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Joe Smith's City Café

CONFIDENTIAL
BUSINESS REVIEW

ASKING PRICE:
$475,000 + S.A.V.
(Stock at Value, estimated at $10,000)

Business Broker: Michael R Garsow
123 Main Street, Orlando FL 32801
P. 123 456 7890
info@dealpros.co
www.dealpros.co

This Confidential Business Review 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.
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“THE SECRET TO
SUCCESS
IS HAVING THE
COURAGE
TO EMBRACE
OPPORTUNITY”

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The statements and financial information are passed on by DealPros via this Confidential Business Review on behalf of the Seller for whom DealPros acts solely as an agent.

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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 IRS, DealPros expressly dissociate ourselves with any such representation and would strongly suggest that the Buyer and/or their accountant or financial advisers disregard any such representation and have regard only to the records disclosed to the IRS - subject to our previous warning that we cannot and do not vouch for them.

Add-Back Adjustments presented in this Confidential Business Review 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;
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 Buyer to verify all information provided with the assistance of a qualified professional. The Agency strongly recommends all Potential Buyers take this course of action.

CONFIDENTIALITY **AGREEMENT**

In consideration of the Vendor providing to DealPros, this Confidential Business Review 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 information contained herein as private & 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 Recipient is 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 Seller, 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 Business Review 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.

Acceptance of the Confidential Business Review constitutes acceptance of all of the above terms and conditions.

ABOUT 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.

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WELCOME MESSAGE

Hello, my name is Michael R Garsow and I am your Business Broker.

On behalf of the whole team at DealPros, I am pleased to present prospective purchasers with a truly outstanding acquisition opportunity in Miami's thriving Food & Beverage Industry: **"Joe Smith's City Café".**

Joe Smith's City Café is positioned at 31 W Flagler St Miami, FL 33144 USA. It is a truly beautiful coffee shop that has consistently generated great financial results and is now being sold as the Seller is pursuing other business interests.

We have prepared this Confidential Business Review with the goal of providing the reader with a good general overview of what is on offer.

While this document will not explore every detail of the business sale, it is our hope that it will provide the reader with sufficient information so he/she can decide whether or not to progress on to the next stage of this process, which would be a visit to the business and an informal meeting with the Owner.

In any event, I hope you enjoy reading this document and I look forward to hearing from you.

Sincerely,

Michael R Garsow
President

Certified Business Intermediary &
Business Broker of Record

Mergers, Acquisitions, Divestitures and
Business Brokerage



Joe Smith's City Café

EXECUTIVE SUMMARY

Business Name
Joe Smith's City Café

Address
31 W Flagler St Miami, FL
33144 USA

Trading Hours:
Mon-Fri 06.00am-04.30pm, No Weekends

History
Opened in July 2012 by present owners

Capacity:
120 Seats Inside - No Outside Seats

Lease:
1 + 3 + 3 + 3

Reason For Sale:
Owner is pursuing other business interests

Income:
$1,125,230 Per Annum (2020)

Rent:
$102,318 Per Annum (2020)

Wages:
$387,790 Per Annum (2020)

SDE:
$189,772 Per Annum (2020)

FF&E Value:
$108,000 (estimated)

Asking Price:
$475,000 plus Inventory

Inventor Value:
$10,000 (estimated)

KEY CONSIDERATIONS

01 Joe Smith's City Café is a well established business, trading since July 2012 (9 years), under the same ownership.

02 Joe Smith's City Café is a business positioned in one of the most prestigious corners in downtown Miami.

03 Joe Smith's City Café has managed to build a strong brand identity, coupled with a loyal clientele following.

04 Joe Smith's City Café is fully staffed and does not depend on the owner to function, although the owner helps out during busier periods.

05 Joe Smith's City Café is fully furnished, fully equipped and has a memorable décor, requiring little to no additional capital investment from a new owner.

06 Joe Smith's City Café is a financially successful business that demonstrated nearly $200,000 in Seller's Discretionary Earnings in the last Financial Year (2020).

07 Joe Smith's City Café trades only 5 days per week – either allowing a new owner to maintain it as such or to utilise weekend and/or weekday evenings to explore functions, events and/or corporate catering. Moreover, the business is presently not working with any of the delivery partners such as UberEats.

BUSINESS **PROFILE**

DealPros is thrilled to introduce you to "Joe Smith's City Café". Situated in the heart of Miami, this stunning coffee shop opened its doors in 2012 with the idea of dazzling its customers with exceptional food, a jaw-dropping decór and, of course, the kind of coffee that could not be faulted even by the most demanding of Miami hipsters!

The clientele of this business is a true array – from business people that work on the very same building – to tourists and passers-by who are shopping or simply strolling through downtown Miami. The coffee shop has taken advantage of the development in the area by offering a truly remarkable ambience and cuisine.

Described by one critic as "a creative oasis with a vibrant and colourful atmosphere", the coffee shop is licensed for 120 seats (inside only) and sells an average of 176 pounds of coffee per week.

Offering both dine-in and takeaway options, Joe Smith's City Café trades only Monday to Friday, from 06.00am and closing them at 04.30pm. Presently, the coffee shop is not offering corporate catering nor is it engaged with any delivery service apps such as Uber Eats, presenting great potential for further sales to a savvy new owner.

Joe Smith's City Café



Joe Smith's City Café

has grown into local sensation!



HOURS OF **OPERATION**

Days	Trading Times
Monday	6:00am - 4:30pm
Tuesday	6:00am - 4:30pm
Wednesday	6:00am - 4:30pm
Thursday	6:00am - 4:30pm
Friday	6:00am - 4:30pm
Saturday	Closed
Sunday	Closed

- The business is closed on all public holidays in Florida.
- The business closes for two weeks at the end of the year - between Christmas and New Year.

ONLINE **FOOTPRINT**

BUSINESS WEBSITE

www.joesmithcitycafe.com



FACEBOOK

facebook.com/ joesmithcitycafe



INSTAGRAM

instagram.com/ joesmithcitycafe



BUSINESS **REPUTATION**



GOOGLE REVIEWS

Rate: 4.5 Stars based on 297 Google Reviews

"Great ambience. Very attentive staff. An interesting range of entrees, small and main meals all excellently prepared."

"One of the BEST Brunch locations I have been to so far! Me and my partner came unexpectedly and instantly loved the vibe."

"Breakfast was fantastic. If you do go the pancake route, make sure you have a hearty appetite we ended up bringing it back as MY GF couldn't finish it"

YELP REVIEWS

Rate: 4.5 Stars based on 188 Yelp Reviews

"We were very fortunate to find this amazing cafe. The food is out of this world and the service equally amazing. Looking forward to our next visit."

"This place is in a great location and the food was great. It accommodates for both small and large groups as well as vegan and non vegan"

STAFF **SCHEDULE**



Joe Smith's City Café is fully staffed by competent and loyal team members, most of whom have been with the business for over five years. Below is the schedule for most weeks:

STAFF	STATUS	LENGTH OF SERVICE	GROSS REMUNERATION	SHIFT
Owner	Full-Time	July 2012	Nil	Daily 6am - 5pm
Floor Manager	Full-Time	May 2013	$27.50 P/Hr	Daily 6am - 4pm
Barista #1	Part-Time	May 2013	$24.00 P/Hr	Daily 6am - 11am
Barista #2	Part-Time	April 2015	$24.00 P/Hr	Daily 11am - 4pm
Waiter #1	Full-Time	October 2017	$21.00 P/Hr	Daily 6am - 4pm
Waiter #2	Part-Time	May 2013	$21.00 P/Hr	Daily 8am - 1pm
Chef #1	Full-Time	July 2014	$27.50 P/Hr	Daily 5am- 3pm
Kitchen Hand #1	Full-Time	July 2014	$24.00 P/Hr	Daily 6am - 3pm
Kitchen Hand #2	Part-Time	May 2013	$21.00 P/Hr	Daily 6am - 11am

Please note this schedule may vary at times, particularly if there is an event in Miami that generates additional business.

OWNERSHIP

OWNER'S PROFILE

Mr Joe Smith opened the business in July 2012. With a background in the Corporate World, Joe wished to transition to Miami's vibrant Hospitality scene when he saw the opportunity arise. With a passion for people and food, this was an ideal option.





OWNER'S ROLE

Mr Joe Smith's role is Administrative and Managerial – focusing on Payroll, BAS, Purchasing and others. Joe also assists on the floor (but not the kitchen) whenever required, particularly in preparing coffees which is his passion.

OWNER'S HOURS

Mr Joe Smith works full-time in the business, opening it and closing every day. However, Mr. Smith takes multiple holidays throughout the year and has comfortably left the business in the hands of his trusted Chef and Floor Manager.



PHOTO **GALLERY**











LOCATION & **PREMISES**



Joe Smith's City Café is located at 31 W Flagler St Miami, FL 33144 USA, right at the heart of Miami, between NW 8th Avenue and NW 12th Avenue.

Adjacent to it, is SW 1st Street and across the road is SW 2nd Street. The single entry to the building and large windows award the premises plenty of natural light and warmth. Joe Smith's City Café occupies a total area of approximately 1991.32 sqft. on a single floor level, divided as follows: Dining Area, Kitchen, Bar (Coffee/ Serving) Station, 2 Bathrooms, 1 Office and a Cool-room, as well as a grease trap.

MIAMI **PROFILE**



CITY OF **MIAMI**

Miami, officially the City of Miami, is the seat of Miami-Dade County, and the cultural, economic and financial center of South Florida in the United States. The city covers an area of about 56 square miles (150 km2) between the Everglades to the west and Biscayne Bay to the east.

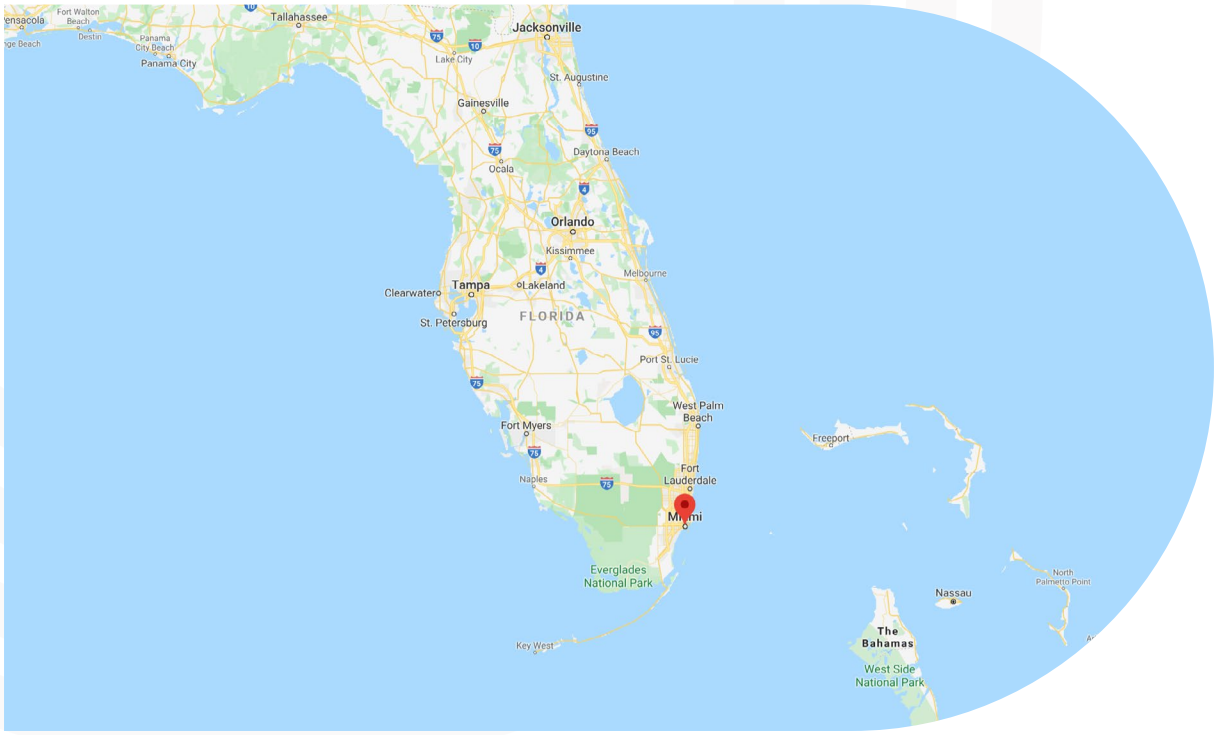
Miami is the sixth most densely populated major city in the United States with an estimated 2018 population of 470,914. The Miami metropolitan area is home to 6.1 million people, the second-most populous in the southeastern United States and the seventh-largest in the nation.

In 2018, Miami, FL had a population of 471k people with a median age of 40.5 and a median household income of $41,818. Between 2017 and 2018 the population of Miami, FL grew from 463,354 to 470,911, a 1.63% increase an its median household income grew from $40,327 to $41,818, a 3.7% increase.

Employment by occupation
The most common job groups, by number of people living in Miami, FL, are Office & Administrative Support Occupations (26,771 people), Management Occupations (24,949 people), and Sales & Related Occupation (23,589 people).

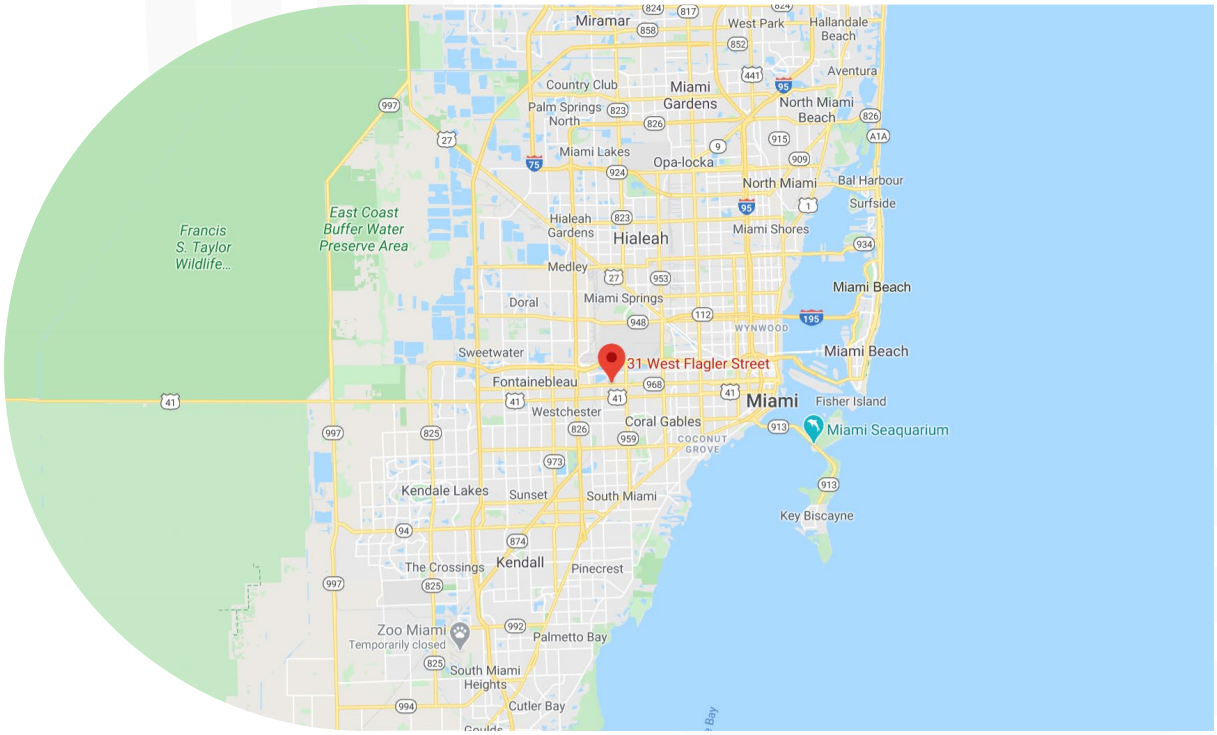
Employment by industries
The most common employment sectors for those who live in Miami, FL, are Health Care & Social Assistance (25,314 people), Accommodation & Food Services (24,525 people), and Construction (24,120 people).

MIAMI **LOGISTICS**



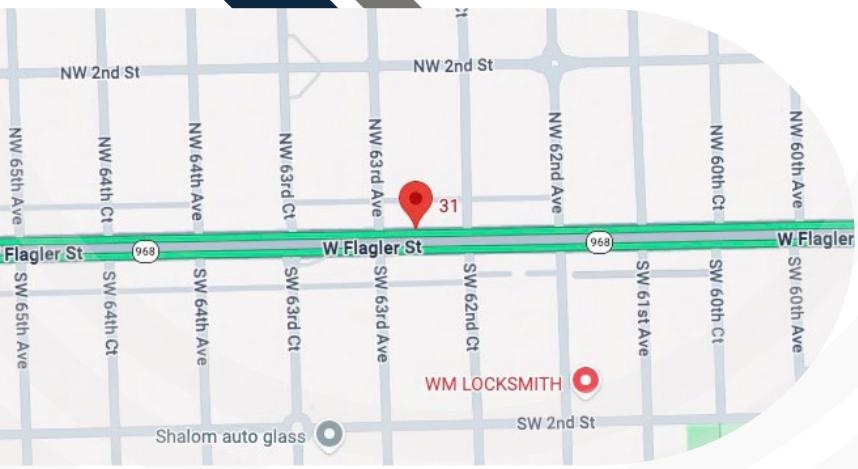
LOCATION	DRIVING TIME	DISTANCE
Tigertail Beach	2 hours 5 minutes	110 miles
West Palm Beach	1 hour 10 minutes	70 miles
Naples	2 hours	127 miles
Fort Myers	2 hours 20 minutes	155 miles
Palm Bay	2 hours 30 minutes	168 miles
Tampa	4 hours	281 miles
Orlando	3 hours 35 minutes	237 miles

BUSINESS **LOGISTICS**



LOCATION	DRIVING TIME	DISTANCE
Government Center Station	4 minutes	0.4 miles
Bayside Marketplace	11 minutes	12 miles
Bayfront Park	11 minutes	14 miles
Magic City Casino	17 minutes	4 miles
Miami Beach	17 minutes	7 miles
Jackson Memorial Hospital	11 minutes	34 miles
Miami International Airport	11 minutes	12 miles

LEASE **AGREEMENT**



Joe Smith's City Café is situated at 31 W Flagler St Miami, FL 33144 USA.

Please find enclosed to this Confidential Business Review a copy of the Lease Agreement and Disclosure Statement for the premises for your review and perusal.

As part of this deal, the current Lease Agreement will be transferred to the Buyer, at the cost of the Seller.

1 PARTIES

The Lease Agreement commenced on 1 July 2012 between Abigail LCC, E.I.N. 12 345 678 910 (Landlord) and Joe Smith Enterprises, E.I.N. 10 123 456 789 (Tenant). The Agents are ABC Real Estate at SW 3rd Street.

2 TERMS

The Lease Agreement commenced on 1 July 2012 for an initial term of six (6) years with four (4) renewal options of three (3) years each "6+3+3+3+3".

3 RENTAL

The Annual Base Rent under the lease commenced at $100,000 per annum (being $8,333 per calendar month) and excluding outgoings, with yearly increases in accordance with CPI.

4 MISCELLANEOUS

The permitted use under Lease is: "Coffee Shop" (it is the tenant's prerogative to investigate if the use of the premises is permitted under planning laws). There is no demolition clause. A security deposit of $25,000 was payable at the lease commencement date.

FF&E SCHEDULE

Joe Smith's City Café will be sold with all furniture, fixtures and equipment used in the business – with the exception of any that may belong to the landlord or that may be on loan from a supplier. At the day of settlement, all items will be in good working order and condition (subject to fair wear & tear) and will be unencumbered and free of debts. Please find below a summary of the major items included in this sale, whose estimated value exceeds $100,000.

ITEM	ESTIMATED VALUE	NOTES
120 Chairs	$94.00 ea	
50 Tables	$150.00 ea	
All Cutlery (Crockery, Glasses, Kitchenware, Plates and Utensils)	$10,000	
2x Point of Sale System	$1,655.00 ea	On Loan From Supplier
2x Coffee Machine	Unknown	On Loan From Supplier
2x Drinks Fridge	Unknown	
All Art and Decoration	$50,000	
1x Woodson W.BMS11 Benchtop Bain Marie	$609.00	
TOTAL ESTIMATED FF&E VALUE	$108,322	

BUSINESS **FINANCIALS**

Please find enclosed to this Confidential Business Review, for the reader's analysis, a copy of the Profit & Loss Statements for Joe Smith's City Café for the Financials Years 2018, 2019 and 2020.

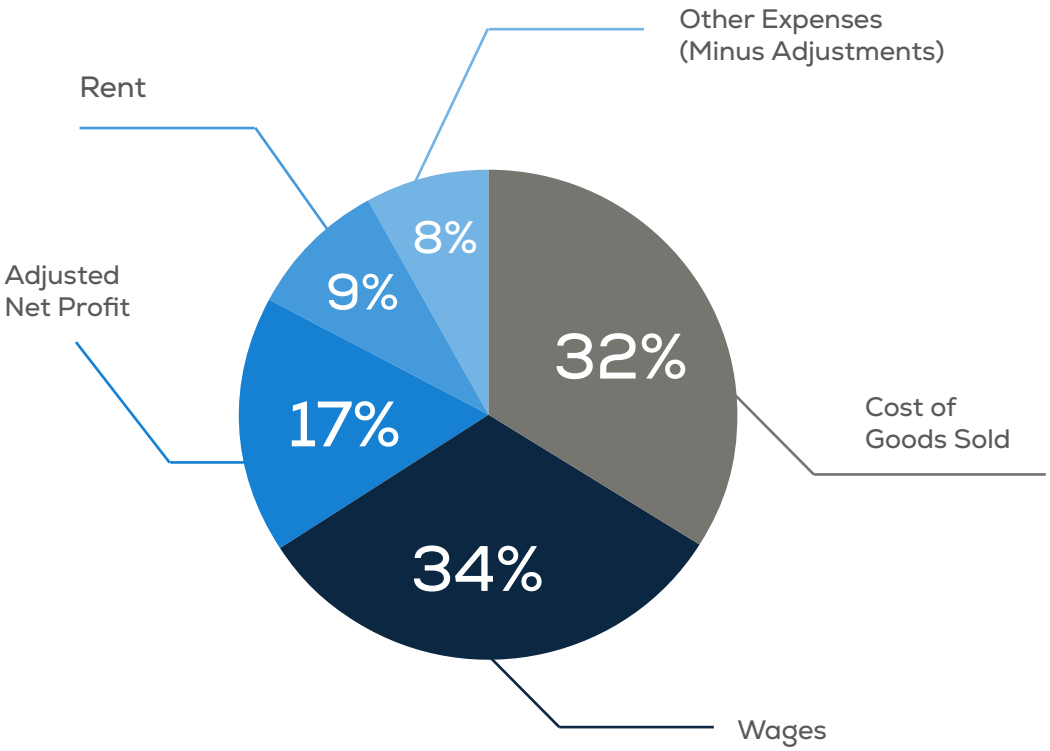
What follows on the right is a summary of the most recent financial data.

Please note that, as part of the Due Diligence process, the Buyer and his/her advisors will be provided with copies of all relevant financial documents.

The Seller's Discretionary Earnings (SDE) for the last Financial Year totaled $189,772.

ITEM	2020	2019	2018
Income	$1,125,230	$1,099,100	$956,999
Cost of Goods Sold	$354,447	$322,965	$310,004
Gross Profit	**$770,782**	**$776,135**	**$646,995**
Gross Margin	**68,50%**	**70,62%**	**67,61%**
Rent	$102,318	$97,202	$93 ,800
Salaries & Wages	$387,790	$368,401	$355,506
Electricity	$28,321	$26,905	$25,963
Water	$7,240	$6,878	$6,637
Insurance	$6,050	$5,748	$5,546
Repairs & Maintenance	$1,800	$1,710	$1,650
Other Expenses	$132,010	$125,410	$142,566
Total Expenses	$665,529	$632,253	$600,744
Net Earnings	**$105,253**	**$143,882**	**$46,251**
Add-Back Adjustments	$84,518	$27,665	$85,644
SDE (Seller's Discretionary Earnings)	**$189,772**	**$171,547**	**$131,895**
SDE Margin	**16,87%**	**15,61%**	**13,78%**

ADD-BACK SCHEDULE

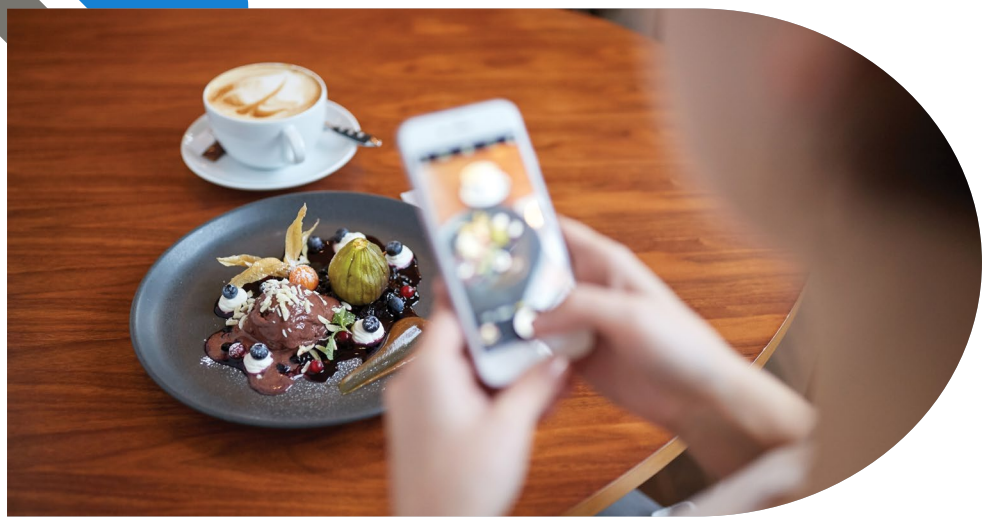


The following items are the add-backs for Joe Smith's City Café:

Depreciation	$4,333
Interest Paid	$13,200
Donation	$1,200
Purchases	$6,000
Motor Vehicle Expenses	$4,200
Wages to Owner	$45,000
Superannuation to Owner	$4,500
Telephone	$1,000
Insurance	$1,300
Extraordinary Repairs	$3,785
Total:	**$84,518**

Many readers are not familiar with the concept of Add-Back Adjustments. If you wish to learn more about Add-Back Adjustments, we invite you to scan the following code and watch a video we have prepared on the subject:

ASKING **PRICE**



Joe Smith's City Café has been priced at $475,000 plus Inventory, the value of which is estimated to be at around the $10,000 dollar mark.

The Asking Price includes all of the factors below:

- **Plant & Equipment**
- **Goodwill**
- **Business Name**
- **Transfer of Lease**
- **Website & Social Media**
- **All Intellectual Property**
- **Know-How**
- **Four weeks of Training**

The Return on Owner's Investment, or R.O.I., is typically calculated as follows:

R.O.I. = Earnings ($pa) x 100) / Purchase Price

When considering an SDE of $189,772 for the Financial Year 2019, and applying the above formula, we reach an R.O.I. rate of 39.95% or a Multiplying Factor of 2.5 times. When considering its income of $25,000 per week, we are talking about 19.4 times the income.



The acquisition of Joe Smith's City Café *presents a superb opportunity or a savvy and experienced operator to enter Miami's thriving Food & Beverage Industry and leverage its brand name, loyal clientele and systemised operations to drive even greater earnings.*

WHAT HAPPENS **NEXT?**

If you wish to proceed further with your enquiry, please contact the Business Broker – ***Michael R Garsow*** – to schedule a Business Inspection. During this meeting, you will have the opportunity to speak to the Seller/s directly, ask further questions and see the business for yourself. The importance of the Business Inspection cannot be overstated – while we hope you have found this Profile informative, it is the next step that will truly determine the suitability of the business to your requirements and specifications.



STEP 1

You have just undertaken this Step by reviewing the initial information about the business.



STEP 2

Schedule a business inspection, through the Business Broker, giving you the opportunity to analyse it further.



STEP 3

If you are ready to move forward you can negotiate a conditional offer for the business.



STEP 4

Once the offer is accepted, you will undertake a Due Diligence to verify the accuracy of all relevant business information.



STEP 5

At this point you will move on to Contracts organised by both parties' solicitors to ensure you are protected in the transaction.



STEP 6

Once both parties sign the contract you can move on to Settlement and take possession of the business.

BROKER **PROFILE**



Michael R Garsow
President

info@dealpros.co

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Mergers, Acquisitions, Divestitures and Business Brokerage

Michael R Garsow is the founder and CEO of DealPros. Michael built his career on brokering deals and by starting and investing in multiple businesses across a variety of industries. He holds a degree in Computer Science from the University of Toronto and a Certified Business Intermediary. Michael is committed to objectively guiding his clients through the intricacies of the entire marketing and negotiation process of a business sale, resulting in successful transactions and satisfied clients.

Michael R Garsow sold my Florida-based Restaurant in 2017 - getting me an excellent price! His services were exceptional and his communication with us throughout the process could not be faulted. His years of experience were invaluable in getting us through what was a truly challenging process between the offer and the settlement due to a number of obstacles - each of which Michael tackled with resolve and dedication. I cannot recommend Michael and DealPros highly enough.

(Lee Green - Seller of Florida Restaurant)



THANK YOU FOR GIVING US **THE OPPORTUNITY OF INTRODUCING YOU TO YOUR NEXT BUSINESS VENTURE**

Should you need any further information
or have any questions
you want to ask, please contact us.

Our team is ready to assist you!

Michael R Garsow – DealPros:

info@dealpros.co

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123 Main Street,
Orlando FL 32801

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This Confidential Business Review (CBR) was developed for commercial purposes only as a sample.

"Joe Smith's City Cafe" is a fictional businesses - any similarities with any real business/es are purely coincidental.

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