



A Neumann & Associates, LLC
 Affiliated with Americas Largest Network of M&A Professionals

Business Profile

Engagement: 1492-2098

Company Information

Line of Business: Car & Truck Rental Agency w/Used Car Lot

Location: Northern New Jersey

In Business: 40+ Years – Stable Revenue & Growth Potential

Employees: 2 - Experienced Rental Management

Facilities: 2,500 SF Office Suite + 1/2 Acre Lot (highly visible)

Reason for Sale: Retirement

Company Assets:

• Net Working Capital	\$50,000
• Leasehold Improvements	\$0
• Office – Furniture & Computer	\$10,000
• Vehicles, Trailers, Forklifts	\$0
• Equipment & Tooling	\$0
• Other	\$0
Total Assets included in Sale	\$60,000

Sales and Cash Flow:

(All Information Based On P&L/Tax Returns)

<u>Fiscal Year End</u>	<u>Revenue</u>	<u>Seller Discretionary Cash Flow</u>
FYE 8/31/20	\$550,000	\$85,000
FYE 8/31/21	\$625,000	\$150,000
FYE 8/31/22 (e)	\$725,000	\$160,000
FYE 8/31/23 (e)	\$825,000	\$175,000



Executive Summary

This well-known **Car & Truck Rental Agency with Used Car Lot** has provided reliable temporary auto rental services to the Northern New Jersey community for over 40 years. The Company has experienced significant revenue growth and enjoys high operating margins with documented profitability. The seller's 2,500 SF leased facility and half-acre lot is in a prime location with very attractive/flexible lease terms.

The Company enjoys a **competitive advantage** by leveraging its nationally recognized brand names and highly visible location to provide its client base with exceptional customer service and fair pricing - stability and growth have been the result. This is a turnkey operation with experienced management and national agency agreements in place. It is projected that a new owner will obtain **compelling additional growth** by expanding the direct sales efforts (including used car sales) with a minimal personnel investment of \$50k to \$100k per year. The company projects an accelerated revenue growth rate under such premise of 25% to 35% per year.

The company has been **fully reviewed and conservatively appraised** by a well-known national valuation firm at 3.0x EBITDA (ttm). A full valuation report is included in the prospectus. There is zero debt to be assumed and the deal includes \$50k in net working capital (Inventory) plus \$10,000 in fixed assets. The business is pre-qualified by an SBA lender subject to buyer's financials, and by implementing the proposed deal structure an owner-operator will obtain close to **\$110k benefit in after-acquisition-debt cash flow** in Year #1.

A comfortable six-months **transition period** will be provided by an owner who truly wants to continue to see the business flourish. A very well trained and highly qualified team will stay in place and support the new owner in all aspects of the business.

(ALL DATA BASED ON SIGNED TAX RETURNS)

Deal Structure *(Proposed)*

Buyer Cash Down @ Closing	\$66,800
Buyer Bank Financing	\$200,400
Seller Financing @ 8% / 5 years	\$66,800
Long Term Debt Assumption	\$0
Total Purchase Price	<u>\$334,000</u>

Buyer Benefits

1) Stable Business for 40+ Years - Significant Revenue Growth Potential
2) National Agency Agreements and Highly Visible Location
3) Motivated Owner - Transition & Seller Note Offered - Management in Place
4) Acquisition Financing Approved for 80% of Deal - over 160% ROI in Year 1

A NEUMANN & ASSOCIATES, LLC

Postal Box 500 • Atlantic Highlands • New Jersey 07716

Phone (732) 872-6777

InvestorInquiry@NeumannAssociates.com • www.neumannassociates.com

NOTE: All data is based on signed tax returns and financial records. A Neumann & Associates has made no investigation or verification of the information presented herein. No additional information will be released until the Buyer has been fully reviewed and sufficient cash is available.