



CONFIDENTIAL BUSINESS REVIEW

Landscaping and Lawn Maintenance

PRICE: \$255,000

VR Business Brokers

HAS SOLD MORE BUSINESSES IN
THE WORLD THAN ANYONE.®

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**VR AND ITS AGENTS EXCLUSIVELY REPRESENT THE SELLER IN THIS
TRANSACTION**

Disclaimer

Buyer understands that all of the enclosed information is provided by the Seller, or other sources identified by Seller, and is not verified in any way by VR. VR has no knowledge of the accuracy of ANY information provided to Buyer and makes no representation, promise, or warranty, express or implied as to the accuracy or completeness of such information. Buyer shall be responsible to make an independent verification of said information prior to entering into an agreement to purchase any business. Buyer agrees to indemnify and hold VR and its agents harmless for any claims or damages which may occur by reason of the inaccuracy or incompleteness of any information provided to them with respect to any business they might purchase. It is understood and agreed that any and all information provided to Buyer regarding any business is to be considered confidential and proprietary, and that disclosure of any such information could result in damage to the business.

VR Business Brokers of Charlotte has based its presentation and analysis upon information, which includes but is not limited to the financial statements and a Seller's Disclosure Statement, supplied by the Seller, officers and/or representatives of the company. The Seller has reviewed this presentation and has authorized its dissemination to pre-screened potential Buyers. VR Business Brokers of Charlotte and its representatives did not make an attempt to independently verify these representations, and, therefore, does not make any expressed nor implied warranties as to the conclusions drawn.

During the due diligence process, it is the responsibility of the Buyer, with the aid of advisors, accountants and/or attorneys if necessary, to independently verify all representations which have been made by the Seller, particularly as they relate to the adjustments made to the profit and loss statements and any notes and assumptions upon which future projections were based. Readers of this report should understand that statements are not guarantees of value or results. Many factors will affect the company's actual financial results and cause them to vary materially from expectations. Factors that can affect the company's actual results include, among other things, future economic circumstances, industry conditions, company performance, availability and prices of materials, product pricing, the competitive environment, related market conditions, operating efficiencies, the Buyer's access to capital, actions of governments, regulatory factors and other risks. It is the responsibility of the Buyer to verify all representations and to make a final purchase decision based on their own independent investigation. Except where otherwise indicated, this Confidential Business Review speaks as of the date hereof. Neither the delivery of this Confidential Business Review nor the purchase of the Company shall, under any circumstances, create any implication that there has been no change in the affairs of the business since the date hereof. Neither the Company nor VR Business Brokers of Charlotte and its representatives undertake any compulsion to update any of the information discussed herein.



Purpose of the Report

This Confidential Business Review is being furnished by VR Business Brokers of Charlotte only to those pre-screened prospective parties that have made a specific request for information regarding this company with the intention of determining any interest in submitting an offer to acquire the Company and have subsequently executed a valid Confidentiality Agreement. This Confidential Business Review is intended to provide a prospective purchaser with pertinent preliminary information regarding this opportunity and discuss the factors that create value within the Company. This Confidential Business Review was prepared for the purpose of informing prospective purchasers and their advisors about the subject company and its history, strengths, weaknesses, and opportunities.

This document is only to be reviewed by those parties who have:

- Signed a VR Business Brokers Non-Disclosure and Confidentiality Agreement specific to the subject company. This document commits the reviewer personally to maintain the confidentiality of all data regarding the company.
- Provided/or will be providing information to VR Business Brokers on the prospective purchaser's competency and financial qualifications to undertake a transaction of the size and nature contemplated.
- Specifically requested information on the subject company for the specific purpose of forming a decision to propose a purchase of the subject company.



Confidentiality

This Confidential Business Review has been prepared by the Business and its owner(s) (collectively the “Seller”) and Providence Advisory Partners LLC, dba VR Business Brokers Charlotte (“VR”). By accepting this Confidential Business Review, you agree to keep all information contained within this document confidential, and you promise to abide by the terms and conditions below and in the Confidentiality Agreement you have already signed. VR makes no representation or warranty as to the accuracy or completeness of the information contained within this Confidential Business Profile or any other written or oral communication transmitted or made available to a prospective purchaser of the Business. By granting you limited access to the summary information contained in this Confidential Business Review, neither the Business nor VR have any obligation to provide you with access to any additional information. If you decide not to pursue an acquisition of the Business, please return this Confidential Business Review and any other information supplied in connection with this acquisition to VR. VR makes no representation or warranty as to the accuracy or completeness of the information contained within this Confidential Business Profile or any other written or oral communication transmitted or made available to a prospective purchaser of the Business. By granting you limited access to the summary information contained in this Confidential Business Review, neither the Business nor VR have any obligation to provide you with access to any additional information. If you decide not to pursue an acquisition of the Business, please return this Confidential Business Review and any other information supplied in connection with this acquisition to VR. Confidential Information includes, but is not limited to:

- The fact that the Business is for sale
- Any information about the Business or its operations, finances, management, trade secrets, and any other information that if released to other parties may cause injury or harm to the Business
- The fact that discussions or negotiations are taking place concerning a possible transaction involving the Business
- Any of the terms, conditions or other facts with respect to any such possible transaction, including the status thereof.

You are not allowed to contact, either directly or indirectly, any client, customer, supplier, competitor, employee or any third party affiliated with or employed by the Business to discuss the operations of the Business without written permission from Business or VR.

YOU ARE NOT ALLOWED TO EMAIL, SCAN, OR PHOTOCOPY THIS CONFIDENTIAL BUSINESS REVIEW WITHOUT PERMISSION FROM ADVISOR OR COMPANY.



At a Glance

YEAR FOUNDED	1999
PURCHASE PRICE AND TERMS	\$255,000 purchase price. Seller is open to considering seller financing of up to 10% for a qualified Buyer.
INVENTORY / FURNITURE, FIXTURES & EQUIPMENT	Inventory value is near \$0. FF&E included in sale includes two vehicles and misc. landscaping equipment and tools, as well as office desk and equipment.
TERMS	Seller is open to partial seller financing for qualified buyers.
SELLER'S MOTIVATIONS	Relocation
BUYER DEBT / LIENS ENCUMBRANCE ASSUMPTIONS	No Debt
NON COMPETE AGREEMENT	Seller agrees to not compete with the buyer for 3 years from close within a 50 mile radius
TRANSITION TIMELINE	Seller agrees to provide training and orderly turnover for 4 weeks at 30 hours per week following close of business, included in the purchase price, at no additional cost to the buyer
CONSULTING TIMELINE	Should the new owner wish to engage the Seller for technical or sales consulting after the sale, the parties will negotiate a mutually acceptable rate for such services.





BUSINESS OVERVIEW

❖ *Background*

Over more than 20 years, this owner has developed this business to enable him to work on it just 3-4 days weekly. Primarily using outsourced labor, the business provides lawn maintenance and other landscaping services to a focused area within Cabarrus County, North Carolina.

Business serves upscale home neighborhoods in a targeted area, keeping travel costs low, and leading to tremendous word-of-mouth referral growth. Very little marketing investment, as most business comes from referrals of existing customers.

Approximate breakdown of services:

- 70% Lawn maintenance and mowing
- 20% Landscaping
- 10% Irrigation systems





BUSINESS OVERVIEW

- ❖ *Competition*
- ❖ *Customers*
- ❖ *Sales & Marketing*

Competition

As an independent, the business has a price-advantage over franchise models that offer similar services. The reputation for quality work gives an advantage over smaller independent shops.

Customers

Homeowners who care about the looks of their homes and have a desire for attractive outdoor living options. Home values approximate \$400k-\$1.5mm. Lawn maintenance customers are mostly concentrated in a few key areas. Landscaping and hardscaping clients may be located around the Cabarrus County region.

Sales & Marketing

Owner does little to no marketing at this point. Word-of-mouth referrals has enabled the business to prosper. Additional growth could come to an owner who desires to invest in social media, direct mail, door knocking or other proven marketing options.





BUSINESS OVERVIEW

❖ *Customer Testimonials*

“The range of services that they provide is impressive, and unlike most other lawn and landscape companies, that allows us to work with one known quality provider and eliminate the time and annoyance of tracking down numerous providers. I highly recommend.”

--Board member of a client HOA, as well as a personal customer (Feb 2021)

“They have had our business for the past 10+ years...The team is always responsive, and work gets done in a timely and efficient manner.”

--Facility Services Manager for a commercial account (Feb 2021)





BUSINESS OVERVIEW

❖ *Expansion Opportunities*

There are several opportunities for growth for this business:

- Add new homeowners in the neighborhoods currently served. Market penetration currently ranges from just 10-30% in these neighborhoods. Additional marketing could expand the business to serve more clients with minimal travel.
- Expand services to additional upscale neighborhoods.
- Upsell to existing customers, providing other landscaping options.
- Add hardscaping services. This business formerly provided hardscaping installation, and it is a very profitable service line. Owner had made the choice a few years ago to refer that business out to others.





BUSINESS OVERVIEW

- ❖ *Hours of Operation*
- ❖ *Physical Location*

Hours of Operation

Typically, daylight hours Mon-Fri, with an occasional Saturday. More often, owner works in business Tue-Thu.

Physical Location

Owner currently stores vehicles and equipment at his home. New owner would need a small space, perhaps no more than a two-car garage, or about 2000sf, to store vehicles and miscellaneous equipment and tools.





BUSINESS OVERVIEW

- ❖ *Company Assets*
- ❖ *Licensing*
- ❖ *Staff*
- ❖ *Owner's Role*

Furniture, Fixtures & Equipment

Includes two trucks, mower, aerator and many misc. landscaping equipment and tools, as well as a computer, printer and office equipment.

Licensing

The only required license is a pest license for spraying herbicide.

Staff

Owner is the only W-2 employee. There is one other sub-contracted employee who works on special projects such as fertilizing, seeding, weed control, landscaping, irrigation, hardscaping and lighting. Mowing and general lawn maintenance is outsourced to other sub-contractor firms.

Owner's Role

Owner oversees the business operations, and manages quality assurance, and customer relationships. Owner will occasionally work hands on with sub-contracted employee on special landscaping projects.





TERMS

- ❖ *Price & Terms*
- ❖ *Training / Non Compete*

Price & Terms

The structure of the transaction will be an Asset Sale. The Asking Price assumes the Seller will retain all cash and satisfy all liens and encumbrances of the Business at, or prior to, closing. The Asking Price assumes the Seller will retain all Accounts Receivable and satisfy all Accounts Payable outstanding at the time of Closing. However, this could be negotiated if mutually agreed by buyer and seller. For qualified buyers, the owner will discuss taking a seller note on a small portion of the business, preferably no greater than 10%.

Training & Non-Compete

Seller will work with new owner to train and prepare new ownership for an agreeable period of time. Seller will agree not to compete for 3 years within a 50-mile radius.





FINANCIAL STATEMENT ANALYSIS

❖ Financial Summary

Calculation of Seller's Discretionary Earnings

	Owner To Prove		Owner To Prove		Owner To Prove	
	Tax Return		Tax Return		P&L	
	Note	2018	Note	2019	Note	2020
Gross Sales		\$ 719,551		\$ 848,508		\$ 655,259
Pretax net operating income		\$ 6,997		\$ (14,747)		\$ 129,968
Officer compensation		\$ 23,000		\$ 23,000		\$ 23,900
Officer Matching FICA Taxes (est 7.5%)		\$ 1,725		\$ 1,725		\$ 1,793
Interest expense		\$ 17		\$ 7,186		
Depreciation		\$ 43,200		\$ 85,446		
Amortization		\$ 1,589				
Other Income/Expense	1	\$ (10,170)				
Owner Discretionary Expenses	2	\$ 4,584	2	\$ 15,357	2	\$ 8,252
Rent Adjustment for New Owner	3	\$ (30,000)	3	\$ (30,000)	3	\$ (30,000)
Seller Discretionary Earnings		\$ 40,942		\$ 87,967		\$ 133,913

Notes

1. Gain from one-time sale of equipment
2. Owner's personal expenses put through the business.
3. Current owner stores equipment at personal residence. New owner would need a storage place, estimated cost of \$30k



Transaction Process / Next Steps

The information contained in this Confidential Business Review is intended to provide a prospective purchaser with sufficient information to make a preliminary determination with regard to potential interest in entering into a business purchase transaction. Although any purchaser will have the opportunity to conduct due diligence prior to completion of a transaction, we do not expect to provide additional information until after a purchaser has submitted either an Offer to Purchase (Offer), or a Letter of Intent (LOI) as more fully described below.

If you have no further interest

- Please inform us and proceed with the return of all information in accordance with the confidentiality agreement (NDA) that you have signed.

If you have further interest

- We ask you to submit a written Offer to Purchase Agreement or a Letter of Intent (LOI), containing the salient terms of your proposal, including, without limitation:
 - A preliminary value for the proposed transaction structure
 - Security to be offered for any seller notes (Note: A personal guarantee will be required for any seller notes proposed)
 - A suggested time line for closing on the transaction
 - A description of your sources and level of financing for the transaction
 - Confidential financial documentation that validates purchaser's capability to close this transaction



MORE INFORMATION



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