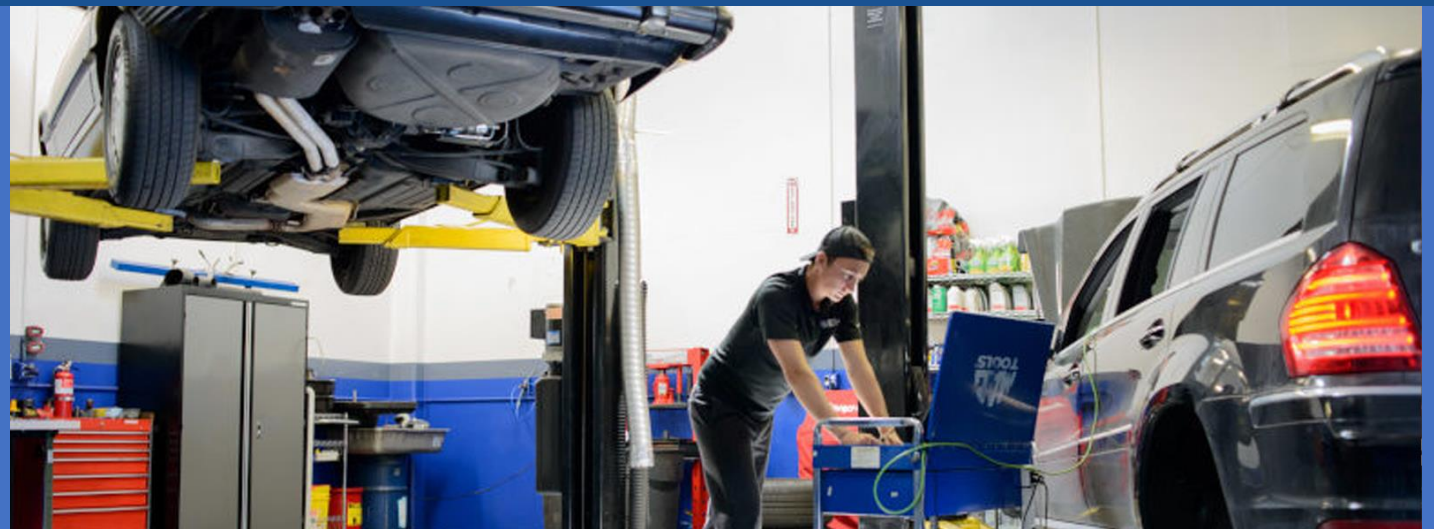









LISTING OPPORTUNITY

SBA Pre-Approved Auto Repair Near SFO Earning \$483K

Consistent Average of \$1.7M in Sales & 25+% Profit Margin. 6 Lifts.



SPECIFICATIONS

 Price: \$835,000	 Revenue: \$1,673,310 (3-Year Avg)	 Cash Flow: \$459,122 (3-Year Avg)
 Location: Close to SFO Airport	 Service Area: San Francisco Bay Area	 Profit Margin: 32%
 Employees: 10 FTE (Includes 2 Owners)	 Reason for Sale: Sellers are Retiring	 Goodwill: 30 Years, 4.5 Star Reviews, Experienced Techs

Business Summary

Loan Calculator

More Information (NDA)

Year Established: 1989
Services: Full-Service Auto & Truck Repair – Including foreign and domestic brands. No Tire Sales.
Equipment: 6 lifts (1 Heavy Duty), Dyno, Smog Machine (Leased), Brake Lathes, Welding Machines
Truck Service: Up to One Ton
Clients: 80% Retail; 20% Fleet
Lease: 7000 sq. ft. Shop, Lease Ending 1/1/2024, Mo. Lease \$6550
Personnel: 7 FT Technicians, 2 FT Owner and 1 Working Family Member
Software: Maxxtraxx; Mitchell 1; Alldata

After 30 Years of successful service to the SF Bay Area, this well-established and highly praised auto repair shop is ready to be acquired by a new owner who shares the same passion for quality work, exceptional service and a great customer experience. The shop is located about 5 minutes from the SFO Airport and offers a full range of auto maintenance/repair services, with the exception of tire sales. The current owners are actively involved in daily operations and are supported by a paid family member who manages the administrative duties and bookkeeping. The shop comes fully loaded with machinery and equipment and 7 experienced full-time technicians.

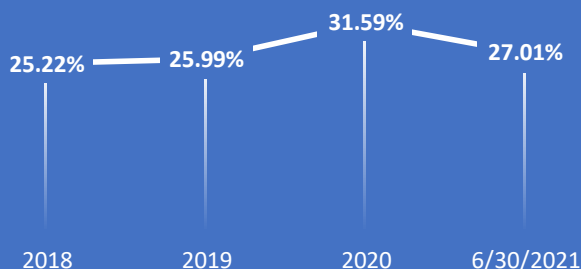
A buyer for this business should be skilled in customer service operations and be ready to hire or promote an experienced foreman technician or onsite manager. Buyer must possess or obtain a smog technician's license.

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

VALUE PROPOSITION

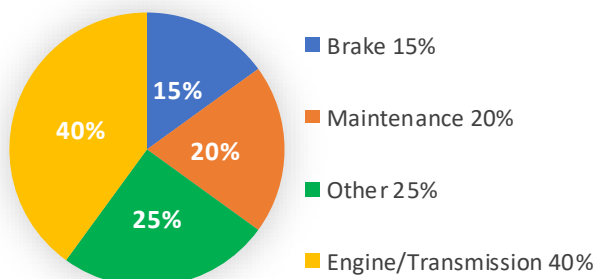
- 30 years of Established Reputation
- Exceptional Customer Reviews Average 4.5+ Stars
- > 25% Profit Margin, \$483,000 Earnings
- Priced Below Market for Quick Sale - Retirement
- 232% Return on 20% Cash Down in the First Year
- 2021 On Track to Beat 2019 (2020: COVID Dip)
- Experienced Team of Technicians
- Buyer to Replace Retiring Seller- Need Exp. Mgr

PROFIT MARGIN

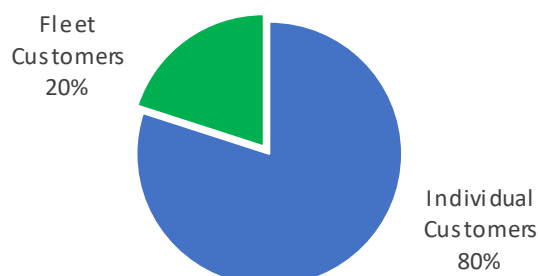


REVENUE BREAKDOWN

Revenue by Service



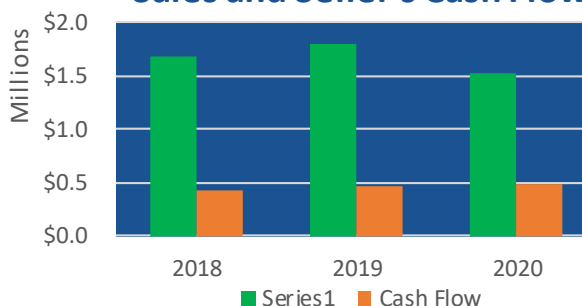
Revenue by Customer



FINANCIAL HIGHLIGHTS

- Listing Price: \$835,000
- 2020 Cashflow (SDE): \$483,561
- 2019 Sales \$1,808,447
- 15% Sales Dip in 2020, due to COVID
- 2021 sales trending back to 2019 numbers
- Working Capital (June 2021): \$218K
- Inventory (June 2021): \$38K

Sales and Seller's Cash Flow



Note: Fleet customers are customers of 5-30 years without written contract.

CASHFLOW ANALYSIS

Financial Statement Source	Tax Return 2018	Tax Return 2019	Tax Return 2020	P&L YTD 6/30/2021
Sales	\$1,680,602	\$1,808,447	\$1,530,881	\$865,722
<i>Less</i> Cost of Sales	\$562,434	\$603,687	\$511,893	\$242,636
<i>Less</i> Operating Expenses	\$1,007,079	\$1,068,738	\$882,770	\$539,906
<i>Equals</i> Net Income Before Taxes	\$111,089	\$136,022	\$136,218	\$83,180
<i>Plus</i> Depreciation	\$1,875	\$1,503	\$0	\$0
<i>Plus</i> Amortization	\$0	\$0	\$0	\$0
<i>Plus</i> Interest on Loans to Business	\$0	\$0	\$0	\$0
<i>Plus</i> Officer/Owner's Salary	\$202,030	\$217,040	\$230,973	\$96,000
<i>Plus</i> Payroll Taxes on Officer/Owner's Salary	\$14,613	\$15,698	\$16,891	\$9,216
<i>Equals</i> Preliminary Seller's Discretionary Earnings	\$329,607	\$370,263	\$384,082	\$188,396
Addbacks:				
Salary to Working Family Member	\$68,287	\$72,462	\$72,936	\$36,468
Auto Expenses for Owner's Benefit	\$7,330	\$7,330	\$7,330	\$3,665
Insurance Premium - Working Family Member	\$8,942	\$9,774	\$8,357	\$4,179
Owners' Pension Plan	\$7,634	\$8,176	\$8,657	\$0
Non-Business Phone, Internet & Cell Phone Expenses	\$2,000	\$2,000	\$2,199	\$1,099
Sum of Addbacks:	\$94,193	\$99,742	\$99,479	\$45,411
Total Seller's Discretionary Earnings (SDE)	\$423,800	\$470,005	\$483,561	\$233,807
Profit Margin	25.22%	25.99%	31.59%	27.01%

Notes: Addbacks for 3/31/2021 are prorated based on expenses from 2020.

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, a three-year average cash flow is applied making the business price more favorable to the buyer. The multiplier applied in this case is 1.82x, below the market in favor of the buyer

CASHFLOW X PRESCRIBED MULTIPLE = FAIR MARKET VALUE

With this information, the computation is as follows:

$$\underline{\$459,112 \times 1.82 = \$835,000}$$

The fair market value found above positions the listing price as:

\$835,000

FUNDING EXAMPLE

Purchase Price: \$835,000

20% Buyer Down Payment	\$167,000	Buyer's equity
80% Bank Loan	\$668,000	10-Year term at a rate of 5.50% = Monthly loan payment of \$7,250

- Cash Flow (SDE in 2020): \$459,112
- Annual Payment to Bank: \$86,995
- Net Profit (After Expenses and loan payment): \$372,117

Numbers above
result in an **223%**
return on cash in the
first year.

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

At a proposed purchase price of
\$835,000 with the terms listed
above, the coverage ratio is **4.36**.

* 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.