

LISTING OPPORTUNITY

Commercial Flooring Retailer with High-Profile Clientele

Relocatable with International Reach, Scalable Web-Based Sales, No Inventory.



SPECIFICATIONS

 Price: \$1,209,000	 2021 Revenue: \$713,088	 2021 Cash Flow: \$232,514
 Location: Relocatable	 Service Area: International	 Profit Margin: 32.61%
 Employees: Owner operator working 25 hours per week	 Reason for Sale: Sellers are Retiring	 Goodwill: Operating since 1977

BUSINESS SUMMARY

Year Established: 1977

Services: Supplier of dance floors, mirrors, ballet barres and other equipment

Equipment: As this business is web based it comes with a small amount of assets for an office and key URL's, website and SEO are included in the price

Product breakdown: 50% Floors, 30% mirrors, 17% ballet barres, 3% misc.

Clients: Universities, public schools, independent studios, theaters, individuals

Lease: To be relocated

Personnel: Owner operator, business can be easily scaled up

Uniquely positioned by strong relationships with top quality manufacturers, this business has quietly been the source for the best flooring and service to top tier clients. Many A-list and high-profile celebrities have made their purchases for their private studios from this business along with a vast number of schools and universities and independent dance companies.

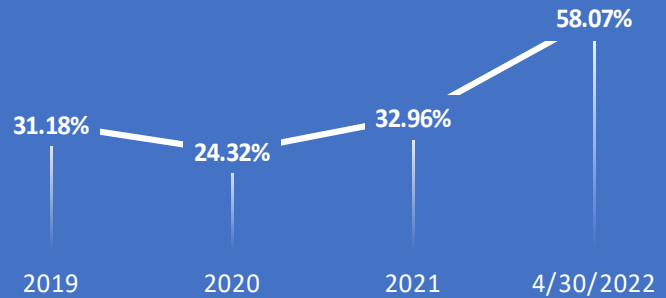
The current structure of the business allows all ordering to be personally managed and serviced by the owner. Staff can be expanded to increase the focus on personal service and attention to detail that all other flooring companies lack. Product pricing remains competitive and are kept in line with rising costs in base goods, shipping, and labor.

All products sold are shipped and supported by the manufacturer directly to the end client. End clients hire their own contractors for installations.

VALUE PROPOSITION

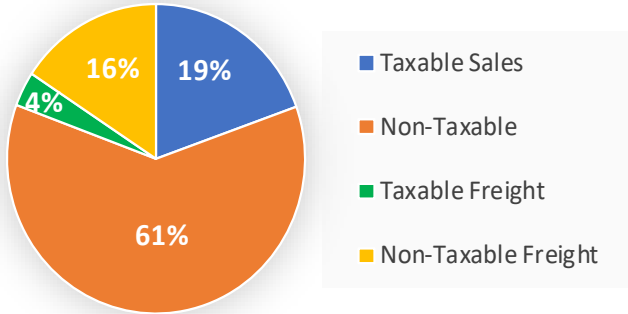
- Family business started in 1938
- Current business model since 1997
- Reviews from customers 4.9 stars out of 5
- As all orders are drop shipped, minimal inventory
- Only advertising is SEO, placing them first in searches
- Customers are any business that needs high quality flooring
- Business has been run part-time since 2017
- Easily absorbed into an existing business
- Strong opportunity for growth
- Invoices range from \$200 to \$40,000

PROFIT MARGIN

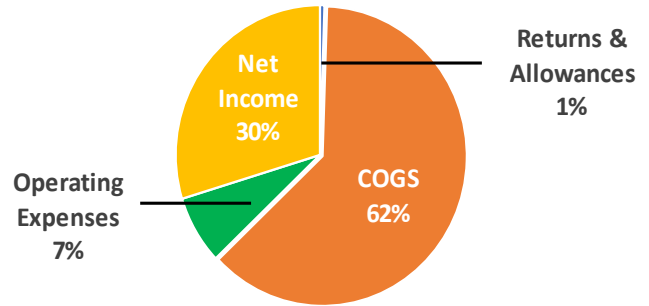


REVENUE BREAKDOWN

Tax, Non-Tax Revenue



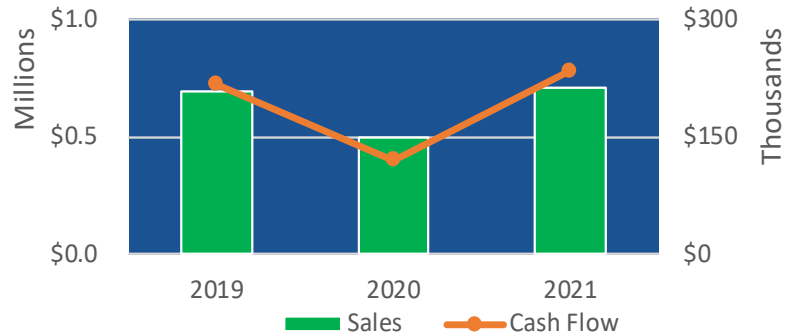
Expense by Category



FINANCIAL HIGHLIGHTS

- Listing Price: \$1,209,000
- 2021 Gross Sales \$709,496 (P/L)
- 2021 SDE \$232,514 (P/L)
- 2021 sales 2.4% above 2019
- Pre tax cash flows hover around 35%
- Full time sales in 2016 was north of \$1,000,000
- Customers pay in full prior to shipping
- No PPP or EIDL loans taken

Sales and Seller's Cash Flow



CASHFLOW ANALYSIS

Financial Statement Source	Tax Return	Tax Return	Prelim	P&L
Accounting Year is Jan 1 thru Dec 31	2019	2020	2021	4/30/2022
Sales	\$695,349	\$493,816	\$713,088	\$235,621
Returns and allowances	\$5,838	\$1,635	\$3,592	\$0
Less Cost of Sales	\$423,166	\$321,556	\$444,297	\$89,735
Less Operating Expenses	\$79,592	\$76,860	\$52,839	\$16,621
<i>Equals</i> Net Income Before Taxes	\$186,753	\$93,765	\$212,360	\$129,265
<i>Plus</i> Depreciation	\$2,442	\$2,498	\$2,498	\$832
<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	\$189,195	\$96,263	\$214,858	\$130,097
Addbacks:				
Salary to Working Family Member	\$11,520	\$9,600	\$9,600	\$3,200
Auto Expenses for Owner's Benefit	\$8,265	\$10,704	\$5,954	\$1,984
Insurance Premium - Working Family Member	\$0	\$0	\$0	\$0
Storage rent paid owners behalf	\$4,600	\$4,600	\$4,600	\$1,533
Non-Business Phone, Internet & Cell Phone Expenses	\$3,264	(\$1,071)	\$0	\$0
Sum of Addbacks:	\$27,649	\$23,833	\$20,154	\$6,717
Total Seller's Discretionary Earnings (SDE)	\$216,844	\$120,096	\$235,012	\$136,814
Profit Margin	31.18%	24.32%	32.96%	58.07%

ASKING PRICE

The asking price is determined using a High Expected Growth Model (H-Model). As the business has been operating at 20 to 25 hours a week, cash flow is expected to increase dramatically when operating at full time hours and scaled using the power of its established SEO and marketing program.

Financial projections by a third-party valuation company arrived at a market price of \$4,000,000 based on a full-time working model. The seller is interested in a quick sale offers a listing price of \$1,209,000 based on the earning have been only verified for the part time work the last years.

FUNDING EXAMPLE

Purchase Price: \$1,209,000

20% Buyer Down Payment	\$241,800	Buyer's equity
80% Bank Loan	\$967,200	10-Year term at a rate of 6% = Monthly loan payment of \$10,738

- Cash Flow (SDE in 2021): \$232,514
- Annual Payment to Bank: \$128,856
- Net Profit (After Expenses and loan payment): \$104,158

Numbers above
result in an **43%**
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
\$1,209,000 with the terms listed
above, the coverage ratio is **1.80**.

* 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.