

Profit & Loss (P&L) series showing how the business performs at different levels of sales and expense efficiency, assuming:

Base Assumptions

Item	Value
Business Sale Price (Goodwill + Equipment)	\$500,000
Annual Rent (NNN base rent)	\$5,500/month = \$66,000/year
Taxes & Insurance	<i>excluded</i> (paid by owner/landlord)
Gross Sales Range	starting from actual \$681,554 up to \$850,000 (growth scenarios)
Operating Expenses (excl. rent)	modeled at 70%, 75%, and 80% of sales (typical range for auto repair/body shops)

Series of P&L Scenarios (2024 Adjusted Model)

Scenario	Gross Sales	Operating Exp. (% of sales)	Operating Exp.	Rent (NNN)	Total Expenses	Net Operating Income (NOI)	Business Cap Rate (NOI ÷ \$500K)
A – Conservative	\$681,554	80%	\$545,243	\$66,000	\$611,243	\$70,311	14.1%
B – Baseline	\$681,554	75%	\$511,166	\$66,000	\$577,166	\$104,388	20.9%
C – Efficient	\$681,554	70%	\$477,088	\$66,000	\$543,088	\$138,466	27.7%
D – Growth Moderate	\$750,000	75%	\$562,500	\$66,000	\$628,500	\$121,500	24.3%

E – Growth Efficient	\$750,00	70%	\$525,000	\$66,00	\$591,00	\$159,000	31.8%
	0			0	0		
F – High Performance	\$850,00	70%	\$595,000	\$66,00	\$661,00	\$189,000	37.8%
	0			0	0		



Key Insights

- **Baseline NOI (Scenario B) ≈ \$104K**, giving a **21% return** on a \$500K business purchase — very strong.
- Even under **conservative conditions (80% cost ratio)**, the buyer still earns **~14% ROI**.
- With modest growth to **\$750K sales**, returns rise to **24–32%**, and at **\$850K**, nearly **38%**.
- The rent structure of **\$5,500/month NNN** supports both sides:
 - The **owner (landlord)** achieves an **8.5% cap rate** on the building at \$1M.
 - The **buyer/operator** still retains robust profitability and return on capital.

cash-on-cash ROI table (assuming, for example, the buyer finances 70% of the \$500K purchase at 8% interest over 5 years) to show **actual investor yield after debt service**

model both **operational performance (NOI)** and **post-financing investor returns**.



Base Assumptions

Item	Value
Business Purchase Price	\$500,000
Rent (NNN)	\$5,500/mo = \$66,000/yr
Tenant Pays	Property taxes, insurance, maintenance (so rent = pure income to landlord)
Gross Sales Range	\$681,554 → \$850,000
Operating Costs (excl. rent)	70–80 % of sales

Buyer Financing 70 % loan (\$350,000) @ 8 % interest, 5-year term

Annual Debt Service (5 yrs) ≈ \$85,000/yr

Cash Down Payment \$150,000

 **P&L + ROI Scenarios (NNN Lease)**

Scenario	Gross Sales	Op Ex p %	Op Exp	Rent (NNN)	Total Exp	NOI (before debt)	Cap Rate (500K)	Debt Svc	Cash Flow (after debt)	Cash-on-Cash ROI
A – Conservative	681,554	80 %	545,243	66,000	611,243	70,311	14.1 %	85,000	-14,689	-9.8 %
B – Baseline	681,554	75 %	511,166	66,000	577,166	104,388	20.9 %	85,000	19,388	12.9 %
C – Efficient	681,554	70 %	477,088	66,000	543,088	138,466	27.7 %	85,000	53,466	35.6 %
D – Growth Moderate	750,000	75 %	562,500	66,000	628,500	121,500	24.3 %	85,000	36,500	24.3 %
E – Growth Efficient	750,000	70 %	525,000	66,000	591,000	159,000	31.8 %	85,000	74,000	49.3 %
F – High Performance	850,000	70 %	595,000	66,000	661,000	189,000	37.8 %	85,000	104,000	69.3 %

 **Key Results**

- **NOI Range:** \$70 K – \$189 K depending on efficiency and sales growth.
- **Cap Rate on Business Value (\$500 K):** 14 – 38 % pre-debt.
- **Cash-on-Cash ROI:**
 - Breakeven (\approx 13 %) at baseline performance.
 - 35–70 % ROI when sales or margins improve moderately.
- **Triple-Net Rent of \$5,500/mo** is easily serviceable at anything above the conservative case.

Interpretation

At **\$500K business value** with a **\$5,500 NNN lease**, the operation remains **highly investable**:

- Buyers achieve a **10 – 12 % levered ROI** even at baseline, and far higher with modest efficiency.
- Landlord simultaneously earns an **8.5 %+ cap** on the **\$1 M property** (from prior analysis).
- Together, the structure is balanced: strong income for the investor, sustainable rent coverage for the operator.