

**Opportunity:****Massage Clinic**

Location:

Central Washington

Business Offered At:

\$300,000

Sale Type:

Asset or Equity Sale

Offered By:**AAI Real Estate**

819 S. 72nd Ave

Yakima, WA 98908

Massage Clinic

Central Washington

Confidential
Offering Memorandum
Massage Clinic

The information contained in the following Confidential Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from AAI Real Estate and should not be made available to any other person or entity without consent of AAI Real Estate. The purpose of this Confidential Memorandum is to acquaint a prospective buyer with preliminary information regarding a client of AAI Real Estate or one of AAI Real Estate's cooperative brokers. AAI Real Estate, its employees, agents, brokers, financial recasting consultants, and affiliate brokers have made no investigation or verification of the information contained herein and any representation to the contrary is not authorized.

The Client Company has elected not to audit financial statements, appraisals of tangible assets or real property. In addition, management has elected to omit substantially all of the informative disclosures ordinarily included in financial statements prepared on an income tax basis of accounting, market value presentation and valuation reports. If the omitted disclosures were included, they might influence the user's conclusions about the company's financial condition. Accordingly, the documents contained in this Confidential Memorandum are not designed for those who are not informed about such matters.

Any and all financial records, equipment list, and operating reports received from management and included in this package are assumed to be accurate. While reasonable tests are applied and unusual results queried, the prospective purchaser should verify accuracy of these numbers. Unless stated otherwise, the financial summaries prepared by AAI Real Estate reflect only regrouping of those prepared by management. By accepting this Confidential Memorandum, the recipient acknowledges the responsibility to perform a due diligence review and make its own evaluation and judgment prior to any acquisitions of or mergers with the Client Company.

Unless stated otherwise, the underlying assets have not been appraised. The cost data provided in the financial statements, before depreciation is deducted, may be used as an approximate replacement cost but should be reviewed in due diligence process. If a value is included on the asset list, that value is the presumed fair market value of an equivalent asset. Additionally, the list was prepared at a specific point in time. The ordinary course of business will cause items to be added and disposed of, so any enclosed list of assets should be viewed as an approximation of the total assets of the business.

Inventory is assumed to be at cost. Management's estimate of value is accepted unless reasons exist to use another value, which will be noted. Real estate values, building leases, rental agreements, equipment leases and other commitments of the company are management's estimate and are assumed to be at market rates unless otherwise noted.

Confidential Offering Memorandum

Exclusively Offered By: **AAI Real Estate**

Contact:

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The business is a privately owned massage clinic, offering specialized massage treatment for work injury, chronic pain relief, pre- and post-surgery pain management, sports massage and injury recovery and deep tissue massage. The business was started in 2005 and is owned by a husband and wife team.

The business currently has 12 licensed therapists including one of the owners, three staff members, and the spouse handles the billing.

The clinic currently rents a 2,400 square feet of office for \$3,600 per month. The clinic is open Monday through Friday from 8:00 am to 6:00 pm and Saturday from 8:00 am to 3:00 pm. All appointments must be made in advance.

All massage therapists in Washinton State must have a license which is renewed annually. Licensed massage therapists (LMTs) are also required to have current liability / malpractice insurance. All LMTs with the company are licensed, insured and credentialed with the health insurance companies with which the business works.

The current owners are selling in order to retire. The owners are open to staying with the company for 3 to 6 months to transition the company. Compensation is negotiable. They are also willing to sign non compete agreements.

Complete detailed information about the company is available with a signed non-disclosure agreement.

Business Summary

Industry	Massage Clinic
Business	Not Disclosed
Leased Location	Not Disclosed Central Washington
Number of Employees	14
Years in Business	20
Website	Not Disclosed
Type of Sale	Asset or Equity Sale
Reason for Selling	Owners ready to retire

The Sellers are willing to offer either an asset or equity sale.

Key Numbers	
Asking Price, Business	300,000
Asking Price, Real Estate	0
Combined Asking Price	300,000
2020 Sales	385,752
2021 Sales	357,908
2022 Sales	441,290
2023 Sales	622,227
2024 Sales	648,210
2020 Seller's Discretionary Earnings	41,810
2021 Seller's Discretionary Earnings	68,706
2022 Seller's Discretionary Earnings	-58,709
2023 Seller's Discretionary Earnings	45,858
2024 Seller's Discretionary Earnings	72,710
A/R Feb 2025	74,153

2022 Seller's Discretionary Earnings was down primarily due to the growth of the business, hiring of staff and timing of receipt of insurance payments. The spouse took over billing in 2023 and improved collections of receivables.

Suppliers

There are few "suppliers" for the business, as it is service oriented. The business has a cleaning service that cleans twice per week with an average monthly rate of \$1,275. Cintas provides laundry service for sheets (approximately 350-380 sheets per week).

Competitors

There are several clinics and services in the area that have LMTs on staff. The business provides unique, specific massage treatments and excellent client service.

Employees

The business has 12 licensed therapists including one of the owners, three staff members, and the spouse handles the billing.

LMTs earn 50% per client. The 11 LMTs that will stay on have start dates ranging between 2015 and 2024. The three staff members are an office manager and two receptionists.

Employees accrue paid time off, have access to Aflac Supplemental Insurance (paid by employee), and receive reduced rates for massages.

Client visits have grown each year since COVID

Average Client Visits Per Month

2020	455 Clients
2021	429 Clients
2022	560 Clients
2023	709 Clients
2024	710 Clients

One of the owners is an LMT. However, his client visits have decreased each year.

Clients Seen by Owner, Full Year

Year	Clients	Approx. Revenue
2020	685	46,200
2021	758	47,490
2022	703	42,825
2023	632	38,970
2024	499	34,540
2025 Thru Feb 4	39	2,700


Financial Information

Income Statement: 2020-2023 from Tax Returns Sched C, 2024 Company Prepared

Accounting Method: Cash	2020	2021	2022	2023	2024
3 Receipts or Sales	385,752	357,908	441,290	622,227	648,210
5 Gross Profits	385,752	357,908	441,290	622,227	648,210
6 Other Income	5,223	1,309	68	-	225
7 Gross Income	390,975	359,217	441,359	622,227	648,434
8 Advertising	7,318	6,446	8,476	7,281	1,123
9 Car and Truck	-	-	-	-	-
11 Contract Labor / Cleaning	17,691	-	26,404	34,101	45,043
13 Depreciation	2,247	1,459	875	332	-
15 Insurance	1,123	1,243	1,267	1,400	1,353
16b Interest: Other	2,834	972	-	-	-
17 Legal / Professional	11,840	31,013	16,468	5,793	18
18 Office Expense	14,675	14,218	12,818	16,290	119
20b Rent: Other Business Property	23,214	40,021	60,457	41,968	41,041
21 Repairs and Maintenance	713	753	438	376	-
22 Supplies	151	-	-	-	-
23 Taxes and Licenses	28,756	7,448	3,600	32,355	15,347
24b Deductible Meals	361	357	58	8	-
25 Utilities	7,302	8,879	10,144	10,089	8,865
26 Wages	234,032	179,066	357,312	410,997	450,680
27 Other Expenses	2,754	373	2,733	15,560	26,368
28 Total Expenses	355,011	292,248	501,049	576,550	589,955
29 Income (Loss)	35,964	66,969	(59,690)	45,677	58,479
EBITDA Income	41,045	69,400	(58,815)	46,008	58,479

The seller provided tax returns on a cash basis for the prior four years and company prepared financials on a cash basis for 2024. The business reports on Schedule C. 2020 and 2021 are CPA prepared. 2022 and 2023 appear to be self prepared by the seller. 2022 was down because the receivables were not actively being worked. The spouse started doing the billing and actively collecting receivables in 2023.

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Additional Detail: 2020-2023 from Tax Returns, 2024 Company Prepared

Other Deduction Expenses	2020	2021	2022	2023	2024
IT	-	-	-	262	46
Services Other	-	-	-	-	7,486
Scheduling / Billing Software	-	-	-	6,071	-
Merchant Services	-	-	-	6,939	-
Bank Fees	-	-	-	-	50
Gifts	-	-	70	-	200
Penalties and Fines	-	-	-	-	2,844
Training Expense	-	-	2,322	535	1,288
Alarm Systems	-	-	-	642	-
Job Posting	-	-	-	1,111	-
Dues and Subscriptions	-	-	340	-	-
Other Expenses	2,754	373	-	-	14,455
Total Other Deductions	2,754	373	2,733	15,560	26,368

Other expense information is provided here for the benefit of the seller. No breakdown was provided on the tax returns for 2020 or 2021. Other expenses in 2024 are personal items that were expensed through the company.

Discretionary Cash Flow: 2020-2023 from Tax Returns, 2024 Company Prepared

Accounting Method: Cash	2020	2021	2022	2023	2024
Operating Income	35,964	66,969	(59,690)	45,677	58,479
Adjustments for non-cash, non-recurring and owner's expenses					
Interest, Depreciation, Amortization	5,081	2,431	875	332	-
Owner's Expenses - Meals	361	357	58	8	-
Personal Items Run Through Expenses	473	358	117	-	14,455
- Other Income / Interest	(68)	(1,409)	(68)	(158)	(225)
Total Adjustments	5,846	1,737	982	182	14,230
Discretionary Cash Flow	41,810	68,706	(58,709)	45,858	72,710

Adjustments are made to eliminate non-cash expenses, non-recurring items and owner's expenses that were run through the company and may be different for the new owner. The current owner and spouse do not draw salaries from the company.

Balance sheets were not provided due to the size of the business and the reporting on Schedule C. An accounts receivable aging report was provided. The majority of receivables are with insurance companies. Patient receivables have been broken out below. There is a payment plan on \$420, \$280 of which is due in 30 days and \$140 in 60 days.

Accounts Receivable Aging: Company Prepared as of 02/03/2025

Days	0-30	31-60	61-90	91-120	Over 120	Total
Total	63,175	6,614	705	910	2,749	74,153
Patients	280	221	0	0	91	592

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An asset list was also provided in the form of a personal property assessment notice dated October 2024. The notice includes items such as hydraulic massage tables, computers, furniture and décor, and other office equipment. Year purchased, original cost and assessed value are also provided. The total original cost indicated is \$24,656. The notice will be provided with due diligence after an NDA is signed.

Potential Financing Structure

Financing Options

Seller Financing Offered?	TBD
Financing Amount Offered	TBD

Broker is willing to provide assistance with exploring funding options specific to buyer needs and qualifications

The seller may be willing to provide seller financing depending on the offer and circumstances.

Example Loan

Business Offer	300,000
Potential Loan to Value	90.00%
Loan Amount	270,000
Down Payment	30,000
Potential Rate / Months	9.50% / 120
Monthly Payment	3,494
Annualized 2024 Discretionary Cash Flow	72,710
Annual Payment, Above Financing Example	41,925
Debt Service Coverage	1.73
Remaining Cash Flow	30,785
Cash / Cash Return with Loan Scenario	102.62%
Cash / Cash Return, All Cash Offer	24.24%

The financing example assumes the buyer utilizes an SBA loan.

Contact Broker,
Express Interest

Complete NDA &
Buyer Profile

Receive Confidential
Information Memorandum
& Supplementary
Documentation

Meet with
Business Broker

Meet with Business
Seller

Prepare Offer,
Put Down Deposit

Offer Accepted by
Seller

Complete Due
Diligence

Finalize Financing &
Lease

Fund
&
Close!

AAI Financial Group (AAIFG) is our dedicated capital advisory arm that specializes in assisting clients to obtain financing for commercial properties. We are committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We utilize our relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, and agency lenders to provide our clients with a wide range of financing options.

Our dedicated, knowledgeable advisors work to understand you and your goals, gather all of the documents required, provide advice and manage the process from beginning to end while overcoming the challenges of financing.

Team

Dedicated back-office support team to focus on real estate and financing transactions.

Capital Access

Access to local, regional and nationwide lenders

Efficiency

Company wide operating system servicing real estate and financing utilizing the same team of members throughout the transaction.