

FOR SALE: Karate and Tae Kwon Do with 250 Students

Can be Absentee Ownership – Full Staff!

Financial Overview

List Price: \$570,000

Gross Sales

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

Cash Flow

2022
\$232,696

- **Avg. Profit Margin:** 23%
- **Very Low Multiple:** 2.45

Valuation: 2022 Cash Flow x Multiple = Valuation
 \$232,696 2.45 = \$570,105

Business Information

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.

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

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

Current Owners' Responsibilities: The owner reviews payroll and meets with the staff once a month to check in. The day-to-day responsibilities are handled by the program director.

Reason for Selling: Moved out of state.

Studio Improvements: \$73,000

Equipment/ Replacement: \$35,000

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

Location: Omaha, Nebraska

Year Established: 2005

Seller Training Period: 6 months to 1 year.

Funding Example

Purchase Price: \$570,000

10% Buyer Down Payment	\$57,000
15% Seller Financing	\$85,500
75% Bank Loan	\$427,500

A 10% down payment of \$57,000 returns \$146,153 in the first year after debt payments!

Description

For nearly 2 decades, this Dojo has made its mark on the community and has become a safe space for the 250+ weekly students who actively participate in the courses. Located in Omaha, this martial arts studio offers Karate, Tae Kwon Do, in group and private settings for all ages. They have a large enough space that 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. The current owner has structured this business to allow him to be a passive owner who reviews payroll twice a month and does 1 in-person visit a month, all day-to-day operations are performed by the well-trained staff. The owner is selling this business because he has moved out of the state. Each teacher 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. A great growth opportunity is to offer self-defense classes and promote it as a "girls' night out" event!

With a purchase price of **\$570,000**, this business is primed and ready for a new owner to step in and reap the benefits of an absentee opportunity. A 10% down payment of \$57,000 returns \$146,153 in the first year after debt payments! 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 15% of the purchase price. Included in the purchase is \$35,000 in Equipment and \$73,000 in studio improvements. The current marketing strategy consists of a social media presence and can be seen as an opportunity for growth.

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