



REPRESENTATIVE PHOTO



SONIC

ELLSWORTH, KS | PHILLIPSBURG, KS

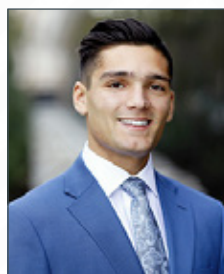
BUSINESS & REAL ESTATE SALE

OFFERING MEMORANDUM

REPRESENTATIVE PHOTO



LISTED BY



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EXECUTIVE OVERVIEW

INVESTMENT OVERVIEW

Matthews is pleased to present the opportunity to acquire the business assets of two Sonic Drive-In restaurants located in Kansas. The businesses are located in Ellsworth and Phillipsburg, with the Ellsworth site including the sale of the real estate.

The two franchises and real estate are offered for \$1,800,000

- 2019 sales totaling \$1,661,671.
- 4-wall EBITDA for 2019 totaling \$265,356
- Both restaurants constructed in the past 5 years with up-to-date imaging.

The equipment is in good to excellent condition, meets Sonics standards for upgrades, and will be in good working order at the time of transfer.



LIST PRICE
\$1,800,000



CAP RATE
7.00%



NOI
\$70,000

REPRESENTATIVE PHOTO



BRAND OVERVIEW

SONIC

Sonic Drive-In is the nation's largest drive-in fast food restaurant chain. Known for iconic use of carhops on roller skates, the company is differentiated and well positioned in the Quick Service Restaurant (QSR) space. Sonic restaurants are open seven days a week, with these sites operating from 7:00 AM – 10:00 PM, offering breakfast, lunch, and dinner. By offering unique products at compelling price points, Sonic captures a broad range of consumer appeal.

FRANCHISEE QUALIFICATIONS

- Potential candidates must meet the following requirements to be considered a franchisee:
 - Business & restaurant experience
 - Minimum net worth of \$1,000,000
 - Minimum liquidity of \$500,000

LICENSE, FEE, AND FRANCHISE AGREEMENT

- Maximum royalty fee of 5.00% of gross sales
- Brand fee of 0.90% of gross sales
- Contact broker for additional information



PROPERTY OVERVIEWS

PROPERTY SUMMARY

	748 E Odonnell Drive	128 E Highway 36
Sale:	Business & Real Estate	Business
Franchise Expiration:	2030	2032
Property Name:	Sonic Drive-In	Sonic Drive-In
Address:	748 East Odonnell Drive, Elmsworth, KS	128 East Highway 36, Phillipsburg, KS
Bldg SF:	±1,704 SF	±1,500 SF
Lot Size (AC):	1.30 AC	0.75
Lot Size (SF):	±56,628	±32,862
Year Built/Reno:	2015	2017
Drive Thru:	Yes	Yes
Number of Stalls:	13	9
Seating:	Patio	42

TENANT SUMMARY

Tenant Name:	Sonic Drive-In
Parent Company:	Inspire Brands
Stock Price:	N/A
Headquarters:	Oklahoma City, OK
# of U.S. Units:	±3,585
# of Worldwide Locations:	±3,585
Corporate Employees:	±10,000
# Employees	±100,000

LEASE SUMMARY

	128 E Highway 36
Tenant:	Sonic Drive-In
Guarantor:	N/A
Ownership:	Fee Simple
Lease Type:	NNN
Original Lease Term:	15.00
Lease Commencement:	2/13/17
Initial Term Expiration:	2/12/32
Years Remaining:	11.78
Rent:	\$70,000
Rent Increases:	7.50% of Gross Sales
Options to Renew:	2, 5-Year Options

FINANCIAL OVERVIEW

BUSINESS VALUATION

	748 E Odonnell Drive	128 E Highway 36
Proposed Rent	\$70,000	
Actual Rent	\$64,480	
EBITDA Reduction	\$5,520	
Actual EBITDA	\$101,059	\$169,817
Optimized EBITDA	\$95,539	\$169,817
Total EBITDA		\$265,356
Multiple		3
Business Price		\$800,000

REAL ESTATE VALUATION

	748 E Odonnell Drive
Proposed Rent	\$70,000
Cap Rate	7.00%
Real Estate Price	\$1,000,000

PORTFOLIO VALUATION

Portfolio Price	\$1,800,000

FINANCIAL OVERVIEW

748 E O'DONNELL DRIVE, ELLSWORTH, KS

	Year Ended December 31	
	2018	2019
Food Sales	\$875,297.97	\$773,488.25
Sales Tax	(74,220.31)	(65,472.26)
Discounts & Coupons	(39,843.61)	(36,505.65)
TOTAL NET SALES	\$761,234.05	\$671,510.34
Food & Paper Cost		
Food Costs	209,002.87	185,122.01
Packaging Goods	21,844.80	19,483.68
TOTAL FOOD & PAPER COST	\$230,847.67	\$204,605.69
Labor & Benefits		
Crew Labor	153,305.71	128,912.61
Crew Overtime	8,216.00	10,425.32
Manager/Partner Salary	31,000.00	33,000.00
Payroll Tax/ Employment	25,795.79	21,580.48
TOTAL LABOR & BENEFITS	\$218,317.50	\$193,918.41
Controllables		
Local Advertising	39,228.75	25,517.39
Credit Card Charges	11,156.23	11,047.19
Cash Short	370.00	340.00
Uniforms & Laundry	1,585.81	1,256.25
R&M - Building & Grounds	(2,160.83)	176.11
R&M - Equipment	4,942.46	3,600.00
R&M - POS	3,803.68	1,626.41
Supplies	6,235.40	6,286.96
Utilities	31,054.33	29,304.83
Other Controllable	6,000.00	6,000.00
TOTAL CONTROLLABLES	\$102,215.83	\$85,155.14
CONTROLLABLE PROFIT	\$209,853.05	\$187,831.10
Fixed Expenses		
Royalty/SAF	19,031.00	17,246.29
Depreciation/Amortization	51,930.24	48,085.41
Rent	64,704.89	64,479.76
Property Tax	12,000.00	4,203.49
Interest Expense	12,082.56	12,082.56
Business Insurance	8,533.33	8,533.33
TOTAL FIXED EXPENSES	\$168,282.02	\$154,630.84
INCOME BEFORE BONUS	\$41,571.03	\$33,200.26
Bonuses		
Manager Bonus	1,213.00	4,300.00
Income From Operations	\$40,358.03	\$28,900.26
Other Income & Expenses		
Other Income	8,841.35	11,991.17
NET INCOME	\$49,199.38	\$40,891.43
EBITDA	\$113,212.00	\$101,059.00
Rent:	64,704.89	64,479.76
EBITDAR:	\$177,916.89	\$165,538.76

*Real Estate Owned on Ellsworth

128 E HWY 36, PHILLIPSBURG, KS

	Year Ended December 31	
	2018	2019
Food Sales	\$963,048.05	\$888,182.85
Sales Tax	(75,700.23)	(69,805.37)
Discounts & Coupons	(46,234.21)	(42,762.22)
TOTAL NET SALES	\$841,113.61	\$775,615.26
Food & Paper Cost		
Food Costs	232,927.78	215,468.93
Packaging Goods	22,986.42	21,317.26
TOTAL FOOD & PAPER COST	\$255,914.20	\$236,786.19
Labor & Benefits		
Crew Labor	161,705.88	132,808.42
Crew Overtime	5,675.77	14,012.09
Manager/Partner Salary	51,426.75	40,000.00
Payroll Tax/ Employment	25,083.77	22,656.74
TOTAL LABOR & BENEFITS	\$243,892.17	\$209,477.25
Controllables		
Local Advertising	34,385.19	19,390.38
Credit Card Charges	265.14	10,855.93
Cash Short	338.00	526.00
Uniforms & Laundry	257.62	1,005.01
R&M - Building & Grounds	2,248.34	3,474.61
R&M - Equipment	(2,203.46)	5,640.50
R&M - POS	1,774.38	(51.71)
Supplies	8,384.09	7,942.13
Utilities	34,732.41	30,048.82
Other Controllable	6,000.00	6,000.00
TOTAL CONTROLLABLES	\$86,181.71	\$84,831.67
CONTROLLABLE PROFIT	\$255,125.53	\$244,520.15
Fixed Expenses		
Royalty/SAF	21,027.79	18,873.83
Depreciation/Amortization	49,744.44	67,772.65
Rent	58,877.95	63,307.10
Property Tax	5,000.00	-5,262.95
Interest Expense	12,392.00	12,392.00
Business Insurance	8,533.34	8,533.34
TOTAL FIXED EXPENSES	\$155,575.52	\$165,615.97
INCOME BEFORE BONUS	\$99,550.01	\$78,904.18
Bonuses		
Manager Bonus	6,096.00	4,045.25
Income From Operations	\$93,454.01	\$74,858.93
Other Income & Expenses		
Other Income	15,673.19	14,793.92
NET INCOME	\$109,127.20	\$89,652.85
EBITDA	\$171,263.00	\$169,817.00

TENANT OVERVIEW



±3,585

NO. OF LOCATIONS



±10,000

NO. OF EMPLOYEES



OKLAHOMA CITY, OK

HEADQUARTERS



\$606.3 BILLION

REVENUE

SONIC DRIVE-IN

TENANT OVERVIEW

For more than 60 years, SONIC, America's Drive-In has built a dominant position in the drive-in restaurant business. They did so by sticking to what made drive-ins so popular in the first place: made-to-order American classics, signature menu items, speedy service from friendly Carhops and heaping helpings of fun and personality. The company operates 3,585 restaurants in 45 US states. With a dynamic history, SONIC surges forward while specializing in fresh, made-to-order meals that you can't get anywhere else. Today, SONIC is the largest chain of drive-in restaurants in America. As a business, they continue to thrive, maintaining strong real sales growth, industry-leading customer frequency and high returns for stockholders.



TENANT MAP - ELLSWORTH



ORSCHERN
FARM & HOME

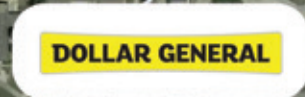


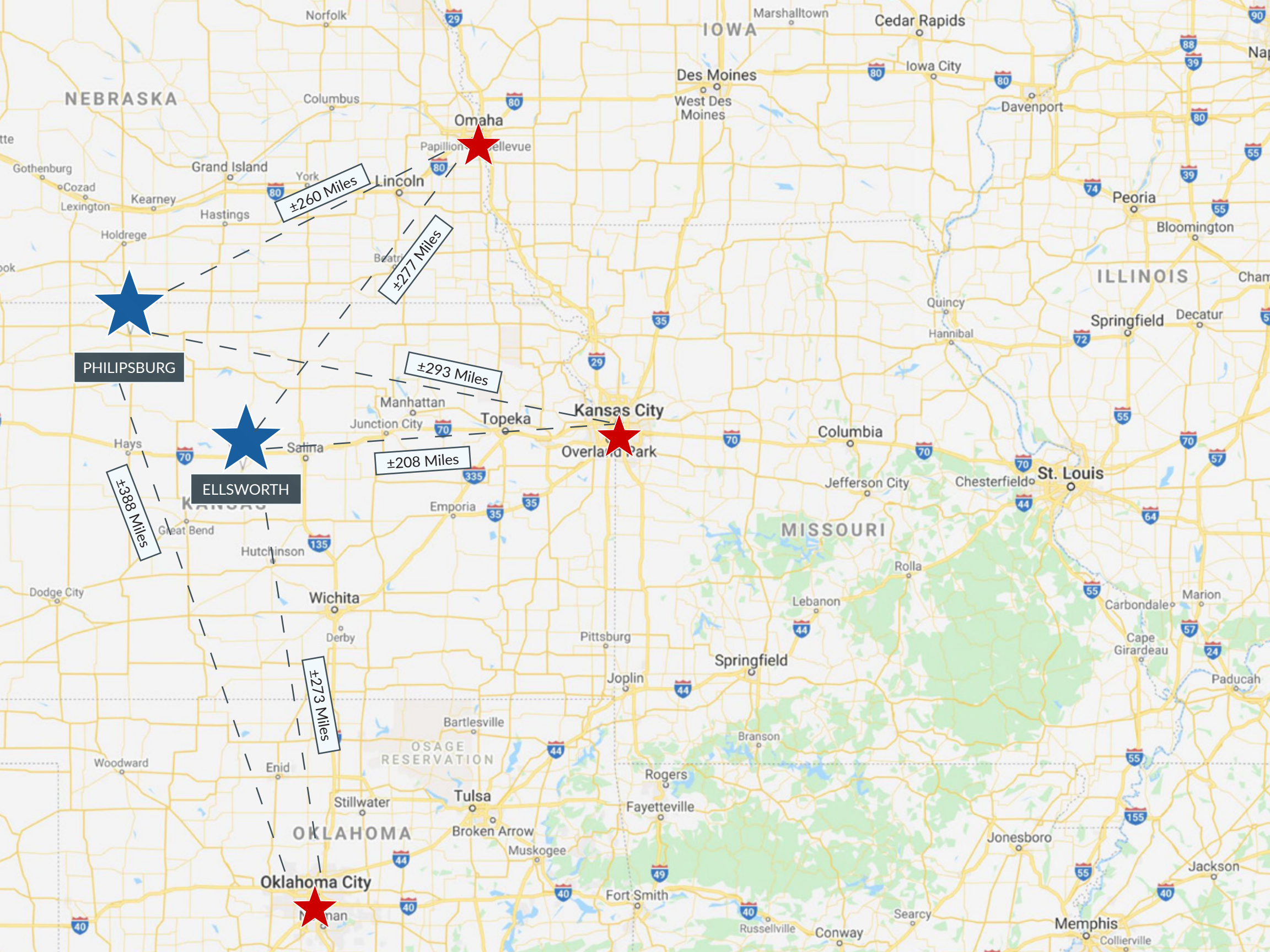
DOLLAR GENERAL

SUBWAY

NAPA

TENANT MAP - PHILLIPSBURG





CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of a **Sonic Portfolio** located at **748 Odonnell Drive, Ellsworth, KS and 128 E Hwy 36, Phillipsburg, KS** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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REAL ESTATE INVESTMENT SERVICES

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