

Deal Summary

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|----------------------|-----------|------------------------------|--|
| Asking Price: | \$210,000 | Listing ID: | AFMD |
| Down Payment: | 20% | Company Type: | Multi-unit Pizza, and Specialties Restaurant |
| FF&E: | \$150,000 | Location: | 2 in Collin County |
| Inventory: | \$20,000 | 2019 Adjusted EBITDA: | \$84,305 |

Terms

With a down payment of \$75,000 and associated fees, third party financing is available to finance the remaining balance over 10 years for a buyer with a requisite background that is qualified by the bank (the owner is willing to carry back 10% of the purchase price if needed). It will require a monthly payment of approximately \$3,628. All notes will be personally guaranteed.

Legal Organization

Type of Corporation: Limited Partnership
Accounting Method: Cash

SIC Code: 722513
Year End: December

Top Things to Know About This Business

- **Business Model:** Dine-in/take-out Pizza and Specialties Restaurant Concept with 2 locations
- **Locations:** 2 Prime locations in McKinney
- **Turnkey Operations:** Company is structured with well-defined systems and processes
- **Low Overhead:** No office necessary with limited need for full time employees
- **Stable Revenues:** \$1.4 million in average gross revenue over the past 3 years
- **Opportunities Abound:** Potential for delivery, catering and increased beer and wine sales
- **Established Brand:** Strong reputation for quality food and service levels.
- **Limited Marketing:** 90% - 95% of business comes from referrals and walk-ins.
- **Track Record:** Established in 2008, the company has prospered and grown over the last 11 years
- **Training:** Seller will train free of charge for 30 days to ensure smooth transition.

Business Activity

The company operates a two location pizza and specialty restaurant concept, offering a wide selection of pizza, specialty pizzas, calzones, salads, sandwiches, desserts and beer & wine in an upbeat setting with music, TVs and rock posters lining the wall. The units are strongly positioned with two in McKinney, TX, each favorably located and/or alongside stable tenants with solid traffic patterns. The business is supported by a knowledgeable and experienced work force and a strong reputation for quality food and service levels. The units are well-equipped, maintained properly and have ample seating capacity to either dine-in or take-out orders. The business provides a new owner the opportunity to start with a strong foundation with a business generating stable cash flows, simple operating plan, ability to leverage two units and their locations, but, importantly, opportunity for upside driven by potential delivery service, increased catering efforts, new offerings and enhanced marketing and advertising plans to grow the business.

Possible Strengths

- 1) Strong reputation for quality food and service levels
- 2) Knowledgeable staff with relatively low turnover for restaurant industry
- 3) Stores located in prime locations
- 4) Upside potential

Possible Weaknesses

- 1) The business operates in a highly competitive industry.
- 2) The business may require further investment, either in new services, advertising and marketing plans or for information technology in order to drive revenues and profits significantly.

Marketing Strategy

The company's primary marketing strategy is by word of mouth and walk in service. In addition to some direct mail and couponing, the company maintains a website, from which customers can make orders. Focus on marketing and advertising is a key opportunity for a new owner.

History

The Company was started in 2008 by the current owner. The business has been in its present location for over 11 years.

Days and Hours: Monday – Sunday: 11:00am to 10:00pm.

Sales and Adjusted EBITDA

| Fiscal Year End | Revenue | Adjusted EBITDA | As a % of Sales |
|-----------------|-------------|-----------------|-----------------|
| 2019 | \$1,315,094 | \$84,305 | 6.41% |
| 2018 | \$1,415,055 | \$149,010 | 10.53% |
| 2017 | \$1,420,448 | \$154,363 | 10.87% |
| 2016 | \$1,452,184 | \$117,884 | 8.12% |

** All adjustments to EBITDA were provided by seller*

Employees

The Company has a total of about 30 part time employees beyond the owner and his oversight role. One employee has role of Director of Personnel in addition to shifts at one or more of the restaurant locations. This role focuses on scheduling for the two locations.

Assets and Liabilities

An asset list is available for the \$150,000 of furniture, fixtures and equipment. All cash and accounts receivable will be retained by the Seller. All debts on the company will be paid off by the Seller at closing. If there is any owner financing as determined by SBA underwriting, any such debt is to be personally guaranteed by the buyer.

Facilities

The business operates in two locations and pays a total of \$9,000 per month. The current lease expires on various dates into the future with 5-year renewable terms.

Support and Training

The Owner genuinely desires an effective business transition with seamless customer service through to the buyer. They will train a buyer for 30 days. An additional consulting contract can be obtained.

Reason for Selling

The owner is focusing on other opportunities.

CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

Multi-unit Pizza and Specialties Restaurant Sale Price & Down Payment: \$210,000

1. For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned ("The Recipient") enters into this Confidentiality Agreement with and for the benefit of The Vant Group ("the Broker").
2. The Broker has attached hereto or has provided or may subsequently provide to the Recipient in connection herewith certain technical, financial, and/or business information (collectively the "Information") regarding the Company (as above designated) to facilitate an evaluation by the Recipient whether to acquire the Company or stock or assets thereof. The Recipient acknowledges that the Information is highly confidential and proprietary to the Company.
3. The Recipient shall not at any time, without prior written consent of the Company, furnish, copy, reproduce or distribute, in whole or in part, directly or indirectly, the Information to anyone, except Recipient's financial advisors and investors, who may be furnished with the Information for the sole purpose of advising the Recipient as to the structure of any proposed purchase of the Company (or its stock or assets), and it will keep permanently confidential the Information and will use the Information only for the purpose set forth above. The Recipient shall be under no obligation to maintain as confidential any information which (a) Recipient can show by legally sufficient written evidence was in its possession prior to disclosure by the Broker and/or the Company; or (b) becomes generally available to the public in tangible form other than by acts or omissions of Recipient; or (c) is lawfully obtained from a third party. The Recipient shall not contact the Company to discuss the sale or purchase of the Company or the Information without prior written consent of the Broker.
4. The Recipient hereby indemnifies and holds harmless the Broker, and its agents, representatives, employees and attorneys, from and against any and all claims, liabilities, actions, causes of action and damages, arising from or relating to any injury or loss arising out of, from, or attributed to the transactions or matters subject hereof, or the actions, omissions, wrongful conduct or other breach of this Confidentiality Agreement by Recipient, which indemnification shall include, without limitation, reimbursement of attorney's fees and expenses incurred by the Broker in connection herewith.
5. The Recipient shall not enter into any agreement for the purchase of the Company or its stock or assets unless said agreement contains a provision wherein the parties thereto acknowledge that the Broker is the procuring cause of such agreement and the Broker is entitled to a broker's commission as agreed upon by the Company and the Broker.
6. While the Information is believed to be accurate, it is subject to change, error or withdrawal of offering, without notice. The Company and the Broker expressly disclaim any and all liability for representations or warranties, expressed or implied, contained in the Information, or, for omissions from it. The Company reserves the right to require the return of the Information at any time.
7. A facsimile transmission of this document is legal and binding.
8. The Recipient warrants that the undersigned is a duly authorized by the company to enter into binding legal contracts on its behalf.
9. This Agreement contains the entire agreement between the parties hereto with regard to the subject matter hereof. If one or more of the provisions contained herein shall be held to be invalid, illegal or unenforceable, the balance of this Agreement shall remain in full force and effect. This Agreement shall be binding upon the parties' heirs, successors and assigns, where permitted. This Agreement may not be assigned by the Recipient without the prior written consent of the Broker. No ambiguity herein shall be resolved presumptively against any party. This Agreement shall be construed in accordance with the laws of the State of Texas, and the obligations of the parties are performable in Dallas, County, State of Texas, where venue shall lie for any actions brought hereunder.

RECIPIENT:

| | |
|--------------|----------------|
| _____ | _____ |
| Company Name | Street |
| _____ | _____ |
| Signature | City State Zip |
| _____ | _____ |
| Print Name | Phone |
| Date: _____ | _____ |
| | Fax |