

FOR SALE: Commercial Carpet Cleaning with Over 30 Years in Business

High Levels of Repeat Clients and 35% Profit Margin!

Financial Overview

List Price:	\$1,110,000		
Gross Sales			
	2021	2020	2019
	\$854,715	\$665,149	\$755,657
Cash Flow			
	2021	2020	2019
	\$296,175	\$128,583	\$153,111

- **2021 Profit Margin:** 35%
- **Multiple:** 3.75

Valuation: 2021 Cash Flow x Multiple = Valuation
 \$296,175 x 3.75 = \$1,110,656

Assets Included in Purchase: \$451,521

- Vehicles:** \$303,669
- Equipment and building assets:** \$147,852
- Intangible Assets:** *Excellent long-standing reputation, high levels of repeat clients, exponential room for growth on current baseline.*
- *Amounts may vary, assets may be depreciated, replacement cost, or fair market value*

Business Information

- Year Established:** 1987, under current ownership since 1996
- Location:** Omaha, NE
- Service Area:** Omaha, Lincoln, and surrounding areas
- Services:** Carpet cleaning (85%), carpet patches and repair (10%), and other (5%): minor water damage repair, tile cleaning, and hard floor cleaning
- Clients:** Commercial Housing Units (75%) and Residential Home Owners (25%)
- Lease:** 5,000 square feet
- Reason for Selling:** Shifting focus to non-competing rug cleaning business
- Personnel:** 7 carpet cleaning and repair workers
- Seller Training Period:** 6 months (negotiable)
- Growth Opportunities:** hiring outside sales representative, reimplementing previous marketing tactics, and expanding service area.
- Current Owners' Responsibilities:** The current owner and his wife both work full time. He handles oversight, calls, and problem solving. She handles financials, calls, and scheduling

Funding Example

Purchase Price:	\$1,110,000
10% Buyer Down Payment	\$111,000
10% Seller Financing	\$111,000
80% Bank Loan	\$888,000

A 10% down payment of \$111,000 returns \$131,307 in the first year after debt payments!

Description

Established over 30 years ago, this 75% commercial cleaning company has high levels of repeat clients and an excellent profit margin of 35%! This business offers services including carpet cleaning (which makes up 85% of revenue), carpet patches and repair (10%), minor water damage repair, tile cleaning, and hard floor cleaning (combined the last 3 make up roughly 5%). Their client base is primarily made up of commercial housing units that are looking to have their floors cleaned or repaired in preparation for new tenants, but they also do residential cleanings as well. While they have utilized marketing tactics to bring in new residential clients, almost all of their commercial clients are either word of mouth/referrals or repeat customers. The assets included with this business consist of over \$400,000 worth of vehicles and equipment.

This business has everything that they need to keep operating as is, however, there is continued room for growth as they currently have a higher demand than they can serve. They certainly have no shortage of clients or revenue potential. A new owner who can focus on hiring and training will be able to take on additional projects.

The current team operates out of a 5,000 square foot space in Omaha, NE and consists of 6 carpet cleaning and repair techs, and the current owner and his wife handle the supervisory, billing, and scheduling work. They have offered a 6-month transition period, and if new owners are looking to transition to absentee or part time workers, this time could be spent hiring and training a new manager. Growth opportunities for this business would include hiring more carpet workers and an outside sales representative and expanding the service area.

Priced at **\$1,110,000**, at 10% down payment of \$111,000 returns \$131,307 in the first year after debts, a 118% ROI! This business has an excellent local reputation and client base, an experienced staff, all of the needed equipment for current operations, strong growth potential, and a spacious location for operations. Everything that new ownership could possibly need to enjoy this highly profitable business.