EX-838

- 11 team members
- 2024 Revenue: $3.2 (projected)
- Recurring Revenue: 60%
- Microsoft Dynamics ERP and CRM Services Provider
- Oracle NetSuite Provider
- 120+ customers in 25 States (US)

This well-established Company boasts a proven 15+ year track record of delivering unparalleled service and expertise in ERP, CRM and BI solutions. With a deep understanding of client requirements and strong ties in the State and Local government sector, the Company has earned a leading position as a go-to Microsoft and NetSuite partner, with a host of complimentary and niche ISV product offerings.

The Company has demonstrated steady revenue growth, with ARR as a focus during the last three years. Industry expertise include Healthcare, Public Services, Manufacturing, Hospitality, and Media/Entertainment. Excellent sales margins, well-heeled channel relationships, and near 100% customer retention make this acquisition opportunity hard to pass up.

The founder has owner fatigue and is seeking to exit the business to focus on other ventures, but is open to working with the buyer to ensure a seamless transition over 18 months or less.

The Company is an LLC (S-Corp).

HEADQUARTERS
East Coast

OF EMPLOYEES
4

Administrative	1
Management	1
Professional Svcs.	9

Note: 7 of the 9 are long-term contractors

PRODUCTS AND SERVICES

Microsoft Dynamics GP
- *Implementation Services*
- *Upgrades and Server Migrations*
- *Transitions to Azure*
- *App Dev / Integration*

Microsoft Dynamics 365 Business Central
- *Implementation Services*
- *Data Migration Support*
- *Migrations from Dynamics GP*

Oracle NetSuite
- *Implementation Services*
- *Migrations from QuickBooks and Dynamics GP*
- *HR/Payroll*

Microsoft Dynamics 365 Sales
- *Implementation Services*
- *Reporting and Workflow Support*
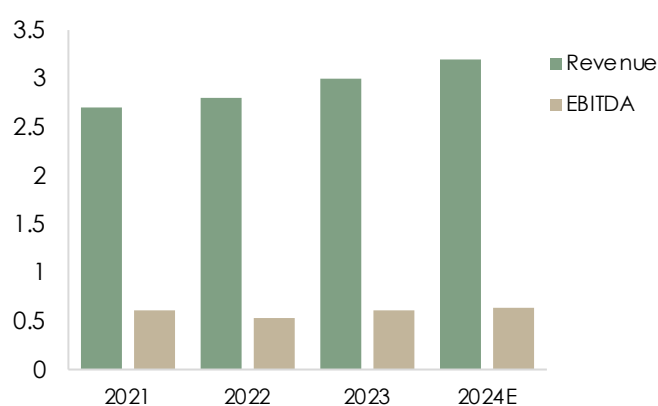- *CRM Customization/Integration*

Microsoft Power BI
- *Reporting and Data Visualization*
- *BI for Dynamics GP*
- *BI for D365 Business Central*
- *BI for D365 Sales*

FINANCIALS
2021-2024E

Description ($M)	2021	2022	2023	2024E
Revenue	$2.7	$2.8	$3.0	$3.2
Gross Margin	$798k	$902k	$961k	$1.0
Adj. EBITDA	$610k	$531k	$609k	$640k

% BY REVENUE TYPE (2024E)

Referral Fees	3%
Perpetual Lic. Rev.	3%
Recurring SaaS Rev.	14%
Consulting Services	35%
Recurring AEP Rev.	45%

RECURRING REVENUE

2021	$1.40
2022	$1.50
2023	$1.70
2024E	$1.80

INVESTMENT CONSIDERATIONS

1. **Loyal Customer Base**: A geographically diverse and loyal customer base of more than 120 companies spread across 25 states. Each customer delivers recurring AEP and/or subscription SaaS revenue, and there is no concentration of credit risk as the largest customer represents less than 5% of total billings.

2. **Annual Recurring Revenue**: The company boasts a robust and reliable revenue stream, generating more than $1.8 million annually (60%) in recurring and predictable Annual Recurring Revenue (ARR). This recurring revenue model provides significant stability and predictability.

3. **SaaS Migration Opportunities**: With more than 100 customers currently reliant on legacy Microsoft Dynamics GP, a well-established on-premise ERP solution, buyers have a prime opportunity to capitalize on the cloud migration trend. These customers represent significant new YoY recurring revenue through Software-as-a-Service (SaaS) subscriptions and related migration project services.

4. **Established Vendor Partnerships**: Acquiring an established ERP partner presents a double win: it grants immediate access to a loyal customer base already using trusted Microsoft Dynamics and NetSuite solutions and provides a springboard to expand sales by leveraging the partner's expertise and strong relationships within the ERP channel ecosystem.

5. **Immediate Economies of Scale**: The company offers economies of scale due to its streamlined business model. With a lean back-office team of only two managing staff and billings, the Company integrates seamlessly into a larger organization's existing administrative and support structure. Minimal overhead and existing long-term State and Local government contracts translates to significant cost savings for the buyer, who should see immediate utilization without incurring substantial additional operational expenses or a tremendous sales resource investment.

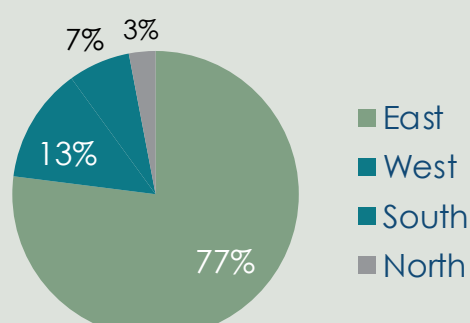## TECHNOLOGY, CLOUD & DELIVERY PARTNERS

Avalara · ORACLE NETSUITE · ONE SMART CONFIGURABLE SOFTWARE · insightsoftware · Binary Stream · PairSoft · Microsoft · Power BI · Microsoft Dynamics 365 Sales (CRM) · Microsoft Dynamics 365 Business Central · Microsoft Dynamics GP

CUSTOMERS BY THE NUMBERS

CUSTOMERS: 120

RETENTION: 97%

BY LOCATION

East	77%
West	13%
South	7%
North	3%

CUSTOMERS BY REVENUE
TOP 10

Company #1	4.57%
Company #2	4.40%
Company #3	3.89%
Company #4	3.74%
Company #5	3.24%
Company #6	3.20%
Company #7	2.88%
Company #8	2.75%
Company #9	2.71%
Company #10	2.03%

Total
33%

IT ExchangeNet