













Business Overview

RE: 2 ½ Days per Week Vet Practice in Southwest Iowa

Specifications

 Price \$280,000	 Revenue \$291,480	 Cash Flow \$100,050
 Profit Margin 34%	 Multiplier 2.80	 Down Payment 10%
 Equipment \$147,072	 Lease \$1,200	 Valuation \$280,140
 Reason for Sale Retirement	 Service Area Montgomery County, Iowa	 Employees 1 FT Vet, 1 FT Tech, plus additional PT Staff



SUMMARY OF THE BUSINESS –

Turnkey operation with huge growth potential. The current DVM works only about 2 ½ days per week and is selling this fully staffed clinic in order to retire. Established in 1970 in Montgomery County, Iowa, this vet practice is fully furnished with all necessary furniture, fixtures, and equipment (this is a value of \$147,072) for day to day operations.

Occupying a 1,502 square foot facility, with 2 offices, 1 lab, and 1 operation room – a Buyer would only pay \$1,200/month in rent. This has been accounted for in the Cash Flow/Owner Profit amounts annually.

The facility is staffed with 1 FT Vet, 1 FT Tech, plus additional PT Staff. Seller will train and transition for up to 6 months post-close if Buyer desires.

A Buyer would receive a Net Operating Income (NOI) of \$55,477 in year one after all expenses and loan payments were made. This results in a 198% Return on the Buyer's initial investment of \$28,000.

Business Highlights

- **Year Established:** 1970
- **Location & Service Area:** Montgomery County, Iowa
- **Lease:** Only \$1,200/month for 1,520 sq./ft. including 2 offices, 1 lab, and 1 operation room
- **Reason for Selling:** Retirement
- **Employees:** 1 FT Vet, 1 FT Tech, plus additional PT Staff
- **Hours:** Clinic is open 7 days a week
- **Growth Opportunities:** Current DVM owner works on average 2 ½ days per week, expand to full time hours
- **Seller Training Period:** Seller will train and transition for up to 6 months - if Buyer desires

Financial Highlights

- **List Price:** \$280,000
- **Gross Sales**
 - 2015: \$291,480
 - 2014: \$309,360
 - 2013: \$307,793
 - 2012: \$309,538
- **Owner Profit/Cash Flow**

- 2015: \$100,050
- 2014: \$103,240
- 2013: \$133,024
- 2012: \$108,306
- **Profit Margin:** 34%
- **Multiple:** 2.8

Recasted Cash Flow Analysis

Description of Financial Statement	P&L Statement	Tax Return	Tax Return	Tax Return	Notes
	2015	2014	2013	2012	
GROSS SALES	\$291,480	\$309,360	\$307,793	\$309,538	
% Change Over Prev. Year	-5.78 %	0.51 %	0.00 %		
Net Income Shown on Financial Statement	\$76,424	\$65,923	\$108,844	\$77,048	
ADDBACKS					
Depreciation	\$0	\$22,590	\$0	\$3,543	Non Cash Item
Contributions/Donations	\$8,918	\$0	\$0	\$0	
Health Insurance	\$0	\$1,037	\$3,957	\$3,842	
Non-Business Telephone	\$1,200	\$1,200	\$1,200	\$1,200	\$100/month for personal cell phones
Meals & Entertainment	\$993	\$0	\$757	\$0	
Auto-Personal Use	\$6,456	\$7,696	\$7,043	\$7,488	
Contracted Labor	\$13,025	\$19,194	\$25,623	\$29,585	Labor pay to Vets when owner began traveling 40% of the time away from his office
Rent	\$-14,400	\$-14,400	\$-14,400	\$-14,400	New Owner's monthly rent will be \$1,200
Property Tax	\$7,434	\$0	\$0	\$0	Seller maintains Real Estate - non-onward going expense
TOTAL ADDBACKS	\$23,626	\$37,317	\$24,180	\$31,258	
Seller's Cash Flow = Total Addbacks + Net Income	\$100,050	\$103,240	\$133,024	\$108,306	
Profit Margin	34.32 %	33.37 %	43.22 %	34.99 %	

- Over 30% profit margin consistently
- Onward Going Rent to be \$1,200/month

Valuation Details

The Firm Business Brokerage used a Cash Flow Valuation methodology to determine the Purchase Price of the business. The formula used is as follows:

$$\text{Cash Flow} \times \text{Multiplier} = \text{Price}$$

"Cash flow" is the sum of net income plus any owner perks and non-onward going expenses.

"Multiplier" is a prescribed number between 1 and 5 determined by a 100-point, 20-question rating system used to determine the business valuation (average is 3).

The Cash Flow for 2015 is \$100,050. The prescribed multiplier is 2.8

With this information, the computation result follows:

$$\$100,050 \times 2.8 = \$280,140$$

The List Price for the business is set at \$280,000

To receive a full financial package and specific information regarding this business:

1. Complete the Qualified Buyer Documents (Non-Disclosure Agreement and Buyer Questionnaire) [on our website](#) or print, scan and return the attachments to info@TheFirmB2B.com
2. Call The Firm Business Brokerage at 402.998.5288 to schedule an appointment or conference call with a Broker.

The Firm currently has over 90 cash flowing businesses available. If you find that this is not a fit for you, please let us know and we would be happy to provide you with other opportunities.

The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Brokerage, LLC.