










LISTING OPPORTUNITY

Multilocation Franchised Sandwich Shop Portfolio. 5 Units.

Own 25% of the entire sub-market of this internationally recognized franchise.



SPECIFICATIONS

| | | | | | |
|---|---------------------------------|---|---|---|---|
|  | Price: \$499,000 |  | Revenue: \$1,418,555 (4-Year Avg) |  | Cash Flow: \$59,149 (4-Year Avg) |
|  | Location: Spokane WA |  | Service Area: Spokane WA |  | Profit Margin: 4.17% |
|  | Employees: FT 1 PT 23 |  | Reason for Sale: Seller is Retiring |  | Goodwill: First store opened 1988 |

BUSINESS SUMMARY

Year Established: • Store #1: 1988 • Store #2: 1991 • Store #3: 1991 • Store #4: 2010 • Store #5: 2012

Services: Fresh and custom-made sandwiches, wraps, bowls, and melts.

Equipment: All required & necessary equipment per franchisor to operate each store w/ full functionality.

Product breakdown: 61% Food, 32% drink, 7% other company wide average.

Clients: Health conscious on the go people who trust a brand name.

Lease: 3 Stores leased. 2 stores w/ seller owned property to offer lease with business purchase.

Personnel: Each store has a manger. Owner acts as district manager.

This multi-unit franchise opportunity is for experienced operators who currently own one or more of the same franchise or own a different concept that is not a conflict of interest.

According to key indicators noted by the Franchisor's reports, this 5-unit chain has the capacity to double gross sales through customer count, noting that the average ticket is on par with district averages.

Vehicle traffic counts per day:

- Store #1: 28,500
- Store #2: 19,800
- Store #3: 40,100
- Store #4: 21,000
- Store #5: Mall foot traffic

Join the growing trend of multi-unit franchise owners with this recognized, household name brand that comes with well-established training and support. One of the great franchises that draws clientele over competitors, known as a staple brand for the place to go to get a great deal on a quick, fresh-tasting, made-to-order meal. Customers are familiar with this brand's menu items and flavors, and the affordable pricing that allows them to frequent these stores regularly; the deciding factors of how restaurant goer's decide on their lunch and dinner choices are well accommodated.

ASKING PRICE

The asking price is determined using a cash flow and asset 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. The asset methodology considers what it could cost to open a similar business in equipment and square feet. A multi-factor multiplier is applied to the cash flow based on the condition of the business and the asset value is added to that result.

The Asset value takes into account time to build up the goodwill and customer base which is in place. The start-up of new locations for the franchise cost between \$116,000 and \$263,000 according to the company. This set of 5 is plug and play.

NUMBER OF STORES X ASSETS PER STORE = FAIR MARKET VALUE

With this information, the computation is as follows:

$$5 \times \$99,000 = \$499,000$$

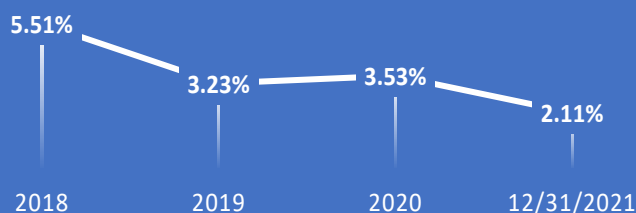
The fair market value found above positions the listing price as:

\$499,000

VALUE PROPOSITION

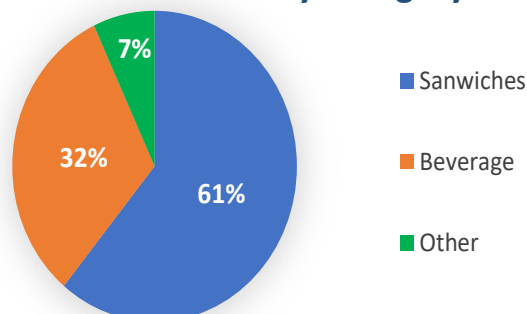
- Key locations in sub-market
- Two stand alone stores with ample parking
- 2 in-line formats and 1 mall footprint
- Asset sale
- 3 stores 1500sf, 1 store 1100sf and last unit 800sf
- Average daily ticket count 100
- All stores are easily visited in one day
- Suited for seasoned operator or expansion of single unit
- Easily accessible locations
- Catering offers the biggest opportunity for growth

PROFIT MARGIN

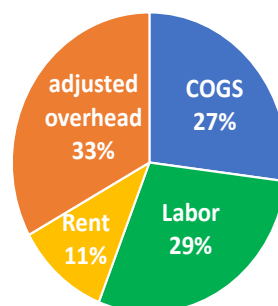


REVENUE BREAKDOWN

Revenue by Category



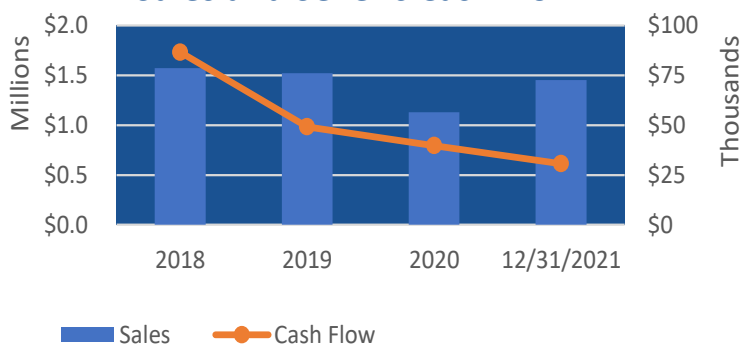
Cost Breakdown



FINANCIAL HIGHLIGHTS

- Listing Price: \$499,000 + Inventory of each store
- Gross profit average \$211,762
- Average store sales \$290,764
- Royalty 8% Advertising 4.5%
- \$7500 transfer fee per store
- Recommended Working Capital: \$45,000
- Inventory Estimated Average: \$4K
- Average sales per SF a year \$227.15
- Average store expense \$221,032
- Average store COGS \$82,688
- Average time remaining on lease, 1.5 years

Sales and Seller's Cash Flow



CASHFLOW ANALYSIS

| Financial Statement Source | Tax Return | Tax Return | Tax Return | YTD/P&L |
|---|-----------------|-----------------|-----------------|-----------------|
| Accounting Year is July 31- June 30 | 2018 | 2019 | 2020 | 12/31/2021 |
| Sales | \$1,573,962 | \$1,523,642 | \$1,129,080 | \$1,453,823 |
| Returns and allowances | \$0 | \$0 | \$0 | \$0 |
| Less Cost of Sales | \$472,444 | \$469,135 | \$301,294 | \$395,010 |
| Less Operating Expenses | \$1,219,379 | \$1,218,529 | \$948,604 | \$1,199,358 |
| <i>Equals</i> Net Income Before Taxes | (\$117,861) | (\$164,022) | (\$120,818) | (\$140,545) |
| <i>Plus</i> Depreciation | \$21,545 | \$18,002 | \$17,458 | \$15,000 |
| <i>Plus</i> Amortization | \$7,828 | \$7,828 | \$7,828 | \$7,828 |
| <i>Plus</i> Interest on Loans to Business | \$27,935 | \$36,775 | \$29,818 | \$29,818 |
| <i>Plus</i> Officer/Owner's Salary | \$62,400 | \$66,330 | \$18,248 | \$34,400 |
| <i>Plus</i> Payroll Taxes on Officer/Owner's Salary | \$0 | \$0 | \$0 | \$0 |
| <i>Equals</i> Preliminary Seller's Discretionary Earnings | \$1,847 | (\$35,087) | (\$47,466) | (\$53,499) |
| Addbacks: | | | | |
| Salary to Working Family Member | \$60,951 | \$59,876 | \$59,810 | \$59,795 |
| Auto Expenses for Owner's Benefit | \$0 | \$0 | \$0 | \$0 |
| Insurance Premium - Working Family Member | \$23,864 | \$24,454 | \$24,474 | \$24,400 |
| Owners' Pension Plan | \$0 | \$0 | \$0 | \$0 |
| Non-Business Phone, Internet & Cell Phone Expenses | \$0 | \$0 | \$2,994 | \$0 |
| Sum of Addbacks: | \$84,815 | \$84,330 | \$87,278 | \$84,195 |
| Total Seller's Discretionary Earnings (SDE) | \$86,662 | \$49,243 | \$39,812 | \$30,696 |
| Profit Margin | 5.51% | 3.23% | 3.53% | 2.11% |