

Before you look at one more workshop.

Every listing you are about to open leads with a return-on-investment percentage. Here is how to read it, what actually prices a workshop, and the twelve things that should end your interest. You know engines — this is the part nobody teaches you.

The percentage on the ad, decoded

Australian workshops are advertised on **PEBITDA** — proprietor's earnings before interest, tax, depreciation and amortisation. The word doing the work is *proprietor's*. It adds back what the owner pays themselves, because the buyer is assumed to turn the spanners.

So a shop showing \$300,000 on a \$385,000 price advertises a 78% return. But someone qualified has to do that job. Pay them properly, use the rent you will actually pay, and allow for the equipment already due — and the business has not changed at all. Only your understanding of it has.

ASK EVERY AGENT FOR BOTH FIGURES

Better listings publish PEBITDA *and* EBITDA. The gap between them is the wage of the person doing the work. Where only PEBITDA is given, that gap has not disappeared — it just has not been shown to you.

The rebuild — illustrative	Amount
PEBITDA as advertised	\$300,000
A qualified person at real market wage	– \$105,000
Rent under the lease you will sign	– \$22,000
Equipment due inside 24 months	– \$14,000
"One-offs" that appear every year	– \$9,000
What the lender assesses	\$150,000

78% → 39%
the same shop, honestly stated

Still a real return on money you have borrowed, in a business you now run. Just not the one on the listing — and your loan is sized on the bottom number.

What actually prices a workshop — ask this on every shop you see

They come for the SITE

Passing trade, an arterial road, convenience.
Durable goodwill — but it lives entirely inside the lease. Check the lease first.
Worth paying for.

They come for the MECHANIC

Dave has looked after their car for fifteen years. That goodwill walks out the door the day Dave does.
Pay less, or pay later.

They come for the PRICE

Cheapest in the area. That was never goodwill — it is a discount, and the shop up the road can copy it on a Tuesday.
Not goodwill at all.

Nearly every workshop is a blend. Working out the blend before you offer tells you what you are actually buying, how long a handover has to run, how hard the restraint needs to bite — and whether the lease is a detail or the whole transaction.

And when you do find one — the seven stages that follow



What to do on the first inspection.

Before you engage a solicitor, an accountant or us — before you spend a dollar. Half a day and a notebook will screen out most of what you look at.

Screen on this before anything else

A LOAN YOU'D NEED — 7-year term

THE LEASE — 3 years left, options included



Lenders generally want the lease, options included, to run at least as long as the loan. Ask for the term and the options in the very first conversation — it is one question, and it screens out shops before you fall for them.

What to count while you're there

- ☐ **Bays and working hoists.** Capacity is qualified hands in bays — everything else is a story about capacity.
- ☐ **Cars on site, and how many are moving.** A yard full of stationary jobs is a bottleneck, not demand.
- ☐ **How far ahead the diary is booked.** Two weeks out is a business. Same-day is a discount.
- ☐ **Age of the diagnostic gear** against the age of the cars in the car park it serves.
- ☐ **Whether the owner is in a bay.** If they are, you are buying a job with a business attached — which is legitimate, but it is not a 78% return.

SIT IN RECEPTION FOR AN HOUR

Listen to what customers say when they arrive and when they collect. Do they ask for a person by name? Do they query the price or accept it? Do they book the next service on the way out? No report tells you what an hour in a waiting room will.

What to ask the owner, face to face

- ☐ **How many years are left on the lease, including options?**
- ☐ **Who do your regulars ask for by name?** If the answer is them, that is the deal.
- ☐ **What breaks in the first month after you leave?** "Nothing" is the wrong answer in any business.
- ☐ **Which customer or fleet account would hurt most to lose?**
- ☐ **What's changed in the last twelve months?** Rent, staff, a competitor opening, a contract ending.
- ☐ **What have you stopped spending on?** This finds the deferred equipment and the switched-off marketing.
- ☐ **Has there ever been a tank on site, or a spill?** Ask early, ask casually, and note the reaction.
- ☐ **Why this price?** A multiple of a number you haven't verified is a hypothesis, not a valuation.

WRITE THE ANSWERS DOWN THE SAME DAY

You will look at several shops. In six weeks they blur, and the one you remember most fondly is rarely the one that stacked up best on paper.

TWO SEARCHES, TEN MINUTES, BEFORE YOU GO BACK

Run a **PPSR search** on the vendor entity and by serial number for the hoists and major plant — equipment you assumed came with the business is very often on finance. And read the **reviews all the way back**, not just the recent ones: you are looking for when a reputation changed, and whether it names a person.

The 12 deal-killers.

Not a post-mortem — a filter. Run every workshop you look at past this list, and most of them will save you the cost of finding out the hard way. One is a negotiation. Three is a walk.

- 1 Verbal on the lease, nothing on paper.** The landlord is "happy to do a new lease" and always has been.
 - Condition on a signed lease. No signature, no settlement.
- 2 A lease shorter than the loan.** Term plus options runs out before your facility does.
 - Renegotiate before contract, not after.
- 3 PEBITDA taken at face value.** The advertised return assumes you work for free.
 - Rebuild it. Price and borrow on that number.
- 4 Rent in the accounts that isn't your rent.** Earnings built on the old rent, new lease carries a higher one.
 - Use the rent you'll actually pay, everywhere.
- 5 Site history nobody will discuss.** No answers on tanks, spills or previous uses.
 - Environmental assessment as a condition.
- 6 Stock that can't be counted.** Two systems that don't talk, and an offer to "reduce it down".
 - Cap it, exclude dead lines, condition a clean count.
- 7 Equipment on finance.** Hoists or alignment gear already secured to a financier.
 - PPSR by serial number. Payouts at settlement.
- 8 Goodwill wearing the owner's name.** Customers ask for them; reviews name them.
 - Long handover, hard restraint, price deferred.
- 9 One account carrying the shop.** A fleet or dealership contract above a quarter of revenue.
 - Get it contracted, or reprice the risk.
- 10 Unpaid super or award exposure.** Entitlements behind, classifications not matching duties.
 - Quantify, indemnify, adjust. Or walk.
- 11 Approvals that walk out the door.** Roadworthy testing resting on the departing owner's approval.
 - Carve out the revenue, or secure the person.
- 12 No restraint, no handover.** They intend to stay local and stay friendly with the customers.
 - No restraint, no deal.

ANYTHING TOUCHING THE LEASE COUNTS DOUBLE

Site-bound goodwill is the most valuable kind and the most fragile. A lease problem is not one finding among twelve — it is the finding, because everything you pay for location assumes the business keeps trading from that address.

THREE IS A WALK — AND THAT IS A RESULT

Walking costs you a few hours and a couple of searches at this stage. Buying the wrong workshop costs the deposit, the loan, the guarantee over your house, and several years. While you are still looking, walking away is free — which is exactly why this is the cheapest moment to be strict.

Score it — one column per workshop you inspect

1 _____	2 _____	3 _____	4 _____	5 _____	6 _____
7 _____	8 _____	9 _____	10 _____	11 _____	12 _____

Cleared, priced, or unresolved. Carry it to every inspection — the register is worth more on the tenth shop than on the first.

Score them side by side.

You will look at several. Fill this in as you go — the shop you remember most fondly is rarely the one that stacks up best on paper.

	Workshop A	Workshop B	Workshop C
Asking price			
PEBITDA advertised			
Rebuilt earnings — after a real wage			
Lease: years left including options			
Loan term you'd need — is there a gap?			
Who do the customers come for? (site / mechanic / price)			
Biggest single account, % of revenue			
Site history answered? (tanks, spills)			
Equipment on finance? (PPSR run)			
Deal-killers found — how many			
Your gut, out of 10			

When one of them stacks up — ask for these five

- ☐ **The lease in full**, with variations and any option notices
- ☐ **Financials and tax returns** — three years minimum, five if held
- ☐ **The PEBITDA worksheet**, with every add-back evidenced
- ☐ **The stock report** by line, with age and movement
- ☐ **Licences** — tester approval, trader licence, and whose name each is in

Any one of the five coming back thin, late or heavily qualified is itself a finding.

Do this now, while you're still looking

Get your borrowing capacity assessed **before** you start negotiating. It costs you nothing and changes everything: you learn your real ceiling, which lenders back this industry, and how the lease term affects what you can borrow — so when you find the right shop you negotiate like someone who can settle. Almost nobody does this first.

And when you've found one — over the page.

Send us the pack and our answer comes back within 24 hours. The next page lists exactly what to send and what you get back.

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Our fee is quoted up front.
If the numbers say
walk, we'll still tell you to walk.
With gratitude — Priyank

Send the pack. Get an answer in 24 hours.

Funding is decided on the quality of the submission, not only the quality of the deal. Send these to priyank@prevailfinance.com.au and within 24 hours you have our answer, fundable or not.



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With gratitude

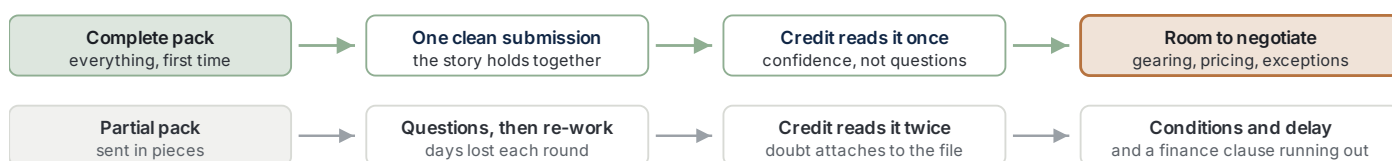
About the workshop

- ☐ The five documents from the previous page
- ☐ The listing or information memorandum
- ☐ Revenue split by source, monthly
- ☐ Equipment register, showing what is financed
- ☐ Asking price and how it was built
- ☐ Contract or offer, if anything is signed

About you

- ☐ Two years' tax returns and notices, plus entity financials
- ☐ Assets and liabilities, with an equity source
- ☐ Six months' loan statements, three months' transactions
- ☐ Photo ID · trade qualifications · licences held
- ☐ A short work history — credit assesses **your** capacity too
- ☐ Proposed buying entity and transition plan

Why the pack decides the outcome



Same deal, same buyer, same lender. The only variable is what arrived in the first email — and it moves the terms, not just the timeline.

Once you accept our quote, in one business day:

- ☐ Your Action Plan — what happens, in what order
- ☐ The funding pathway scoped for this workshop
- ☐ An indicative pricing band, so you can model it
- ☐ The finance clause date your contract needs
- ☐ Pre-approval prepared, ready when you say so

Then what we do with it

- ☐ **Maximise the funding** — rebuilt earnings and the lease, presented the way credit assesses them
- ☐ **Put the case properly** — directly to the decision-maker
- ☐ **Structure it** — business only, plus site, or site in a fund
- ☐ **Hold the timeline** — lease and settlement clocks mapped backwards

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