










Business Overview

RE: Passive Ownership in Sports Restaurant

Specifications

 Price \$565,000	 Revenue \$1,071,508	 Cash Flow \$268,739
 Profit Margin 25%	 Valuation \$752,469	 Lease \$6,600
 Reason for Sale Retirement	 Location Lincoln, NE	 Employees 26



SUMMARY OF THE BUSINESS –

Located in a higher income neighborhood in Lincoln, this family fun sports bar is a popular lunch spot and sporting event hangout. With sales consistently over \$900,000, the current owner averages a 25% profit margin. In operation for 12 years, the food and atmosphere of the bar has made it a local mainstay. Its proximity to schools and local businesses draws a strong lunch crowd who enjoy the “Mom and Pop” food specials on the menu.

The casual dining feel is blended with an Alpine ski lodge look, with pine booths and a large wood and stone awning around the bar. Beer drinkers are treated to 19 drafts on tap, and 50 kegs are always kept ready in the 40x10 walk-in cooler. Seating for 150 is spread between bar stools, booths and tables, and the 5,000-sq. ft. building feels even more spacious with the high, open ceilings.

The current owner averages 20 hours/week managing 26 employees and helping out where needed. There is a full-time manager in place who could easily handle these duties, but a part-time person would be needed to cover her days off.

Open 7 days a week, patrons have an extensive food and spirits menu to choose from, and are quick to utilize the 40x20 outdoor patio when the weather is nice.

A buyer paying 20% down (\$113,000) would net \$182,506 after debts the first year, representing a 161% return. As the only bar in the neighborhood, a new owner could easily increase profits by capitalizing on nearby sporting event traffic.

Business Highlights

- Years in Business: 12
- Location and Service Area: Lincoln
- Capacity: 150
- Lease: \$6,600/mo for 5,000 sq. ft. (includes CAM and a 40x20 outdoor patio)
- Employees: 26 – 1 FT Manager, 7 Cooks (3FT, 4PT), 11 bartenders/waiters (4FT, 7 PT)
- Hours: Mon – Sat 11am – 10pm, Sun 12pm – 9pm
- Reason for Selling: Retirement
- Growth Opportunities: Capitalize on nearby sporting event traffic
- Current Owner’s Responsibilities: 20 hrs/week managing employees and helping out where needed

Financial Highlights

- List Price: \$565,000 * ***Business valued at over \$750,000, but the price is reduced as the seller is anxious to retire!***
- 2016 Gross Sales: \$1,071,508

- 2016 Cash Flow: \$268,739
- YOY Growth: 14% increase in sales from 2014 to 2016
- Profit Margin: 25%
- Assets Included in Purchase: \$100,000
 - Equipment – pizza ovens, fryers, grills, walk-in coolers and freezers
 - 40x10 walk-in cooler used to hold 50 kegs to supply the 19 beers on tap
 - Intangible Assets – premium location near higher income households, high schools and businesses; years of reputation and community standing

Cash Flow Analysis

Description of Financial Statement	P&L Statement	P&L Statement	P&L Statement	Notes
	2016	2015	2014	
GROSS SALES	\$1,071,508	\$946,092	\$937,376	
Net Income Shown on Financial Statement	\$188,581	\$189,820	\$157,440	
ADDBACKS				
Compensation to Owner	\$65,000	\$47,500	\$50,000	
11% Tax on Owner's W2 Salary	\$7,150	\$5,225	\$5,500	
Auto-Personal Use	\$5,233	\$0	\$4,599	<i>Non-ongoing expense</i>
Non-Business Telephone	\$2,775	\$2,775	\$2,775	<i>Personal cell phones: \$232/mo</i>
TOTAL ADDBACKS	\$80,158	\$55,500	\$62,874	
Seller's Cash Flow = Total Addbacks + Net Income	\$268,739	\$245,320	\$220,314	
Profit Margin	25.07 %	25.93 %	23.50 %	

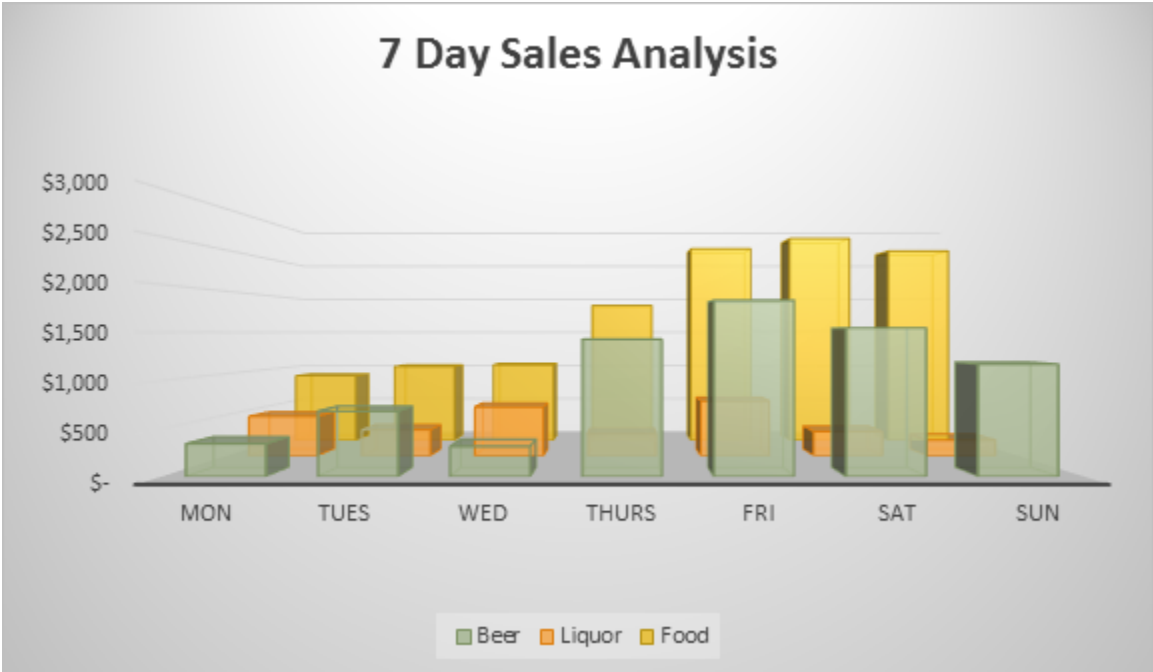
- 25% profit margin in 2016 with an 13% increase in gross sales from 2015 to 2016
- Consistent gross sales in excess of \$900,000 YOY

Special Features

- Each booth is outfitted with a TV, but there are still many big screen TV's throughout to the bar
- Keno is offered with 2016 Keno commissions totaling \$103,064
- Over \$7,000 in beer sales during one week, with Friday the biggest day
- Total sales from Friday to Sunday are over \$14,500



Weekly Sales Analysis



- Liquor and food sales comprise 61% of income on Friday, 63% on Saturday, and 66% on Sunday.
- Friday sees the largest beer sales of the week, while Saturday sees the biggest food sales

Menu

- Starters
 - Cheese fries, boneless wings, nachos, French fries, fried green beans, onion chips and more
- Salads
 - Grilled chicken, shrimp, taco, chef, southwestern, and side
- Burgers
 - Special burger, mushroom swiss, open-flame, patty melt, mini burgers
- Pizzas
 - 7" personal pizza, 14" large, supreme
- Sandwiches
 - Philly, prime rib, club, BLT and more

Daily dinner specials range from hot beef sandwiches with domestic beer to prime rib with 16oz shakers. On tap are 19 draft beers, and a regular stock of 50 kegs are kept in a walk-in cooler measuring 40x10.

Employees

26 employees including:

1 FT Manager – handles daily operations and management of employees when owner is not around
Currently the owner works 20 hours/week, with most of these hours worked during the FT manager's day off
A new owner could be an absentee-owner and hire a part-time manager to cover the current manager's duties on days off

7 cooks (3 FT, 4 PT)

11 bartenders/waiters (4 FT, 7 PT)

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 2016 is \$268,739, and the prescribed Multiplier is 2.8.

$$\$268,739 \times 2.8 = \$752,469$$

The List Price for the business is set at **\$565,000** to accommodate the seller's eager desire to retire within the next six months.

Funding Example

Purchase Price:	\$565,000
20% Buyer Down Payment:	\$113,000
30% Seller Financing:	\$169,500
50% Bank Loan:	\$282,500

Seller financing 5-year term at a rate of 4.5% equals a monthly loan payment of \$3,160.

Bank loan 7-year term at a rate of 5.25% equals a monthly loan payment of \$4,026.

After business expenses and annual loan payments of \$86,233, a buyer would retain a profit of \$182,506. A 20% down payment of \$113,000 results in a 161% return on investment during the first year!

A lender is required to have a minimum 1.5 coverage ratio for any business loans extended. At a proposed purchase price of \$565,000 with the terms outlined above, the coverage ratio is 3.12.

Please note that the decision to extend a loan on any sale belongs to the bank, and this document does not guarantee specific terms or verify that financing is available.

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.