

FOR SALE: Upscale Catering with Consistent Profits

Cocktails, hors d'oeuvres and elegant meals for every occasion

Financial Overview

List Price: \$385,000

Gross Sales

2016: \$723,367

2015: \$721,589

2014: \$674,138

Owner Profit/Cash Flow

2016: \$129,437

2015: \$113,882

YOY Trends: Consistent 18-19% profit margin

Multiple: 3 *Multiples range from 1-5, with the average being 3

Valuation: 2016 Cash Flow x Multiple = Price
\$129,437 x 3 = \$388,311

Assets Included in Purchase: \$81,846

Equipment: \$41,486 – washer, dryer, towels, bar, slicer, fryer, portable flattop grill, 2 walk-in coolers, 2 commercial freezers, shelving, workstations, 5 ovens

Vehicles: \$40,000 - Ford F250 Van, Ford F150 Van, Chevy Express Van, Buick Rendezvous

Intangible Assets: Established name and positive reviews; website, Facebook, blog, LinkedIn

Inventory: purchased as needed for events

**amounts may vary*

Business Information

Year Established: 1986

Location and Service Area: Omaha metro

Demographics: Clients split 60% commercial, 40% residential; no client makes up more than 10% of sales

Capacity: Ability to cater 1,200 plates/day – currently caters 900 during May/June and 600 the rest of the year

Lease: \$1,750/month for 3 bays in a strip mall (2,583 sq. ft.)

Reason for Selling: New business ventures

Employees: 5 FT kitchen staff, 2 PT kitchen staff, 2 office staff, 2 FT packing specialists, 25 PT workers for events

Seller Training Period: 90 days

Growth Opportunities: Seller has started offering bar/cocktails without food and predicts easy growth by 20% in a short time by offering cocktail catering

Current Owner's Responsibilities: Handles billing and meets with prospective clients

Funding Example

Purchase Price: \$385,000

10% Buyer Down Payment: \$38,500

10% Seller Financing: \$38,500

80% Bank Loan: \$308,000

A 10% down payment of \$38,500 would profit a buyer \$68,150 after debts, a 177% return!

Description

For over 30 years, this upscale catering and cocktails business has shown consistent profits. Specializing in elegant and tasteful events from weddings to corporate parties, menus range from breakfast to picnic specials. With both catering and liquor licenses, the owner has begun offering cocktail-only events without food. This is a great area for growth and promises to be a fantastic revenue earner.

Located in a strip mall, the company occupies 3 bays at 2,583 sq. ft., and is leased for \$1,750 per month, or \$21,000 per year. The large space allows for the 7 kitchen staff to prepare up to 1,200 plates per day. Currently, the busy months of May and June see just 900 plates/day with the remaining months seeing 600 plates/day. This allows for easy growth by up to 50% without the need for additional space!

Aside from the kitchen staff, there are 2 office staff and 2 packing specialists, as well as 25 part-time event workers. The seller does not prepare food, but does handle billing and meeting with prospective clients, who are 60% commercial and 40% residential. Of these clients, not one makes up more than 10% of sales.

Looking to work on new business ventures, the seller will finance 10% of the \$385,000 purchase price. Contributing a 10% down payment of \$38,500, a new owner could see a first year's profit of \$68,150 after debts.

Next Steps

For a detailed financial package, please contact Cortney Sells or one of The Firm Business Brokerage's professionals at 402.998.5288 or email Confidential@TheFirmB2B.com.

Last Revised 6/12/17 by MT

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