

FOR SALE: 90-Year-Old Established Appliance Retailer with Install Division

Appliance Sales, Installation, and Servicing with Passive Ownership!

Financial Overview

List Price: **\$490,000**

Gross Sales

2022 Ann.	2021	2020	2019
\$1,248,996	\$1,188,612	\$969,550	\$932,000

Cash Flow

2021
\$157,187

- **Multiple:** 3.15
- **172% ROI!**

Valuation: Cash Flow x Multiple = Valuation
 \$157,187 x 3.15 = \$495,139

Assets Included in Purchase: \$286,010

Vehicles: \$90,000

Equipment and Trailers: \$31,315

Inventory: \$95,948

Working Capital: \$68,747

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

Business Information

Year Established: 1929

Location and Service Area: Iowa City, Iowa

Services: Sales, installation, and servicing of appliances (1/3), HVAC (1/3), and electrical and plumbing (1/3).

Lease: \$3,575/month for both Building 1: 2,000 sq. ft. showroom, 1,600 sq. ft. service/parts, 2,000 sq. ft. 2nd-floor storage; Building 2: 4,000 sq. ft. warehouse.

Reason for Selling: Changing industries and exploring other non-competing interests.

Personnel: 8: 1 service lead and 2 service techs, 1 install lead and 1 install tech, 1 office and sales rep, 1 receptionist, and 1 part-time delivery assistant.

Seller Training Period: 6 months- 1 year

Growth Opportunities: The service aspect of the industry has exponential growth opportunities as this aspect of their business is unique to the area. Partnering with outside appliance sales businesses to offer appliance servicing could offer exponential growth.

Current Owners' Responsibilities: Current owner has a full-time job outside of this business. He assists with team oversight and management. With his offered transition period, he could train existing staff or the new owner to handle his responsibilities.

Funding Example

Purchase Price: **\$490,000**

10% Buyer Down Payment	\$49,000
10% Seller Financing	\$49,000
80% Bank Loan	\$392,000

A 10% down payment of \$49,000 returns \$84,408 in the first year after debt payments, a 172% return on investment!

Description

This business is located in Iowa City and has clients throughout the many small towns within a 50-mile radius of the business. With services including the sales, installation, and servicing of appliances (1/3), HVAC (1/3), and electrical and plumbing (1/3) as well as an excellent local reputation and deep roots within their community, this business has been able to acquire a loyal and somewhat niche client base. There are 8 total staff members including 1 service lead and 2 service techs, 1 install lead and 1 install tech, two office managers, and 1 part-time delivery assistant, allowing the owner of this business to hold down a full-time job completely unrelated to this business for the past five years! The purchase of this business includes \$280,000 in assets to allow new ownership to continue the ongoing success of this establishment. This means that not only does a 10% down payment of \$49,000 offer new ownership a 172% return on investment with \$84,408 being made in the first year after debt payments, but also a significant amount of assets! While there are a few other appliance stores in the area, very few offer installation and maintenance of these products.

This business has ample room for growth in the service side of their industry. Due to their niche maintenance services, partnering with outside appliance sales businesses to offer appliance servicing could offer exponential growth. Not only does a buyer have the opportunity to rent the location this business is in from the current owner, they also have the opportunity to buy it now in a separate transaction, or in the future!

Priced at **\$490,000**, a buyer would be receiving an unmatched reputation as the only business in the area that can offer the customer service and hospitality that can only be offered by a small, Midwest based pillar of their community! The current owner is looking to sell the business in order to change industries and explore other non-competing interests moving forward. He has spent a lot of time building not only this business, but also his community and has extreme vested interest in the ongoing success of the business. As a show of good faith, he has offered 10% seller financing and will stay on board for 6 months-1 year post-close.

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