CONFIDENTIAL · FOR QUALIFIED BUYERS UNDER NDA

Financial Summary

A focused look at the numbers behind the offering.

WILD BIRDS UNLIMITED · MEDFORD, OREGON · ESTABLISHED 1992

ASKING PRICE

$85,000

Business goodwill + FF&E

2025 REVENUE

$640,360

49.3% gross margin

ADJUSTED 2025 SDE

~$70,700

After non-recurring add-backs

OPTIMIZED SDE POTENTIAL

$90K–$100K+

Buyer-driven optimization scenario

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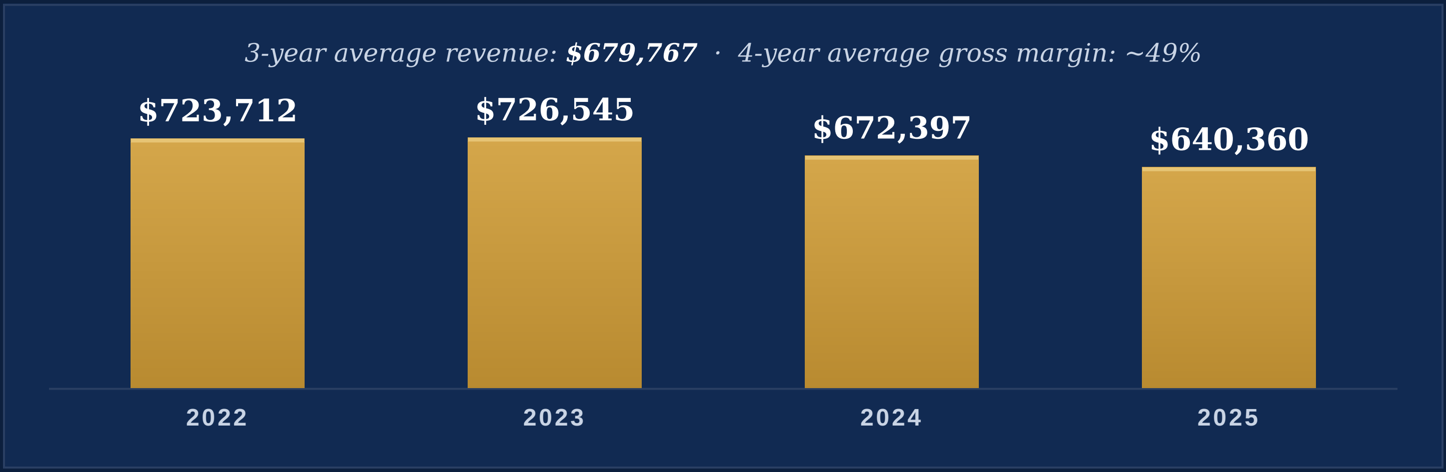
SECTION 01

Revenue & Profitability

The store has generated revenue in a tight, predictable band over the past four years — supported by an exclusive Jackson County territory and a recession-resilient backyard bird-feeding category. The two most recent years carry expense headwinds the seller has documented as non-recurring (page 3); underlying revenue durability is unchanged.

FOUR-YEAR REVENUE TREND



2025 P&L SUMMARY

LINE ITEM	AMOUNT	% OF REVENUE
Gross Sales	$640,360	*100.0%*
Cost of Goods Sold	$324,414	*50.7%*
Gross Profit	**$315,946**	***49.3%***
		OPERATING EXPENSES
Labor (owner + fixed + variable)	$131,826	*20.6%*
Occupancy (rent + CAM + utilities)	$55,393	*8.7%*
Marketing	$41,669	*6.5%*
Royalties (4% of applicable sales)	$25,597	*4.0%*
Payroll Taxes & Benefits	$20,626	*3.2%*
Maintenance & Repair (incl. one-time HVAC)	$15,626	*2.4%*
Merchant Fees	$12,383	*1.9%*
Miscellaneous (legal, accounting, payroll svc.)	$7,369	*1.2%*
Depreciation & Amortization	$4,845	*0.8%*
All Other (supplies, insurance, computer)	$14,222	*2.2%*
Total Operating Expenses	**$329,556**	***51.5%***
Net Operating Income	**($13,610)**	***(2.1%)***

Source. *2025 Standard Profit & Loss Statement prepared by Debbie Pearson, CPA. Occupancy line consolidates Rent + CAM ($49,308) and Utilities ($6,085). Reported NOI before SDE add-backs; see page 3 for the SDE bridge.*

SECTION 02

SDE Bridge & Earnings Normalization

Reported 2025 Seller's Discretionary Earnings of **$26,416** reflects two non-recurring items the seller has documented in the Seller's Narrative Addendum: a one-time HVAC system replacement absorbed by the seller, and a voluntary reduction in owner's wages tied to a household income change unrelated to the business. Adjusting only for these items produces an Adjusted SDE of **~$70,700**.

2025 ADJUSTED SDE BRIDGE

2025 Reported SDE	*Net Income + Owner Wages + D&A + benefits*	**$26,416**
+ HVAC Replacement Add-Back	*Non-recurring · one-time capital event*	**+ $15,626**
+ Owner Wages Normalization	*Restore to 2022–2024 baseline ($60K)*	**+ $28,649**
Adjusted 2025 SDE		**~$70,691**

CONTEXT FOR THE TWO ADD-BACKS

HVAC Replacement — $15,626

The store's commercial HVAC system failed during 2025 and required full replacement. Neither the property management company nor the business's insurance carrier covered the replacement; the seller absorbed the cost from operating funds. A fully replaced system is now in place and is not expected to require replacement under new ownership, making this a true non-recurring capital event.

Owner Wages Reduction — $28,649

2025 Owner's Wages were $31,351, compared with approximately $60,000 in each of 2022, 2023, and 2024 — a one-year reduction of $28,649. This was a voluntary decision driven by a household income change (spousal supplemental income) unrelated to business performance. It does not reflect any change in earning capacity.

FOUR-YEAR OWNER COMPENSATION HISTORY

YEAR	OWNER'S WAGES	NOTES
2022	$60,500	Baseline market-rate compensation
2023	$62,000	Baseline market-rate compensation
2024	$60,000	Baseline market-rate compensation
2025	**$31,351**	Voluntary reduction — household decision (see narrative)

Note on SDE methodology. *Adjusted SDE includes only verifiable non-recurring add-backs. Buyer-driven operational optimization is presented separately on page 4 and is not combined with the figures above; combining produces the optimized scenario shown on the cover.*

SECTION 03

Buyer Optimization & Offering Terms

The 49.3% gross margin is healthy for specialty retail; profitability improvement opportunities sit on the operating-expense side. The tiles below quantify what a disciplined, hands-on operator could realistically recover. These are operational changes a new owner would actively execute — distinct from the non-recurring add-backs on page 3.

OPTIMIZATION OPPORTUNITIES — 2025 BASELINE

LABOR · $131,826 — $13K–$20K

Variable hours and contract labor account for **$55,225** of the total. An owner working 30+ hrs/week on the floor can eliminate some variable shifts; even a 10% cut to variable labor recovers ~$5,500/year, with downstream payroll tax savings.

MARKETING · $41,669 — $8K–$15K

TV & radio spend of **$19,868** should be reviewed against attribution data before cutting. **$11,414** in customer mailings can be migrated to email through WBU's platform at a fraction of the cost.

OCCUPANCY · $49,308 — 2027 Renewal

Lease through Jan 2027 cannot be renegotiated mid-term. A 2026 buyer enters renewal with 12 months of operating history and demonstrated $640K+ sales — strong leverage for a flat or reduced rate, or a rent-free improvement period.

LEGAL & ACCOUNTING · $5,804 — $2K–$3K

2025 figure is partially elevated by sale-preparation costs (financial statement prep, broker coordination). Post-acquisition routine accounting and tax prep should run closer to **$2,500–$3,500** annually.

COMBINED EARNINGS SCENARIO

ADJUSTED SDE + BUYER OPTIMIZATION — ILLUSTRATIVE

Conservative scenario

$93K–$95K

$70,700 Adjusted SDE + $23K of low-risk operational savings (10% labor cut + email migration + L&A normalization).

Aggressive but achievable

$100K+

Adjusted SDE + full $38K optimization plus 2027 occupancy improvement. Requires owner on the floor 30+ hrs/week.

OFFERING TERMS

Asking Price	**$85,000** — business goodwill + all FF&E included
Inventory	Sold separately at cost — $60,000 to $90,000 (seasonal range)
Franchise Transfer Fee	$26,000 at closing ($20K Assignment + $5K Training + $1K Advertising)
Total Acquisition	**$111,000** + inventory at cost · vs. $224K–$380K to open a new WBU store
Lease	$1.79/sq. ft. + CAM, assumable through January 2027
Royalty	4% of applicable gross sales (per WBU franchise agreement)
Financing	Cash or conventional; SBA financing may be available for qualified buyers
Seller Training	Up to two months hands-on transition support
Buyer Approval	Financial qualification + formal approval by Wild Birds Unlimited, Inc.