










## LISTING OPPORTUNITY

# Indoor & Outdoor Sustainable Landscaping Services

Strong Commercial Accounts Mixed w/Residential. Record Revenue in 2022.



### SPECIFICATIONS

	<b>Price:</b> \$325,000		<b>Revenue:</b> \$334,836 (3-Year Avg)		<b>Cash Flow:</b> \$163,364 (3-Year Avg)
	<b>Location:</b> San Francisco		<b>Service Area:</b> San Francisco Bay Area		<b>Profit Margin:</b> 48% (3-Year Avg)
	<b>Employees:</b> 6 PTE		<b>Reason for Sale:</b> Seller is pursuing other interest		<b>Goodwill:</b> 10 years of successful operations. 5-Star reviews on Google/Yelp

### BUSINESS SUMMARY

**Year Established:** 2013  
**Services:** Design, installation, & maintenance of environmentally responsible landscapes in urban environments & indoor green spaces.  
**Specialties:** Drought-tolerant, low-maintenance, eco-friendly indoor & outdoor gardens  
**Clients:** 44 residential accounts and 13 commercial accounts with commercial accounts providing 55% of the revenue  
**Lease:** Home Based. New owner may need to add small storage for equipment  
**FF&E:** \$4,243 tools and equipment included in the sale  
**Operating Hours:** 9:00 AM – 5:30 PM, Monday – Friday  
**Personnel:** 6 PT garden specialists/administrative assistants and 1 FT Owner  
**Software Used:** QuickBooks, Evernote, Cozi, Google Sheets, Google Drive

This acquisition opportunity is for a landscaping company which specializes in creating urban gardens for the high demand of environmentally conscientious commercial and residential clients in the San Francisco Bay Area.

Types of Landscaping offered:

- Permaculture-based gardens
- Indoor green spaces
- Water-conserving landscapes

Services include:

- Design
- Installation
- Maintenance

Designers choose from:

- Vegetables & herbs
- Drought tolerant flowers
- Ornamental plants

Hardscape installation is not currently offered through the business, but a new owner who holds or obtains a C-27 landscaping contractor's license can easily expand into that territory.

Commercial accounts currently include established Bay Area IT companies, property management companies and bars and restaurants. The majority of residential accounts are located within San Francisco. Small urban spaces such as an office or home are transformed into a living oasis of sustainable, responsible & low-maintenance green décor.

Designs focus on reducing water consumption while providing all the natural benefits of a beautiful garden. Clients are given the flexibility to be involved in the design process as much or as little as they would like. Maintenance services are offered monthly or bi-monthly for the upkeep of the garden.

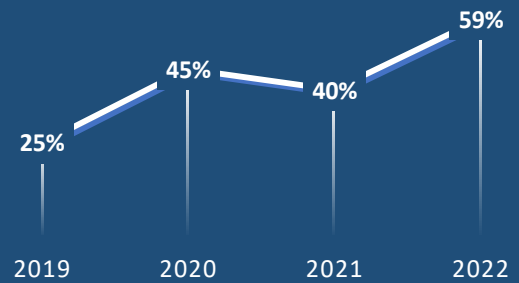
Established in 2013 the company has been in the sustainable landscaping & urban gardening industry for almost 10 years. The business continues to grow despite low prioritization on marketing. The high demand for drought-tolerant and low-maintenance landscaping in California's climate crisis generate sales leads for this business through Google searches or word-of-mouth from long-term clients.

There are six Garden Specialists in addition to the Seller. Two of the Specialists also act as Administrative Assistant. The business is run from the Seller's home. The new owner may need a small storage for tools & equipment. The Seller is selling the business to return to pursuing her academic interests

## VALUE PROPOSITION

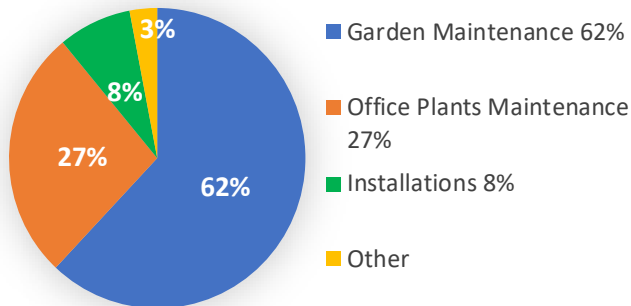
- 10 years of established reputation
- 5-Star reviews on Google and Yelp
- Growing revenue with a record high in 2022
- Strong growth opportunity as no marketing program currently
- The existing employees intend to stay with the business for continuity assuming no change in their employment.
- Low-maintenance and drought-tolerant landscaping sees increased demand in California due to climate change
- Well established commercial accounts with several large high-tech companies in the Bay Area.

## PROFIT MARGIN



## REVENUE BREAKDOWN

### Revenue by Service



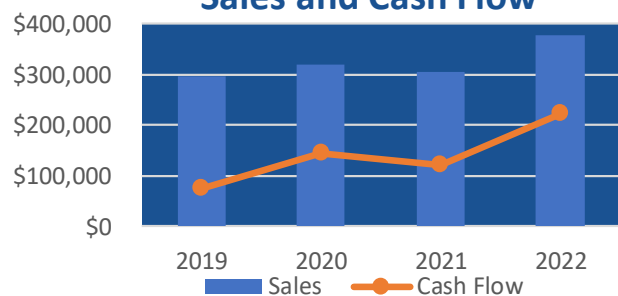
### Revenue by Customer



## FINANCIAL HIGHLIGHTS

- Listing Price: \$325,000
- 2021 Cashflow (SDE): \$121,403
- 2022 Cashflow (SDE): \$223,335,
- 2022 Cashflow grew by 84% YoY.
- 13 Commercial Accounts provide 55% of the revenue
- No impact from COVID
- No inventory
- Seller runs the business as a sole proprietor from home with some necessary adjustments in expenses

### Sales and Cash Flow



## CASHFLOW ANALYSIS

Financial Statement Source	Tax Return 2019	Tax Return 2020	Tax Return 2021	P&L 2022
<b>Sales</b>	\$295,303	\$320,720	\$305,770	\$378,017
Less Cost of Sales	\$214,815	\$213,795	\$205,789	\$156,925
Less Operating Expenses	\$42,774	\$64,919	\$76,348	\$67,723
<b>Equals Net Income Before Taxes</b>	\$37,714	\$42,006	\$23,633	\$153,368
Plus Depreciation	\$0	\$12,546	\$2,391	\$0
Plus Amortization	\$0	\$0	\$0	\$0
Plus Interest on Loans to Business	\$0	\$1,772	\$1,452	\$0
Plus Officer/Owner's Salary	\$0	\$0	\$0	\$0
Plus Payroll Taxes on Officer/Owner's Salary	\$0	\$0	\$0	\$0
<b>Equals Preliminary Seller's Discretionary Earnings</b>	\$37,714	\$56,324	\$27,476	\$153,368
<b>Addbacks:</b>				
Auto Expenses for Seller	\$0	\$2,473	\$4,523	\$7,700
Auto Lease/Payment for Seller	\$0	\$0	\$9,572	\$0
Auto Insurance Premium for Seller	\$0	\$524	\$822	\$0
Rent or Mortgage for Seller's Home	\$22,753	\$22,753	\$20,953	\$20,954
Fair Market Rent Adjustment	(\$6,000)	(\$6,000)	(\$6,000)	(\$6,000)
Repair & Maintenance for Seller's Home	\$0	\$173	\$860	\$0
Property Taxes - Seller's Property	\$0	\$0	\$3,989	\$0
Non-Business Expenses for Seller	\$16,520	\$20,185	\$26,347	\$16,398
Gifts	\$72	\$40	\$39	\$166
Non-Business Labor & Material in COGS	\$4,115	\$48,881	\$32,821	\$30,749
<b>Sum of Addbacks:</b>	\$37,460	\$89,029	\$93,927	\$69,967
<b>Total Seller's Discretionary Earnings (SDE)</b>	\$75,174	\$145,353	\$121,403	\$223,335
<b>Profit Margin</b>	25%	45%	40%	59%

## 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 2.09x, below the market in favor of the buyer.

CASHFLOW X PRESCRIBED MULTIPLE = FAIR MARKET VALUE

With this information, the computation is as follows:

\$163,364 x 1.98 = \$325,000

The fair market value above positions the listing price as:

**\$325,000**

## FUNDING EXAMPLE

**Purchase Price: \$325,000**

<b>20% Buyer Down Payment</b>	\$65,000	Buyer's equity
<b>80% Bank Loan</b>	\$260,000	10-Year term at a rate of 7% = Monthly loan payment of \$3,019

- Cash Flow (SDE in 2020): \$163,364
- Annual Payment to Bank: \$36,226
- Net Profit (After Expenses and loan payment): \$127,138

Numbers above  
indicates full return  
of cash investment in  
6 months

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

At a proposed purchase price of  
**\$325,000** with the terms listed  
above, the coverage ratio is **4.51**.

\* 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.