

# FOR SALE: Commercial Cleaning on 4 Islands

*\$586,066 Discount due to the need to move!*

## Financial Overview

**List Price: \$1,850,000**

### Gross Sales

2022 Annualized	2021	2020
\$2,391,694	\$2,934,087	\$2,489,135

### Cash Flow

2022 Annualized	2021	2020
\$658,262	\$761,237	\$610,556

- Fair Market Value = 3 Year Average x 2.8 Multiple  
\$676,685 x 2.8 = \$2,436,066
- Asking Price: 1,850,000
- \$586,066 Discount due to needing to move

2022 Annual Cash Flow x Multiple = Valuation  
 \$658,262 x 2.8 = \$1,843,133

## Assets Included in Purchase: \$504,164

**Vehicles:** \$74,300 (several crew vans)

**Inventory:** \$79,877

**Equipment:** \$149,987 (wet/dry vacuums, drying systems, HEPA filters, carpet cleaners, etc.)

**Working Capital:** \$200,000 (AR/AP average)

**Profit Margin:** 26%

*\*amounts may vary, assets may be depreciated, replacement cost, or fair market value*

## Business Information

**Year Established:** 2005

**Location:** Hawaii, 4 locations

**Service Area:** Kauai, Oahu, Maui, and Molokai

**Services:** Commercial janitorial services such as office cleaning, deep cleaning, etc.

**Clients:** 27+ Commercial Clients, 95% recurring client base

**Lease:** Kauai (1600 sq/ft office, 1500 sq/ft warehouse), Maui (1500 sq/ft shared office and warehouse), Oahu (240 sq/ft storage space), Molokai (container storage)

**Reason for Selling:** Moving to Continental US

**Personnel:** 43 employees, including janitorial techs and general managers for each location

**Seller Training Period:** 1 year+

**Growth Opportunities:** Expand into residential cleaning

**Current Owners' Responsibilities:** Owner performs office work such as, handling contract renewals and oversees the general managers.

## Funding Example

**Purchase Price: \$1,850,000**

<b>12.5% Buyer Down Payment</b>	\$231,250
<b>12.5% Seller Financing</b>	\$231,250
<b>75% Bank Loan</b>	\$1,387,500

- Profit Margin: 26%

A 12.5% down payment of \$231,250 returns \$368,743 in the first year after debt payments!

## Description

The current owner of this full-service Janitorial Company has offered a \$586,066 discount on the Fair Market Value of this business due to his need to move. This custodial business has been valued at a low 2.8 multiple in addition to the aforementioned fair market discount, making this an excellent deal for buyers and the current owner has put forward a show of good faith by offering 12.5% seller financing to sweeten the deal. Approximately 95% of their clients are repeat clients, these 27+ repeat commercial clients include some of the largest entities in Hawaii as well as a few industrial agricultural companies. Since 2005 this Hawaii based commercial janitorial establishment has been able to establish an excellent reputation by offering their services paired with a focus on their customer's needs. With four locations, one on each of Hawaii's most populated islands (Kauai, Oahu, Maui, Molokai), this business benefits from excellent name recognition, resulting in repeat clients and little need for advertising. The increase of cleanliness and hygienic standards has helped to increase revenue which has been maintained through 2022, as companies, and employees, have a greater appreciation and demand for a clean and sanitary workplace. Their experienced general managers and technicians are self-sufficient, helping to generate over \$2.9 million in sales in 2021, leaving the owner with minimal responsibilities.

Their Green Seal certification ensures the highest quality standards in cleaning practices, instilling a high level of trust between this cleaning business and their repeat clientele. They also have the exclusive license in Hawaii to clean one of America's most popular drapery brands. Between their Green Seal certification and their drapery cleaning license, they can provide exclusive services that cannot be found anywhere else in Hawaii. A new owner will have the flexibility to continue to run the business as is or expand as desired into the residential sector or to other Hawaiian Islands.

Priced at **\$1,850,000**, this business will produce \$368,743 after debt payments in the first year! Any potential buyer can feel comfortable knowing that the current owner will offer a one-year training/transition period to assist in learning the ropes of contract renewals and management on multiple islands.

**- CONFIDENTIAL -**

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