










## LISTING OPPORTUNITY

# High End Dance and Gym Flooring Retailer Netting Over 33%

Relocatable, Scalable Web-Based Sales, No Inventory, Vertical B2B Supplier



### SPECIFICATIONS

 <b>Price:</b> \$735,000	 <b>2021 Revenue:</b> \$713,088	 <b>2021 Cash Flow:</b> \$235,012
 <b>Location:</b> Relocatable	 <b>Service Area:</b> International	 <b>Profit Margin:</b> 32.96%
 <b>Employees:</b> Owner operator working 25 hours per week	 <b>Reason for Sale:</b> Sellers are Retiring	 <b>Goodwill:</b> Operating since 1997

### 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.

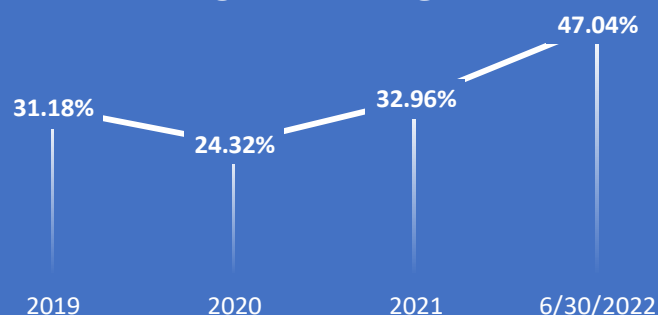
The current structure of the business allows all ordering to be personally managed and serviced by the owner. Staff can be expanded to increase the focus on personal service and attention to detail that all other flooring companies lack. Product pricing remains competitive and are kept in line with rising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

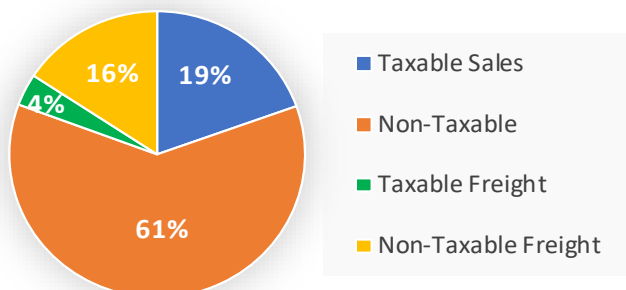
- Family business started in 1938
- Current business model since 1997
- Reviews from customers 4.9 stars out of 5
- As all orders are drop shipped, minimal inventory
- Only advertising is SEO, placing them first in search
- Customers are any business that needs high quality
- Business has been run part-time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

## PROFIT MARGIN

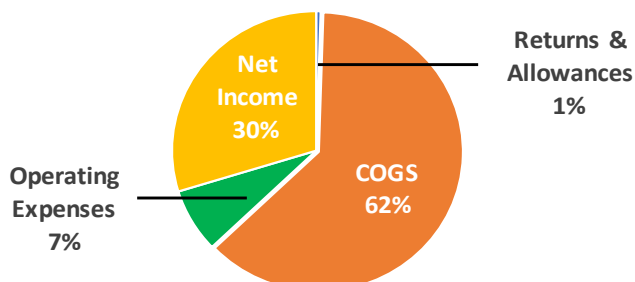


## REVENUE BREAKDOWN

### Tax, Non-Tax Revenue



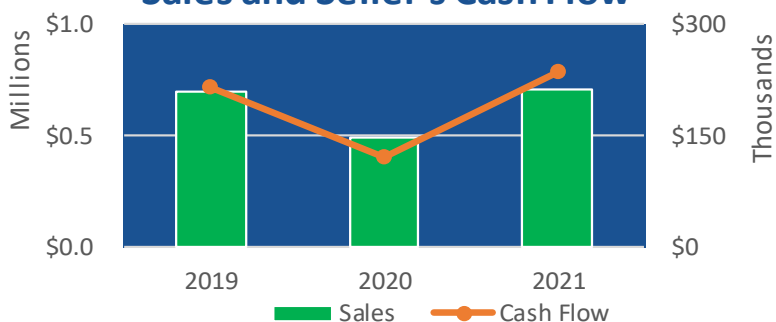
### Expense by Category



## FINANCIAL HIGHLIGHTS

- Listing Price: \$735,000
- 2021 Gross Sales \$713,088 (P/L)
- 2021 SDE \$235,012 (P/L)
- 2022 sales targeting to exceed 2019 numbers
- Pre tax cash flows average 33.87%
- Full time sales in 2016 was \$1,021,576 net \$33
- Customers pay in full prior to shipping
- great cash flow business
- 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	6/30/2022
<b>Sales</b>	\$695,349	\$493,816	\$713,088	\$358,884
Returns and allowances	\$5,838	\$1,635	\$3,592	\$0
Less Cost of Sales	\$423,166	\$321,556	\$444,297	\$176,606
Less Operating Expenses	\$79,592	\$76,860	\$52,839	\$27,583
<i>Equals</i> Net Income Before Taxes	\$186,753	\$93,765	\$212,360	\$154,695
<i>Plus</i> Depreciation	\$2,442	\$2,498	\$2,498	\$1,248
<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	\$155,943
<b>Addbacks:</b>				
Salary to Working Family Member	\$11,520	\$9,600	\$9,600	\$4,800
Auto Expenses for Owner's Benefit	\$8,265	\$10,704	\$5,954	\$5,266
Insurance Premium - Working Family Member	\$0	\$0	\$0	\$0
Storage rent paid owners behalf	\$4,600	\$4,600	\$4,600	\$2,805
Non-Business Phone, Internet & Cell Phone Exp	\$3,264	(\$1,071)	\$0	\$0
<b>Sum of Addbacks:</b>	<b>\$27,649</b>	<b>\$23,833</b>	<b>\$20,154</b>	<b>\$12,871</b>
<b>Total Seller's Discretionary Earnings (SDE)</b>	<b>\$216,844</b>	<b>\$120,096</b>	<b>\$235,012</b>	<b>\$168,814</b>
Profit Margin	31.18%	24.32%	32.96%	47.04%

## 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 \$2,800,000 based on a full-time working model. The seller is interested in a quick sale offers a listing price of \$735,000 based on the earning so that this business can be affordable and obtainable.

## FUNDING EXAMPLE

### Purchase Price: \$735,000

10% Buyer Down Payment	\$73,500	Buyer's equity
90% Bank Loan	\$661,500	10-Year term at a rate of 7.25% = Monthly loan payment of \$7,766

- Cash Flow (SDE in 2021): \$232,012
- Annual Payment to Bank: \$93,192
- Net Profit (After Expenses and loan payment): \$138,820

Numbers above  
result in an **189%**  
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 **\$735,000**  
with the terms listed above, the coverage  
ratio is **1.42 calculated including  
buyers net profit**

\* 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.