

Car Care *PROFESSIONAL. PROUD.*

Car Wash Valuation for Self-Serve and In-Bay Operations

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PLEASE SILENCE ALL CELL PHONES AND PAGERS AT THIS TIME. THANK YOU.

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Outline

- Analytical (MAI) vs. Practical (Opinion of Value)
- Purpose: Income Approach –‘Practical Version’
- Get Advice: 5 Allies
- No Emotional Purchases: “Have an Exit Strategy”

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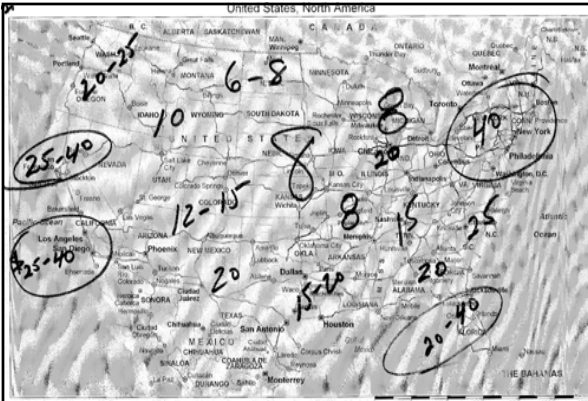
Full Size Handout of the following slides can be found in your handout booklet.

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SELF SERVICE

GENERIC "PROPERTY" VALUE PROFILE

- Time Line: 2P + 2A + 4 - 8 P&Z + 10 - 12B = 18 - 24 Months
- Zoning (C2) (SUP) Special Use Permit
- Pricing \$6 - \$18K P/S/F (\$15 - \$20 Realty)
- Size 30 - 40 SF (5 Bay + 1 Auto) (Footprint) (Building Envelope)
- Design (Lay Out) 5 Bay + 1 Auto + 6 Vacs (\$1.5M - \$1.7M Build Out)
- Traffic Count: 30K CPD (1 1/2%)
- Land Rating (C-, B+) Location
- History: Typical Undesirable Land to be Assembled at Later Date (Trailer Parks)
- Demographics (Most Important): Public (Medium Income), Competitors, Express Wash, Neighborhood (Middle Class) not Affluent, Road Construction etc.
- Purchase Agreement: (Subject to Zoning)
- Proforma: 5 Bay @ \$2K P/B = \$120K + \$60K Auto = \$200K
- Goal: \$200K P/Y/G/S = 50% EBITDA (25% Loan) (25% Net)
- Allies: Real Estate Broker, C/W Consultant, Attorney, CPA, Equipment Manufacturer, Builder

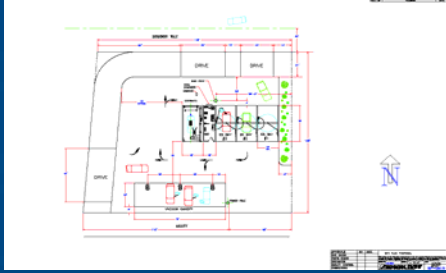


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3 Bay Self-Serve and 1 In-Bay Automatic

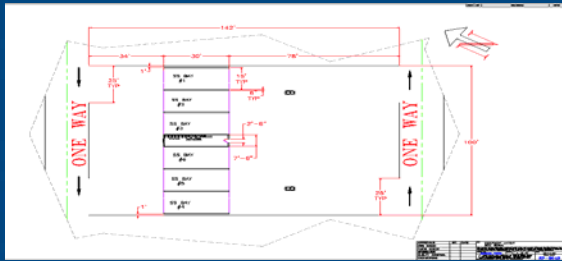


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6 Bay Self-serve

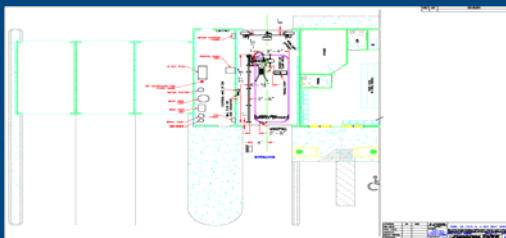


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3 Bay and Exterior In-bay Automatic



CAR CARE WORLD EXPO 2008 APRIL 7-10 ORLANDO, FLORIDA

Generic 6 Bays + 1 Automatic (New Build)

Construction/Site Work.....	\$ 320,000.00 *
Equipment/Install/Freight/Tax.....	\$ 275,000.00 *
Land Cost.....	\$ 480,000.00 (\$12) @ 40k sq ft
Miscellaneous/Signage.....	\$ 60,000.00
Project Cost Total.....	\$1,135,000.00
Down Payment = (20%).....	\$ 227,000.00
Loan Amount.....	\$ 908,000.00
Interest Rate =.....	9.25%
Number of Mortgage Payments =.....	249
Mortgage Payments =.....	\$ 8,316.07

Net Operating Income =.....	\$ 141,333.80
(From Proforma)	
Profit after Debt Service = (\$141,330.80 - \$99,792.84) =	\$ 41,537.96
(Net Operating Income Less Mortgage Payment times 12 months)	
Return on Investment = (\$41,537.96 - \$1,135,000.00) =	3.72%
(Profit After Annual Debt Service and Total Expenses Shown in %)	

6 Bay x \$50k =	\$300,000.00 (+/-)	
Automatic =	\$200,000.00 (+/-)	
Site Work =	\$ 95,000.00	*Total \$ 595,000.00

INCOME PROJECTIONS SHOULD BE ACHIEVED BY END OF FIRST YEAR OF OPERATION WITH PROPER MANAGEMENT AND MARKETING. THIS PRESENTATION HAS BEEN PREPARED BY TREATING THE BEST OPERATIONAL SCENARIO. HOWEVER, MANY FACTORS CAN AFFECT THE SUCCESS OF A BUSINESS. THE ACCURACY OF THE ESTIMATES AND PROJECTIONS SHOWN CANNOT BE GUARANTEED.

Proforma: 5 Self-Serve + 1 Automatic

	2006		2007		2008	
	Amount	Pct.	Amount	Pct.	Amount	Pct.
Gross Sales	\$200,000	100.00%	\$205,000	100.00%	\$205,000	100.00%
Salaries and Wages	\$75,000	37.50%	\$77,500	37.83%	\$80,000	39.02%
Workers Comp	\$1,500	0.75%	\$1,500	0.73%	\$1,500	0.73%
Maintenance						
General	\$1,000	0.50%	\$1,000	0.49%	\$1,000	0.49%
Electrical	\$1,000	0.50%	\$1,000	0.49%	\$1,000	0.49%
Landscaping	\$1,000	0.50%	\$1,000	0.49%	\$1,000	0.49%
Painting	\$2,000	1.00%	\$2,000	0.98%	\$2,000	0.98%
Supplies	\$54,000	27.00%	\$57,000	27.80%	\$50,000	24.39%
Flooring	\$0	0.00%	\$2,000	0.98%	\$0	0.00%
Concrete	\$0	0.00%	\$2,000	0.98%	\$0	0.00%
Doors	\$200	0.10%	\$200	0.10%	\$200	0.10%
Damages	\$1,000	0.50%	\$1,000	0.49%	\$1,000	0.49%
Utilities						
Water	\$0	0.00%	\$0	0.00%	\$10,200	4.98%
Electric	\$4,000	2.00%	\$4,500	2.20%	\$5,100	2.49%
Propane	\$4,000	2.00%	\$4,500	2.20%	\$5,100	2.49%
Septic	\$0	0.00%	\$4,000	1.95%	\$10,200	4.98%
Sewer	\$0	0.00%	\$0	0.00%	\$0	0.00%
Office Expenses	\$500	0.25%	\$500	0.24%	\$500	0.24%
Telephone	\$1,000	0.50%	\$1,700	0.83%	\$2,000	0.98%
Advertising	\$3,000	1.50%	\$3,000	1.46%	\$4,000	1.95%
Signs	\$500	0.25%	\$1,000	0.49%	\$1,100	0.54%
NET TAXES	\$10,000	5.00%	\$12,000	5.86%	\$10,000	4.88%
Insurance	\$7,500	3.75%	\$8,000	3.91%	\$8,500	4.15%
Other operating expenses	\$1,500	0.75%	\$1,500	0.73%	\$1,500	0.73%
Total Expenses	\$155,000	77.50%	\$160,000	78.05%	\$165,200	80.59%
Net Cash Available for Debt Service	\$45,000	22.50%	\$45,000	22.00%	\$40,000	19.51%

Generic: 6 Self-Serve + 1 Automatic Cash Flow Proforma

Number Of Self-Serve Bays: 6 Monthly Sales Per Bay: \$1,000.00
 Average Cars Per Day/Full: 40 Average Income Per Car/Day: \$5.00

Assumptions: 6 Bays @ 1000 = 24 cars bay = 120 x 4.166 = 5000
 Auto @ 10 @ 25000 = \$64,286 x 1.28 = \$82,286 (x-1)

	MONTHLY	% CHANGES	ANNUAL
INCOME			
LOCATION WASH SALES	\$ 15,000.00	0.0%	\$ 180,000.00
VENDS	\$ 201.60	1.3%	\$ 2,419.20
VACUUMS	\$ 1,711.00	8.3%	\$ 20,532.00
GROSS SALES	\$ 17,912.60	100%	\$ 214,951.20
FIXED EXPENSES			
INSURANCE	\$ 275.00	1.5%	\$ 3,300.00
CONTINGENCY	\$ 200.00	1.1%	\$ 2,400.00
PROPERTY TAX (OVERBY)	\$ 600.00	3.3%	\$ 7,200.00
TELEPHONE	\$ 75.00	0.4%	\$ 900.00
ACCOUNTS/LEGAL	\$ 50.00	0.3%	\$ 600.00
TOTAL FIXED EXPENSES	\$ 1,215.00	6.7%	\$ 14,500.00
VARIABLE EXPENSES			
ELECTRICITY	\$ 350.00	2.0%	\$ 4,200.00
GAS(LP)	\$ 134.27	0.8%	\$ 1,611.24
WATER	\$ 480.00	2.7%	\$ 5,760.00
SEWER	\$ 480.11	2.7%	\$ 5,761.32
SALT	\$ 80.81	0.5%	\$ 969.72
CLEANING AGENTS	\$ 1,347.20	7.5%	\$ 16,166.40
PRE-CLEANING	\$ 233.00	1.3%	\$ 2,796.00
REPAIRS/PARTS	\$ 688.73	3.8%	\$ 8,264.76
DUMPSTER	\$ 80.00	0.5%	\$ 960.00
LABOR(OPTIONAL)	\$ 600.00	3.3%	\$ 7,200.00
ADVERTISING/PROMOTION	\$ 200.00	1.1%	\$ 2,400.00
MISCELLANEOUS	\$ 200.00	1.1%	\$ 2,400.00
TOTAL VARIABLE EXPENSES	\$ 4,626.27	27.0%	\$ 55,536.80
PROFIT			
GROSS SALES	\$ 17,912.60	100.00%	\$ 214,951.20
TOTAL EXPENSES	\$ 5,841.27	32.8%	\$ 70,036.80
Net Operating Income	\$ 11,777.82	65.74%	\$ 141,333.80

Income projections should be achieved by end of first year of operation with proper management and marketing. This presentation has been compiled utilizing the best information available, since many intangible factors contribute to the success of a business, the accuracy of the estimates and projections herein cannot be guaranteed.