

# Available for Acquisition #201409

## California B2B Telecom & Security Systems Provider

ACT Capital is pleased to offer a highly profitable telecom and security systems provider for acquisition. For the past 47 years the Company has successfully provided solutions including voice, video and security solutions to business, education, and government entities throughout Northern California. The Company is a trusted advisor and has solidified itself as the go-to provider for hundreds of educational institutions throughout the region. In its' second generation of ownership, the Company is poised for growth with an incredible bench of a technologist, an implementation specialist, and field service technicians, all of which are long-term employees with a strong desire to remain with and grow the Company under new owner and leadership.

### Investment Highlights

- **Massive Population Shifts to Northern California.** Massive population shifts from California's main economic centers to northern California's rural communities has resulted in new cities, communities, and major economic centers like Sacramento. The Sacramento region has experienced over 25% growth in the last decade, which has resulted in the development of numerous new schools and local businesses. The Company has 4 decades of deep roots in the education and business arena, which will allow them to take advantage of these new opportunities.
- **New Products & Expanded Sales Force.** The Company has added the Motorola security and NEC cloud products for 2022, while adding additional dedicated sales resources to focus on the expanded school and government building infrastructure budget. Already paying dividends with large contract wins for CCTV with a major county, and the largest California city north of Sacramento.
- **Services – Annuity.** The Company's track record of renewing >95% of their support contracts offer a tremendous base of annual revenue, but also allows close connections to customers allowing it to win expansions and new projects within their core base. Subscription and service revenue grew from 19% to 32% of total revenue in 2022.
- **Technology Advancements & Migration.** Business, governments, and schools have found themselves in an ongoing situation to improve their technological capabilities to compete and provide their customers, citizens, and students with the latest services. The Company's brand awareness in the north counties makes them the preferred partner for technology implementations. .

### Facts & Figures

- **Authorized Distributors** for leading technology manufacturers such as NEC, MITEL, Motorola, Valcom, PELCO, and Avigilon
- **Committed Employee Base**
  - 15+ Average Tenure
  - All field integrators are DOJ cleared
  - Have designed and implemented hundreds of solutions
  - Continuous training on new technologies

**40%**

Gross Margins due to massive tech refresh for California schools and migration to cloud services.

**500%**

Growth of subscription cloud based revenue



Leader in VOIP, IP CCTV, Security, Video, Access Control and Unified Communications Solitons.



Robust technology and implementation team committed to providing the latest and most effective technology solutions.



Strong reputation and relationships with leading education and government in the northern CA market.

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## Summary Financial Information

	2019	2020	2021	2022E
Sales	\$3,220,920	\$2,253,813	\$2,999,928	\$2,915,098
Gross Profit	\$1,266,322	\$941,372	\$1,002,887	\$1,162,112
EBITDA (adj.)	\$484,518	\$426,600	\$497,852	\$621,000

## Contact Information

For more information, please contact:  
ACT Capital Advisors, LLC  
7525 SE 24th Street, Suite 630  
Mercer Island, WA 98040

Interested parties should execute the attached Non-Disclosure Agreement (NDA) and return to ACT Capital Advisors with a written request to receive the Confidential Information Memorandum (CIM).  
NDAs and CIM requests should be submitted to:



**Jeff Zanardi**  
*Managing Director*  
[jzanardi@actcapitaladvisors.com](mailto:jzanardi@actcapitaladvisors.com)  
(408) 832-7241



**Kevin Outcalt**  
*Managing Director*  
[koutcalt@actcapitaladvisors.com](mailto:koutcalt@actcapitaladvisors.com)  
(925) 785-9486