










LISTING OPPORTUNITY

Well Established, Profitable Multi-Brand Motorcycle Dealership

Consistent Average \$9.4M in Sales and \$1.2M SDE Includes Real Estate



SPECIFICATIONS

 Price: \$3,650,000 With RE	 Revenue: \$9,353,623 (3-Year Avg)	 Cash Flow: \$1,178,996 (3Yr Avg)
 Location: Northern California	 Service Area: Northern California	 Profit Margin: 12.4% (3-Year Avg)
 Employees: 16 FT Staff, 1 PT Owner	 Reason for Sale: Seller is Retiring	 Goodwill: 54 Yr. Reputation

BUSINESS SUMMARY

- Year Established: Owned by the founder since 1967
- Services: Sales, Service, Parts, Accessories, Finance, and Insurance
- Products Offered: Motorcycles, ATV's, Utility Vehicles, Personal Watercraft, Power Products
- Clients: Enthusiasts, Racers, Hunters, Agriculture, Law Enforcement, & Government
- Lease: Real Estate Included, Seller Will Consider Lease W/WO Option to Purchase
- Facility: 21,973 Square Feet
- Personnel: 16 Full Time (owner works an average of 25 hours per week)
- Software: Lightspeed Dealer Management System

List Price Itemization: Business Value: \$2.1M | Real Estate Value: \$1.55M | Total Value: \$3.65M

The presented opportunity is for one of northern California's most well established and successful powersports dealerships, serving the California powersports community for over 50 years.

The business represents several of the most desired brands in the marketplace. Customer base includes most of California, drawn by the selection of motorcycles, scooters, all-terrain vehicles (ATV's), side-by-side utility vehicles, personal watercraft, parts, accessories, apparel, service, and more.

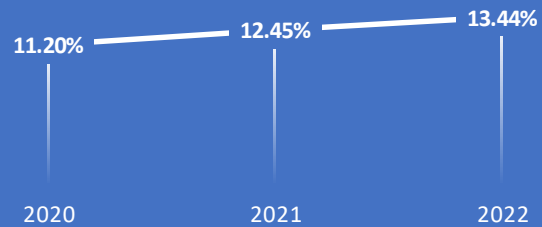
The unique and desirable location of this dealership is one of the many features that make it so attractive. It is truly in the middle of the west-coast outdoor-enthusiast community's playground.

- SBA lender pre-approved
- Turn-key operation
- Strong customer base
- Great team of employees
- Semi-Absentee Ownership
-

VALUE PROPOSITION

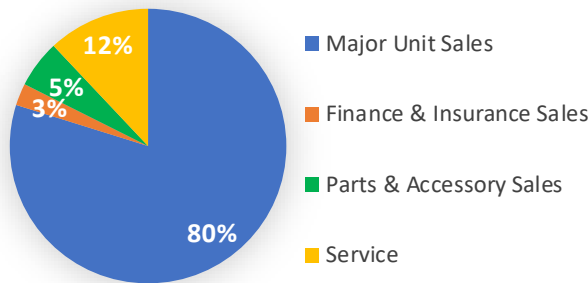
- Includes Real Estate
- 54 Years Goodwill
- Priced Below Market Value For Quick Sale
- \$2,100,000 Business Sale Price
- \$1,550,000 Real Estate Sale Price
- Steady Demand For Products & Services
- Desirable Brands Represented
- Pandemic Resistant

PROFIT MARGIN

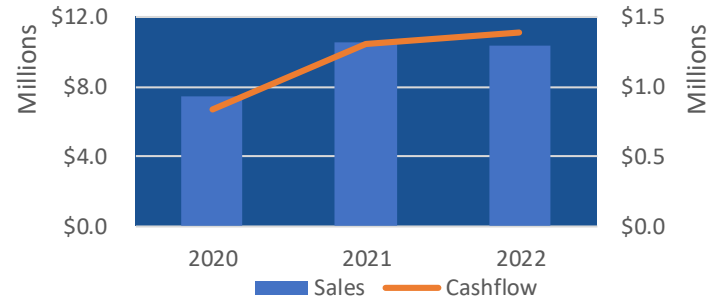


REVENUE BREAKDOWN

Revenue by Service



Sales and Seller's Cash Flow



FINANCIAL HIGHLIGHTS

- 6-30-22 Fiscal Year-End Revenue \$10,357,739
- 6-30-22 Fiscal Year-End SDE \$1,392,167
- Profit margins above industry standard
- Recent upgrades to facility

CASHFLOW ANALYSIS - Fiscal Year July 1 to June 30

Financial Statement Source	Tax Return 2020	Tax Return 2021	Tax Return 2022
Sales	\$7,466,049	\$10,509,893	\$10,357,739
Less Cost of Sales	\$5,785,176	\$7,936,601	\$7,673,577
Less Operating Expenses	\$1,399,654	\$2,246,065	\$2,444,576
<i>Equals</i> Net Income Before Taxes	\$450,689	\$327,227	\$567,612
Plus Depreciation	\$20,116	\$32,791	\$19,713
Plus Amortization	\$0	\$0	\$0
Plus Interest on Loans to Business	\$0	\$0	\$13,173
Plus Officer/Owner's Salary	\$230,500	\$285,000	\$285,000
Plus Payroll Taxes on Officer/Owner's Salary			
<i>Equals</i> Preliminary Seller's Discretionary Earnings	\$701,305	\$645,018	\$885,498
Addbacks:			
Director Fees & Pension & Other Income	\$87,638	\$6,000	\$151,364
Auto Expenses for Owner's Benefit	\$5,320	\$6,083	\$8,003
Insurance Premium - Working Family Member	\$12,973	\$11,830	\$13,349
Building Repairs, Taxes, and Rent Adjustment	\$26,773	\$637,081	\$331,001
Non-Business Phone, Internet & Cell Phone Expenses	\$2,400	\$2,400	\$2,952
Sum of Addbacks:	\$135,104	\$663,394	\$506,669
Total Seller's Discretionary Earnings (SDE)	\$836,409	\$1,308,412	\$1,392,167
Profit Margin	11.20%	12.45%	13.44%

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 1.78x, below the market in favor of the buyer.

*Note: \$2,100,000 Price for Business, \$1,550,000 Price for Real Estate

CASHFLOW X PRESCRIBED MULTIPLE = FAIR MARKET VALUE

With this information, the computation is as follows:

$$\underline{\$1,178,996 \times 1.78 = \$2,100,000}$$

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

\$3,650,000 (Multiple + Real Estate Total Value)

FUNDING EXAMPLE

Purchase Price: \$3,650,000

20% Buyer Down Payment	\$730,000	Buyer's equity
80% Bank Loan	\$2,920,000	10-Year term at a rate of 6.50% = Monthly loan payment of \$33,156

- Cash Flow (SDE in 2022): \$1,392,167
- Annual Payment to Bank: \$397,872
- Net Profit (After Expenses and loan payment): \$994,295

Numbers above
result in an **138%**
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 **\$3,650,000** with the terms listed above, the coverage ratio is 3.1.

* 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.