

**Deal Summary**

<b>Asking Price:</b>	\$2,000,000*	<b>Listing ID:</b>	AVGM
<b>Down Payment:</b>	\$200,000	<b>Company Type:</b>	Dance Production / Touring
<b>Adjusted EBITDA:</b>	\$569,000**	<b>Location:</b>	Tarrant County

\* Exclusive of any prepaid deposits including inventory

\*\* Average of 2018 – 2019 (2020 excluded due to Covid)

Adjusted EBITDA is defined as EBITDA + Owner’s Salary + One-time and Discretionary expenses

**Special Notes / Terms**

The price of \$2,000,000 is the based price for the business and the final price will be subjected to the deposits and prepayments at the time of closing.

Included within the purchase price are any payments the company has received for events that occur after the closing date minus any prepayments directly tied to those future events including but not limited to inventory, merchandise, or venue deposits. For example, if the company has received \$300,000 in customer deposits but has spent \$100,000 prepping for those events, the buyer will receive \$200,000.

This opportunity has been pre-approved by an SBA banker and is eligible for an SBA loan. For full approval, a buyer will need to meet the standards of both the SBA and the bank’s credit team.

The seller will retain all the cash and retire any long-term debt. Assuming a 10-year SBA banknote in the amount of \$1,800,000 (excludes any SBA and/or deal fees) and an interest rate of 6%; the monthly loan payments would be approximately \$20,000/month or \$240,000 annually. The SBA loan will be personally guaranteed by Buyer.

**Legal Organization**

<b>Type of Corporation:</b>	S Corporation	<b>NAICS Code:</b>	711300
<b>Year-End:</b>	December	<b>Accounting Method:</b>	Accrual

**Top Things to Know About This Business**

- **Business Model:** Organizes, promotes, and manages a national tour for competitive dance teams
- **Established Brand:** Excellent reputation for outstanding work
- **Longevity:** Established in 1997, the company has been an industry leader for 24+ years
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Workforce:** Excluding the owner, company has 2 full-time employees and 1 part-time employee
- **Turnkey Operations:** Company is guided by well-defined systems and processes
- **Training:** Seller will train free of charge for 30 days to ensure smooth transition.

### Business Activity

Established in 1997, for the past 24+ years, the company has become a nationwide leader in organizing, promoting, and managing youth dance competitions. The competition levels are local, regional, and national. The touring season is from January – July each year with a single event annually in the fall. This event is a convention / competition.

### Key Strengths

- Well established reputation
- Very experienced labor force
- Growing Industry

### Marketing Strategy

There are no outside salespeople and three inside salespeople. Sources of new business comes from:

- 50% - Word of Mouth / Referrals
- 50% - Advertisement

### Sales and Adjusted EBITDA

Fiscal Year End	Revenue	Adjusted EBITDA*	As a % of Sales
2021 (Normalized) <sup>1,2</sup>	\$2,155,000	\$630,000 <sup>2</sup>	29%
2020 <sup>3</sup>	\$826,000	\$16,000 <sup>2</sup>	2%
2019	\$1,200,000	\$2,300	0%
2018	\$1,769,000	\$607,000	34%

\* All adjustments to EBITDA were provided by seller

<sup>1</sup> The company is seasonal therefore a straight annualization of the item period would not be appropriate; therefore, we normalized the numbers based on historical performance. The season runs from January – July.

<sup>2</sup> Starting July 1<sup>st</sup>, the company starts to accept deposits for the following season. These deposits are recorded as revenue increase of a current liability. We tried to normalize this as well in our analysis. All deposits received minus any prepayments to venues and vendors will be included in the transaction.

<sup>3</sup> Due to COVID-19, the company couldn't produce a full season. Additionally, while most of the company's competitors did not issue refunds, the company fully refunded everyone who requested it and ownership feels the company will do even better post-Covid due to building up additional goodwill in the community for the refunds.

## History

The Company was started in 1997.

### **Days and Hours:**

Monday - Friday: 10:00 AM to 5:00 PM

Saturday - Sunday: Closed (Full days on weekends during the competition season).

## Employees

Excluding the owner, company has 2 full-time employees and 1 part-time employee. The key employees are the Tour Director, Registration Manager, and Administrative Assistant. The average tenure of these three employees is 12 years with longest employee being with the company for 17 years and the shortest employee being with the company for 6 years.

## Assets and Liabilities

Included within the purchase price is any payments the company has received for events that occur after the closing date minus any prepayments directly tied to those future events including but not limited to inventory, merchandise, or venue deposits. For example, if the company has received \$300,000 in customer deposits but has spent \$100,000 prepping for those events, the buyer will receive \$200,000.

## Facilities

The business occupies a 1,600 sq ft building and pays \$1,600 per month. The latest lease commenced on July 1, 2020, for a period of 2 years and is set to expire on June 30, 2022.

60% of the space is office and 40% is warehouse.

## 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 wishes to retire.

# CORPORATE/INVESTMENT GROUP CONFIDENTIALITY AGREEMENT

## Dance Production / Touring Company Sale Price & Down Payment: \$2,000,000

1. For good and valuable consideration, the receipt and sufficiency of which are acknowledged, the undersigned ("The Recipient") enters into this Confidentiality Agreement with The Vant Group, Inc., a Texas corporation ("the Broker") and for the benefit of the Broker's client (the "Company") that shall be identified by the information disclosed under this Confidentiality Agreement.
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, investors, tax advisors and attorneys, 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 Recipient 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