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 **ID#: TRA037-b**

***FOR SALE:* Commercial Cleaning in Hawaii with 5 Locations and 95% Recurring Clients**

*General manager at each location to oversee day-to-day operations!*

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| **Financial Overview** **List Price:** **$2,400,000****Gross Sales**

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| 2021 | 2020 |
| $2,808,467 | $2,489,135 |

**Cash Flow**

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| 2021 | 2020 |
| $639,282 | $610,556 |

* **Profit Margin**: 16%
* **Multiple**: 3.7

**Valuation**: Cash Flow x Multiple = Valuation $639,282 x 3.75 = $2,397,308 |  | **Funding Example** **Purchase Price**: **$2,400,000**

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| **10% Buyer Down Payment** | $240,000 |
| **20% Seller Financing or Equity** | $480,000 |
| **70% Bank Loan** | $1,680,000 |

*A 10% down payment of $240,000 returns $266,967 in the first year after debt payments!***Description** This commercial cleaning franchise has the market cornered! With five locations, one on each of Hawaii’s most populated islands, this business benefits from excellent name recognition, resulting in repeat clients and little need for advertising. These 27+ repeat commercial clients include some of the largest entities in Hawaii, such as industrial agricultural companies. They also have the exclusive license in Hawaii to clean one of America’s most popular drapery brands and are Green Seal certified. Their experienced general managers and technicians are self-sufficient, helping to generate over $2.8 million in sales in 2021! There is also an excellent opportunity to expand into the residential sector if desired. The current owners plan to stay on for a minimum of one year to assist the new owner through a profitable contract renewal happening early 2023. While many businesses suffered during the Covid-19 pandemic, this commercial cleaning business benefitted from the necessity for cleanliness- boasting an $800,000 increase in sales in 2020! This increase has been maintained through 2021, as companies have a greater appreciation for a clean workplace. Their Green Seal certification ensures the highest quality standards in cleaning practices, instilling a high level of trust between this cleaning business and their repeat clientele. Between this certification and their drapery cleaning license, they can provide exclusive services that cannot be found anywhere else in Hawaii. Any potential owner can feel comfortable knowing that the current owner will train for a minimum of one year to assist in learning the ropes of contract renewals and management on multiple islands. A new owner will have the flexibility to continue to run the business as is or expand as desired into the residential sector or to other Hawaiian islands. Priced at $2,400,000, this business will produce $266,967 after debt payments in the first year! |
| ***Assets Included in Purchase:* $200,000****Includes:** Cleaning Equipment (wet/dry vacuums, drying systems, HEPA filters, carpet cleaners, etc.), and company vehicles**Intangible Assets:** Exclusive drapery license and Green Seal certification*\*amounts may vary, assets may be depreciated, replacement cost, or fair market value* |  |
| ***Business Information*** **Year Establishe**d: 2005**Location**: Hawaii, five locations**Service Area**: Kauai, Oahu, Maui, and Molokai**Services**: Commercial janitorial services such as everyday office cleaning, deep cleaning, etc. based on individual contracts**Clients**: 27+ Commercial Clients, 95% recurring client base**Lease**: Kauai (1600 sq/ft office, 1500 sq/ft warehouse), Maui (1500 sq/ft shared office and warehouse), Oahu (240 sq/ft storage space), Molokai (container storage)**Reason for Selling**: Moving to Continental US**Personnel**: 43 employees, including janitorial techs and general managers for each location**Seller Training Period**: 1 year+**Growth Opportunities**: Expand into residential cleaning**Current Owners’ Responsibilities**: Current owner is involved in the business, handles contract renewals and oversees the general managers  |  |
|  ***- CONFIDENTIAL -*** Last Revised MG 5/9/22 |
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