

## FOR SALE: Passively owned Spa with Full Team of 25

*Reoccurring income from the 800+ members!*

### Financial Overview

**List Price: \$795,000**

#### Gross Sales

2021	2020	2019
\$1,414,654	\$1,013,091	\$990,692

#### Cash Flow

2021	2020	2019
\$236,387	\$142,686	\$124,499

- **Profit Margin:** 18%
- **Multiple:** 3.1

**Valuation:** Cash Flow x Multiple = Valuation  
 \$256,295 x 3.1 = \$794,514

***\*\*Even with being closed for 2 months in 2020 due to COVID, they still saw growth in both revenue and profit, a trend which has continued into 2022!***

### Business Information

**Year Established:** 2017

**Location:** Ankeny, Iowa

**Service Area:** Ankeny/Des Moines Area

**Services:** Massage therapy, skin care, body wraps, spa packages, men's treatments, waxing, lash application, and more!

**Clients:** 800 Active Memberships with clients of all ages from the surrounding area

**Lease:** 3,600 sq. ft. for \$8,362/month, including CAM; in a strip, about 5 years left

**Reason for Selling:** Taking a step back to focus on family

**Personnel:** 25+ – Assistant Manager, 2 team leads, 7 guest advisors, 11 massage therapists, 2 estheticians, 1 dual licensed massage therapist/esthetician

**Seller Training Period:** 6 months – longer if needed, but there is franchise and online training as well

**Growth Opportunities:** Advertising, getting more evening/weekend workers, open a second location/go into a bigger location (the market is there for it)

**Current Owners' Responsibilities:** Owner has minimal responsibility on the day to day – Payroll; ordering (leads/managers could do that); QuickBooks

### Funding Example

**Purchase Price: \$795,000**

<b>10% Buyer Down Payment</b>	\$79,500
<b>10% Seller Financing or Equity</b>	\$79,500
<b>80% Bank Loan</b>	\$636,000

*A 10% down payment of \$79,500 returns \$138,214 in the first year after debt payments!*

### Description

This franchised day spa offers passive ownership and an established staff of 25+ including 1 Assistant Manager and 2 team leads that can run the day-to-day operations. This establishment has over 800 active memberships with 3 different packages to choose from. In addition to the aforementioned memberships, these services are also offered to non-members without the membership deals and pricing. Located in Central Iowa, this day spa has a wide array of services offered including massage therapy, skin care, body wraps, spa packages, men's treatments, waxing, lash application and more. As with most spas and similar operations, they were mandated to close their doors in 2020 for 2 months, yet still saw an increase in revenue and profit that year. Following their re-opening, there has been an increase in cash flows between 2020 to 2021, totaling over \$100,000. A new owner would have all of the assets needed to continue on this uphill profit trend with an opportunity to expand on the marketing strategies already in play. With over \$1.4 million in revenue in 2021, this business on a path to even higher growth with the right ownership.

This day spa works with clients of all ages from the surrounding towns and counties. Pricing was raised at the end of 2021, though many members were grandfathered in for the 2022 year. Starting in 2023, this will be an automatic additional \$7K+ per month in revenue. They have an edge over the competition with their attention to detail, number of services provided, price point, and their ability to provide a real resort feel within their community.

The attractive price of **\$795,000** allows a buyer to see a return of \$138,214 in the first year after debt payments! This location is seeing incredible year over year growth with no sign of slowing down.

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