to \$1,146,366 in 2021. Revenue bounced back in 2022 with a 76% increase in revenue over 2021 to \$2,018,235 in 2022. COMPANY projects continued growth from the existing verticals as inflation and the current economic influences continue.

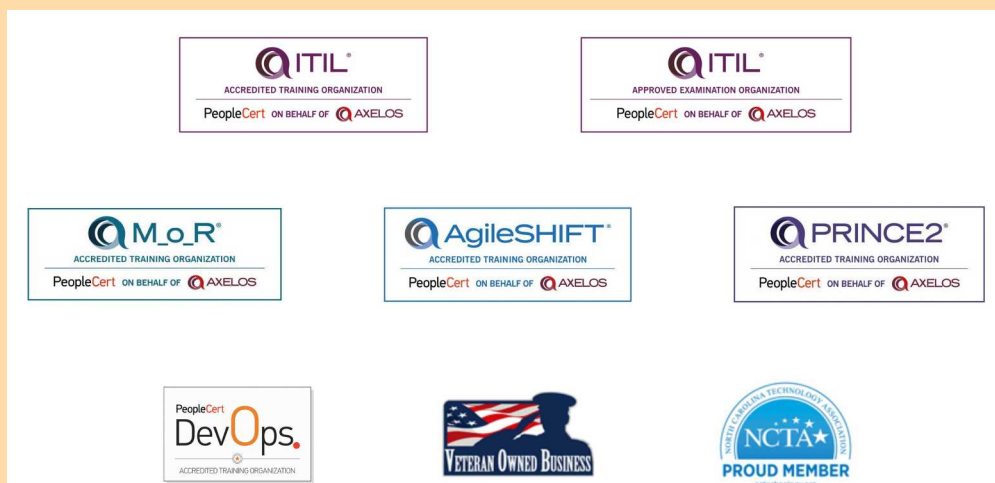
There's incredible growth opportunity available with COMPANY. The Company is not tied to IT. New ownership could develop a Cyber Security training package. Another direction would be to look into offering language and restaurant/hospitality certifications. The system in place is designed to work across multiple disciplines.

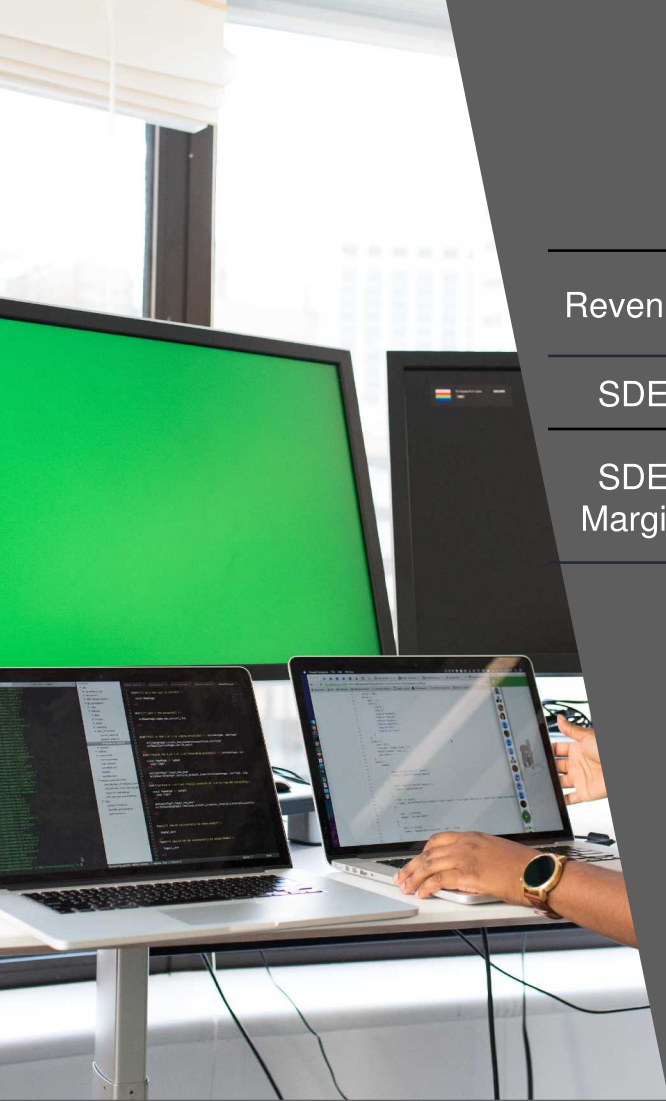
The Buyer is set up for success with a strong foundation, established network of trainers, expert office staff of 3, preferred vendor status with PeopleCert, and approximately \$43,000 in assets.

The Seller is seeking a company or individual with a passion for workforce development, one that understands the philosophy of customer excellence and empathy and supports the adage that the customer is not always right, but they are always your customer and if you do not serve them well, someone else will.

COMPANY is an outstanding company in a stable industry, with global name recognition, and room to grow.

Don't wait to start the conversation.





| | 2019 | 2020 | 2021 | 2022 |
|------------|-------------|-------------|-------------|-------------|
| Revenue | \$1,080,807 | \$1,273,392 | \$1,146,366 | \$2,018,234 |
| SDE | \$156,785 | \$105,694 | \$52,892 | \$222,808 |
| SDE Margin | 15% | 8% | 5% | 11% |



ASSETS

The sale includes Furniture, Fixtures, and Equipment valued at \$43,000.

- 2 - Konica Minolta color printers with finisher and bulk paper feed
 - C625 Bizhub and C654 Bizhub copy count provided on request
- Extra toner, waste cartridges and image units
- Electric hole punch for coil binding
- Coil binding machine
- 3-room office suite of furniture
 - 8' conference table, 8 ergonomic chairs
 - 55" curved TV
 - 9' table top with 2 credenza bases
 - L-shaped reception desks
 - 2 - L-shaped employee desk
 - 2 - enclosed bookcases
- Branded promotional materials for coursepacks



Key Acquisition Highlights

The two distinct revenue streams are Exam vouchers and Business Training programs. Exam vouchers are packaged with training courseware. Organizations hire COMPANY to instruct their teams on new technology or refreshers on current systems, both of which lead to exam certifications.

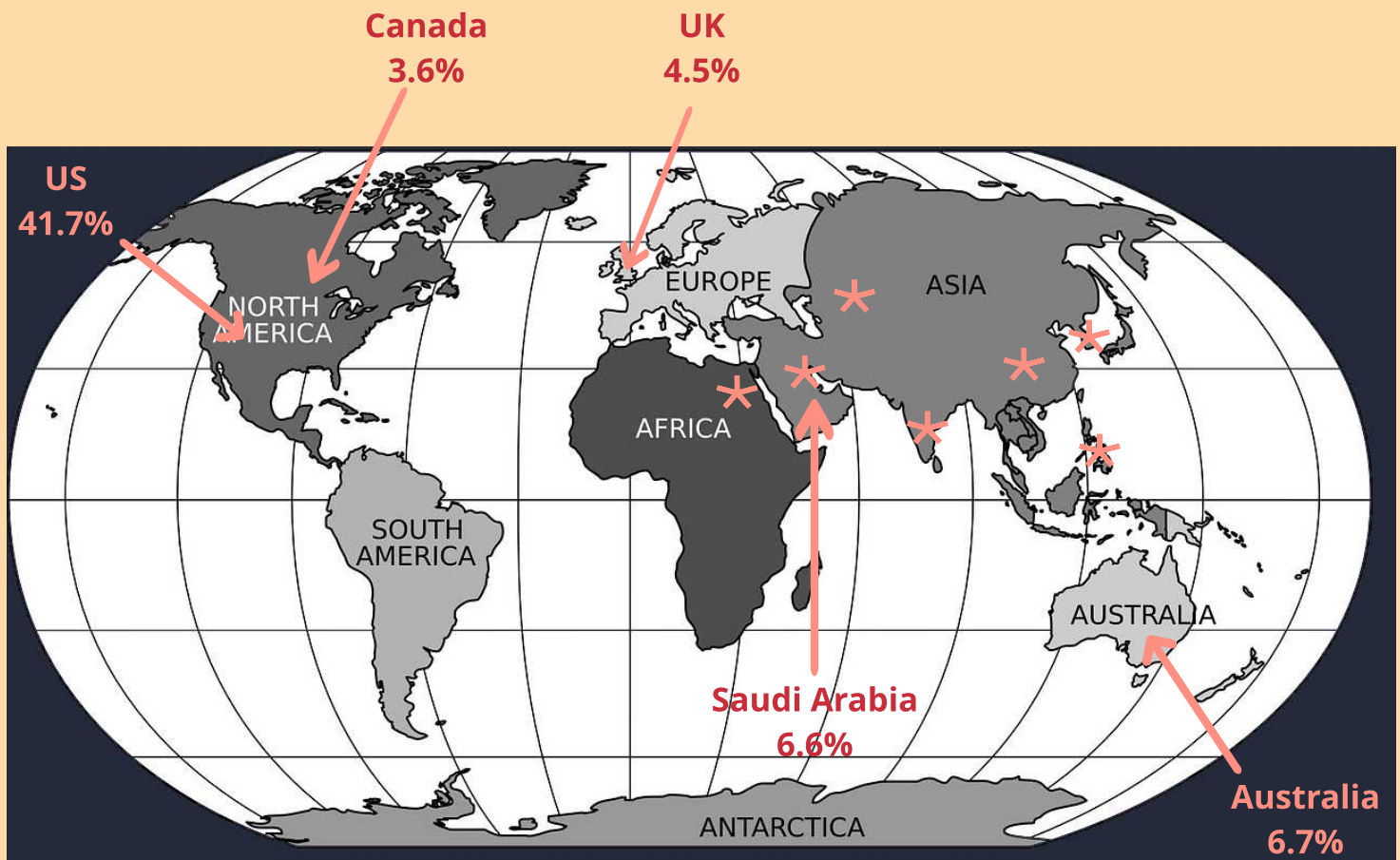
| DESCRIPTION | |
|--|---|
| Exam Suppliers & Accreditation Partners (Exam Vertical) | <p><u>PeopleCert</u>: COMPANY buys bulk bundles of exam vouchers to sell at the lowest price available globally.</p> <p><u>CompTIA</u>: This is a recent addition to COMPANY's exams/training portfolio that offers significant potential growth.</p> |
| Vouchers Purchased (Exam Vertical) | <p>On average, 2,500 exam vouchers are purchased each year. Current exams available: CompTIA, ITIL 4, CISSP, Management of Risk®, AgileShift®, COBIT 5, PMP, PRINCE2®, Lean Six Sigma</p> |
| Types of Training (Training Vertical) | <p>In-person training is on-site at the company's office and requires travel. Instruction is on per student basis with the average class \$10,000.</p> <p>Custom training is based on the specialization of the program: boot-camp certification, delivery of customized material, or a workshop where course material is created from scratch. The typical engagement is \$10,000 - \$15,000.</p> <p>eLearning is on-demand training for individuals or businesses. IT COMPANY trades this service to Edutainmentlive (ITPro.tv) for managing their training relationship. The service is offered on a month-to-month subscription at \$30/month. Paying up front for an annual commitment offers a savings.</p> <p>COMPANY also offers live, virtual Instructor-led training twice a month.</p> |
| Managed Services (Training Vertical) | <p>COMPANY offers ongoing managed training services to businesses via any or all of the formats.</p> |
| Peraton (Training Vertical) | <p>COMPANY is a preferred vendor on a small bid. The Seller is confident the vendor status will transfer to the Buyer.</p> |

Exam Distribution

Thanks to IT forums and social media, COMPANY is known around the world as the most affordable provider of exam vouchers, boasting 2,706 worldwide site visits over the 30 days between 11/22/2022 and 12/21/2022.

The top 5 countries for these 30 days are the US, Australia, Saudi Arabia, the UK, and Canada.

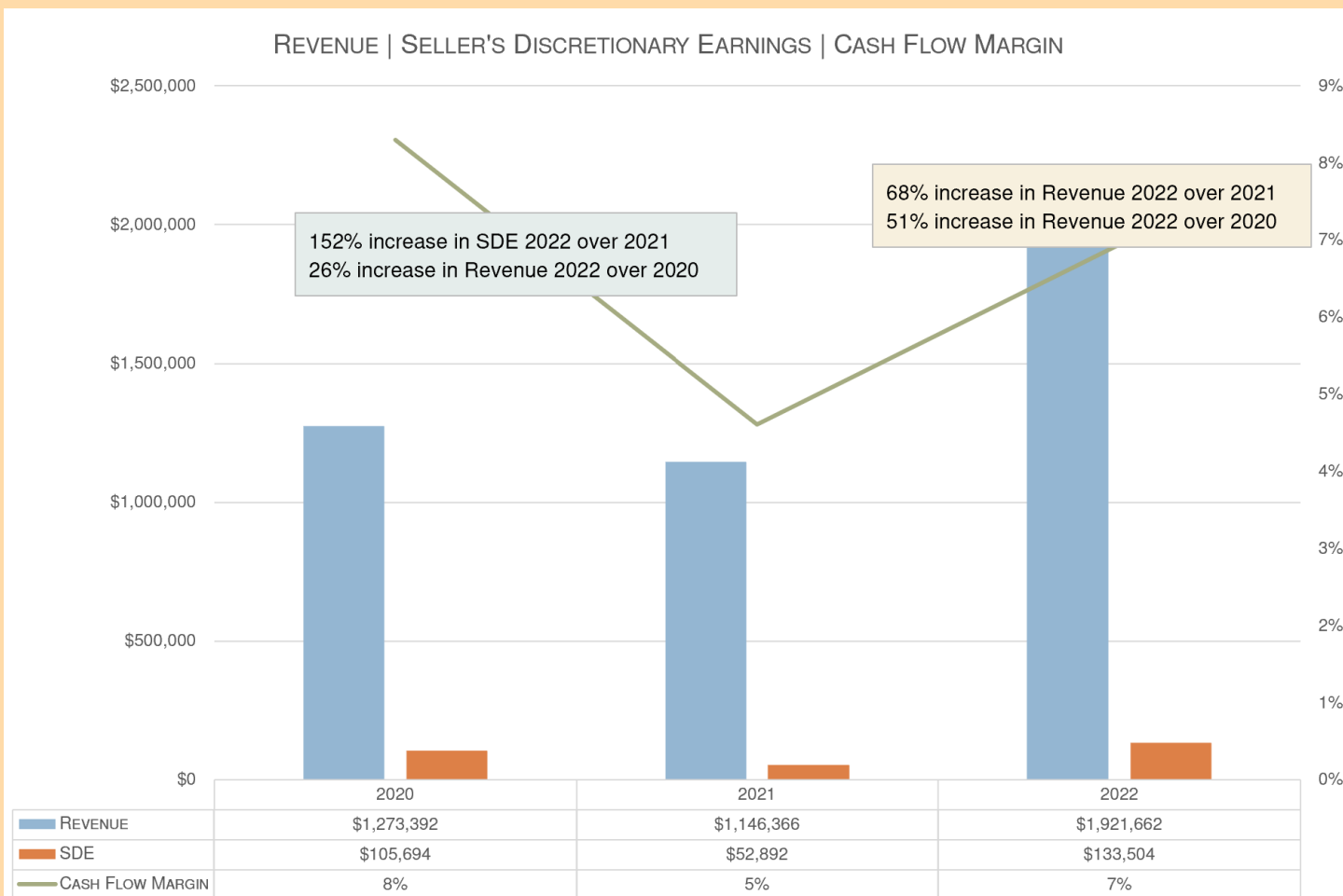
India, Kyrgystan, China, Egypt, Philippines, South Korea, and the United Arab Emirates round out the top 12 and are highlighted by stars below.



Revenue | SDE | Cash Flow Margin

"After the unprecedented effects of the coronavirus outbreak, the job market is expected to become more competitive, pushing more job seekers to obtain IT and business certificates to make themselves stand out in the pool," reports industry researcher IBIS World. COMPANY is proof of this as revenue increased 76% from \$1,146,366 in 2021 to \$2,018,235 in 2022.

The business has kept margins purposefully low as COMPANY's doctrine to be the lowest cost exam voucher provider in the world limits profit. Second, the company philosophy is to care for the employees and trainers first, and profit second.



Financials

COMPANY has seen year over year growth nearly every year since 2019, and margins have continued to increase, enabling the owner to take a higher salary from the business as Cash Flow has continued to increase in addition to a Net Income of \$167,000 in 2022, the owner paid himself over \$50,000 in salary plus associated payroll taxes. In all this represents over \$226,000 in Cash Flow for an 11% margin from total revenues.

Recasting The Financials

| Client Actual Financials | Annualized July | | Tax Return | | Tax Return | |
|---------------------------|------------------|-------|-----------------|------|------------------|--|
| | 2022 | | 2021 | | 2020 | |
| Weight (if applicable) | 70% | | 20% | | 10% | |
| Gross Revenue | \$ 1,921,662 | 68% | \$ 1,146,366 | -10% | \$ 1,273,392 | |
| Cost of Goods Sold (COGS) | \$ 1,564,999 | 73% | \$ 904,975 | -8% | \$ 986,113 | |
| Gross Profit | \$ 356,663 | 48% | \$ 241,391 | -16% | \$ 287,279 | |
| Operating Expense | \$ 264,904 | 12% | \$ 236,880 | -3% | \$ 243,081 | |
| Net Income | \$ 91,759 | 1934% | \$ 4,511 | -90% | \$ 44,198 | |

Banker's Add Backs

| | | | | | | |
|--------------------------------------|-------------------|-------|------------------|------|-------------------|--|
| Depreciation | \$ - | -100% | \$ 2,596 | -29% | \$ 3,634 | |
| Income Tax | \$ - | | | | | |
| Amortization | \$ - | -100% | \$ 1,666 | 0% | \$ 1,666 | |
| Interest on loans/financing | \$ 705 | -12% | \$ 799 | | \$ - | |
| Owners health insurance | \$ - | | | | | |
| Owners retirement contributions | \$ - | | | | | |
| Salary for non working family member | \$ - | | | | | |
| Owner Salary (1 owner limit) | \$ 36,000 | -5% | \$ 38,000 | -23% | \$ 49,295 | |
| Owner's Payroll Taxes = 14% | \$ 5,040 | -5% | \$ 5,320 | -23% | \$ 6,901 | |
| Total Bank Financing Addbacks | \$ 41,745 | -14% | \$ 48,381 | -21% | \$ 61,496 | |
| Banker's Adjusted Net Income | \$ 133,504 | 152% | \$ 52,892 | -50% | \$ 105,694 | |

Other Add Backs

| | | | | | | |
|-----------------------|-------------------|------|------------------|------|-------------------|--|
| Total Other Add Backs | \$ - | | \$ - | | \$ - | |
| Profit Margin | 7% | 51% | 5% | -44% | 8% | |
| Total SDE | \$ 133,504 | 152% | \$ 52,892 | -50% | \$ 105,694 | |

**Seller Discretionary



Growth Opportunities

NEW VERTICALS

The core business methodology of training + online and in-person exams is content neutral. IT COMPANY has focused on IT courses because the owner is an IT subject matter expert.

One opportunity to grow the business is to expand the scope of the business to other verticals. Moving into the Cyber Security space and the restaurant/hospitality industry are verticals to consider. Language certifications are another opportunity.

COMPANY can engage with community colleges, universities, and trade schools across the US to standardize and host training and exams.

MARKETING

One of the quickest ways to grow the business is to analyze the current marketing efforts. The strategies and tactics have not been assessed for over 4 years and have not contributed to recent growth. COMPANY does update and maintain their SEO to ensure first page search in all major US geographies.

COMPANY's two-fold customer base, individuals and companies, require different marketing tactics and voice.

Individuals know COMPANY as the lowest cost exam voucher provider worldwide through forums and social media.

Businesses request training quotes through accreditation and exam companies directly and through government databases. COMPANY is not specifically targeting businesses.

Staff

COMPANY is a well-run business with a semi-absentee owner and 3 salaried W2 office staff. The owner is an IT subject matter expert and acts in a role of escalation and support. His role is minimal as the business runs very well on its own.

The three office positions are production, courseware/quote management, and operations.

1. Production is responsible for courseware printing, binding, shipping, and exam fulfillment.
2. Courseware and quote management is responsible for developing courseware and submitting it for accreditation. They are the main point of contact and support for accreditation audits and compliance meetings.
3. The Operations role reconciles invoices, pays invoices, interfaces with clients from quote acceptance to engagement completion, and schedules trainers.

A network of 20+ 1099 accredited trainers and coaches, many of whom are adjunct professors, across the US allows COMPANY to deliver in-person classes, coaching engagements, and exam services throughout the US and Canada.

| Position | IC/W2 | Tenure | Full/ Part Time | Pay | Benefits | Stays with Business? |
|---------------|-------|----------|-----------------|----------------------------|----------|----------------------|
| Owner | W2 | 13 Years | PT | Salary (\$30k) | Matching | Transition Only |
| Business VP | W2 | 8 Years | PT | Salary+bonus (\$36k) | | Transition Only |
| Operations | W2 | 5 Years | PT | Salary+bonus (\$36k) | | Yes |
| Technical Mgr | W2 | 3 years | FT | Salary+bonus (\$45k) | Matching | Yes |
| Trainer | IC | 6 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 4 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 4 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 1 year | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 13 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 8 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 6 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 8 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 8 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 5 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 8 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 5 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 5 years | PT | \$500 - \$900 per training | | Yes |
| Trainer | IC | 4 years | PT | \$500 - \$900 per training | | Yes |

Conclusion

IT COMPANY is a globally recognized exam voucher seller and IT training company. It is known throughout IT forums and social media as the least expensive exam voucher reseller planet-wide. The majority of exam sales are from outside the US at 58% over the period of 30 days dated 11/22 - 12/21/2022. 100% of training and coaching are in North America.

COMPANY operates in a stable and growing industry. There's immense room for growth by adding new education categories like restaurant/hospitality certifications.

Don't wait. This one won't last long.

Act Now!

Contact the broker to discuss the business and receive complete financial disclosure.

The buyer is advised to respect the non-disclosure agreement. Please do not contact the business or speak with customers without a representative of the business brokerage.