

High-Growth Janitorial Services Business



BUSINESS PROFILE

Industry	Janitorial Services
Location	Southwestern Ontario
Founded	1971
Premises	N/A
Employees	39

KEY HIGHLIGHTS

- Exclusive clientele
- Exceptional client & employee retention
- High profit margin
- Day-to-day Management in place
- Sustainable and scalable model

BUSINESS OVERVIEW

This fast-growing janitorial services business in Southwestern Ontario has been servicing an exclusive list of clients for over 50 years.

Their business model targets top-tier commercial and municipal clients who demand white glove treatment and the highest quality cleaning services. The result has been impressive: 1) above average profit margins; 2) exceptional customer and employee retention rates; and 3) a business model that is scalable to insulate them from competitors.

During the COVID-19 pandemic, the business has taken advantage of sustainable growth opportunities such as increased workstation sanitization and routine disinfection of high traffic common areas. This has led to increased revenue of 55% from 2020 to 2021 and increased profitability (normalized EBITDA) to 42% from 23%.

This uptick is expected to continue indefinitely as compliance with health and safety protocols continue to evolve as employers are challenged with getting their employees back into the office while keeping them safe and protected.

The seller has put management in place to run the day-to-day in order to ensure a smooth selling process.

FINANCIAL PERFORMANCE

Sales Summary

FYE	Normalized
2021	\$1,836,000
2020	\$1,184,000
2019	\$1,049,000

- Top line revenue growth of 75% from 2019 to 2021 as a result of increased demand for commercial cleaning services. This demand is largely due to the existing customer base requiring increased cleaning for COVID-19 safety protocols.
- The Company services reputable commercial and municipal clients who have demonstrated their ability to pay in a timely manner.

EBITDA Summary

FYE	Normalized
2021	\$762,000
2020	\$272,000
2019	\$205,000

- The Company's lean cost structure and increased high-margin sales volume has resulted in EBITDA growth from 20% in 2019 to 42% in 2021.
- This simplified business model has proven to be resilient, highly profitable, and opportunistic over the last two years – this compared to many of their competitors (i.e. those who serve SMEs) who have experienced significant challenges during the pandemic.