MTLBCG

INVESTMENT OPPORTUNITY REPORT

Lachine Coin Laundry Group

Three-location self-serve laundromat group with wash-and-fold service | Lachine & LaSalle, Montreal, QC

PREPARED FOR	9382-1147 Québec Inc.
REPORT DATE	July 15, 2026
REFERENCE	SAMPLE-0001
ASKING PRICE	CAD $780,000
PRICE / EBITDA	4.4x
CURRENCY	CAD

VERDICT: PURSUE WITH CONDITIONS

Strong coverage and cash yield at a full price - proceed subject to equipment, lease and earnings verification.

Contents

INVESTMENT OPPORTUNITY

Acquisition of Lachine Coin Laundry Group - Laundromats (3 Locations)

Three-location self-serve laundromat group with wash-and-fold service

Prepared for 9382-1147 Québec Inc. | 2026-07-15

PURSUE WITH CONDITIONS Strong coverage and cash yield at a full price - proceed subject to equipment, lease and earnings verification.

DEAL METRICS

ASKING PRICE	CAD $780,000
ANNUAL REVENUE	CAD $612,000
ANNUAL EARNINGS (EBITDA)	CAD $176,000
PRICE / REVENUE	1.3x
PRICE / EBITDA	4.4x
EARNINGS YIELD	22.6%
SIMPLE PAYBACK	4.4 yrs (unlevered)
TANGIBLE ASSETS INCLUDED	CAD $310,000
PREMIUM OVER ASSETS	CAD $470,000
DOWN PAYMENT	CAD $234,000 (30%)
FINANCED AMOUNT	CAD $546,000 @ 8.25% / 8 yr
ANNUAL DEBT SERVICE	CAD $93,458
DEBT SERVICE COVERAGE (DSCR)	1.88x
CASH-ON-CASH RETURN	35.3% (yr 1)

OPPORTUNITY OVERVIEW

This opportunity is the purchase of a seventeen-year-old, three-location laundromat group in Lachine and LaSalle from a retiring owner. The buyer would acquire the equipment, leases and customer base of a stable, cash-generating neighbourhood service business with an asking price of CAD 780,000 against CAD 612,000 in annual revenue and CAD 176,000 in EBITDA.

EXECUTIVE SUMMARY

At 4.43x EBITDA and 1.27x revenue, the asking price sits at the upper end of the typical range for laundromats, which usually trade between 3.5x and 5.0x EBITDA depending on equipment age and lease quality. The earnings yield of 22.6% and an unlevered payback of 4.4 years are attractive on their face, and with the proposed 30% down and 8.25% financing over eight years, the deal produces a DSCR of 1.86x and a year-1 cash-on-cash return of roughly 34.7% - both comfortably above institutional thresholds. The business model itself is one of the most defensible at this size: demand is non-discretionary, revenue is cash and card at point of use with no receivables, and seventeen years in the same locations indicates the neighbourhoods support the stores. The two questions that decide whether this price is justified are equipment age and lease terms. Laundromat economics are driven by the replacement cycle - a fleet of washers past year twelve can consume the apparent cash flow - and by lease security, since a laundromat cannot move without losing its customer base. Flat revenue is acceptable for the sector but means the buyer is purchasing a yield, not a growth story, so the price paid is the return earned. With tangible assets of CAD 310,000 included, roughly CAD 470,000 of the price is goodwill attached to location and habit, which is reasonable for three established stores if - and only if - the leases have real term remaining. The verdict is to pursue with conditions: the returns clear the bar, but the offer should be conditional on equipment inspection, lease assignments of at least five years with options, and verification of the utility-adjusted earnings.

VALUATION ASSESSMENT

The asking multiple of 4.43x EBITDA is at the full end of fair for this sector. Single laundromats typically trade at 3.5-4.5x EBITDA, and small groups command a modest premium for scale and route efficiency, which is what the seller is pricing here. The 22.6% earnings yield compares well against passive alternatives and against the 8.25% cost of debt, giving a healthy spread. The asset backing of CAD 310,000 covers about 40% of the price, better coverage than most service businesses offer. A fair price range for this group is CAD 700,000 to 790,000 if the equipment averages under eight years old and the leases carry five-plus years of security; if the machine fleet is older or a lease expires inside three years, fair value drops toward CAD 620,000 to 660,000 and the buyer should negotiate accordingly. The price is justifiable, but only on verified facts.

KEY STRENGTHS

- Non-discretionary, recession-resistant demand with no accounts receivable
- Seventeen years of operating history across three proven locations
- Strong deal metrics as proposed: 1.86x DSCR and ~34.7% year-1 cash-on-cash
- Tangible assets cover roughly 40% of the asking price
- Retiring-owner sale with no distress signals; clean succession story
- Wash-and-fold service line offers the clearest organic growth lever

RISKS & RED FLAGS

HIGH

Equipment replacement cycle

Commercial washers and dryers have a 10-15 year life. If the fleet is late-cycle, the true owner earnings are materially lower than the stated EBITDA.

HIGH

Lease security

A laundromat's value is welded to its address. Any location with under five years of lease term (including options) puts a third of the revenue at risk.

MEDIUM

Utility cost exposure

Water, gas and electricity are the largest expense lines and have risen faster than laundry prices; verify the trailing twelve months, not an older normalized year.

MEDIUM

Cash revenue verification

Partially cash businesses require careful revenue proof - card-system reports, water consumption cross-checks and collection records rather than owner statements alone.

LOW

Flat growth profile

Revenue has been stable rather than growing; the return case rests on yield, so overpaying cannot be grown out of.

DEAL STRUCTURE & FINANCING

The proposed structure - 30% down (CAD 234,000) with the balance financed at 8.25% over eight years - produces annual debt service of about CAD 94,900 against CAD 176,000 of EBITDA, a comfortable margin. Given the equipment-age risk, the offer should be framed as an asset purchase with a detailed allocation, and the buyer should seek a seller note of 10-15% of the price subordinated to the bank, both to bridge any valuation gap and to keep the seller invested in a clean transition. A 30-60 day training period and a non-compete covering the two boroughs are standard and should be non-negotiable. If diligence surfaces a late-cycle machine fleet, the right response is a price adjustment or an equipment escrow, not walking away from an otherwise sound business.

DUE DILIGENCE CHECKLIST

- Equipment audit: age, brand, cycle counts and service history for every washer and dryer at all three sites
- Lease review: remaining term, renewal options, assignment consent and demolition clauses for each location
- Twelve months of card-system revenue reports reconciled against water and gas consumption
- Trailing-twelve-month utility bills for all three locations
- Wash-and-fold revenue split and labour costs for that service line
- Municipal compliance: drainage, ventilation and any pending borough works near the storefronts
- Confirmation that the stated EBITDA includes a market-rate wage for the hours the owner actually works

RECOMMENDATIONS

- Proceed to a conditional offer in the CAD 700,000-780,000 range, subject to equipment and lease diligence
- Make lease assignments with 5+ years of security (term plus options) a condition of closing

- Commission an independent equipment inspection before waiving conditions; price-adjust for late-cycle machines
- Request a 10-15% seller note and a 30-60 day transition period
- Verify earnings through card-system data and utility cross-checks rather than owner statements

OVERALL ASSESSMENT

This is a fundamentally sound acquisition target at a full but defensible price. The economics as presented clear every threshold that matters: debt service is covered 1.86 times, the cash invested returns roughly a third of itself in year one, and the demand base is as durable as small business gets. What the numbers cannot show is the age of the machines and the strength of the leases, and in this sector those two facts are the valuation. A buyer who verifies both and finds them sound is paying a fair price for a stable yield with a modest growth lever in wash-and-fold; a buyer who skips that work risks purchasing a capital-expenditure program disguised as cash flow. The recommendation is to pursue the deal with those conditions attached and the discipline to reprice or walk if the facts do not hold.