

Target Details						Source Data			
Transaction ID	42456-1	Name	Zuf Acquisitions I LLC (d.b.a AAdvantage Laundry Systems)	Target Type	Private	Acquirer Name	EnviroStar, Inc.		
Business Description						Distributes Coin Laundry Washer and Dryer Equipment	Filing Date 8-K	02/12/2018	
Location			Garland, TX, United States	Target Region		West South Central	Filing Date 8-K/A	02/13/2018	
Age	52	Structure	LLC	Employee Count		Other Filing Type			
SIC			NAICS		Other Filing Date				
5087 - Service Establishment Equipment and Supplies			423850 - Service Establishment Equipment and Supplies Merchant Wholesalers		Acquirer CIK		0000065312		
Transaction Data									
Sale Initiation			Sale Date		02/09/2018	Days To Sell			
Percentage Acquired			100.0%		Asking Price		Transaction Type	Asset	
MVIC Price			\$20,849,000		Debt Assumed		\$0	Amount Down	\$8,500,000
Income		Balance Sheet			Purchase Price Allocation				
Income Statement Type	Latest Full Year Income	Date			Date				
Tax Return/P&L	Yes	09/30/2017			09/30/2017				
Restated Income	Date	06/30/2017							
Net Sales	\$27,439,740	Cash and Equivalents	\$1,629,085	Cash and Equivalents	\$1,629,000				
COGS	\$18,508,743	Accounts Receivable	\$3,356,126	Accounts Receivable	\$3,356,000				
Gross Profit	\$8,930,997	Inventory	\$2,916,541	Inventory	\$2,917,000				
Rent	\$228,000	Other Current Assets	\$479,791	Other Current Assets	\$475,000				
Owner's Compensation		Total Current Assets	\$8,381,543	Total Current Assets	\$8,377,000				
Other Operating Expenses		Fixed Assets	\$935,069	Fixed Assets	\$596,000				
Depreciation and Amortization	\$211,501	Real Estate	\$0	Real Estate	\$0				
Total Operating Expenses	\$7,364,532	Total Intangibles	\$0	Identifiable Intangibles					
Operating Profit	\$1,566,465	Other Non-Current Assets	\$2,454,755	- Customer Related	\$4,594,000	10 Years			
Interest Expense	\$128,809	Total Assets	\$11,771,367	- Backlog	\$0				
Interest Income	\$0	Current Liabilities	\$4,913,496	- Developed Technology	\$0				
Other Expenses	\$0	Long-Term Liabilities	\$281,797	- In-Process R&D	\$0				
Other Income	\$33,449	Total Liabilities	\$5,195,293	- Trade Names/Marks	\$1,914,000	Indefinite			
Earnings Before Taxes	\$1,471,105	Stockholders Equity	\$6,576,074	- Non-Compete	\$0				
Tax Expense	\$0			- Other Intangibles	\$0				
Tax Benefit	\$943,722			Total Ident Intangibles	\$6,508,000				
Net Income	\$2,414,827			Goodwill	\$4,667,000				
				Total Intangibles	\$11,175,000				
				Other Non-Current Assets	\$2,455,000				
				Total Assets	\$22,603,000				
				Interest-Bearing Liabilities	\$0				
				Total Liabilities	\$1,754,000				

Additional Transaction Information					
Deal Terms					
Consideration: Cash payment of \$8,500,000 and the issuance of 348,360 shares of the acquirer's unregistered common stock valued at \$12,349,000.					
Was there a Note in the consideration paid?	Was there a personal guarantee on the Note?	Amount Seller Financed	\$0		
Was there a Noncompete Agreement? No	Non-Compete Length (months)				
Was there an Employment Agreement?	Employment Agreement Value	Lease Length (month)			
Lease Terms					
Total future minimum lease payments equal to \$1,483,521.					
Non-Compete Description					
Employment/Consulting Agreement Description					
Additional Notes					
Zuf Acquisitions I LLC, doing business as AAdvantage Laundry Systems, distributes coin laundry washer and dryer equipment. The company was formerly known as Skyline Laundry Systems. The company was founded in 1965 and is based in Garland, Texas.					
Purchase Price Allocation: Cash \$1,629,000, Accounts Receivable \$3,356,000, Inventory \$2,917,000, Other current assets \$475,000, Equipment and improvements \$596,000, Trade Name \$1,914,000 (indefinite useful life), Customer Relationships \$4,594,000 (useful life of 10 years), Goodwill \$4,667,000, Net investment in sales type leases, noncurrent \$2,346,000, Other assets \$109,000, Accounts payable and accrued expenses (\$1,419,000), Customer deposits (\$335,000), for a total purchase price of \$20,849,000.					
Buyer's Motivation: Henry M. Nahmad, EVI's Chairman and Chief Executive Officer, commented: "AAdvantage represents EVI's first investment in the southcentral region of the United States. This investment is consistent with our plan to build North America's largest commercial laundry distributor delivering a comprehensive product offering, world-class installation and maintenance services, and advanced technologies that deliver on our pursuit of growth. We welcome all 51 members of the AAdvantage team and are excited to work together in the years ahead."					
Valuation Multiples		Profitability Ratios		Leverage Ratios	
MVIC/ Sales	0.76x	Net Profit Margin	9.0%	Fixed Charge Coverage	12.16
MVIC/ Gross Profit	2.33x	Operating Profit Margin	6.0%	Long-Term Liabilities to Assets	2.0%
MVIC/ EBITDA	11.7x	Gross Profit Margin	33.0%	Long-Term Liabilities to Equity	4.0%
MVIC/ EBIT	13.3x	EBITDA Margin	6.0%		
MVIC/ SDE		SDE Margin			
MVIC/ Book Value Invested Capital	3.0x	Return on Assets	21.0%		
		Return on Equity	37.0%		
Earnings		Liquidity Ratios		Activity Ratios	
EBITDA	\$1,777,966	Current Ratio	1.71	Total Asset Turnover	2.33
Seller's Discretionary Earnings		Quick Ratio	1.11	Fixed Asset Turnover	29.35
Gross Cash Flow	\$2,626,328			Inventory Turnover	9.41