

CONFIDENTIAL BUSINESS OFFERING

#23100JD Established Medical Spa Serving San Francisco



Description of business:

Step into a thriving med spa that has been delighting clients since 2007 with its exceptional services and customer loyalty. This gem of a practice boasts a remarkable Platinum Plus level with Allergan for over a decade, ensuring credibility and top-tier treatments. Located on a bustling main street in the heart of San Francisco, this med spa draws in both locals and tourists alike.

Major attractions including Fisherman's Wharf and Ghirardelli Chocolate are just minutes away. It is also situated in a prominent area with a median home listing value of \$1.9M, this med spa caters to clients from Marin County, San Francisco County, East Bay, and San Mateo County. Its strategic location ensures a diverse and loyal clientele.

The owner, a skilled nurse with a passion for her craft, has other business interests. However, she's offering an amazing opportunity for the savvy buyer. She's willing to stay on for 20 hours per week for 6 months to personally train you and ensure a seamless transition.

Despite working only 20 hours per week, this med spa is a revenue powerhouse, generating an impressive \$800k in annual revenue! Imagine the potential for growth with a dedicated new owner at the helm. Don't miss out on this incredible chance to step into a thriving med spa with an established reputation, loyal clientele, and a coveted Allergan partnership. The future looks bright, and this opportunity won't last long. Take the leap and make your mark in the lucrative world of beauty and wellness.

All information contained within this document and in all other materials was furnished by either the buyer or seller of the business. Purchasing a business involves risk and all parties are advised to seek legal and financial advice. Pacific Reliance has not and will not verify the accuracy or completeness of this information.

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Products & Services:

The breakdown of services is as follows:

<u>Product/Services</u>	<u>% of Sales</u>
Injectables (botox & fillers)	60%
Skincare product sales (Skinworx skincare line)	8%
Micro-needling (Micro-channeling with infusion of serums)	2%
Hydrafacials (Serum-based skin resurfacing)	30%

Employee/personnel/payroll:

<u>Title/Position</u>	<u>PT/FT</u>	<u>Wages/Salary/Duties</u>
Aesthetic Nurse (owner)	PT	She is currently the only provider
Aesthetician	PT	1099 contract (10+ yrs / performs hydrafacials)
MD	PT	\$2000/month (17 years / Medical Director)

MD wants to retire next year. PT Aesthetician gets an end of the year bonus ranging from \$500-1k. Aesthetician earns 40% of revenues generated.

Ownership info

The owner is an S-corp and is solely owned by the owner.

The owner works around 20 hours a week. She is involved in performing all the injectables, microneedling, and bookkeeping.

Billings/collection/revenue sources

The practice boasts a substantial base of 300+ active clients and maintains an average daily foot traffic of approximately 15 clients, showcasing its strong presence in the market. With a comprehensive email list comprising **over 4000 contacts**, effective communication with clients is ensured. The practice exclusively accepts cash payments after each procedure and targets a discerning market of educated, employed, married males and females aged 30 and above, including entrepreneurs. Remarkably, 90% of the clientele are loyal

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repeat customers, while the remaining 10% comprises new clients, reflecting a consistent influx of potential business opportunities.

Notably, the practice does not engage in insurance arrangements or contracts, affording clients the flexibility to either pay after each treatment or conveniently opt for the membership program, offering pre-payment options for added convenience.

	2021	2022	YTD through May, 2023
Annual Revenues	\$807,065	\$829,326	\$350,812
Net Profit	\$215,212	\$282,372	\$116,202

BUYER TO CONFIRM ALL NUMBERS AND ADVISED TO HIRE CPA TO REVIEW ALL FINANCIALS. INFORMATION TAKEN FROM SELLER PROVIDED TAX RETURNS AND DOCUMENTS. PRB DOES NOT WARRANTY THE INFORMATION PROVIDED, BUT MERELY SHARES INFORMATION RECEIVED FROM SELLER.

Equipment

Describe major equipment. Can add equipment list to the report as addendum/exhibit.

- HydrafacialMD
- LED light therapy
- Spa treatment tables
- Hyfrecator

Approx wholesale value of inventory : 40K

Marketing:

Marketing is done through referrals, email marketing (Fortified Branding team), Yelp ads, and word of mouth.

Facilities:

Hours of operation:

Sunday-Tuesday: Closed

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Wednesday: 10AM-5PM

Thursday: 10AM-2PM

Friday/Saturday: 10AM-3PM

The practice comprises a professional and well-appointed 1000 sq ft medical office space thoughtfully designed with 3 treatment rooms occupying 40% of the area, accompanied by 2 office spaces encompassing 20%, a welcoming front desk area occupying 10%, and a comfortable waiting room comprising 20%, with the remaining 10% designated for a restroom. The premises are leased and entail a monthly rental cost of \$5042, with an existing 5-year lease set to expire in May 2024.

The landlord is open to extending the lease, ensuring stability and continuity for potential buyers. Conveniently situated on the first floor of a medical building, the office also offers the added advantage of a parking garage, enhancing accessibility for both staff and clients.

Areas of opportunity:

The prospective owner has a myriad of opportunities to enhance revenues and stimulate growth within the med spa. By extending working hours, the establishment can attract the after-office professional clientele, tapping into a lucrative market segment. As Allergan continually introduces new injectable products, there is potential for significant growth in the injectables sector. Additionally, the Hydrafacial company's expanding product range, including new boosters, presents further avenues for revenue expansion. To accommodate increased demand, hiring new staff members, with comprehensive training provided, to administer injections could be a prudent step. The med spa is staying at the forefront of the industry, with the addition of micro-needling with infusion to its service offerings, and there is the potential to further broaden services with the introduction of new skin resurfacing or skin tightening modalities. Moreover, as the family of Juvederm products evolves, such as the forthcoming Skinvive this fall, the med spa can seize new opportunities for growth and increased clientele. Lastly, by recruiting an in-office receptionist, the med spa can bolster customer service and overall operational efficiency.

Contact us for more information.

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XXXX Ageless Beauty Skin & Nail Inc dba Skin Wax XXXX

Profit and Loss

January 2021 - December 2022

	JAN - DEC 2021	JAN - DEC 2022	TOTAL
Income			
40000 Retail Product Sales	80,986.03	76,034.18	\$157,020.21
41000 Service Sales	1,621.07	-1,621.07	\$0.00
41100 Facials & Waxing	11,747.00	12,641.00	\$24,388.00
Hydrafacials Income	47,174.25	60,037.00	\$107,211.25
Peels Income	778.00	644.50	\$1,422.50
Total 41100 Facials & Waxing	59,699.25	73,322.50	\$133,021.75
41200 Medi-Spa Treatments	328,626.00	335,127.20	\$663,753.20
Injectables Income	218,717.61	229,943.00	\$448,660.61
Microneedling Income		600.00	\$600.00
Total 41200 Medi-Spa Treatments	547,343.61	565,670.20	\$1,113,013.81
41300 Services Other	20.00	1,155.00	\$1,175.00
Total 41000 Service Sales	608,683.93	638,526.63	\$1,247,210.56
42000 Memberships			\$0.00
Memberships - Hydrafacial	51,624.00	71,419.50	\$123,043.50
Memberships - Injectables	65,772.02	43,345.70	\$109,117.72
Total 42000 Memberships	117,396.02	114,765.20	\$232,161.22
Total Income	\$807,065.98	\$829,326.01	\$1,636,391.99
Cost of Goods Sold			
50000 Direct Labor			\$0.00
50110 Facials & Waxing			\$0.00
Hydrafacial Wages			\$0.00
Hydrafacial Contractor	58,054.85	66,284.32	\$124,339.17
Total Hydrafacial Wages	58,054.85	66,284.32	\$124,339.17
Total 50110 Facials & Waxing	58,054.85	66,284.32	\$124,339.17
50115 Medi-Spa Wages			\$0.00
Injectables Wages			\$0.00
Injectables Contractor	12,303.00		\$12,303.00
Total Injectables Wages	12,303.00		\$12,303.00
Total 50115 Medi-Spa Wages	12,303.00		\$12,303.00
Total 50000 Direct Labor	70,357.85	66,284.32	\$136,642.17
51000 Purchase Product for Resale	54,326.46	54,956.49	\$109,282.95
52000 Supplies - Professional & Backbar			\$0.00
52010 Facials & Waxing Supplies		25,084.22	\$25,084.22
Hydrafacial Supplies	25,121.20		\$25,121.20
Total 52010 Facials & Waxing Supplies	25,121.20	25,084.22	\$50,205.42

~~Ageless Beauty Skin Clinic, Inc dba Skinworxx~~

Profit and Loss

January 2021 - December 2022

	JAN - DEC 2021	JAN - DEC 2022	TOTAL
52015 Medi-Spa Supplies		245,865.76	\$245,865.76
Injectables Supplies	301,979.43		\$301,979.43
Medical Supplies (general)	2,217.37		\$2,217.37
Total 52015 Medi-Spa Supplies	304,196.80	245,865.76	\$550,062.56
Total 52000 Supplies - Professional & Backbar	329,318.00	270,949.98	\$600,267.98
53000 Other Direct Costs			\$0.00
53005 General Guest/Spa Supplies	1,712.95	3,669.33	\$5,382.28
53010 Laundry, Linens & Uniforms	3,035.62	5,637.02	\$8,672.64
53015 Merchant Services Fees	30,814.44	32,832.61	\$63,647.05
Total 53000 Other Direct Costs	35,563.01	42,138.96	\$77,701.97
Total Cost of Goods Sold	\$489,565.32	\$434,329.75	\$923,895.07
GROSS PROFIT	\$317,500.66	\$394,996.26	\$712,496.92
Expenses			
60000 Administrative Labor			\$0.00
60015 Benefits	1,350.00		\$1,350.00
Total 60000 Administrative Labor	1,350.00		\$1,350.00
60100 Advertising, Marketing & Promo			\$0.00
60105 Advertising	10,018.95	8,693.41	\$18,712.36
60110 Printing	266.17		\$266.17
60115 Marketing & Promotion	83,215.38	103,711.50	\$186,926.88
60125 Website	187.86	191.86	\$379.72
Total 60100 Advertising, Marketing & Promo	93,688.36	112,596.77	\$206,285.13
61000 Bank Charges	1,049.61	1,135.23	\$2,184.84
61500 Car & Truck Expenses	672.00		\$672.00
61700 Continuing Education	9,000.00	997.00	\$9,997.00
62000 Dues, Licenses & Subscriptions	855.17	1,288.44	\$2,143.61
62500 Gifts & Donations	9,813.87	17,697.84	\$27,511.71
63000 Insurance	4,031.80	4,227.81	\$8,259.61
64000 Legal & Professional Fees			\$0.00
64005 Accounting & Bookkeeping	14,708.68	12,478.28	\$27,186.96
64010 Consulting	3,648.00	1,500.00	\$5,148.00
64015 Legal	2,587.50	750.00	\$3,337.50
64090 Other		719.00	\$719.00
Total 64000 Legal & Professional Fees	20,944.18	15,447.28	\$36,391.46
65000 Meals, Entertainment & Travel			\$0.00
65005 Meals & Entertainment	1,300.29	2,645.38	\$3,945.67
65010 Travel	2,459.05	19,046.31	\$21,505.36
Total 65000 Meals, Entertainment & Travel	3,759.34	21,691.69	\$25,451.03

Profit and Loss

January 2021 - December 2022

	JAN - DEC 2021	JAN - DEC 2022	TOTAL
65500 Office Supplies & Postage			\$0.00
65505 Office Supplies	379.27	425.40	\$804.67
65510 Postage, Shipping Freight	969.45	1,791.47	\$2,760.92
65515 Computer Supplies, POS, Software	7,292.11	10,592.83	\$17,884.94
Total 65500 Office Supplies & Postage	8,640.83	12,809.70	\$21,450.53
66000 Rent & Lease	18,012.00	27,429.00	\$45,441.00
66500 Repairs & Maintenance			\$0.00
66510 Facilities Repair	147.09		\$147.09
Total 66500 Repairs & Maintenance	147.09		\$147.09
67000 Taxes Federal income taxes- not a business expense	4,863.71	48,449.76	\$53,313.47
67300 Telephone & Utilities			\$0.00
67305 Telephone	3,630.74	2,966.30	\$6,597.04
67310 Utilities		323.40	\$323.40
Total 67300 Telephone & Utilities	3,630.74	3,289.70	\$6,920.44
Total Expenses	\$180,458.70	\$267,060.22	\$447,518.92
NET OPERATING INCOME	\$137,041.96	\$127,936.04	\$264,978.00
Other Income			
70000 Interest Income	273.40		\$273.40
70100 Gift Certificates Net	425.75	1,100.00	\$1,525.75
70200 Other Income	2,500.00		\$2,500.00
Total Other Income	\$3,199.15	\$1,100.00	\$4,299.15
Other Expenses			
Other Miscellaneous Expense	0.00		\$0.00
Total Other Expenses	\$0.00	\$0.00	\$0.00
NET OTHER INCOME	\$3,199.15	\$1,100.00	\$4,299.15
NET INCOME	\$140,241.11	\$129,036.04	\$269,277.15

Highlighted items considered to be 1 time expense and/or personal expenses
 Buyer advised to hire CPA for all financial analysis.

2021 SDE \$215,212

2022 SDE \$282,372