

Confidential Information Memorandum  
March 2019

---

# Jimmy John's 5 Units in California



## Jimmy John's- 5 Units in California

### Disclaimer:

FranBizNetwork ("FBN"), has been retained as exclusive broker for the sale of these five Jimmy John's locations in CA ("Business"). This Confidential Information Memorandum ("CIM") has been prepared by FBN from information supplied to it by the Seller and other sources believed to be reliable and is being furnished through FBN solely for the purpose of providing the recipient with general information to assist in an evaluation of the Business. This CIM does not purport to be all-inclusive or necessarily to contain all of the information a prospective purchaser may desire. FBN has not verified independently any of the information, nor does FBN make any representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this CIM or any other written or oral statement made to a prospective purchaser of the Business. Only those representations and warranties that may be made in a definitive written agreement, when and if it is executed, and subject to such limitations and restrictions as may be specified in such definitive agreement, shall have legal effect.

Interested parties should conduct their own investigation and analysis of the Business and of the information contained in this CIM and should consider the advice of their financial, legal, accounting, tax, and other business advisors in analyzing the books and records of the Business.

This CIM contains proprietary non-public information regarding the Business and is governed by the terms of the Confidentiality Agreement agreed to by the interested party receiving this CIM, which strictly limits the use, disclosure, circulation, and reproduction of the information contained herein. Any person receiving this CIM should carefully read and understand the Non-Disclosure Agreement they signed before reading further. <https://www.franbiznetwork.com/wp-content/uploads/2014/08/NDA-for-Website-LC.pdf>

This CIM may not be photocopied, reproduced, or distributed, without the prior written consent of FBN. By accepting this CIM, the recipient confirms that it is bound by, and will comply with, the provisions of the Confidentiality Agreement and agrees that all of the information contained herein and any related information which may be provided by Seller, or on its behalf, in connection with the Business will be treated by it in accordance with the Confidentiality Agreement.

FBN is acting as an exclusive broker to the Seller in connection with the proposed sale of this Business. Prospective purchasers agree not to contact the Seller or any of the Seller's management or restaurant personnel. All communications, inquiries and requests for information regarding the Assets should be addressed to FBN.

## Jimmy John's- 5 Units in California

FranBizNetwork is happy to bring to the market 5 Jimmy John's gourmet sandwich restaurants in Central California. Any questions or requests for further information should be directed to Buyer's FBN advisor. Under no circumstances should prospective buyers contact Seller directly.

### Overview of the sale process:

- Buyer reviews the CIM and visits the stores as a customer, taking care to be discreet and not alert employees or management to the sale
- Buyer works with FBN advisor to submit application to Jimmy John's
- Buyer works with FBN advisor to make an offer, contingent upon full due diligence review, franchisor approval, financing if required, and lease assignments.
- Buyer completes full review of the books and records of the business
- Buyer is approved by franchisor and lender (if required)
- Buyer attends franchisor training
- Buyer and Seller complete walk-thrus of each restaurant making sure all equipment is in good working condition.
- Escrow closes and Buyer takes over the store



Carter Asefi  
(925) 391-2724 phone  
Carter@FranBizNetwork.com

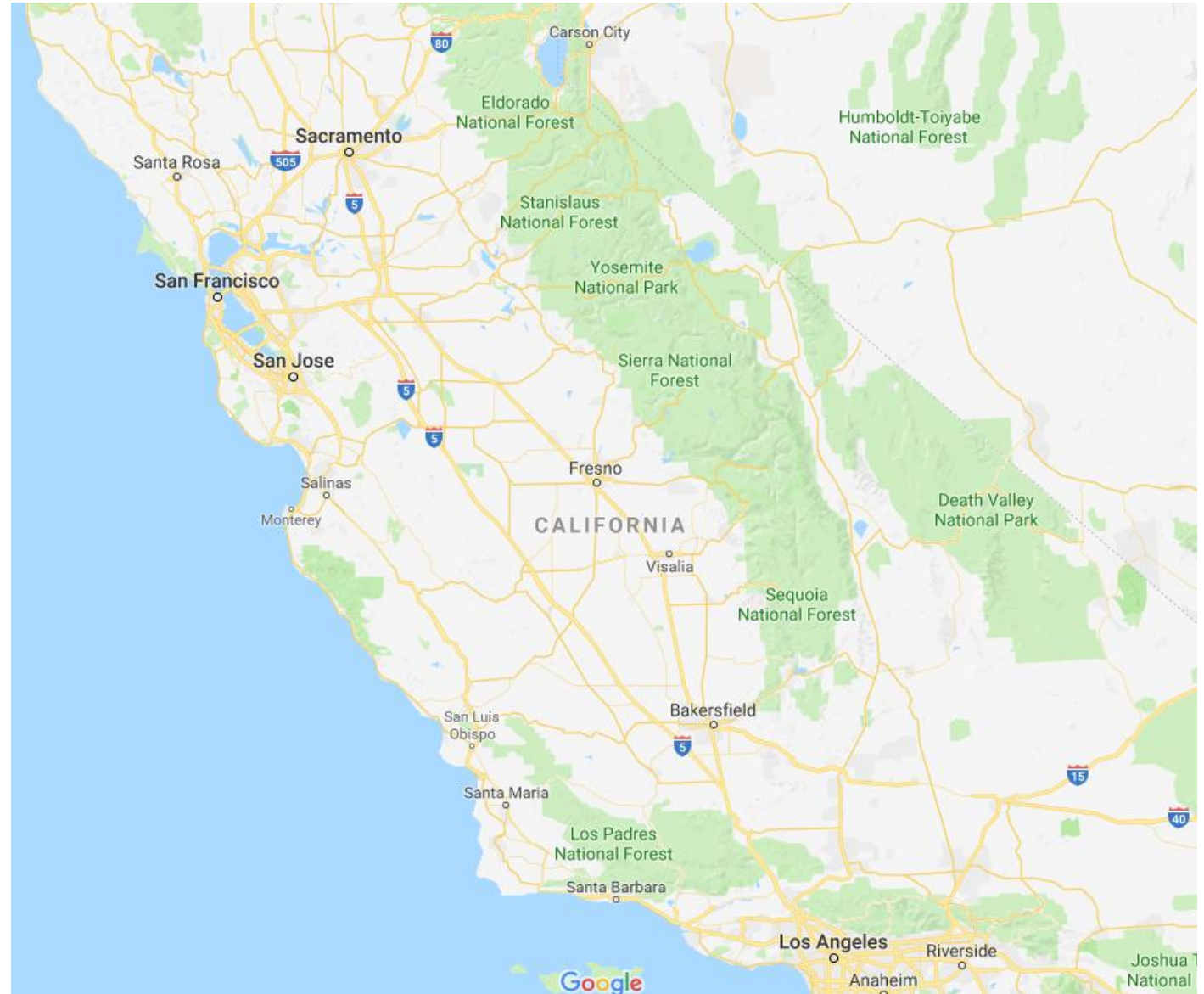


Emily Burns  
(925) 391-2726 phone  
Emily@FranBizNetwork.com

## Jimmy John's- 5 Units in California

**Five stores in Central CA**  
**All stores are within an hour of each other.**

YE 2018 Sales from P&L	YE 2018 Adjusted Post-G&A EBITDA
\$2,929,593	\$560,189



# Jimmy John's- 5 Units in California

## Overview

- Price is \$2,100,000 for the package
- Stores are franchisee owned, new franchise agreements will be assigned to buyer
- Price does not include inventory of approximately \$10,000 per store
- Price does not include franchise transfer fees, varies by store
- This will be an asset sale, with all assets delivered free and clear of liens
- Stores are within an hour of each other
- Area Manager may be willing to work for new buyer, current salary is approximately \$36K
- Each store has a General Manager, average salary is approximately \$30K
- Seller has developed all locations

# Jimmy John's- 5 Units in California

## Franchise & Market:

- Headquartered in Champaign, IL, Jimmy John's was founded in 1983 and now boasts over 2500 units nationwide. In September 2016 a majority stake was sold to Roark Capital, a private equity firm also invested in Arby's, Carvel, Auntie Anne's Pretzels, Wingstop and Cinnabon, among others. A simple menu and good product with only the freshest ingredients sets the brand apart in the sandwich QSR segment.
- Franchise agreements are set at 6% royalties and 4.5% national advertising
- Franchisor requires a minimum of \$80K with at least \$300K net worth
- Franchisor offers 2 weeks of training
- Plenty of development opportunities in the brand
- All stores are in compliance, next remodel requirement due in 2022
- The minimum wage in CA is \$12/hr. for businesses with 25 or more employees

## Jimmy John's- 5 Units in California

### Sales History

YE 2016 Sales	YE 2017 Sales	% Change over 2016	YE 2018 Sales	% Change over 2017
\$2,840,811	\$3,060,784	7.7%	\$2,942,434	-3.9%

Executive Summary materials were derived from documents provided by Seller and were prepared by FranBizNetwork to help prospective Buyers complete a summary review. These materials should not replace the Buyer's review of actual books and records and a thorough due diligence process. Buyers should not rely on these materials as definitive, but should instead consult the actual due diligence documents.

# Jimmy John's- 5 Units in California

## Leases

Monthly Rent	Monthly Prop Tax	Monthly CAM	Total Annual Occupancy Costs	Occupancy Costs as a % of Sales	Lease Expiration	Lease Options	Building Size	Next Rent Increase
\$2,400	None	None	\$28,800	5%	3/1/2022	2x5yr	2,000 sf	1st option \$2,640 2nd option \$2,904
\$3,895	Included	\$931	\$57,914	8%	9/1/2023	2x5yr	1,600 sf	3%
\$2,314	Included	\$930	\$38,928	6%	12/1/2026	2x5yr	1,500 sf	Years 4-5 \$2,400 Years 6-10 \$2,475
\$3,850	Included	\$935	\$57,420	10%	11/1/2022	2x5yr	1,400 sf	1st option \$4,235 2nd option \$4,623
\$2,145	Included	\$497	\$31,704	7%	7/1/2022	3x5yr	1,250 sf	Y5 \$2,198, Y6 \$2,253, Y7 \$2,310

Executive Summary materials were derived from documents provided by Seller and were prepared by FranBizNetwork to help prospective Buyers complete a summary review. These materials should not replace the Buyer's review of actual books and records and a thorough due diligence process. Buyers should not rely on these materials as definitive, but should instead consult the actual due diligence documents.