

FOR SALE: Omaha/ Council Bluffs Martial Arts and Karate Studio – Passive Ownership

Also offering introductory courses to self-defense classes!

Financial Overview

List Price: \$405,000

Gross Sales

2022	2021
\$519,380	\$508,818

Cash Flow

2022	2021
\$121,696	\$138,121

- **Avg. Profit Margin:** 23%
- **Multiple:** 3.1

Valuation: 2-year Avg. Cash Flow x Multiple = Valuation
 \$129,908 3.1 = \$402,714

Active Ownership Cash Flow: \$229,908

Business Information

Personnel: 9; 1 Program Director, 1 Marketing Director, 2 Sensei's, and 5 Teachers.

Current Owners' Responsibilities: The current owner oversees payroll and meets with the staff once a month to check in. The day-to-day responsibilities are handled by trusted members on staff.

Seller Training Period: Up to one year.

Clients: Children to adults. Over 250 weekly students and counting.

Year Established: 2005

Location: Omaha, Nebraska

Services: Children and adult martial arts training, women's self-defense classes, and private group classes for special events. This business also offers private lessons, camps and after school programs for fundraising.

Reason for Selling: Moved out of state.

Growth Opportunities: Promote Self Defense classes as a female event night. Start doing competitions which will bring more attention to the studio.

Equipment/ Replacement: \$35,000

Studio Improvements: \$73,000

Funding Example

Purchase Price: \$405,000

10% Buyer Down Payment	\$40,500
10% Seller Financing or Equity	\$40,500
80% Bank Loan	\$324,000

A 10% down payment of \$40,500 returns \$69,754 in the first year after debt payments!

Description

Located in Omaha, this martial arts studio offers Karate, Tae Kwon Do, in group and private settings for all ages. Established in 2005, this business has made its mark on the community and has become a safe space for the 250+ weekly students who actively participate in the courses. The students have the opportunity to "level up" within their age group and they have a large enough space that it can hold up to 70 kids at a time! The well-versed staff include a Program Director, a Marketing Director, 2 Sensei's and 5 teachers. Each member holds a title in their respected martial art and goes above and beyond by encouraging their students to develop characteristics that they can use throughout their day-to-day life while fostering a safe space for them to be themselves. The current owner has structured this business to allow him to be a passive owner. The owner is selling this business because he has moved out of the state. This business is not a franchise but they do hold a membership with an organization that allows them access to an established brand with resources related to this industry. A great growth opportunity is to offer self defense classes and promote it as a "girls' night out" event!

With a purchase price of **\$405,000**, this business is primed and ready for a new owner to step in and reap the benefits of an absentee opportunity. Seller has offered a transition period of 1 year and in order mitigate the risk and to show vested interest in the continued success of the business, he has offered to carry 10% of the purchase price. The current marketing strategy consists of a social media presence and can be seen as an opportunity for growth.

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Last Revised BV 3.6.2023