

DEAL PROS
THE COMPLETE SUPPORT ECOSYSTEM FOR DEALMAKERS

CONFIDENTIAL INFORMATION MEMORANDUM

All-Stars Cleaning & Janitorial Supplies

Price: US$1,950,000.00
plus Inventory
(estimated at $2,500,000)

Business Broker: Michael R Garsow
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This Confidential Information Memorandum is provided to Prospective Purchasers subject to the terms and conditions of the Disclaimers and Notices contained herein. This document has been prepared by the Marketing Department of DealPros. CONFIDENTIAL AND COMMERCIALLY SENSITIVE.


“
The secret to success is having the courage to embrace opportunity

WELCOME MESSAGE



Michael R Garsow
President

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Info@dealpros.co
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Certified Business Intermediary & Business Broker of Record

Mergers, Acquisitions, Divestitures and Business Brokerage

Hello!

My name is Michael R Garsow and I am the President of DealPros.

On behalf of the entire team at DealPros, I am pleased to present Prospective Buyers with a truly outstanding opportunity: the acquisition of "All-Stars Cleaning & Janitorial Supplies", situated at 4847 Sandy Glen Way, Wimauma, FL 33598, USA

We have prepared this Confidential Information Memorandum with the purpose of providing the reader with a good general understanding of what is on offer.

However, it is important to point out that the purpose of this document is not to provide the reader with absolutely everything that they must know. This will come in two additional stages: the first being the "Business Inspection", when the reader will have the opportunity to see the business and have an informal meeting with the owners to ask further questions.

Following this, if a "Conditional Offer" is forthcoming, the reader will be able to conduct a Due Diligence with the assistance of a qualified professional to review all relevant financial information.

In any event, we hope you will find this document both informative and comprehensive. After reading it, we invite you to contact us to discuss it further and schedule a Business Inspection.

Sincerely,

Michael R Garsow

President
DealPros

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GENERAL DISCLAIMER

The information presented in this Confidential Information Memorandum is highly sensitive and confidential and is for use only by those who have signed a Confidentiality Agreement for the purpose of considering the business described herein as an acquisition.

This Confidential Information Memorandum and the information presented shall be treated as secret and confidential and no part of it shall be disclosed to others, except as provided in the Confidentiality Agreement, nor shall it be reproduced, duplicated, or revealed, in whole or in part, or used in any other manner without prior written permission.

Should there be no interest in the business as an acquisition, the Confidential Information Memorandum and all information shall be promptly destroyed or returned to DealPros.

The statements and financial information related to the subject business set forth in this Confidential Information Memorandum are based solely on information supplied by the Seller(s) of the business to DealPros - and DealPros, its directors, officers, contractors and employees hold no belief as to the accuracy or otherwise of such information supplied.

The statements and financial information are passed on by DealPros via this Confidential Information Memorandum on behalf of the Seller(s) for whom DealPros acts solely as an agent.

Accordingly, DealPros, its directors, officers, contractors and employees do not and cannot warrant or guarantee the accuracy of such statements and financial information relating to the business, and they accept no responsibility in any way whatsoever in respect to any errors or omissions in respect to such statements and financial information howsoever caused. DealPros strongly recommends that prospective Buyers of the business seek their own independent legal, accounting, technical and financial advice and make their own enquiries and conduct their own due diligence of the business.

Each and every opinion or recommendation that DealPros has set forth in this profile is held by DealPros, its directors, officers, contractors and employees in good faith and on the basis the information supplied by the Seller(s) of this business is accurate at the time of writing this profile, and each and every opinion and recommendation set forth in this profile is held, made or stated on the following conditions:

1. **DealPros makes no invitations to any person to rely on any such opinion or recommendation;**

2. **DealPros accepts no responsibility should DealPros its directors, officers, contractors or employees become aware of any change to or accuracy in the information supplied by the Seller on which the opinion or recommendation is based;**

3. **DealPros shall not be under any liability for loss or damage howsoever occasioned as a result of any reliance by any person on any such opinion or recommendation, whether or not such loss or damage was due to any negligence, default, or lack of care by DealPros its directors, officers, contractors or employees.**

By accepting this Confidential Information Memorandum and proceeding with its reading and analysis, the recipient acknowledges being in agreement with all terms and conditions set forth in the General Disclaimer above.

FINANCIAL DISCLAIMER

The Financial Information container herein and in the document "Profit & Loss Analysis" has been reproduced using information provided to DealPros by the Seller(s). DealPros has not verified the accuracy of these records and therefore cannot and do not make any representation as to their accuracy. The Buyer(s) and/or their accountant/financial advisers should make their own enquiries.

In the event that a Buyer is told or otherwise led to believe by any parties that the takings in the business exceed those records lodged with the Internal Revenue Service, DealPros expressly dissociate ourselves with any such representation and would strongly suggest that the Purchaser and/or their accountant or financial advisers disregard any such representation and have regard only to the records disclosed to the Internal Revenue Service - subject to our previous warning that we cannot and do not vouch for them.

Add-Back Adjustments presented in this Confidential Information Memorandum are estimations only and are neither comprehensive nor complete - further investigation on these is necessary.

These numbers should serve as a guide only during the Enquiry Process and should not be used in the Due Diligence process - rather, the Financial Statements produced by their Accountants should, in conjunction with:

- **Company Tax Returns;**
- **Quarterly Statements;**
- **IRS Portals;**
- **Invoices and Receipts and;**
- **Any other supporting documentation that the Purchaser and/or their accountants or financial advisers deem appropriate and relevant.**

All financial figures and Information have been provided in good faith, and while it is our belief these are true & accurate, it is the responsibility of any Potential Purchaser to verify all information provided with the assistance of a qualified professional. The Agency strongly recommends all Potential Buyers take this course of action.

Important Note:

By accepting this Confidential Information Memorandum and proceeding with its reading and analysis, the recipient acknowledges being in agreement with all terms and conditions set forth in the Financial Disclaimer above.

1.3

NON-DISCLOSURE AGREEMENT

In consideration of the Seller providing to DealPros, this Confidential Information Memorandum containing financial and any other information relating to the business, ("Confidential Information") to the Recipient, the Recipient acknowledges the Confidentiality of the Information and the potential damage to the Vendor and the business of a breach of confidentiality and undertakes:

I. **To treat the Confidential Information as private and confidential**
II. **To use the Confidential Information solely for the purpose of evaluating the opportunity to purchase the business from the Seller, and for no other purpose**
III. **Not to use or allow the use of the Confidential Information to be used to gain any advantage over the Recipient or any other party**
IV. **Not to allow the use of the Confidential Information to disadvantage the Seller or the business**
V. **Not to disclose the Confidential Information other than to professional advisors, directors or employees of the Recipient who have agreed to be bound by this Confidentiality Agreement, and who undertake to maintain strict security over the Confidential Information, and where the Recipients acting on behalf of its client, the client also agrees to be bound by this Confidential Agreement**
VI. **To return all Confidential Agreement and related notes or copies thereof upon request by the Seller or DealPros**
VII. **Not to communicate directly or indirectly the Recipient's interest in the business offered by the Seller with customers, suppliers or employees of the business or the Seller**
VIII. **Not to disclose to any party (other than those mentioned above), that discussions have been held in relation to the Vendor, the business or the opportunity to purchase the business**

The Recipient makes this undertaking in favour of DealPros and the Seller, and both parties undertake to keep the Recipient's interests confidential.

In the event that the Recipient eventually purchases the said business, whether as an individual, company or partnership privately, through another agent or any other source, the Recipient undertakes to compensate DealPros for any damages and/or loss of commission.

The Confidential Information Memorandum and other information is provided by DealPros on the instructions of the Seller(s) of this business and has been prepared from information supplied by the Seller(s) and their Accountants. The Recipient acknowledges that this information is further provided on the basis that the contents are accurate and correct. However, DealPros and its management and officers disclaim any express or implied warranty thereto.

By accepting this Confidential Information Memorandum and proceeding with its reading and analysis, the recipient acknowledges being in agreement with all terms and conditions set forth in the Non-Disclosure Agreement above.

ACKNOWLEDGEMENT BY SELLER

I, Mr Joseph Smith, Owner and Vendor of "All-Stars Cleaning & Janitorial Supplies" located at 4847 Sandy Glen Way, Wimauma, FL 33598, USA, hereby state and declare that I have instructed DealPros to prepare this Confidential Information Memorandum.

Furthermore, I hereby confirm that all the information contained herein is true and accurate, at the time of the writing of this document, to the very best of my knowledge and has been provided to DealPros by myself in good faith.

Should any significant changes to the business and/or its operation and/or financials occur during the sale process, that may contradict or change any of the information contained herein, I commit myself to promptly advise DealPros in writing accordingly.

I would expect any Prospective Buyer to seek professional advice prior to making a decision in regards to the purchase of this business.

Signed & Dated:

Joseph Smith

01/08/2020

OUR AGENCY



DealPros
it's in our name. Whether you are buying or selling a business, we are invested in your success. As a registered brokerage firm, we are dedicated to guiding our clients through every step in the process of a successful business transaction.

Our professional certified brokers have the expertise to serve our clients in a wide variety of industries including lead brokers specializing in Internet Business sales.

We Help Entrepreneurs

- Our team is focused on integrity, providing our clients with a confidential buying and selling process.
- Our collective experience allows us to serve main street businesses as well as successfully navigate transactions in the middle market.
- We work with over 35 private equity groups and have many safe and secure channels to market our clients' listings.

"At DealPros Trust, Integrity and Results are Everything."



Michael R Garsow

Founder and CEO of DealPros.

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BUYER EDUCATION

The purchase of a business is one of the most daunting and complex endeavours that an investor can undertake.

It is a multi-faceted process that presents a number of challenges, even to the most experienced Buyer.

Unprepared or hasty decision-making can lead to capital loss. Therefore, it is imperative to have a support system set up to advise and guide you throughout the process. DealPros acts in a responsible fashion in order to assure the legitimacy of each purchase and the satisfaction of the Seller and Buyer alike.

Our Brokers have extensive industry knowledge and are not interested in leading Buyers towards any investment that they do not believe to be adequate.

As such, we always advise Purchasers to carefully consider their options and always act on the side of caution by taking the points below into careful consideration:



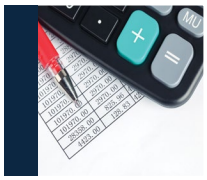
Research & Analysis

Buyers are urged to take their time and undertake careful research and analysis of different aspects of the business - not solely financial. Businesses tend to be multi-layered and layers tend to have their own set of particularities to be analyzed.



Skills & Expertise

Considering realistically one's set of skills and expertise is another crucial factor when reviewing the compatibility of a business - it is important to acknowledge one's limitations and to consider whether or not these can be detrimental to the running of the business and whether they can be overcome through training.



Financial Criteria

This is generally the primary factor that guides investment decisions. Purchasers must consider more than just numbers on a page, but also analyze trends and other external factors such as dependency on any single customer or supplier, among others.



Industry Sector

Buyers ought to take into consideration whether this Industry is one that has presented growth, decline or stability and whether this industry is at risk of any destabilising influence that may affect overall performance.



Additional Considerations

There are a myriad of additional factors that must be taken into consideration - including geographic location, the history of the business, competition, security of lease, reason for sale as well as whether the pricing is justifiable.

EXECUTIVE SUMMARY



Business Name:
All-Stars Cleaning & Janitorial Supplies

Location:
4847 Sandy Glen Way, Wimauma, FL 33598, USA

Industry:
Wholesale, Cleaning Products

History:
Established in 2000, only 2 owners including Seller

Lease:
Commenced Aug 1st 2011 for 3x5 year terms

Trading Hours:
Monday to Friday 8.00am to 5.00pm, No Weekends

Structure:
7 Full-Time Staff, 2 Part-Time, 2 Casuals and 1 Working Owner

Reason For Sale:
Seller wishes to retire

Income:
$6,555,732
Annual
(2020)

Gross Profit:
$1,737,752
Annual
(2020)

Net Profit (EBIT):
$641,331
Annual (2020)

SDE:
$833,425
Annual
(2020)

FF&E Value:
$188,300
approximate
Furniture, Fixtures & Equipment Value

Asking Price:
$1,950,000
plus Inventory

Inventory:
$2,500,000
approximate
Value

R.O.I. Rate:
42.74%
Return on Owner's Investment Rate

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KEY ACQUISITION HIGHLIGHTS

1 Robust Financial Performance

All-Stars Cleaning & Janitorial Supplies has had a steadily increasing financial performance - both in terms of revenue and SDE, while at the same time managing to maintain overheads and cost of goods sold stable.

2 Long & Stable Business History

Established in 2000, All-Stars can safely be deemed a well-established business. Moreover, it has only had two owners including the Seller, who has owned and operated the business for the last seventeen (17) years.

3 Recession-Proof Product Range

The product range, being Fast-Moving Consumer Goods (FMCG) for the Hygiene and Food & Beverage Industries are Essential Goods, being protected from major fluctuations in the economy to a very large extent.

4 Well-Developed Systems & Processes

Having operated for the last eighteen years, the business has developed and perfected systems and procedures to maximize outcomes and ensure efficiency positively influences profitability.

5 Exceptional Growth Opportunities

There are boundless opportunities for further development - both through diversification, expansion into new markets and segments as well as increasing growth in the core business by exploiting the strength of the brand portfolio.

6 Buoyant & Diverse Target Markets

The target markets for the business are limitless considering that any establishment - from a private residence to a large institution (Hospital, College etc) - would require Cleaning, Janitorial and Consumable products.

7 Low Concentration in Client Base

All-Stars Cleaning & Janitorial Supplies has a well-spread clientele and is not dependant on any single client, the largest of whom accounted for only 11% of the total sales in the last financial year.

8 Strong Brand Name & Market Reputation

As evidenced by its stellar online reviews and high rate of repeat business, All-Stars has grown to become a leading name in its market. The business is renowned for reliability as well as their subject expertise in the product range.

BUSINESS OVERVIEW

DealPros is pleased to introduce prospective Buyers to an outstanding acquisition opportunity:

All-Stars Cleaning & Janitorial Supplies

Situated at 4847 Sandy Glen Way, Wimauma FL, this business was established in July of 2000 and was taken over by the current owner in October of 2004.

The business' core activity is the supply of cleaning, janitorial and consumable goods for the Hygiene and Food & Beverage Industries.

Over its twenty-one-year history, the business has nurtured strong relationships with a number of distinctive suppliers whose products are regarded as being the very best in the industry.

As will be noted further ahead in this Confidential Information Memorandum, this has been a large part of what has driven the exceptional growth that the business has experienced.

Cleaning and Hygiene Consumable Products have broad appeal across a number of developed and emerging market segments - indeed, it can be stated that this appeal is universal given the fact that there is no entity that does not require them.

While operating in a mature and over-saturated industry, All-Stars considers that the business model it adopted following the current owner's takeover in 2004 has been the primary driving force behind the business growth.

All-Stars has a focus on consumer satisfaction through the provision of comprehensive solutions coupled with what has been described by the business' largest client as 'flawless and impeccable customer service'.

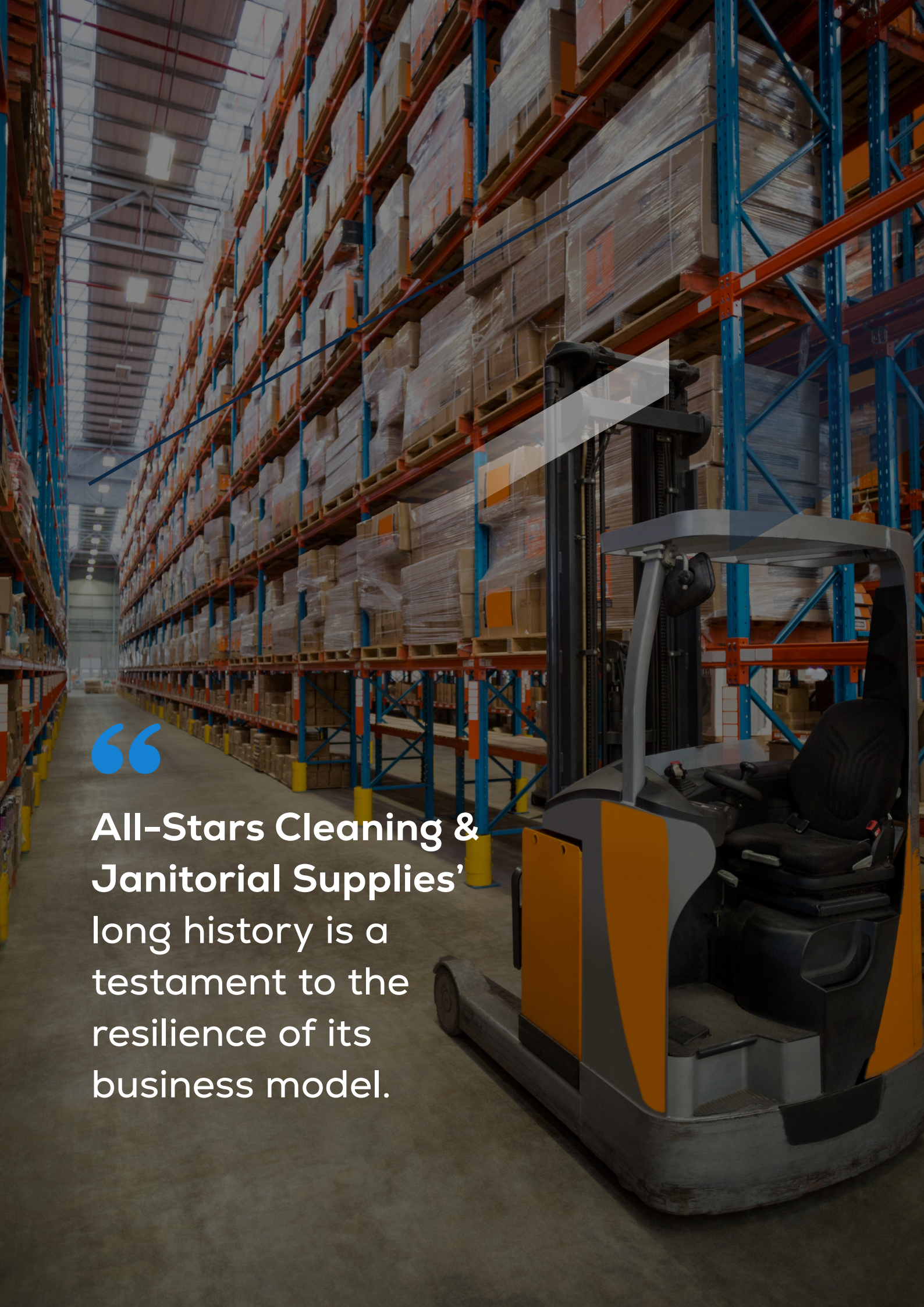
While the business has placed a great deal of emphasis in strategic relationships with the core target market (cleaning companies) the ownership chose to diversify its folio by expanding towards the Food & Beverage Industry as well as providing to large End-Users, who are reached through a Tender process.

In doing so, the business has broadened its client base massively, as will be explored in Section 3.5, and it has positioned itself for continued and sustained growth.

Furthermore, the owner believes that the business will continue growing in pace with the growth of the greater Tampa area.

All-Stars sees its role as educating the consumers as to the advantages of its product range and offering a service that meets its customers' needs.

With a well-built internal structure and effective operational systems and procedures in place, it is believed that the transfer of ownership ought to be simple and straight-forward.



All-Stars Cleaning & Janitorial Supplies' long history is a testament to the resilience of its business model.

BUSINESS HISTORY



All-Stars Cleaning & Janitorial Supplies was established in July 2000 by Mr Jim Kazakis - a cleaning industry professional who identified that most cleaning contractors were travelling to cities such as Spring Hill as there was no presence in and around Wimauma, even though a number of customers lived near the area. The business was originally set up in his residence but as it expanded, premises were rented in a commercial street.

Around mid-2004, Jim was approached by Mr Joseph Smith, an entrepreneur with a corporate background as a FMCG Executive who wanted to transition into small business ownership.

In October 2004, Joseph took over the business and expanded it greatly through aggressive marketing and via the acquisition of smaller local competitors.

As the business continued to grow from strength to strength, Joseph relocated the business to its current premises in January 2011 in order to support increased demand and to budget for future growth while taking into consideration the space required to support it.

"All-Stars Cleaning & Janitorial Supplies' long history is a testament to the resilience of its business model"

July 2000

All-Stars Cleaning & Janitorial Supplies is established by Mr Jim Kazakis after he identifies a need in the local area for such a business catering to cleaning contractors - first trading from home with no staff.

Sept 2003

As the business expands, thanks to Jim's contacts in the local industry, the business relocates to a commercial position on FL-674 in Wimauma, with the intent of building retail sales and to support inventory. Around this time, the business begins to employ staff members for deliveries.

Oct 2004

After being approached by Joseph Smith, an FMCG executive transitioning into small business ownership, All-Stars Cleaning & Janitorial Supplies is sold.

Nov 2006

Following aggressive marketing and a re-structuring of the operations, a focus is shifted from retail operations back to wholesale. Sales at this stage have essentially doubled since the take-over.



Present

Jan 2007

All-Stars acquires a small local competitor in Apollo Beach, absorbing all the clientele but none of the overheads. Simultaneously, it gains distributorship of Kimberly-Clark products and it opens a Paper Consumable range in its product portfolio .

Aug 2011

Following continued rapid growth, All-Stars relocated to larger premises at a cheaper rent at 4847 Sandy Glen Way, Wimauma. The business also acquires another small competitor in St. Petersburg and again, absorbs clientele only and no overheads. Around this time it gains distributorship of Polivac range of machinery.

May 2014

Mr Joseph Smith employs two Managers to assist him with the daily activities of the business. As he slowly approached retirement age and plans for a transition.

BUSINESS TIMELINE

PRODUCT RANGE

All-Stars Cleaning & Janitorial Supplies' sources products of the highest quality from trustworthy suppliers, simultaneously assuring they can be priced at competitive rates while still allowing for strong profit margins for the business.

	Product	Brand
	**Cleaning Chemicals** A full range of cleaning chemicals for all applications is available in 16 oz., 1.5 gallons and 4 gallons containers.	Alpine Chemicals Johnson-Diversey Research by Oates
	**Garbage Bags & Bin Liners** A variety of garbage bags and bin liners varying in size from 4.8 gallons to 63 gallons in Black, Clear and White.	Mel Maxpak
	**Toilet Paper Rolls** Toilet Paper Rolls, Jumbo Rolls and Interleaved Toilet Paper in multiple ply's and packaging.	Sunrise Tissues Mel Kimberley-Clark ABC Livi Tork
	**Paper Hand Towels** Hand Towel Rolls and Interleaved Hand Towels available in different sizes to fit different dispenses.	Sunrise Tissues Mel Kimberley-Clark ABC Tork
	**Cleaning Machinery** A range of new machinery from backpack vacuum cleaners for commercial/industrial use to large floor scrubbers.	PacVac Polivac
	**Spare Parts** A full range of parts available to suit different types of machines, especially vacuum cleaners,	CleanStar

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Buckets, Baskets & Bin

A full range of durable Cleaning Buckets, as well as cleaning baskets and bins

Brand includes:
Sabco, ED Oates, NAB-Clean



Cloths & Wipes

A full range of cleaning cloths and wipes in various fabrics, colour-coded for OH&S

Brand includes:
Sabco, ED Oates, NAB-Clean



Sponges & Scourers

A full range of sponges and scourers in various fabrics, color-coded for OH&S.

Brand includes:
Sabco, ED Oates, NAB-Clean



Brooms & Floor Brushes

A full range of brooms, floor brushes and floor scrubs for different applications and in varying sizes.

Brand includes:
Sabco, ED Oates, NAB-Clean



Cleaning Gloves

Gloves in different sizes and different fabrics (powder, vinyl or latex) for cleaning applications.

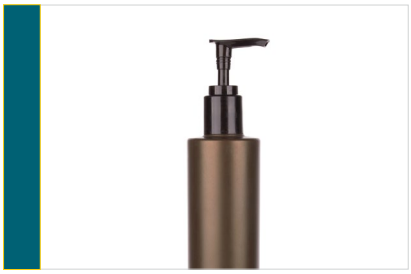
Brand includes:
MaxValu, Mel



Mops & Mop Heads

A full range of mops and handles for different applications, colour coded for OH&S.

Brand includes:
Mel, ED Oates



Washroom Dispensers

A variety of soap and hand towel dispenses in metal and stainless steel for different washrooms.

Brand includes:
NAB-Clean



Window Cleaning Gear

A full range of commercial window cleaning equipment in varying sizes.

Brand includes:
Sabco, ED Oates, NAB-Clean



Disposable Supplies

A limited range of disposable supplies for the Hospitality Industry.

Brand includes:
Tailored Packaging

CUSTOMER BASE

Initially, the target market for All-Stars Cleaning & Janitorial Supplies was limited to Cleaning Contractors who were located near the Wimauma region.

As the business expanded, so did its clientele and the owner, Mr Joseph Smith, sought to diversify the types of clients in addition to ensuring that no single client would hold too much of a prominent position in the sales share of the business.

The Three major target markets of the business are as follows:

1. Cleaning Contractors



Accounting for an estimated 60% of the total sales, this client segment is certainly the most important.

In terms of its purchase of Consumable Products (Paper Products, Soap and Bin Liners) they serve as re-sellers of the products.

This is a secure and steady stream of revenue as Cleaning Contractors need material - a number of items (for example, mops) can only be used so many times before needing to be disposed of.

The majority of Cleaning Contractors whom the business deals with are Commercial Cleaners, offering their services to Schools, Colleges, Individual Offices, Office Buildings, Hospitals and Medical Clinics.

The Sellers estimate the business has approximately 500 Cleaning Contractors who can be deemed as Regular Clients.



2. Food & Beverage

Accounting for an estimated 25% of the total sales, this client segment began to be explored by the owner around 2006.

This includes Pubs, Bars, Restaurants and Coffee Shops that purchase goods (primarily Consumable Products) on a regular basis.

The Sellers estimate the business has approximately 200 establishments who can be deemed as Regular Clients.

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3. End-Users

The third and final segment comprises around 15% of the total sales.

This client category encompasses end-users such as Councils, Offices or Schools who purchase their cleaning supplies privately - rather than through their Cleaning Contractors.

The larger clients are won by Tender - while smaller ones are open to standard marketing.

The Sellers estimates the business has approximately 20 End-Users who can be deemed as Regular Clients.



Client #1

Commercial Cleaners | 11% of total sales (2020)

This is the longest-standing client of the business - having traded with them since 2002 and having experienced extraordinary organic growth over this period, becoming one of the most prominent commercial cleaning companies in the State of Florida.

The relationship between both businesses is excellent and all area managers are familiar with Purchasing Procedures. They are also prompt payers.



Client #2

End-user: Technical College | 6.4% of total sales (2020)

This is one of the business' most recent clients as the Seller submitted a Tender for the supply in 2007 and won a 5 year supply contract (which is performance-based).

This Technical College has six different campuses in Florida and orders come in through the Purchasing Office once a month. They have, thus far, been prompt payers.



Client #3

Catering group | 4.5% of total sales (2020)

This Catering Group focuses on large events and on corporate catering and has been a loyal client of the business since 2011.

The relationship between both businesses is excellent and purchases flow in through the Purchasing Manager on a weekly basis. There is tremendous scope for growth here with a range of Disposable Supplies.

> *"The owner of the business has consciously made an effort to dilute the concentration and importance of any single client in order to minimise the risk component in the event of any issue such as bad debts and/or the loss of the client.*

SUPPLIER BASE

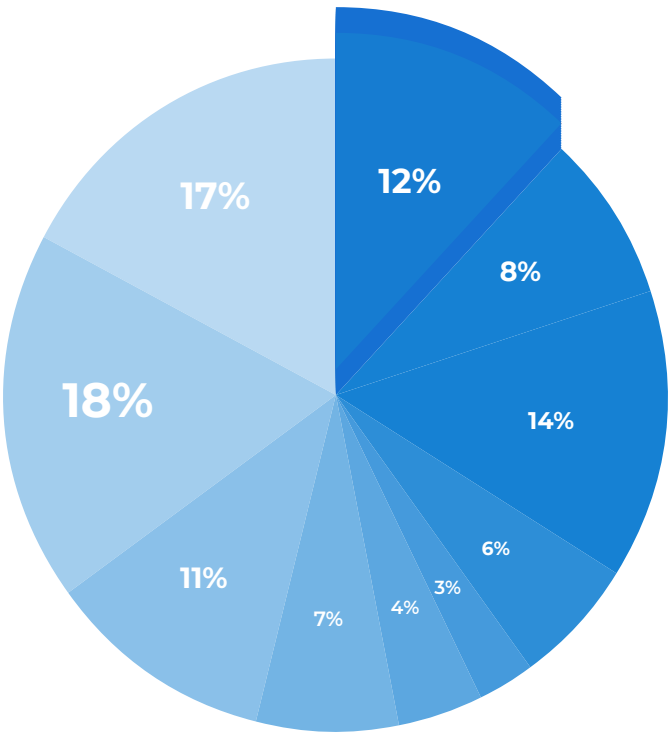
All-Stars Cleaning & Janitorial Supplies works with a wide range of Suppliers for its many products.

A number of clients award a high degree of importance to the brand - particularly in terms of Consumable Products (paper products) and Cleaning Chemicals, although a large section of clients are far more concerned with quality and product efficiency than they are with brand naming.

This created an advantageous situation for All-Stars as it pits competitors against each other and does not afford them leverage to price their goods at whatever level they deem appropriate.

Below is a breakdown of expenditure per supplier for the Financial Year 2017-18:

Supplier 1	12%
Supplier 2	8%
Supplier 3	14%
Supplier 4	6%
Supplier 5	3%
Supplier 6	4%
Supplier 7	7%
Supplier 8	11%
Supplier 9	18%
Supplier 10	17%



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SYSTEMS & PROCESSES

All-Stars has instituted a straight-forward process and has been able to educate most clients and suppliers accordingly.

Receiving Goods Warehousing

Week 1 of the Month

The process begins in the first week of the month when the business has all merchandise delivered to its warehouse. Orders from customers begin to flow in towards the end of this week.

Incoming Orders Pick & Pack

Week 1-2 of the Month

On the second week of the month, orders continue coming in and goods are separated and order contents are double-checked by two separate staff members - including the warehouse manager whose job it is to assure that mistakes do not occur.

Dispatch

Week 3-4 of the Month

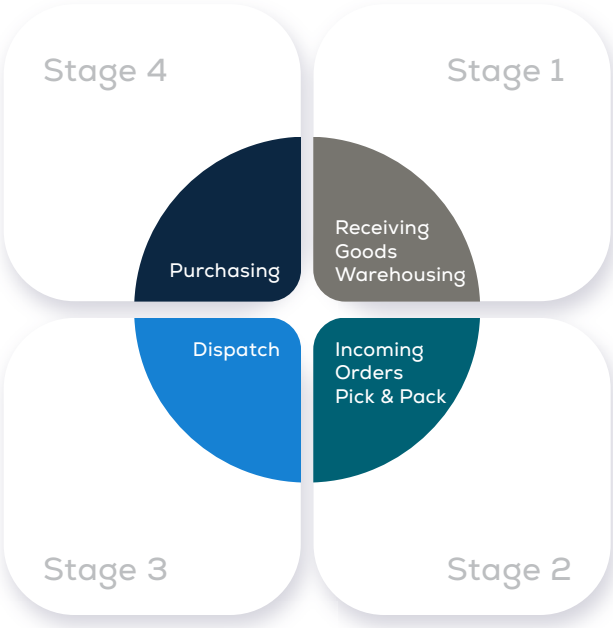
On the third and fourth week of the month, orders continue to flow in, though in a lesser intensity than in the first and second weeks of the month.
During this time, the focus is given to ensure deliveries are made in a timely fashion and meeting each clients' special instructions in regards to delivery.

Purchasing

Week 4 of the Month

During the fourth week of the month, as the monthly orders finish being dispatched, Purchasing begins by the Purchasing manager in consultation with both the warehousing and sales departments.

Simultaneous to all of these activities, the Accounts Payable and Receivable staff member follows up and freezes credit, if necessary, throughout the month to any client that may be overdue in payment.



STRATEGIC DIRECTION

All-Star's overall strategic direction is to spearhead the trend towards increased service efficiency and price-effectiveness with a product-driven offering centered on the customer

The strategic action plan to increase its market presence has been focused on the following three key areas:

- ### Exploiting the Strength of the Product Portfolio

All-Stars carries most of the industry's strongest brands. To achieve optimal leverage, the product range is being consolidated parallel to market and customer segmentation.

These brands represent expertise and quality in products for the Cleaning Servicing and Food & Beverage industries.

The high quality and brand power complement the service delivery method, aiming to solidify All-Star's position with its clients and increase growth in the core business.

- ### Expanding Into New Markets & Segments

Since the ownership transition in 2004, All-Stars has expanded into new markets and segments - both by geographical expansion, utilising its sales team and by exploiting market opportunities.

This has been exemplified when the business moved from its focus solely on cleaning contractors, towards the Food & Beverage Industry, which was at the time mostly being serviced by suppliers offering sub-standard products.

- ### Growth Through Acquisition

A large part of the business' historical growth has been due to an acquisition strategy. In 2007, it absorbed an Apollo Beach-based competitor and in 2011 it absorbed a St. Petersburg-based competitor.

The business has focused its acquisition strategy in three areas: (i) increasing geographical market presence, (ii) complementing the product range, and (iii) adding new markets in key areas.







BUSINESS OWNERSHIP



"The last seventeen years at the helm of All-Stars have been a blessing - they have given me the resources to comfortably retire, and the knowledge that I helped build something that will outlast me"

Mr Joseph Smith
Owner



Reason For Sale

After successfully running the business for the last fourteen years and transforming into the powerhouse it is today, Mr Joseph Smith now wishes to retire and enjoy some well-earned rest together with his grandchildren.



Owner's Profile

Mr Joseph Smith had a background in the corporate world, working with Fast-Moving Consumer Goods (FMCG) to pharmacies and supermarkets - with an academic background in Business Management, specialising in Supply Chain Management.



Owner's Role & Hours

The Owner's primary role is that of President - overseeing the work of the Sales Manager, the Warehousing Manager and the Accounts.

Moreover, the Owner presently undertakes all purchases and has some Human Resources duties.

His hours are 9.00am to 06.00pm from Monday to Friday.

INTERNAL STRUCTURE

President 1

Role: General Management
Purchasing & Human Resources
Status: Full-Time
Length of Service: 14 Years
Hours: Mon-Fri 9am-6pm
Gross Wages: $80,000 P.A.

Warehousing Manager 2

Role: Storage
Pick & Pack
Dispatch
Supervision of Drivers & Warehouse
Status: Full-Time
Length of Service: 7 Years
Hours: Mon-Fri 7am-3pm
Gross Wages: $65,000 P.A.

Accounts 4

Role: Invoicing
Payments
Wages & BAS
Status: Part-Time
Length of Service: 8 Years
Hours: Mon-Fri 9am-1pm
Gross Wages: $28,000 P.A.

Sales Manager 3

Role: Key Account Management
Supervision of Customer Service & Sales
Status: Full-Time
Length of Service: 4 Years
Hours: Mon-Fri 9am-5pm
Gross Wages: $70,000 P.A.

Warehousing Assistant 5

Role: Storage
Pick & Pack
Dispatch
Status: Full-Time
Length of Service: 6 Years
Hours: Mon-Fri 7am-3pm
Gross Wages: $48,000 P.A.

Warehousing Assistant 6

Role: Storage
Pick & Pack
Dispatch
Status: Full-Time
Length of Service: 6 Years
Hours: Mon-Fri 7am-3pm
Gross Wages: $48,000 P.A.

Driver 7

Role: Deliveries
Warehousing Duties
Status: Full-Time
Length of Service: 6 Years
Hours: Mon-Fri 9am-5pm
Gross Wages: $52,000 P.A.

Driver 8

Role: Deliveries
Warehousing Duties
Status: Full-Time
Length of Service: 14 Years
Hours: Mon-Fri 9am-5pm
Gross Wages: $52,000 P.A.

Customer Service 9

Role: Enquiries
Order Processing
Complaints Handling
Status: Full-Time
Length of Service: 2 Years
Hours: Mon-Fri 8am-4pm
Gross Wages: $55,000 P.A.

Sales Representative 10

Role: Key Account Management
New Sales
Complaints Handling
Status: Part-Time
Length of Service: 5 Years
Hours: Mon-Fri 9am-1pm
Gross Wages: $32,000 P.A.

Warehouse Assistant 11

Role: Warehousing Duties
Pick & Pack
Status: Casual
Length of Service: 2 Years
Hours: As Required
Gross Wages: $22 per hour

Storage & Warehousing Duties 12

Role: Pick & Pack
Status: Casual
Length of Service: 6 Months
Hours: As Required
Gross Wages: $22 per hour

STRATEGIC POSITION

The geographic positioning of the business in the Hillsborough County has awarded it a prominent position in the Industry as it quickly grew to dominate this segment of the market - while also positioning it for further growth as this area drives much of the growth seen in the Tampa Metropolitan region.



All-Stars Cleaning & Janitorial Supplies is situated at 4847 Sandy Glen Way, Wimauma, FL, 33598.

The business was originally established having in mind that cleaning contractors who resided around the Sun City were forced to travel to Spring Hill or Hudson for their Cleaning Supplies.

The business eventually transitioned to Shell Point Road in Ruskin where it was at a prime commercial location, though the Rent was quite high.

Under the new ownership, the business transitioned one final time as a commercial location was deemed not to be a priority as the sales focus were re-shifted towards Trade Customers, and the business efforts turned towards a Delivery Model, with little attention to Retail. Moreover, parking at Shell Point Road was difficult for clients, suppliers and staff members - while parking at the current location is plentiful.

While the business could potentially be relocated to another locality as far as Suppliers are concerned, a number of clients (an estimated 15%) still pick-up their goods rather than having them delivered.

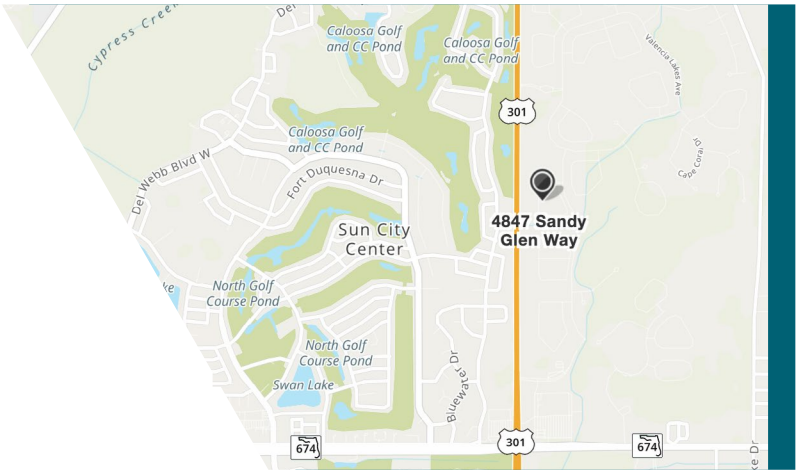
In addition, most staff members live around Wimauma. As such, a shift towards a farther area could prove to be problematic in this regard.

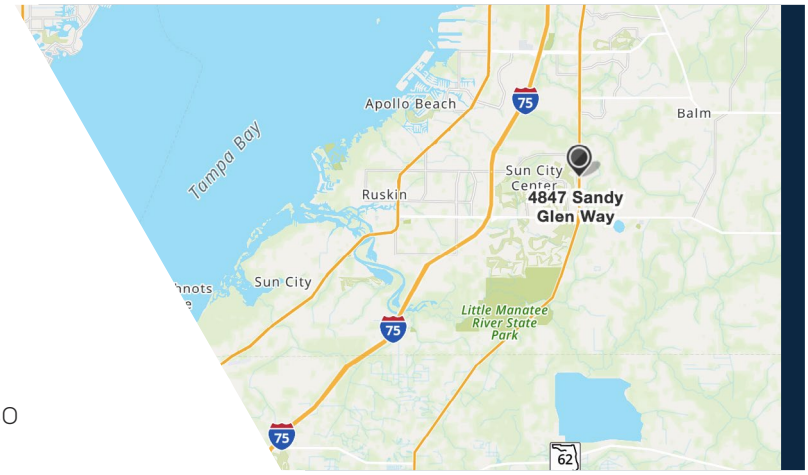
MAPS & DISTANCES

Sandy Glen Way is a purely industrial street, accessible from Coral Springs Boulevard and runs parallel to Route 301.

The following are the distances from Wimauma to other major locations with high concentration of clients:

- **Sun City Center**
  7 minutes (2 miles)
- **Willow**
  13 minutes (7 miles)
- **Balm**
  16 minutes (8.7 miles)
- **Gulf City**
  32 min (26.3 km) via M2
- **Parrish**
  43 min (44.6 km) via M1
- **Fort Lonesome**
  50 min (54.3 km) via M1
- **Lithia**
  1 h 3 min (75.1 km) via M1 & M3
- **Fish Hawk**
  17 min (14.6 km) via M80
- **Keysville**
  24 min (15.5 km) via State Route 40
- **Bloomingdale**
  12 min (7.7 km) via M2
- **Apollo Beach**
  1 h 6 min (80.9 km) via M1





COUNTY PROFILE

Hillsborough County is a county located in the west central portion of the US state of Florida. A 2019 estimate has the population of Hillsborough County at 1,471,968 people, which itself is greater than the populations of 12 states according to their 2019 population estimates. Its county seat and largest city is Tampa.

Economy:

The economy of Hillsborough County, FL employs 701k people. The largest industries in Hillsborough County, FL are Health Care & Social Assistance (93,014 people), Retail Trade (82,167 people), and Professional, Scientific, & Technical Services (63,236 people), and the highest paying industries are Utilities ($75,431), Management of Companies & Enterprises ($61,691), and Professional, Scientific, & Technical Services ($57,802).

Median Household Income

Households in Hillsborough County, FL have a median annual income of $58,480, which is less than the median annual income of $61,937 is in comparison to a median income of $54,731 in 2017, which represents a 6.85% annual growth across the entire United States. This is in comparison to a median income of $54,731 in 2017, which represents a 6.85% annual growth

Employment by Occupations

The most common job groups, by number of people living in Hillsborough County, FL, are Office & Administrative Support Occupations (92,555 people), Sales & Related Occupations (83,488 people), and Management Occupations (72,145 people).

Domestic Trade Growth

In 2020, total outbound Florida trade was $497B. This is expected to increase 43.6% to $714B by 2045.

Interstate Trade

In 2015, the top outbound Florida domestic partner for goods and services (by dollars) was Georgia with $19.5B, followed by Texas with $16.6B and California and $11.5B.

CONFIDENTIAL INFORMATION MEMORANDUM



Population

1,471,968 People

Housing

590,779
Housing Units

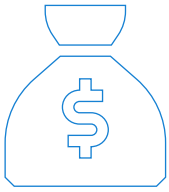
58.1%
Housing Unit Rate

Families

2.6
Persons per household



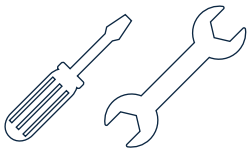
Income



$56,137
Median Household

$31,173
Per Capita

Employment

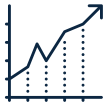


64%
In civilian labor force



124,188
Total Number of **Businesses**

Staffing



$30,391,827
Total Annual Payroll



601,133
Total Employment



32.7% Education
Bachelor's degree or higher

Education



88%
High School graduate or higher

Top 3 Industries

93,014 people
Health Care & Social Assistance

82,167 people
Retail Trade & Professional

62,236 people
Scientific & Technical Services



BUSINESS PREMISES

The business operates out of spacious and modern premises at 4847 Sandy Glen Way, Wimauma FL - zoned as Industrial 1.

The total land area is 11,775 sq ft approximately & the total building area is 9,461 sq ft approximately divided as follows:

- Showroom (Upstairs)
- Warehouse
- 5 x Offices
- 1 x Boardroom
- 1 Kitchenette
- 1 x Staff Room
- 3 x Loading Bays
- 20 x Car Spaces
- 2 x Male Toilets
- 2 x Female Toilets
- 1 x Reception



LEASE AGREEMENT

Parties

The Lease Agreement commenced on 1 November 2016 between LG Nominees LCC (Landlord) and Gold Lion Inc. (Tenant).

Rental

The Rent, after the renewal in 2016 was fixed at the following rates:
Year 1: $152,800 plus GST P.A.
Year 2: $154,912 plus GST P.A.
Year 3: $157,108.48 plus GST P.A.
Year 4: $159,392.82 plus GST P.A.
Year 5: $161,768.53 plus GST P.A.

Terms

The present Lease Agreement commenced on 1 August 2011 for an initial term of Five (5) Years with Two (2) Renewal option of Five (5) Year each. The Lease was renewed on 15 March 2016 with One (1) additional renewal option to be exercised by 15 March 2021.

Miscellaneous

The landlord has stated there are no alteration/demolition works, or other matters planned or known to the landlord during the renewal of lease that would affect the Tenant's business.

5.1

FF&E SCHEDULE

All-Stars Cleaning & Janitorial Supplies will be sold with all Furniture, Fixtures and Equipment used in the business – except for any private property of the Sellers that may be registered under the business as follows:

- BMW Black Sportivo ABC-123
- Owner's iPhone 8X
- Owner's Laptop Computer

On the day of Settlement, all equipment will be transferred to the Buyer free of any debt and in good working order and condition (subject to fair wear and tear).

A list of equipment can be found in the next page containing all major items included.

The estimated total value of the equipment is $188,300 – and this value is inclusive in the Asking Price of the Business.



LIST OF ASSETS

Item	Notes	Estimated Value
Isuzu Truck 2009	50,000 miles	$78,000
Hyundai 2 Tonne Van 2012	67,000 miles	$35,000
Holden Barina 2007	155,000 miles	$5,000
Nissan Pulsar 2012	78,000 miles	$12,000
Forklift Gas	--	$10,000
Director Computer System	--	$2,000
Warehouse Manager Computer System	--	$2,000
Sales Manager Computer System		$2,000
Sales Representative Laptop	Surface Pro	$1,500
Accounts Dept Computer System	--	$2,000
Xero Accounting Software	--	N/A
Office Furniture	--	$1,000
Banner, Signage and Others for Trade Fairs	--	$2,000
Shelves & Baskets at Showroom	--	$8,000
Pallet Racks	--	$20,000
Reception		$500
POS System		$500
Outside Signage		$1,500
Television	--	$300
FujiXerox Printer	--	$5,000

5.2

INTELLECTUAL PROPERTY

All-Stars Cleaning & Janitorial Supplies will be sold with all intellectual property associated with the business.

This includes the business name, websites and any associated domains it has secured.

These will be transferred to the Buyer on the day of Settlement.

Moreover, as part of this deal, the Sellers will provide a total of 4 weeks of training, at no cost, during which they must introduce the Buyers to customers, suppliers, employees of the Business and provide details of all contracts utilized by the business and provide all intellectual property relating to the conduct, methodology and trade secrets of the business.



LICENSES & PERMITS

One of the many positive features of this business is that it does not necessarily require the Purchaser to have previous experience in the industry as the learning curve is relatively short.

The Sellers have informed us that the Buyer does not need any special qualification, permit or license to operate the business, except for the following which would be beneficial but, according to the Seller, not essential at this time:

- Forklift Driving License
- Heavy Vehicle Driving License

Having said that, it is imperative that the Purchaser conducts his/her own investigation in this regard, with the assistance of a qualified professional.

The Buyer does not need to have any specific skill other than that related to the following areas – which would be beneficial but not essential:

- **Management**
- **Customer Service**
- **Sales & Marketing**



The Buyer does not need any specific qualification,but should undertake a course on:

- **Workplace Health & Safety**

The Buyer does not need to have experience in the cleaning supplier industry as the Seller will provide full training on the job.



All-Stars Cleaning & Janitorial Supplies' occupies a commanding industry position and is well-placed for further growth

FINANCIAL SUMMARY

The Financial Performance of a business is one of the strongest factors that drive decision-making.

While All-Stars Cleaning & Janitorial Supplies' financial performance is excellent, as the reader will see in the next few pages, we kindly remind the reader that this should not be the only factor at play.

Having said that, we have compiled the information from the business' Profit & Loss Statements for the last three financial years.

A copy of the full Financial Statements, including Balance Sheets and Depreciation Schedules are enclosed to this profile on Appendix #1.

In addition, as part of the Due Diligence process - should the reader choose to proceed - the reader will be provided with copies of the business' Quarterly Statements, Company Tax Returns, IRS Portals, Receipts/Invoices, Management Accounts from its Xero Accounting Software and any other information that the reader and/or his financial advisers deem relevant.

2020

Income $6,555,732	Gross Profit $1,737,752	SDE $833,425
Cost of Goods Sold $4,817,980	Gross Margin 26.51%	SDE Margin 12.71%
Expenses $1,096,421	Net Profit $641,331	R.O.I. Rate 42.74%

Asking Price
plus $2.5M Inventory

$1,950,000

TRADING STATEMENT

	F.Y. 2020	F.Y. 2019	F.Y. 2018
Income			
Total Sales	$6,555,732	$6,031,273	$5,688,991
TOTAL INCOME	**$6,555,732**	**$6,031,273**	**$5,688,991**
Cost of Goods Sold			
Opening Inventory	$2,366,402	$2,210,122	$2,065,556
Purchases	$4,901,700	$4,454,663	$4,180,551
Closing Inventory	$2,450,122	$2,366,402	$2,210,122
TOTAL COST OF GOODS SOLD	**$4,817,980**	**$4,298,383**	**$4,035,985**
Gross Profit	$1,737,752	$1,732,890	$1,653,006
Gross Margin	26.51%	28.73%	29.06%

CONFIDENTIAL INFORMATION MEMORANDUM

PROFIT & LOSS STATEMENT

	F.Y. 2020	F.Y. 2019	F.Y. 2018
Operating Expenses			
Salaries & Wages Expenses			
Directors Wages	$80,000	$80,000	$80,000
Salaries - Permanent Staff	$451,000	$451,000	$462,000
Salaries - Casual Staff	$8,008	$15,977	$6,977
Freight Charges	$49,855	$69,855	$22,855
Benefits - Staff	$42,845	$42,845	$43,890
Benefits - Director	$7,600	$7,600	$7,600
Long Service Leave - Admin	$7,600	$12,775	$0
Car Allowance	$12,000	$8,000	$8,000
Work cover	$7,744	$7,744	$7,744
TOTAL WAGES EXPENSES	**$666,652**	**$695,796**	**$639,066**
Rent & Utilities Expenses			
Rent	$154,912	$152,800	$152,800
Rates & Taxes	$23,550	$22,726	$21,930
Electricity	$12,096	$11,673	$17,665
Water	$6,775	$7,665	$7,397
Gas	$451	$435	$556
Cleaning	$1,988	$2,899	$2,798
Contents Insurance	$4,500	$4,343	$6,770
Rubbish Removal	$2,000	$3,500	$3,378
Security	$1,400	$1,870	$1,805
TOTAL RENT & UTILITIES EXPENSES	**$207,672**	**$207,910**	**$215,098**

PROFIT & LOSS STATEMENT

	F.Y. 2020	F.Y. 2019	F.Y. 2018
Administrative Expenses			
Registration Fees	$350	$350	$350
Computer Expenses	$899	$1,744	$2,000
E-mail & Internet	$2,330	$1,000	$309
Accountancy	$7,500	$8,000	$8,000
Legal Fees	$7,500	$0	$0
Printing & Stationery	$12,771	$22,177	$10,996
Depreciation	$48,907	$77,542	$66,144
Interest Paid	$38,887	$28,886	$22,764
Other Insurance	$10,775	$10,775	$10,775
TOTAL ADMINISTRATIVE EXPENSES	$129,919	$150,474	$121,338
Operational Expenses			
Packaging Supplies	$1,887	$1,821	$1,757
Petrol	$15,002	$14,477	$17,554
Motor Vehicle Insurances	$14,667	$14,154	$16,778
Motor Vehicle Repairs & Reg	$10,888	$10,507	$10,139
Telephone Expenses	$19,726	$17,088	$27,886
Uniforms	$288	$288	$576
Advertising	$12,334	$11,902	$17,665
Sponsorship	$4,500	$4,500	$4,500
Travel & Conference	$12,886	$12,435	$12,000
TOTAL OPERATIONAL EXPENSES	$92,178	$87,172	$108,855
TOTAL EXPENSES	$1,096,421	$1,141,352	$1,084,357
NET PROFIT (E.B.I.T.) EARNINGS BEFORE INCOME TAX	$641,331	$591,538	$568,649
NET MARGIN	9.78%	9.81%	10.00%

CONFIDENTIAL INFORMATION MEMORANDUM

NORMALIZATIONS EXPLAINED

This part of the Confidential Information Memorandum may require some clarification as a number of readers are not familiar with the concept of Adjustments – also referred to as "Normalizations" or more popularly, as "Add-Backs".

In a nutshell, an "add-back" is an expense from the Profit & Loss Statement that is added back into the Net Profit of the business to present the Buyer a more accurate picture of what the business is truly generating to a single working owner.



The "Net Profit" figure is relevant for Accounting and Taxation purposes - this is the figure the IRS (Internal Revenue Service) is interested in. However, it does not present a full picture of the business for a Potential Buyer.

What Business Brokers aim to do, is to present the Buyer with an accurate picture of what the business is truly producing while how that is being distributed is a separate matter.

For this purpose, a number of expenses are reverted back into the Net Profit, leading to the final figure of SDE (Sellers' Discretionary Earnings) which is what is truly relevant to the Buyer and what he/she must take into account when assessing the business.

This figure of S.D.E. is more commonly referred to as "Adjusted Net Profit". The main types of add-backs are laid out below and on the next page

NORMALIZATIONS EXPLAINED

1 Abstract Accounting Expenses

This generally refers to Depreciation and Amortization - expenses that show up on the Profit & Loss Statement but never really occurred. For example, the P&L might show an expense of $10,000 in Depreciation, and while completely valid from an accounting perspective, at no point the business owner wrote a cheque for $10,000 to anyone.

2 Interest Expenses

If a business owner takes out a loan, or incurs interest over late payments, those expenses are reverted back into the Net Profit. The rationale behind is that this was his/her decision - if he/she does not have capital invested into the business to avoid these charges, that is his/her prerogative, not the business'.

3 Vendor's Personal Expenses

Business Owners frequently throw into the business personal expenses of theirs (or their family members) - be it purchases, phone charges, motor vehicle expenses, subscriptions, donations, personal accounting charges, etc. The rationale behind reverting these back into the Net Profit is that the business does not need them in order to exist/operate.

4 Remuneration to Vendor

Another expense that is added back into the Net Profit are payments that the owner makes to himself (or his/her spouse) in the form of Wages, Director's Fees or Superannuation. The rationale behind is that the business is producing this money, he/she is simply distributing it to him/herself in the form of remuneration, rather than the dividends.

5 Excessive / Unnecessary Expenses

Occasionally Business Owners have both unnecessary expenses or excessive expenses - that is his/her prerogative, not the business'. The rationale behind it is that a new owner does not need to continue paying more than necessary for a certain item in order for the business to maintain its operations at the current pace.

6 Income Reversal

This is, in many ways, the opposite of an add-back. This refers to income that is removed from the profit in order to provide a clearer picture. This usually refers to interest received, insurance recoveries, profit on sale of assets, etc.

ADD-BACK ADJUSTMENTS

	F.Y. 2020	F.Y. 2019	F.Y. 2018
Net Earnings (EBIT) Earnings Before Income Tax	$641,331	$591,538	$568,649
Net Margin	9.78%	9.81%	10.00%
Depreciation	$48,907	$77,542	$66,144
Interest Paid	$38,887	$28,886	$22,764
Legal Fees	$7,500	$0	$0
Remuneration to Owner	$80,000	$80,000	$80,000
Benefits to Owner	$7,600	$7,600	$7,600
Motor Vehicle Expenses (Owner)	$5,200	$5,200	$5,200
Telephone Expenses (Owner)	$4,000	$4,000	$4,000
TOTAL ADJUSTMENTS	**$192,094**	**$203,228**	**$185,708**
ADJUSTED NET PROFIT (SDE) (SELLER'S DISCRETIONAL EARNINGS)	**$833,425**	**$794,766**	**$754,357**
SDE MARGIN	**12.71%**	**13.18%**	**13.26%**
TOTAL INCOME - 3 YEAR PERIOD	$18,275,996		
AVERAGE INCOME - 3 YEAR PERIOD	$6,091,998		
TOTAL SDE - 3 YEAR PERIOD	$2,382,548		
AVERAGE SDE - 3 YEAR PERIOD	$794,182		
ASKING PRICE:	$1,950,000 plus S.A.V. (Stock at Value)		
INVENTORY	$2,500,000 (estimated)		

6.6

FINANCIAL ANALYSIS

Conclusion 1

Sales for the business have been growing at a steady rate for the last three financial years.

They grew 6.01% from 2017-2018 to 2018-2019 and a further 8.69% from 2016-17 to 2019-2020. Overall, the increase was 15.23%.

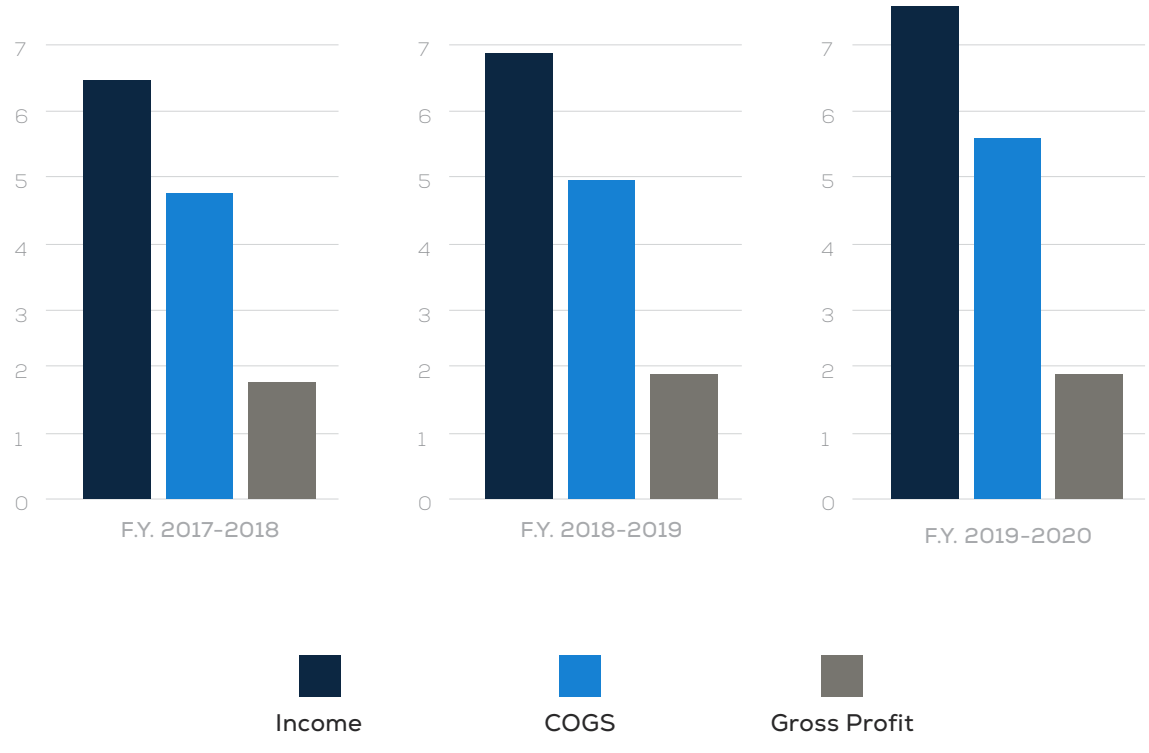
The Seller has explained this increase due to the new focus in trying to win over end-user clients through Tenders, as well as organic growth over the last three years.

The Cost of Goods Sold also appears to have increased over the same period: It grew 6.5% from 2017-2018 to 2018-2019 and a further 12% from 2018-2019 to 2019-2020. Overall, the increase was 19.37%.

The Seller has stated the reasons are two-fold: (i) an increase in costs that have not been met by an increase in pricing and (ii) the Seller has purchased stock that is not turning over fast enough.

In turn, the Gross Profitability increased at an overall rate of 5.1% and the Gross Margin dropped as a % from 29.06 to 26.51% - though Net Profitability increased as will be demonstrated ahead.

Trading Statement Trends in US$ Millions



CONFIDENTIAL INFORMATION MEMORANDUM

FINANCIAL ANALYSIS

Conclusion 2

While sales have grown exponentially over the same period, All-Stars has managed to maintain its overheads essentially at the same level - with very minimal fluctuations.

When analysing the four expenditure categories separately, we see that:

Wage Expenses increased 8.8% from 2017-2018 to 2018-2019 and then decreased approximately 4% from 2018-2019 to 2019-2020. Overall, the increase was only 4%.

The Seller has explained that as the processes have become more efficient, there has been less need for overtime payments.

Rent and Utilities have decreased overall during the three year period - the Seller attributes this to being able to source better deals for its utility usage and for contracted services.

Administrative Costs have increased by 7% over this period - with a sharp increase between 2017-2018 and 2018-2019 of 24% followed by a drop of around 8% the year after.

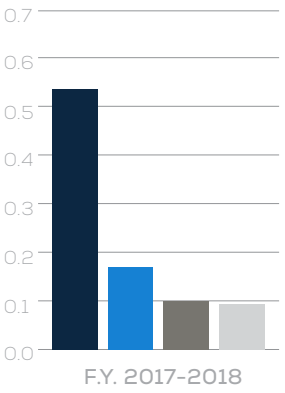
The Seller attributes these fluctuations particularly to a large expenditure in printing (purchases for office) mostly.

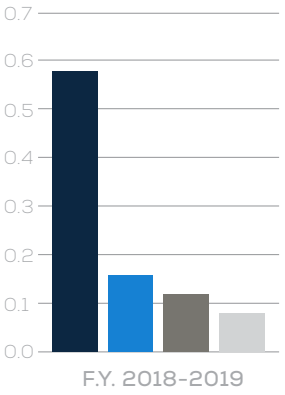
Finally - Operational Expenses dropped over this period by 18%. This is attributed to the owner sourcing better packages for phones, as well as for Motor Vehicle expenses.

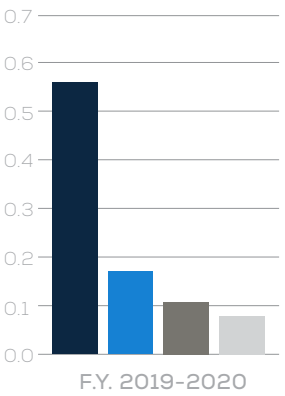
When analysing the whole - expenses have indeed remained quite steady:

2017-2018: $1,084,357
2018-2019: $1,141,352
2019-2020: $1,096,421

Expenditure Trends in US$ Millions







Wage Expenses

Rent & Utilities

Administrative Cost

Operational Cost

FINANCIAL ANALYSIS

Conclusion 3

The Final Conclusion we may draw is that the business is clearly displaying an upward trend in its profitability.

The S.D.E., or Adjusted Net Profit, increased by around 10% over this period.

This corroborates what this profile aimed to apprise the reader:

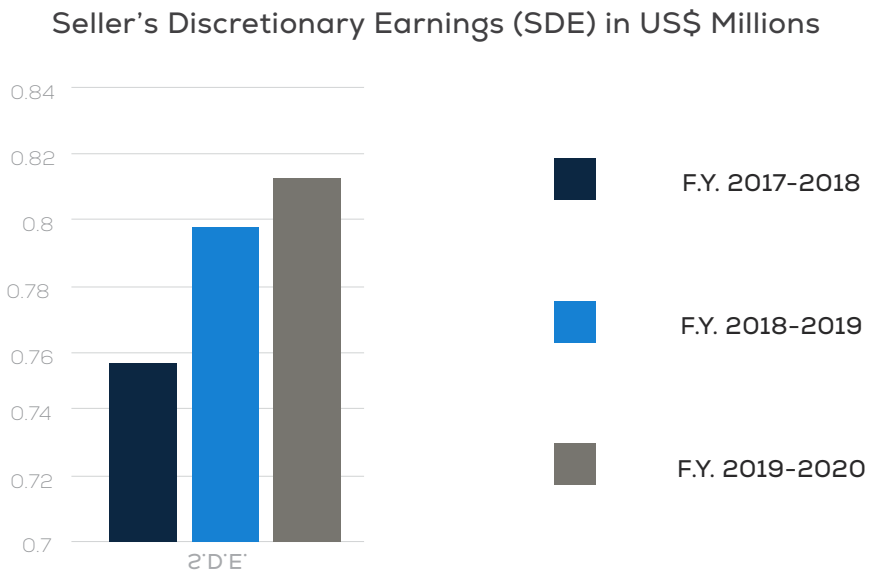
The combination of excellent supplier relationships, the diversifications of its client base and the strict control of overheads have translated into higher profits for the business.

When adding the profits of these three years and dividing - we arrive at a figure of $794,182. This is what is termed “Future Maintainable Earnings”.

When considering an Asking Price of $1,950,000 - we arrive at an R.O.I. (Return on Owner’s Investment of 40.73% by using the Future Maintainable Earnings

And when using the most recent Adjusted Net Profit Figure - $833,425, we arrive at an R.O.I. Rate of 42.74%.

In either scenario, this is an excellent rate given the magnitude of the business and its turnover which is slowly approaching the seven million dollar mark.



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COMPETITIVE ANALYSIS

Brief research undertaken has identified a total of 88 Cleaning Supply Distributors in the Tampa Metropolitan areas.

According to the Seller, the largest ones are as follows:

Distributor	Location
Central Cleaning Supplies	Wesley Chapel
Hudson Cleaning Supplies	Hudson
Orlando Trade Supply	Port Richey
Apex Cleaning Supplies	Tarpon Springs
Florida Cleaning Supplies	Lutz

Moreover, **Godfrey's Cleaning Supplies** is another prominent industry player - although their focus is known to be more towards individual consumers, with a strong emphasis on the sale of domestic vacuum cleaners.

In addition to these, there are a large number of businesses who do not specialise in cleaning supplies but that offer cleaning products, as well as Consumable Products, as peripheral products.

These are:

- Office Supplies
- Catering & Disposable Supplies
- Food Supplies

Furthermore, supermarkets, hardware stores and general retailers also carry cleaning supplies, but at a very high mark-up.

Analysis:

All-Stars clearly operates within a highly competitive mature market, with an over-saturation of players.

This forces the business to consider its pricing position as well as having to develop key competencies that allow it to stand out from others.

7.2

INDUSTRY REPORT

In order to assist the reader with further background information, the following report has been purchased by LJ Hooker from IBISWorld.

What follows is the executive summary and key statistics. The full report is enclosed to this Confidential Information Memorandum.

Report: 42385
("Janitorial Equipment Supply Wholesaling in the US"),
July 2020

The Janitorial Equipment Supply Wholesaling industry sell specialized equipment and supplies used by service establishments such as carpet and floor-cleaning equipment, vacuuming systems and floor-sanding equipment.

The industry also includes beauty parlor and barbershop products, in addition to laundry and dry-cleaning products and equipment. Over the five years to 2020, the industry has benefited from a higher number of businesses and growth in per capita disposable income. However, the industry is expected to take a hard hit by the COVID-19 (coronavirus) outbreak in 2020, deteriorating the overall revenue growth during the five-year period. As a result, over the five years to 2020, IBISWorld estimates that industry revenue will increase at an annualized rate of 0.3% to $22.4 billion, driven by an unprecedented decline of 5.4% in 2020 alone.

The Tax Cuts & Jobs Act passed in 2017 has boosted household income, enabling them to spend extra dollars on services such as beauty, barbers, laundry and car washes. Further, declining office vacancy rates and growth in the number of businesses during the period have also been supporting the industry. However, the coronavirus pandemic is expected to have a mixed effect on the industry demand. While declining corporate profit resulting from the crisis will likely dampen demand for janitorial equipment and supplies as businesses cut discretionary spending, increased demand for more thorough cleaning at establishments that remain open somewhat counterbalances this incident. To the industry's detriment, the outbreak is expected to hurt industry demand overall as the government imposed the closure of nonessential businesses and a shelter-in-place order, directly diminishing demand from the industry's downstream customer and causing industry profit to suffer in the year.

IBISWorld forecasts industry revenue will recover at an annualized rate of 2.2% to $25.0 billion over the five years to 2025. Demand for health and senior services is expected to grow as the baby-boomer generation enters retirement and experiences declining health. Higher hospital visit rates and lower vacancy rates in eldercare institutions will bolster demand for laundry and linen supply services and janitorial services, benefiting industry operators. Moreover, stronger growths in household income levels and corporate profit will ultimately drive demand for downstream service establishments.

Industry at Glance

Key Statistics

$22.4 B
Revenue

Annual Growth 2015-2020	Annual Growth 2020-2025	Annual Growth 2015-2025
0.3%	2.2%	



$561.0 M
Profit

Annual Growth 2015-2020	Annual Growth 2015-2025
-8.2%	



2.5%
Profit Margin

Annual Growth 2015-2020	Annual Growth 2015-2025
-1.4%	



4,744
Businesses

Annual Growth 2015-2020	Annual Growth 2020-2025	Annual Growth 2015-2025
1.2%	1.7%	



53,429
Employment

Annual Growth 2015-2020	Annual Growth 2020-2025	Annual Growth 2015-2025
1.7%	2.0%	



$2.9 B
Wages

Annual Growth 2015-2020	Annual Growth 2020-2025	Annual Growth 2015-2025
1.7%	2.0%	



Key External Drivers

% 2015-2020 Annual Growth

-0.3 %
Demand from Industrial laundry & linen supply

5.6%
World price of crude oil

2.8 %
Per capita disposable income

0.2 %
Number of businesses

-5.1 %
Corporate profit

2.5 %
Number of deaths

Positive Impact

Capital Intensity
Low

Concentration
Low

Regulation
Light

Technology Change
Low

Globalization
Low

Mixed Impact

Life Cycle
Mature

Technology Change
Medium

Barriers to Entry
Medium

Competition
Medium

Negative Impact

Industry Assistance
Low

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8.1

SWOT ANALYSIS

Product & Services Segmentation

Cleaning and Maintenance Supplies Distributors
Source: IBISWorld



24.5% Janitorial equipment & supplies

24.3% Beauty and barber equipment & supplies

14.2% Laundry-related equipment & supplies

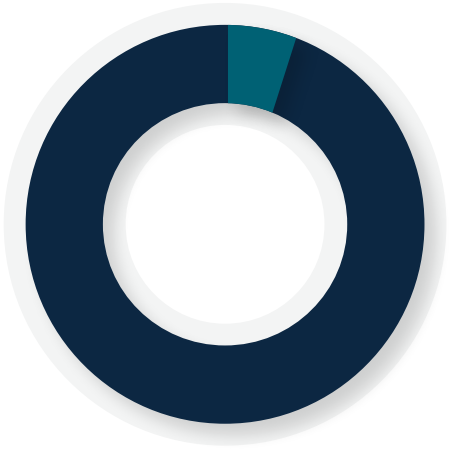
17.4% Other products

9.3% Burial caskets, coffins and funeral related equipment & supplies

10.3% Fire sprinkler and fire alarm equipment

Major Players

% = share of industry revenue



6.3% Bunzl Australasia

93.7% Other

Cleaning and Maintenance Supplies Distributors
Source: IBISWorld

S Strengths

Low & Increasing Level of Assistance
Low Imports
Low Customer Class Concentration
Low Product/Service Concentration
Low Capital Requirements

W Weaknesses

Low Profit vs. Sector Average
Low Revenue per Employee

O Opportunities

High Revenue Growth (2020-2025)
World price of crude oil

T Threats

Low Revenue Growth (2005-2020)
Low Revenue Growth (2015-2020)
Low Outlier Growth
Low Performance Drivers
Demand from Industrial laundry & linen supply

CONFIDENTIAL INFORMATION MEMORANDUM

SWOT ANALYSIS EXPLAINED

For readers not familiar with the concept, "**SWOT Analysis**" is a highly regarded and useful tool in business management for strategic planning, originated by Albert S. Humphrey in the 1960's,

"Business Florida" defines SWOT Analysis as a structured and detailed way to develop strategies, but, for the purpose of Purchasing a Business, it serves as clear and concise outline of the business as it currently stands and in the market it currently operates in.

SWOT is an acronym for **Strengths, Weaknesses, Opportunities** and **Threats,** as outlined in the following page.

LJ Hooker has a very clear policy of never omitting Weaknesses that any business may have - nor of omitting any Threats it may face.

We believe that Transparency and Integrity are absolutely necessary for any business transaction.

Having said that, we urge Buyers to scrutinise whether or not Weaknesses and/or Threats may be overcome by a New Owner or by actions being taken under new management.

Strengths

are analysed in the context of assisting Buyers with identifying areas where the business is performing well. Identifying these strengths is necessary so the Buyer knows what can be maintained so this advantage is not lost. Growing the business further will involve finding ways of using and building on these strengths.

Weaknesses

are analysed in the context of assisting Buyers with identifying disadvantageous characteristics of the business. The first step to minimising or eliminating weaknesses is being aware of their existence. Every business has its weaknesses so you needn't be taken aback by the fact that they exist – the question is whether you as a new owner will have what it takes to turn them around from weaknesses into opportunities.

Opportunities

are analysed in the context of assisting Purchasers with identifying opportunities that the business could take advantage of in order to make greater profits. Opportunities are created by external factors such as market trends. But by taking into consideration Strengths and Weaknesses (Internal Factors) one understands the business' ability to seize an opportunity at the appropriate time.

Threats

are analysed in the context of assisting Buyers with identifying external factors that could adversely affect the business. Such as regulatory changes, market trends or actions by competitors. By identifying a threat, the new owner will be able to plan accordingly to counteract it, depending on the business' strengths and weaknesses.

8.2

BUSINESS STRENGTHS

1 Market Presence & Brand Awareness	Given its longevity and its work with major customers, All-Stars has developed a very positive image in the market and cultivated a reputation for quality of service/advice and reliability.
2 Client-Based Spread & Relationship	All-Stars has diversified its client base and ensured that no single customer holds too high a percentage of sales. They have also cultivated excellent relationships with decision-makers.
3 Strategic Location	The business' position in Wimauma is advantageous given the relative lack of local competition and the closeness of Wimauma to major throughways leading to local neighborhoods/cities.
4 Solid Internal Structure	The business has built a solid internal structure, not solely relying on any single staff member who could not be substituted if need be. Moreover, staff are skilled, competent and loyal.
Systems & Procedures 5	All-Stars has developed and perfected a series of systems and procedures to ensure service quality standards are met and mistakes seldom occur.
Inventory Levels 6	In an industry notorious for "back-orders", All-Stars has gained a reputation for carrying inventory levels that meet regular clients' demands.
Product & Supply Chain 7	All-Stars endeavours to only carry products whose labels assure its quality and market satisfaction. Relationships with Suppliers are excellent given All-Stars record of prompt payments.
Essentials & Fast-Moving Goods 8	The product range the business sells is deemed essential and recession-proof. In addition, the market for these products is essentially universal given there is no single entity that would not need cleaning products.

BUSINESS WEAKNESSES

1 Online & Social Media Presence	All-Stars acknowledges having somewhat lagged behind with its online presence - with a website that has not been updated in a year and nonexistent Social Media presence.
2 Capital Conversion to Stock	Stock levels must remain high, as such much capital profit is converted into Stock. As the business grows, so must stock levels.
3 MOQ (Minimum Order Quantities)	Goods are sold, in their vast majority by pallet load or carton load - while the business sells goods per unit, allowing for remaining stock to become obsolete over time or simply slow-moving.
4 Recruiting & Training New Staff	Recruiting reliable staff is always challenging but training them to understand the vast product range is time-consuming.

All-Stars operates within an overly saturated industry, with extremely high levels of competition and a handful of major players with whom All-Stars must constantly compete.	Competition Levels 5
As it grew, All-Stars stopped allowing for urgent deliveries or weekend openings to satisfy last-minute demands. This rigidity caused some dissatisfaction among area managers.	Rigidity of Rules & Premises 6
While All-Stars has endeavoured to balance supplier and client trading terms, this has not always been the case as some clients pay 30-45 Days EOM while some suppliers only offer 30 Days from Invoice Trading Terms.	Working Capital 7
All-Stars does not presently offer a budget range of products - which can be complicated given that a number of customers are unsophisticated towards understanding the benefits of expensive/durable products vs cheap ones which may break or be ineffective.	Budget Range 8

8.4

BUSINESS OPPORTUNITIES

1 Diversification: Disposable Supplies	While All-Stars has a small range of disposable supplies for the hospitality industry, the reality is that it does not cover even 5% of what is available and many of its customers do require these goods and presently buy elsewhere.
2 Diversification: Safety Supplies	All-Stars only sells safety supplies relevant to cleaning such as A-Frames or Gloves - but there is huge synergy between both product ranges and an expansion could see increased sales.
3 Online Presence	The business can expand on its web presence by undertaking Search Engine Optimization as well as paid advertising through GoogleAds.
4 Social Media Marketing	The business can develop a comprehensive Social Media strategy to target the existing markets, or new ones, via LinkedIn, Facebook, Twitter, Instagram, YouTube or Others.

Just as it successfully moved onto the Hospitality sector - All-Stars may wish to begin marketing to new segments such as Laundries, Car Washes or Mechanics with specialty products.	Expansion Into New Markets & Segments 5
The business can consider a Franchising set-up whereby it undertakes expansion by selling operational know-how, while allowing for supply channels not easily accessible.	Franchising 6
All-Stars may develop a range of products in a lower price bracket to satisfy the lower end of the market - which it presently rejects altogether.	Budget Range 7
As it builds sufficient turnover, All-Stars may begin to consider sourcing its own products directly from manufacturers overseas and buying container loads in order to reduce costs.	Vertical Integration 8

CONFIDENTIAL INFORMATION MEMORANDUM

BUSINESS THREATS

1 Currency Fluctuations	Most goods are imported from overseas markets, as such currency fluctuations can have a strong impact on gross profit margins.
2 Competitor Market	While there is a barrier of entry in terms of the high capital investment required, there are few other ones - allowing for disruptions by new entrants.
3 Online Reviews	As is the trend nowadays, this business is also susceptible to negative online reviews - particularly through Google Reviews which may discourage new purchases.
4 Green Market Trends	While the 'green wave' has already occurred, a number of products such as Bleach or Virgin-Pulp toilet paper remain tainted with a negative environmental rating.
Government Legislation 5	While it operated within a relatively deregulated space, as with many industries in USA, the risk of Government legislation and punitive measures is always looming.
Loss of Top 3 Clients 6	While the relationship with major clients is excellent, the top three customers together account for 22.1% of total sales. A loss of all three, while highly unlikely, would be adversely felt.
Payment Defaults 7	Most clients work with credit - accumulating debts over a 30-60 day period. Commercial Cleaners are generally asset-poor and money cannot be recovered through insolvency.
Supplier Contracts 8	While relationships with suppliers are excellent, there are no contracts in place nor exclusivity. Should a supplier stop trading with All-Star or cut its credit, the effects would be felt.

CONCLUDING MESSAGE

We live in a global economy that has been driven by monumental changes - the emergence of Cryptocurrency and the prolific influence of Social Media have shaken the very foundations of how business is conducted. Moreover, events such as the Global Financial Crisis, Brexit and the looming tariff wars between the United States and China present major challenges.

In this context, investors can be reassured of putting their money into a stable industry that distributes basic and essential recession-proof Fast-Moving Consumer Goods to the most diverse markets.

While the industry has moved with the times, the need for basic cleaning and janitorial goods, as well as Paper Consumable Products remains high and steady - driven by organic growth as Tampa is poised to continue growing as one of the most populous cities in Florida as well driven by the business' product and service leadership - achieved through innovation and continuous improvement.

The acquisition of All-Stars Cleaning and Janitorial Products presents a remarkable opportunity for any savvy investor to acquire a well-established business that has, over eighteen years, forged long-standing relationships with customers and suppliers alike and has cemented its market presence and its position as a leader in its field.

It is our sincere hope that this Confidential Information Memorandum has been able to present the reader with an image of All-Stars Cleaning and Janitorial Supplies as a business of outstanding reputation, proven track-record and successful operational model.

WHAT HAPPENS NEXT?



1 Initial Review of Business

This is the step you have just undertaken by reading this Confidential Information Memorandum, coupled with any follow-up questions you may have for the Business Broker.

2 Business Inspection

The next step is to organise a visit to the business and an informal meeting with the Seller - during which you will have the opportunity to understand the business better.

3 Negotiations & Offer

Once you are satisfied with the information provided and are ready to move forward, you can negotiate a Conditional Offer with the Business Broker.

4 Due Diligence

Once the Offer is accepted by the Seller, and a Deposit is paid into a Escrow Account, you will be able to undertake a Due Diligence investigation to verify the accuracy of all relevant business information.

5 Contracts & Other Matter

You will need to engage a Lawyer to review the Contract of Sale prepared by the Purchasers' Solicitor and to assure you are protected in the transaction.

6 Settlement & Possession

Once both parties have signed the Contract of Sale, you can move on to Settlement and take possession of the business, enabling you to now drive the business in whatever direction you choose.

GET IN TOUCH

Thank you for reading this Confidential Information Memorandum

On behalf of the entire team at DealPros, I want to thank you again for giving us the opportunity to assist you with your next Business Purchase.

Please get in touch with myself, or any member of the team, so we may either help you further on this business enquiry or so we can assist you in finding an alternative investment option.

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