










LISTING OPPORTUNITY

Scalable Flooring Retailer - \$1.5 Million Earnings, No Installation



SPECIFICATIONS

 Price: \$5,495,000	 Revenue: \$7,200,000	 Cash Flow: \$1,500,000
 Location: Greater SF Bay Area	 Service Area: Greater SF Bay Area	 Profit Margin: 20%
 Employees: 3 FTE	 Reason for Sale: Sellers are Relocating	 Goodwill: 10 Years, 4-Star Rating

BUSINESS SUMMARY

- Year Established: 2010
- Services: Retail Flooring Sales – No Installation
- Specialty Licenses: No Contractor Licenses Required
- Clients: 70% Retail; 30% Commercial
- Lease: Over 10,000 sq. ft. Warehouse & Showroom, Monthly Lease Approx. \$16,000
- Personnel: 3 FT Technicians, 1 FT Owner, 1 PT Owner, 2 PT Contractors
- Inventory: \$700,000 (approx.)

This acquisition opportunity is for a well-established, highly reputable Retail Flooring Sales business that serves the San Francisco Bay Area. It is located within 30 minutes of SFO Airport. The company sells flooring to retail customers and commercial clients. The full-time owner engages clients with flooring sales support. The top 3 customers normally account for less than 5% of the business. The top supplier normally represents about 20% of the business.

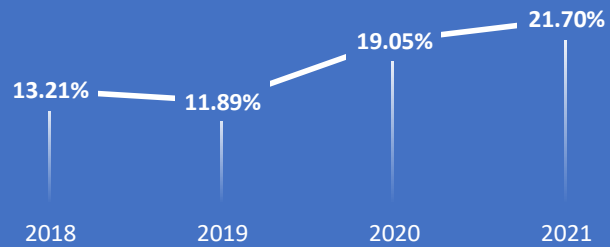
A buyer for this business should be (or hire) a skilled customer salesperson with retail management experience. The scalable business model with few employees, can be readily scaled by an energetic buyer to other metro areas to scale earnings accordingly.

The relocating owners will offer training and transitional support to facilitate buyer's success in the 100% acquisition of this business.

VALUE PROPOSITION

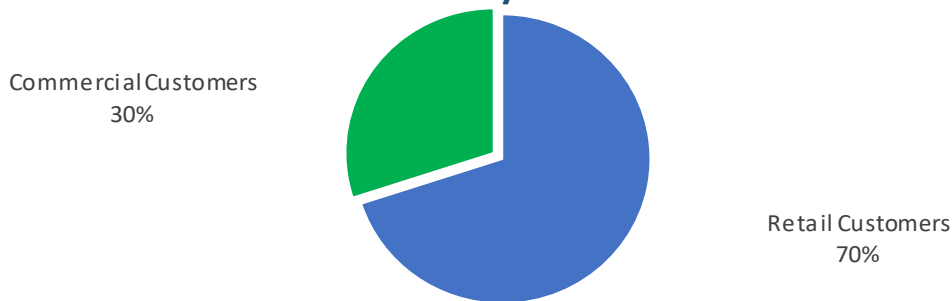
- Over 10 years - Established Reputation
- Exceptional Customer Reviews > 4 stars
- 2021 Projected Earnings \$1,562,000
- > \$1M Revenue Per Employee
- Scalable Revenue & Earnings - Add Metro Area
- Flooring Sales - No Installation
- No Contractor License Required
- Recognized Leader

PROFIT MARGIN



REVENUE BREAKDOWN

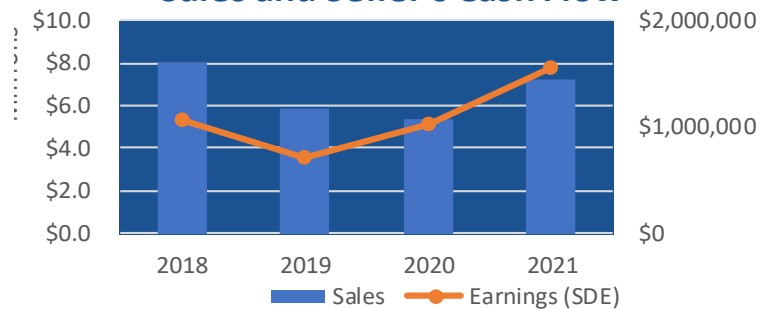
Revenue by Customer



FINANCIAL HIGHLIGHTS

- Listing Price: \$5,495,000
- 2020 Cash Flow (SDE) = \$1 Million
- 2021 Cash Flow (SDE) = \$1.56 Million
- Removed Low Margin Line, Starting 2018
- 2021 YTD Sales (Jan thru May) = \$2.9 Million
- Inventory (approx.): \$700,000

Sales and Seller's Cash Flow



CASHFLOW ANALYSIS

Financial Statement Source	Tax Return 2018	Tax Return 2019	P&L 2020	Projected 2021
Sales	\$8,002,482	\$5,907,590	\$5,359,233	\$7,200,000
Less Cost of Sales	\$5,947,588	\$4,161,034	\$3,567,338	\$4,600,000
Less Operating Expenses	\$1,276,342	\$1,282,903	\$989,152	\$1,250,000
Equals Net Income Before Taxes	\$778,552	\$463,653	\$802,743	\$1,350,000
Plus Depreciation	\$21,481	\$18,126		
Plus Amortization	\$0	\$0		
Plus Interest on Loans to Business	\$11,347	\$12,066	\$3,591	
Plus Officer/Owner's Salary	\$168,500	\$177,129	\$168,500	\$168,500
Plus Payroll Taxes on Officer/Owner's Salary	\$12,890	\$13,550	\$12,890	\$12,890
Equals Preliminary Seller's Discretionary Earnings	\$992,770	\$684,524	\$987,724	\$1,531,390
Addbacks:				
Salary to Working Family Member	(\$25,400)	(\$25,400)	(\$25,400)	(\$25,400)
Officer Benefits	\$50,356	\$43,423	\$50,522	\$31,200
Donations			\$8,104	
Owners' Pension Plan				
Legal Settlement	\$39,108			\$25,010
Sum of Addbacks:	\$64,064	\$18,023	\$33,226	\$30,810
Total Seller's Discretionary Earnings (SDE)	\$1,056,834	\$702,547	\$1,020,950	\$1,562,200
Profit Margin	13.21%	11.89%	19.05%	21.70%

ASKING PRICE

The asking price is determined using a cash flow methodology. Cash flow is the sum of net income from the business plus any non-cash expenses, non-recurring items and any seller's personal expenses. A multi-factor multiplier is applied to the cash flow based on the condition of the business.

For this business, the projected 2021 cash flow is applied. The multiplier applied in this case is 3.5x, due to high cash flow, low employee count and the simplicity of operating and replicating the scalable business model to multiply returns.

$$\text{CASHFLOW X MULTIPLE} = \text{ASKING PRICE}$$

With this information, the computation is as follows:

$$\underline{\$1,560,000 \times 3.5 = \$5,495,000}$$

FUNDING EXAMPLE

Purchase Price: \$5,495,000

25% Buyer Down Payment	\$1,373,750	Buyer's equity
75% Bank Loan	\$4,121,250	10-Year draft Term at a rate of 5% Monthly loan payment of \$43,711

- Cash Flow (SDE in 2021 projected): \$1,560,000
- Annual Payment to Bank: \$524,532
- Annual Earnings before taxes (After expenses and loan payment): Greater than \$1,000,000

The cash down-payment is returned in less than 12 months

A lender is usually required to have a 1.30 coverage ratio for a business loan extended.

At a proposed purchase price of \$5,495,000 with the draft terms listed above, the coverage ratio is much greater than 2.

* Please note that the decision of whether to extend a loan on any sale belongs to the bank, and this document does not guarantee specific terms or verify that financing is available.