

Available for Acquisition

Leading Three-Locations Dealerships: Motorcycles, ATVs, PWCs, and Other Motorsport Vehicles

Est. 2017 Rev: \$83.2 MM

Recast EBITDA: \$4.2MM

- **Superior Name and Reputation:** The company enjoys a long-standing reputation as one of the leading motorsport distributors in their respective metropolitan markets. Management attributes its success to the strong brand recognition, diversified product offering, competitive pricing, and dedication to customer service. Depending on the geographic market, our client's stores are either the largest or one of the largest dealerships. Additionally, the company's comprehensive product offering positions it as a one-stop shop for all land and water motorsport vehicles, parts, and accessories.
- **Diverse Profit Centers:** The company is an authorized distributor to many well-known brands. This diversification allows the company to benefit from hot new trends and products offered from different OEMs. In addition to new vehicle sales, the company offers used units; repairs and maintenance; parts and accessories sales; and financing, warranty, and insurance product sales. Additionally, with three locations in different geographic markets, the company serves a wide range of demographics.
- **Strong Management and Team:** The company management team has a tremendous amount of experience in the motorsport industries. The management team is focused on providing quality, timely, and cost-effective solutions, coupled with proactive and responsive customer service. Management has worked consistently to promote an environment of customer service, cooperation, and career development for employees. Key employees have worked with the company for a large number of years. By promoting a positive working environment and offering competitive compensation, the company enjoys solid employee relationships with low turnover during the historical period.
- **Management Will Remain through Transition:** The two active principals are currently operating as the General Managers of the two main dealerships. The principals are proud of the company they have built, and are committed to maintaining its solid reputation and future development. As such, the principals are willing to work with successor owners during a long transition period (2+ years) in order to ensure a seamless transfer of ownership and position the business for success in the future. Additionally, the third non-owner General Manager will be available post transaction.
- **Strong Financial Performance:** The company's revenue increased from approximately \$71 million in 2014 to approximately \$82 million in 2016, representing a CAGR of 7.7%. In 2016, EBTT's unadjusted current assets were approximately \$21,869,000 and current liabilities were \$18,486,000, resulting in net working capital (NWC) of \$3,382,000.

For additional information regarding Client #59046-JP please execute and return the attached [Confidentiality Agreement](#) via email to jpyothress@generational.com and dho@generational.com.

John Poythress
Managing Director
Generational Capital Markets
2 Venture, Suite 280
Irvine, CA 92618
(949) 679-4518 (Tel)
(949) 679-4501 (Fax)
jpyothress@generational.com

Don Ho
Vice President
Generational Capital Markets
14241 Dallas Parkway, Suite #700
Dallas, TX 75254
(972) 740-9439 (Tel)
(972) 392-8555 (Fax)
dho@generational.com



**GENERATIONAL
CAPITAL MARKETS**

Available for Acquisition

Leading Three-Locations Dealerships: Motorcycles, ATVs, PWCs, and Other Motorsport Vehicles

Location: West Coast US

The subject company operates three motorsports dealerships in different geographic markets located in the West Coast of the United States. These dealerships offer comprehensive recreational vehicle products and services, including the sale of new and used units, mechanical repairs, maintenance, and a parts department. Additionally, the company is an authorized distributor to many well-known brands. The benefits of this diversification allows the company to carry products or be able to acquire products in a short time period to meet a customer's specific demand, as well as positions the company to benefit from new hot products and trends from different OEMs.

In 2016, approximately 30% of revenue is from the sale of motorcycles (20.9% of 2016 combined revenue), utility vehicles (24.8%), used units (8.7%), accessories (10.2%), service (4.6%), personal watercraft/boats (9.1%), parts (9.3%), ATVs (4.7%), wholesale (2.9%), financing (3.2%), trailers (0.8%), scooters (0.3%), and power equipment (0.4%). The company utilizes web based marketing strategies, driving traffic to its websites through craigslist ads, email blasts, and text blasts. The company also promotes department specials through special events, OEM lead management systems, test ride events, and Supercross events. Additionally, the company advertises via radio and cable television via OEM co-op agreements.

Historically, the company's revenue grew at a compound annual rate of 7.7%. This growth was primarily attributed to the company's diverse product offering, exceptional retail showroom, strong sales team, investment in marketing, improvements in local and national economic environments, and increased sentiment and discretionary spending. EBITDA's growth during the historical period was due to management curbing discretionary spending, focused sales of higher profit margin products, and benefits from economies of scale.

Recast Historical and Pro Forma Statement of Income					
<i>Revised and Pro Forma Income Statements for the Fiscal Years Ended December 31 (\$000)</i>					
	<i>Recast</i>			<i>Base Year</i>	<i>Pro Forma</i>
	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Revenue	71,003	77,048	82,392	83,200	84,900
<i>% of Sales</i>	<i>15.8%</i>	<i>9.5%</i>	<i>6.0%</i>	<i>1.0%</i>	<i>2.0%</i>
EBITDA	3,256	4,803	4,163	4,245	4,478
<i>% of Sales</i>	<i>4.6%</i>	<i>6.2%</i>	<i>5.1%</i>	<i>5.1%</i>	<i>5.3%</i>

Recast Balance Sheet			
<i>As of December 31, 2016 (\$000)</i>			
Current Assets	21,869	Current Liabilities	18,486
Net Fixed Assets	374	Non-Current Liabilities	--
Other Assets	973	Equity	4,730
Total Assets	23,216	Total Liability & Equity	23,216

DISCLAIMER: Generational Capital Markets, Inc. ("GCM"), member FINRA/SIPC, is wholly owned by Generational Capital, LLC ("GC"). Both GCM and GC are affiliated with Generational Equity, LLC. All information contained in this document has been provided by the subject company GCM and while believed to be correct has not been verified. Accordingly, GCM makes no representations or warranties as to the accuracy and truthfulness of such information. The recipient hereof acknowledges that GCM shall not be liable for any loss or injury suffered by said recipient in any way connected to the delivery by GCM of this document. At all times GCM and its affiliate network members is an agent for the seller and not for the buyer. GCM's fees are paid by the seller.