










LISTING OPPORTUNITY

Full-Service Auto Repair Shop Monterey County - \$238,765 Earning



SPECIFICATIONS

 Price: \$525,000	 Revenue: \$746,408 (4-Year Avg)	 Cash Flow: \$238,765 (4-Year Avg)
 Location: Coastal Monterey County	 Service Area: Coastal Monterey County	 Profit Margin: 33%
 Employees: 2 Full Time	 Reason for Sale: Sellers are Retiring	 Goodwill: 38 Yr. Reputation Multiple 5 Star Reviews

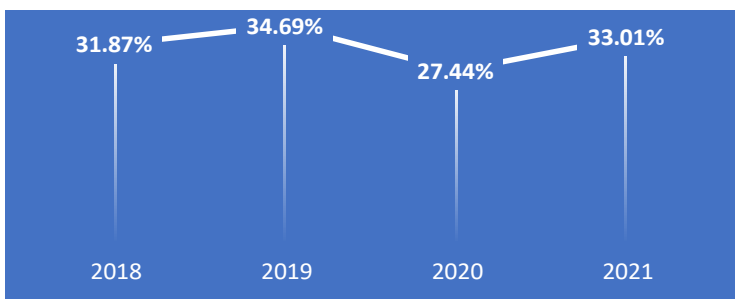
BUSINESS SUMMARY

Year Established: 1989
Services: Full-Service Auto Repair – Specializing in Mercedes Benz
Equipment: List Will Be Provided – Value \$125,000
Facility: 2,400 Square Feet Shop
Lease: Assignable With Options \$6,000 Plus Monthly
Personnel: 2 Full Time Experienced Technicians

Available for sale is a full-service family-owned auto repair shop that has been serving the automotive needs of its neighborhood and beyond for 38 years. Although capable of working on all makes and models of vehicles, this shop has developed a reputation as the “Go To” place to trust for your Mercedes Benz service needs.

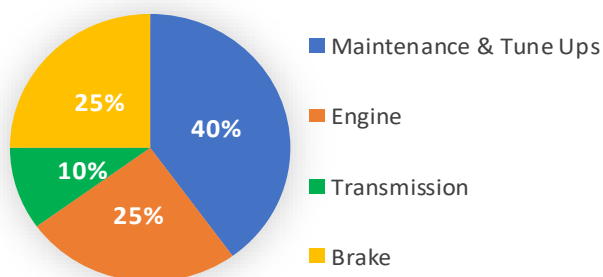
Growth potential is high, especially if the new owner expanded into working on the other popular brands and hiring additional technicians.

- 32% Profit Margin on \$238,765 4-Year Average SDE
- Priced Below Market for Quick Sale - Retirement
- 148% Return on 20% Cash Down in the First Year
- 4 Year Average Cashflow (SDE) \$238,765
- Experienced Team of Technicians
- Great Location With Easy Access

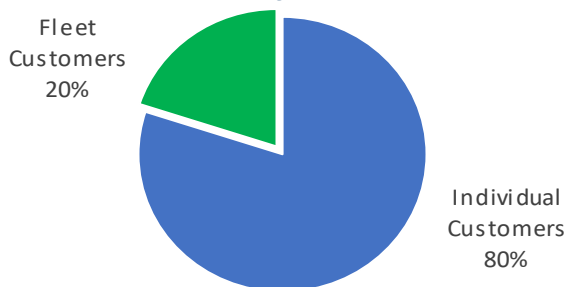


REVENUE BREAKDOWN

Revenue by Service



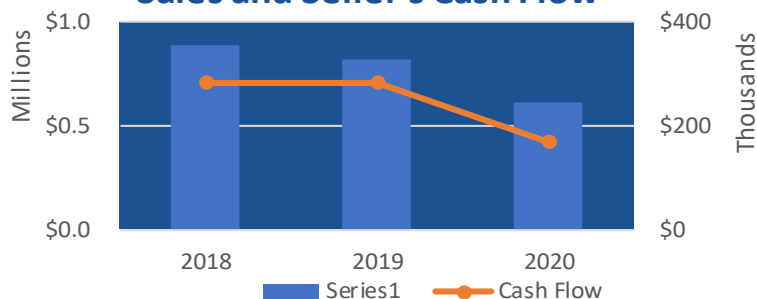
Revenue by Customer



FINANCIAL HIGHLIGHTS

- 525,000 Listing Price Includes Inventory
- Furniture, Fixtures, and Equipment Value \$125,000
- Strong Growth Potential
- 2021 performance is recovering from COVID dip

Sales and Seller's Cash Flow



CASHFLOW ANALYSIS

Financial Statement Source	Tax Return 2018	Tax Return 2019	Tax Return 2020	Projected 2021
Sales	\$887,574	\$820,028	\$613,520	\$664,512
<i>Less</i> Cost of Sales	\$319,755	\$310,882	\$249,559	\$229,462
<i>Less</i> Operating Expenses	\$299,521	\$237,820	\$213,288	\$233,366
<i>Equals</i> Net Income Before Taxes	\$268,298	\$271,326	\$150,673	\$201,684
<i>Plus</i> Depreciation	\$0	\$0	\$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	\$0	\$0	\$0	\$0
<i>Plus</i> Payroll Taxes on Officer/Owner's Salary	\$0	\$0	\$0	\$0
<i>Equals</i> Preliminary Seller's Discretionary Earnings	\$268,298	\$271,326	\$150,673	\$201,684
Addbacks:				
Salary to Working Family Member	\$0	\$0	\$0	\$0
Property Taxes	\$7,532	\$7,630	\$10,503	\$10,503
Auto Expenses for Owner's Benefit	\$0	\$0	\$0	\$0
Owner Insurance	\$5,298	\$3,326	\$4,932	\$4,932
Owners' Pension Plan	\$0	\$0	\$0	\$0
Non-Business Phone, Internet & Cell Phone Expenses	\$1,717	\$2,217	\$2,245	\$2,245
Sum of Addbacks:	\$14,547	\$13,173	\$17,680	\$17,680
Total Seller's Discretionary Earnings (SDE)	\$282,845	\$284,499	\$168,353	\$219,364
Profit Margin	31.87%	34.69%	27.44%	33.01%

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 four-year average cash flow is applied making the business price more favorable to the buyer. The multiplier applied in this case is 2.22x, below the market in favor of the buyer.

CASHFLOW X PRESCRIBED MULTIPLE = FAIR MARKET VALUE

With this information, the computation is as follows:

$$\underline{\$238,765} \times 2.22 = \underline{\$525,000}$$

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

\$525,000

FUNDING EXAMPLE

Purchase Price: \$525,000

20% Buyer Down Payment	\$105,000	Buyer's equity
80% Bank Loan	\$420,000	10-Year term at a rate of 5.50% = Monthly loan payment of \$4,558.10

- 4-Year Average Cash Flow SDE \$238,765
- Annual Payment to Bank: 54,696
- Net Profit (After Expenses and loan payment): \$184,069

Numbers above
result in a **175%**
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
\$525,000 with the terms listed
above, the coverage ratio is **4.37**

* 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.