

FOR SALE: Home Furnishings Store with 200K Cash Flow

\$915,000 in sales with potential for passive ownership

Financial Overview

List Price: \$590,000

Gross Sales
2016: \$915,438
2015: \$997,094
2014: \$898,088

Owner Profit/Cash Flow
2016: \$213,331
2015: \$205,764
2014: \$175,524

YOY Growth: 21% increase in cash flow between 2014 and 2016

Profit Margin: 23%

Multiple: 3.2

Valuation: 2016 Cash Flow x Multiple = Price
\$213,331 x 3.2 = \$682,659

List price discounted by \$92,000 as the owner is motivated to sell!

Assets Included in Purchase: \$80,500

Equipment: \$28,500 – forklift, dolly, trailer

Intangible Assets: Recognition and reputation, website, social media accounts

Inventory: \$50,000 – Retail will mark up 50% to 75%

**amounts may vary*

Business Information

Years in Business: 16

Location and Service Area: Omaha Metro

Demographics: Located near a busy section in a growing area; standalone building; daily traffic of around 24,000 cars

Building: 8,000 sq. ft. leased for \$6,600/month

Reason for Selling: Retirement and elderly father

Employees: 2 PT Floor Salesmen, 1 PT Marketing Manager, several 1099-contracted deliverymen

Hours: Mon – Wed 10am to 6pm, Thurs – Sat 10am to 5pm

Seller Training Period: 90 days

Growth Opportunities: Home shows, fairs, add more product SKU's

Current Owner's Responsibilities: Oversees day-to-day operations; ordering; scheduling

Funding Example

Purchase Price: \$590,000

10% **Buyer Down Payment:** \$59,000
10% **Seller Financing:** \$59,000
80% **Bank Loan:** \$472,000

First year's profit of \$119,410 after debts, representing a 202% return on 10% down.

Description

Located just off a busy metro Omaha intersection, this home furnishings store grosses \$915,000 and has potential for passive ownership. Since 2014, the seller has seen a 17% increase in cash flow and a profit margin of 23%. Currently, the seller works in the store overseeing day-to-day operations, but has expressed that one of the salesmen would be ideal to take over a managerial position. For a passive owner, this would be the best route to lower involvement in the store.

Housed in an 8,000-sq. ft. standalone building, the surrounding neighborhoods are part of a growing area in the Omaha metro. Including a showroom, the building houses \$50,000 in inventory that is marked up between 50% and 75%. In addition to the inventory, included in the purchase is \$28,500 in assets comprised of a forklift, dolly and a trailer for large deliveries.

Employees include 2 part-time Salesmen that are paid on commission only, 1 part-time Marketing Manager, and several 1099-contracted deliverymen. The deliverymen are also in charge of installation and maintenance of products.

A 10% down payment of \$59,000 would return \$119,410 after debts during the first year. This represents a 202% return on investment.

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 10/23/17 by MT

- CONFIDENTIAL -