










LISTING OPPORTUNITY

AAMCO Franchise, President's Award Winner

South Bay Area AAMCO Center available first time to general market



SPECIFICATIONS

 Price: \$275,000	 Revenue: \$695,380 (4-Year Avg)	 Cash Flow: \$94,288 (4-Year Avg)
 Location: South SF Bay Area	 RO per Week: 21 average	 Average RO: \$813
 Employees: 2 FT 1 PT Tech, 1 Writer	 Lease: \$8,727.56 per month including CAM	 Goodwill: 14 years operating in same location, 4.5 star reviews

BUSINESS SUMMARY

Year Established:	2008 under current ownership
Services:	Box or rebuilt transmissions, air conditioning, fluid changes, axil and driveshaft, bracket and mount repair, general tune up, air and belt replacement
Equipment:	Main equipment includes 10,000LB lift, 14,000 LB lift, 14,000 LB column lift, 20-ton hydraulic press, fuel injection system, A/C recycling system, 7.5 HP air compressor with stations on lifts, battery charging and testing, Autel Elite scanner, parts cleaner, radiator flush unit, transmission flush unit, bench grinders, engine hangers, separate machine area
Truck Service:	Up to 14,000 lbs
Clients:	90% Retail; 10% Fleet
Lease:	4,792 square feet of industrial/commercia occupancy with non-exclusive common area rights, security deposit \$8,727. Base rent \$8728 plus \$767 NNN
Personnel:	2 FT Technicians, 1 FT Owner (manager) 1 PT Working Family Member (builder) and 1 service writer as family member who will stay.
Software:	AAMCO proprietary software, Mitchel

Easily accessible location in an automotive repair focused block that has complimentary business as neighbors. Boasting a clean well kept shop, this AAMCO has been run by the same family since 2008. Customer reviews frequently state how honest the owner is and that the team is professional and attentive. The honesty and down to earth approach has earned this location a very dedicated and appreciative customer base.

Franchise information:

- Security deposit \$5,000*
- Transfer fee \$6,000
- License fee \$39,500: \$20,000 upon acceptance, \$19,500 at signing
- Term is 15 years, plus a 15-year option
- Non-compete of seller: 2 years, 10 miles, and no AAMCO franchise
- Training included: 145 hours classroom, 240 hours hands-on**
- Insurance coverage: \$1,000,000 per occurrence
- Lease rider
- Franchise fees: 7.5% weekly on gross sales
- Advertising fees: 4% of gross sales per week plus other options for local, \$150.00 per month national ad fund

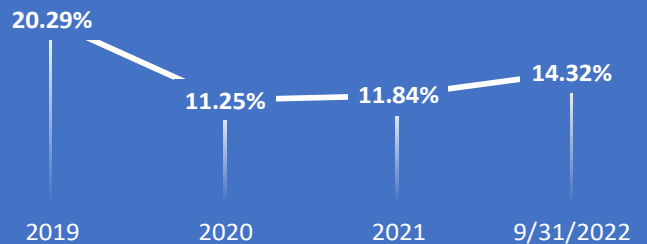
* Security Deposit is refundable if offer is declined by franchisor

** Cost of lodging & travel is not covered by the franchisor or the seller

VALUE PROPOSITION

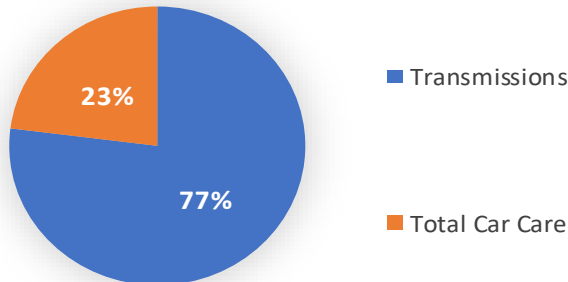
- 50 years of established franchise reputation
- Exceptional customer reviews of 4.5 stars
- Mostly crate transmissions used
- Priced below market for quick sale - Retirement
- Possible cash on cash return rate in 4 months
- Sales on track to beat 2021
- Experienced team of technicians
- Buyer to replace retiring seller as manager/owner
- Recommended to hire part time assistant
- B.A.R license required

PROFIT MARGIN

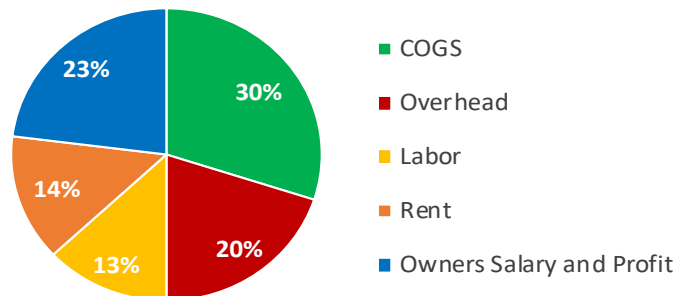


REVENUE BREAKDOWN

Revenue by Service



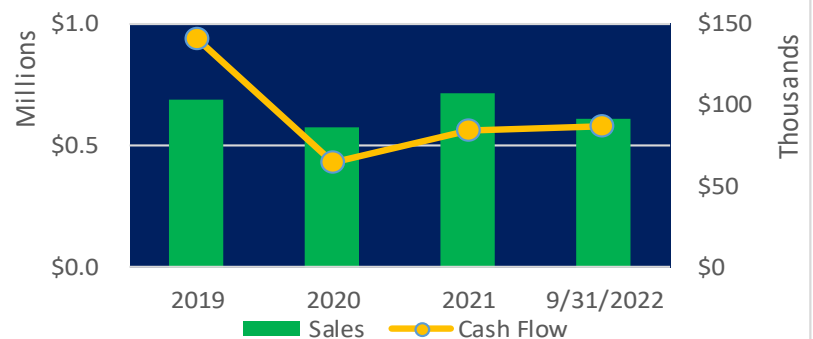
Cost Break Down



FINANCIAL HIGHLIGHTS

- Listing Price: \$275,000 plus inventory
- 2019 Cashflow (SDE): \$140,265 20.29%
- 2019 Sales \$691,369
- 16.8% Sales dip in 2020, due to COVID
- 2021 sales exceeded 2019
- Suggested working capital: \$30,000
- Inventory (Mar 2021): \$15,000
- 2022 Sales forecast to exceed 2021
- Franchise transfer fee \$39,500
- Franchise fees 7.5% of gross receipts
- Advertising fees 5% of gross receipts

Sales and Seller's Cash Flow



CASHFLOW ANALYSIS

Financial Statement Source	Tax Return 2019	Tax Return 2020	Tax Return 2021	YTD 9/31/2022
Sales	\$691,369	\$575,005	\$714,015	\$609,363
<i>Less</i> Cost of Sales	\$261,993	\$240,948	\$309,674	\$291,474
<i>Less</i> Operating Expenses	\$383,353	\$393,279	\$437,807	\$283,527
<i>Equals</i> Net Income Before Taxes	\$46,023	(\$59,222)	(\$33,466)	\$34,362
<i>Plus</i> Depreciation	\$18,665	\$11,225	\$6,653	\$0
<i>Plus</i> Amortization	\$5,934	\$5,943	\$5,934	\$0
<i>Plus</i> Interest on Loans to Business	\$0	\$0	\$0	\$0
<i>Plus</i> Officer/Owner's Salary	\$58,550	\$93,100	\$91,900	\$42,500
<i>Plus</i> Payroll Taxes on Officer/Owner's Salary	\$5,270	\$8,379	\$8,271	\$3,825
<i>Equals</i> Preliminary Seller's Discretionary Earnings	\$134,442	\$59,425	\$79,292	\$80,687
Addbacks:				
Salary to Working Family Member	\$0	\$0	\$0	\$0
Auto Expenses for Owner's Benefit	\$5,823	\$5,269	\$5,268	\$6,602
Insurance Premium - Working Family Member	\$0	\$0	\$0	\$0
Owners' Pension Plan	\$0	\$0	\$0	\$0
Non-Business Phone, Internet & Cell Phone Expense	\$0	\$0	\$0	\$0
Sum of Addbacks:	\$5,823	\$5,269	\$5,268	\$6,602
Total Seller's Discretionary Earnings (SDE)	\$140,265	\$64,694	\$84,560	\$87,289
Profit Margin	20.29%	11.25%	11.84%	14.32%

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. 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 3x, based on historical sales of AAMCO's of similar sales and SDE.

CASHFLOW \times PRESCRIBED MULTIPLE = FAIR MARKET VALUE

With this information, the computation is as follows:

$$\underline{\$94,288} \times 3 = \underline{\$282,864}$$

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

\$275,000

FUNDING EXAMPLE

Purchase Price: \$275,000

20% Buyer Down Payment	\$55,000	Buyer's equity
80% Bank Loan	\$220,000	10-Year term at a rate of 9.75% = Monthly loan payment of \$2,878

- Cash Flow (SDE 4-year average): \$94,288
- Annual Payment to Bank: \$34,536
- Net Profit (After Expenses and loan payment): \$59,752

Numbers above
result in an **108%**
return on cash in the
first year.

A lender is usually required to have a
1.50 coverage ratio for a business
loan extended.

At a proposed purchase price of
\$275,000 with the terms listed
above, the coverage ratio is **2.73**

* 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.