













## Business Overview

### RE: Respiratory & Mobility DME - 2 NE Locations!

## Specifications

 Price \$420,000	 Cash Flow \$274,656	 Revenue \$1,031,220
 Valuation \$1,165,000	 Equipment \$165,431	 Inventory \$73,630
 Account Receivable \$125,087	 Down Payment 15%	 Industry Health/Dental/Professional Medical Services
 Location 2 retail stores & 1 warehouse: one outside of Omaha and one outside of Lincoln to serve surrounding rural communities	 Service Area Eastern NE	 Reason for Sale Growing family & unable to devote 30-40 hours per week to running business



## SUMMARY OF THE BUSINESS –

For over 30 years, this family-owned business has served Eastern and South Central Nebraska patients

needing respiratory and mobility supplies, and durable medical equipment. With 2 locations roughly 100 miles apart, both stores are outfitted with CPAP devices, scooters, TENS units, wheelchairs and much more. Customers may choose from in-store pick-up or delivery, and many receive routine home service visits and equipment training.

Each location has a Respiratory Therapist managing the store and 3 customer service reps. Other employees include a billing manager and a service/delivery tech who is on call alternating weeks to provide emergency delivery and service. Current owners handle A/P, A/R, scheduling and oversight, but are not store managers as they are not licensed respiratory therapists.

ACHC accredited and part of the BBB Honor Roll, current owners have set up a Connect Program that allows for easy outreach to patients needing resupply. While there are local competitors, many are evolving to no longer carry Medicare or provide shipment, leaving a gap for this business to step in. There is virtually no competition with Lincoln or Omaha markets, as this company is designed for rural populations unable or unwilling to travel to large cities for medical supplies.

Due to a growing family, current owners are unable to devote the 30/40 hours per week for business management, so the business is priced to move!

## Business Highlights

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- 30+ years in business
- 2 retail stores & 1 warehouse; one store outside of Lincoln, the other outside of Omaha
- ACHC Accreditation and BBB Honor Roll
- 8 employees across both stores: Director of Respiratory Therapy, Respiratory Therapist, Billing Manager, 3 Customer Service Reps, & Service/Delivery Tech
  - Each store managed by a Respiratory Therapist who in turn manages customer service reps
- Client Demographics: 55+
- Provides products & equipment for:
  - Respiratory – CPAP, ventilators, nebulizers
  - Mobility – scooters, ramps, crutches
  - Durable Medical Equipment – lift chairs, braces, diabetic footwear
- Hour of operation are Mon – Fri, 8:30am – 5pm with equipment delivery & emergency services available
- Current Owner's Responsibilities: AP, AR, scheduling and oversight, owner DOES NOT manage stores or have a respiratory therapist license
- Growth potential in increased evening & weekend hours, and by marketing to potential referral sources

## Financial Highlights

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- 2015 Gross Sales: \$1,903,825
- 2016 Cash Flow: \$274,656
- 2015 Cash Flow: \$292,902
- Profit Margin 26%
  - Assets Included in Purchase - \$364,148
  - Equipment: \$105,344
  - Vehicles: \$60,087 (1 van, 2 cars)
  - Inventory: \$73,630
  - A/R: \$125,087

\*amounts may vary

# Cash Flow Analysis

Description of Financial Statement	Tax Return January - December	Tax Return Amdended	Tax Return	Tax Return	Notes
	2016	2015	2014	2013	
<b>GROSS SALES</b>	\$1,031,220	\$1,903,825	\$1,240,008	\$904,934	Current owners bought in 2015
<b>Net Income Shown on Financial Statement</b>	\$127,396	\$64,901	\$3	\$18,221	
<b>ADDBACKS</b>					
Compensation to Owner	\$90,185	\$99,000	\$42,308	\$0	
11% Tax on total W2 Salaries	\$9,920	\$10,890	\$4,654	\$0	
Depreciation	\$9,810	\$3,455	\$12,580	\$7,008	Non-cash item
Interest	\$889	\$3,475	\$8,589	\$5,177	Non-onward going expense
Non-Business Telephone	\$1,800	\$1,800	\$1,800	\$1,800	2 payments for 2 personal cell phones (\$150/mo)
Retirement Plan	\$15,832	\$7,395	\$0	\$4,015	Owner's retirement plan
Travel	\$0	\$5,221	\$15,405	\$13,995	Travel unrelated to business
Meals & Entertainment	\$1,880	\$3,827	\$6,813	\$484	Expenses unrelated to business
Auto-Personal Use	\$16,944	\$8,678	\$34,269	\$13,200	Auto use unrelated to business
Bad Debt	\$0	\$84,260	\$0	\$0	One-time write off for bad inventory adjustment
<b>TOTAL ADDBACKS</b>	\$147,260	\$228,001	\$126,418	\$45,679	
<b>Seller's Cash Flow = Total Addbacks + Net Income</b>	\$274,656	\$292,902	\$126,421	\$63,900	
Profit Margin	26.63 %	15.38 %	10.20 %	7.06 %	

- 26% profit margin in 2016
- Net income increased 49% in 2016

## Products

### Respiratory

CPAP

BiPAP (ST/ASV)

Auto CPAP/BiPAP

ApneaLink/Home Sleep Testing

Trilogy Ventilators

Oxygen Concentrators

Portable Oxygen Systems (HomeFill & POC)

Overnight Pulse Oximetry

Stationary Nebulizers

Portable Ultrasonic Nebulizers

Suction Machines & Supplies

## Mobility

Scooters

Power Wheelchairs

Scooter/Power Chair Accessories

Wheelchairs

Ramps and Lifts

Transport Chairs

Canes/Crutches

Walkers/Rollators

Knee Walkers

Position Cushions/Backs

## Durable Medical Equipment

Diabetic Shoes & Socks

Lift Chairs

Electric Beds

Bed Rails & Bed Canes (for current beds)

TENS Units/SENSUS Pain Management System

Post-Surgery Hip Kits

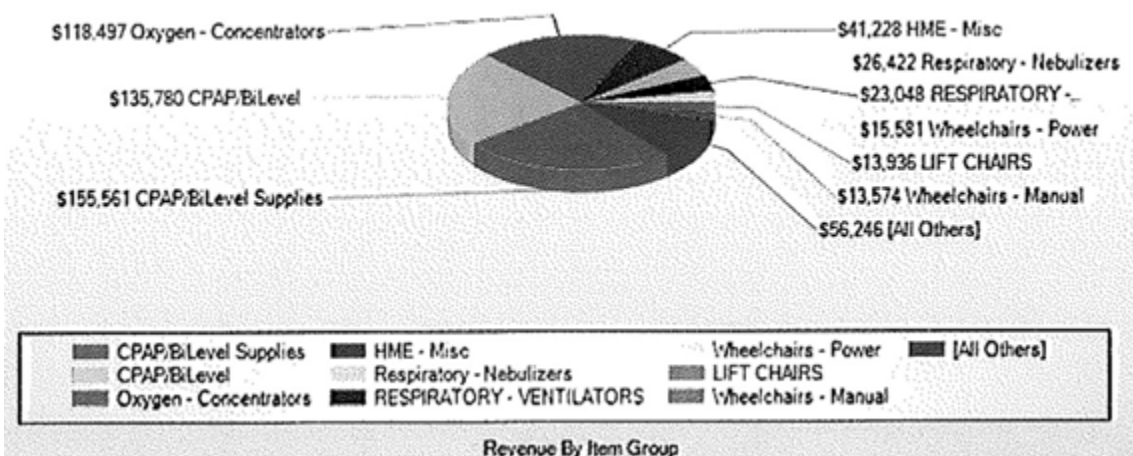
Bathroom Safety

Aids to Daily Living

Cushions

Bracing (Back, Knee, Ankle)

Edema Wear & Compression



## Services

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- Home delivery of medical equipment
- Introduction & training on how to safely use medical equipment
- Routine home service visits for all oxygen patients
- Comprehensive follow-up program for PAP and Ventilator patients
- Quality customer service & delivery personnel to help with home medical equipment needs
  - Repair & replacement of home medical equipment with accepting assignment for warranted products purchased through company
- Competent billing staff to assist with reimbursement and questions regarding insurance coverage
- 24/7 emergency service
- Most all insurance accepted, including Medicare and Medicaid

## Customer Demographics

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- Revenue Breakout
  - Medicare: 19%
  - Medicaid: 10%
  - Commercial: 35%
  - Private: 36%
- Rental vs. Sales
  - Rental: 64%
  - Sales: 36%
- Customer Numbers:
  - Location 1 - 2,740 active patients including:
    - CPAP/BiPAP/PAPSupply - 429
    - Oxygen - 138
    - Oxygen/CPAP - 24
    - Oxygen/BiPAP - 13
- CPAP patients are eligible for supplies every 3 months
- Oxygen patients rent every month for 36 months (on Medicare)

- Location 2 - 1,570 active patients including:
  - CPAP/BiPAP/PAPSupply - 776
  - Oxygen - 96
  - Oxygen/CPAP - 21
  - Oxygen/BiPAP - 7
    - Bill for maintenance every 6 months for 2 years, and then they renew the rent
    - These patients never own their concentrators

## Inventory Sample

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- Aircurve V Auto Machine - \$952 (2)
- Aircurve 10 ASV with climate line - \$2,537 (2)
- Aircurve 10 ST BiPAP with back-up rate - \$1,773 (3)
- Aircurve 10 VPAP - \$877 (4)
- Airsense CPAP - \$300 (4)
- Airsense Auto CPAP - \$350 (5)
- Trilogy Ventilator - \$10,000 (4)
- Invacare 10 Liter Concentrator - \$1,025 (5)
- Millennium HomeFill - \$915 (3)

## Suppliers

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- Invacare – hospital beds, wheelchairs, power chairs, walkers, rollators
- Respireonics – CPAP supplies
- Resmed – CPAP & CPAP supplies
- Drive Medical – walkers, wheelchairs, power equipment
- Pride Mobility – lift chairs, power equipment
- Golden Technologies – lift chairs, power equipment
- Dr. Comfort – diabetic shoes and compression garments
- Dedicated Distribution – durable medical equipment items (bracing, bed rails, etc.)
- Airgas – fill oxygen bottles

- Airsep – provide concentrators
- Bio Compression – lymphedema pumps
- McKesson – incontinence products
- Ossur – bracing
- Precision Medical – oxygen concentrators, portable oxygen concentrators
- The Comfort Company – custom seat and back cushions
- The Roho Group – Roho Cushion (pressure-reducing support system)

## Asset List

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- Location 1
  - 6 office desks/6 chairs
  - 6 laptop computers
  - 4 standard computers
  - 4 extra computer monitors
  - 3 printers
  - 1 delivery van & 1 company car
- Location 2
  - 4 office desks
  - 4 standard computers
  - 4 extra computer monitors
  - 1 printer
  - 1 company car



To receive a full financial package and specific information regarding this business:

1. Complete the Qualified Buyer Documents (Non-Disclosure Agreement and Buyer Questionnaire) [on our website](#) or print, scan and return the attachments to [info@TheFirmB2B.com](mailto:info@TheFirmB2B.com)
2. Call The Firm Business Brokerage at 402.998.5288 to schedule an appointment or conference call with a Broker.

The Firm currently has over 90 cash flowing businesses available. If you find that this is not a fit for you, please let us know and we would be happy to provide you with other opportunities.

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