

FOR SALE: Day Spa – Absentee Owner – Financing in place

Over 800 Active Memberships!

Financial Overview

List Price: \$905,000

Gross Sales

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

Cash Flow

TTM Oct. 21-Sept. 22	2021
\$269,161	\$256,295

- **2021 Profit Margin:** 18%
- **Low Multiple:** 3.4

Valuation: TTM Cash Flow x Multiple = Valuation
 \$269,161 x 3.4 = \$915,147

Business Information

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

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

Service Area: Ankeny/Des Moines Area

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

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

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

Year Established: 2017

Location: Des Moines, Iowa

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

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

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

Funding Example

Purchase Price: \$905,000

Buyer Down Payment	\$75,000
Seller Financing	\$100,000
Bank Loan	\$580,000
Seller Escrow for Gift Cards	\$150,000

Description

This establishment has over 800 active memberships with 3 different packages to choose from. In addition to the memberships, these services are also offered to non-members without the membership deals and pricing. With over \$1.4 million in gross revenue in 2021, this business is on the path of continual growth. The purchase of this franchised day spa has \$100,000 of seller financing and \$150,000 of seller escrow included in the asking price! A new owner would have all of the assets needed to continue on this uphill profit trend while maintaining the operation's current passive ownership with the business's established staff of 25+ including 1 Assistant Manager and 2 team leads that can run the day-to-day operations. Located in Des Moines area, 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. This day spa works with clients of all ages from the surrounding towns and counties and new ownership will have the opportunity to continue expanding this client base by maintaining or building upon the current marketing strategies already in play.

As with most spas and similar operations, this business was mandated to close their doors in 2020 for 2 months, yet still saw an increase in revenue and profit that year. Pricing was raised at the end of 2021, though many members were grandfathered in for the year of 2022. 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 **\$905,000** would allow any type of buyer to consider this listing. No spa or business background necessary for purchase! This location is seeing incredible year over year growth with no sign of slowing down.

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Last Revised BV 1.10.2023

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