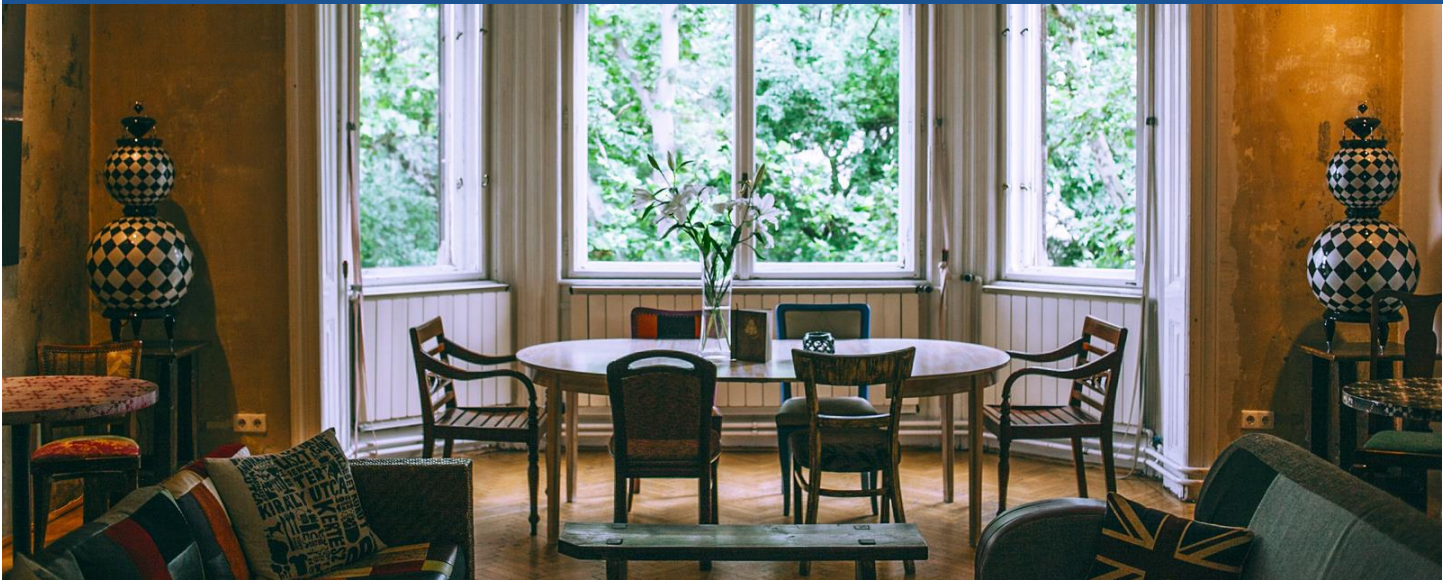











LISTING OPPORTUNITY

UNRIVALED DESIGNER FURNITURE STORE SERVING AFFLUENT TASTES

Sales, Assembly, Repair and Delivery of High-Quality furniture all under one roof.



SPECIFICATIONS

| | | |
|--|---|--|
|  Price: \$460,000 + Inventory |  Revenue: \$557,006 (2021) |  Cash Flow: \$183,611 (2021) |
|  Location: Monterey Bay |  Service Area: Coastal Monterey County and Beyond |  Profit Margin: 33% in 2021 |
|  Employees: 1 Full Time Owner 2 Part Time Employee |  Reason for Sale: The Seller is Retiring |  Goodwill: 39 Year Reputation, Great Reviews |

BUSINESS SUMMARY

- Year Established: 1983
- Services: High quality furniture sales, assembly, and delivery, as well as repairs and restoration of vintage items.
- Equipment: \$14,860 FF&E, (2014 Ford F150 with 63K miles available for an additional \$14K).
- Inventory: \$250,000 (approximate current). The value of inventory at time of sale to be added to selling price.
- Clients: Boutique hotels, designers, and affluent residential customers.
- Facility & Lease: 5,330 square foot showroom and warehouse, \$5,500.00 per month (which is below market).
- Personnel: One full time owner and two part time employees.

Sunbelt Business Advisors is proud to present the offering of a successful longstanding furniture store that stands apart from your typical assortment and variety of furniture choices. Over the past decades, the current owner has traveled to Indonesia to forge relationships with manufacturers and suppliers who produce extremely unique furnishings using plantation grown and re-claimed teak. His many trips to small villages in Java and outlying islands have resulted in a source of rare, well-crafted, custom designed outdoor patio & garden Teak furniture that blends beautiful shapes, natural elements, utility, and function.

Clients include upscale residential families, individuals, boutique motels, and designers.

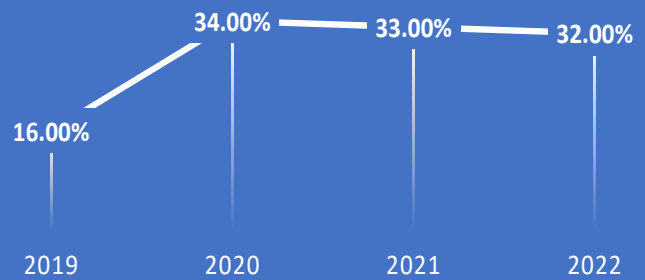
In addition to sales, assembly, and delivery of new items, this store offers repairs and restoration of vintage items as well.

Seller will provide 3 weeks of training at 30 hours per week. Since seller is the landlord, he will be around for the occasional future questions that may occur.

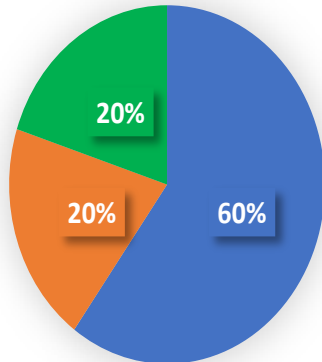
VALUE PROPOSITION

- 39 Years of outstanding reputation
- Stellar customer reviews
- Loyal repeat clientele
- Priced Below Market for Quick Sale - Retirement
- Substantial Growth Potential
- Upscale unique product offerings
- Pandemic Resistant

PROFIT MARGIN



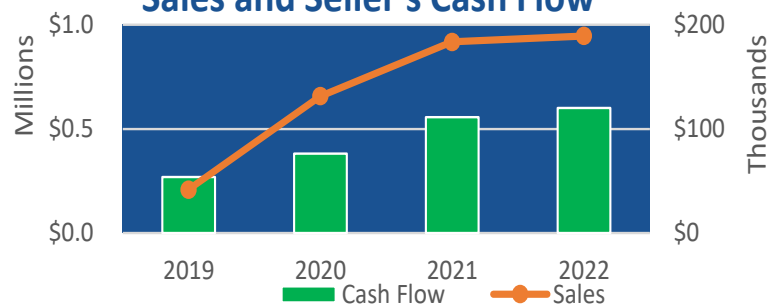
REVENUE BREAKDOWN



FINANCIAL HIGHLIGHTS

- \$14,860 FF&E
- \$402,357 3 year gross sales average
- \$183,611 2021 sellers discretionary earnings
- \$557,006 2021 gross sales
- 33% gross margin for 2021

Sales and Seller's Cash Flow



CASHFLOW ANALYSIS

| Financial Statement Source | Tax Return 2019 | Tax Return 2020 | Tax Return 2021 | Projected 2022 |
|---|--------------------|--------------------|--------------------|-------------------|
| Sales | \$268,552 | \$381,513 | \$557,006 | \$600,000 |
| Less Cost of Sales | \$96,594 | \$109,374 | \$186,589 | \$212,000 |
| Less Operating Expenses | \$147,431 | \$145,732 | \$205,599 | \$210,000 |
| <i>Equals</i> Net Income Before Taxes | \$23,526 | \$126,408 | \$164,818 | \$178,000 |
| Plus Depreciation | \$861 | \$532 | \$131 | \$200 |
| Plus Amortization | | | | |
| PPP Forgiven | | | \$7,864 | |
| Plus Officer/Owner's Salary | | | | |
| Plus Payroll Taxes on Officer/Owner's Salary | | | | |
| <i>Equals</i> Preliminary Seller's Discretionary Earnings | \$24,387 | \$126,940 | \$172,813 | \$178,200 |
| Addbacks: | | | | |
| Meals & Entertainment | | | | |
| Auto Expenses for Owner's Benefit | \$1,979 | \$1,914 | \$3,630 | \$4,000 |
| Contributions | \$1,000 | \$1,350 | \$6,000 | \$6,000 |
| Travel | \$13,107 | \$72 | | |
| Non-Business Phone, Internet & Cell Phone Expenses | \$1,166 | \$1,159 | \$1,168 | \$1,200 |
| Sum of Addbacks: | \$17,252 | \$4,495 | \$10,798 | \$11,200 |
| Total Seller's Discretionary Earnings (SDE) | \$41,639 | \$131,435 | \$183,611 | \$189,400 |
| Profit Margin | 16.00% | 34.00% | 33.00% | 32.00% |

FURNITURE, FIXTURES & EQUIPMENT

***List to be provided**

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, 2.51 X below the market in favor of the buyer.

CASHFLOW X PRESCRIBED MULTIPLE = FAIR MARKET VALUE

With this information, the computation is as follows:

$$\underline{\$ 183,611 \times 2.51} = \underline{\$ 460,000}$$

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

\$460,000

FUNDING EXAMPLE

Purchase Price: \$460,000

| | | |
|-------------------------------|-----------|---|
| 20% Buyer Down Payment | \$92,000 | Buyer's equity \$78,000 |
| 80% Bank Loan | \$368,000 | 10-Year term at a rate of 5.50% = Monthly loan payment of \$3994 |

- Cash Flow (2021): \$183,611
- Annual Payment to Bank: \$47,928
- Net Profit (After Expenses and loan payment): \$135,683

Numbers above
result in an **74%**
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
\$460,000 with the terms listed
above, the coverage ratio is **3.83 X**

* 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.