

An easy start



**Your investment in the
vended laundry business**

Industry Overview

Clean clothing is one of life's basic necessities. Combine that with the need for linens, towels and other personal items, and this is a daily workload requiring people, time, utilities and money to accomplish. Either by personally-owned laundry equipment or through the use of vended machines, this work has to be done.

Investors who are interested in owning their own self-service laundry can find that this industry is a rewarding, worthwhile investment opportunity.



A proven and robust business

NEW TECHNOLOGY AND IDEAS ARE RESHAPING THIS MARKETPLACE

The Coin Laundry Association (CLA) estimates that there are some 35,000 self-service laundries in North America, generating approximately \$5 billion in annual revenue.

Traditionally a cash-based business, many new investors are bringing retail management ideas and current technology to update and upgrade the business model.

For instance, a greater emphasis is being placed upon lighting, interior design, customer amenities and store layout. Self-service laundries are retail environments. Like any other business, they rely upon positive retail experiences and the return of repeat customers for maximum profitability.

Although they are basic and simple businesses, self-service laundries are also being changed by new and emerging technology. Washers and dryers are becoming more efficient for greater utilities savings. These savings go straight to the

laundry owner's bottom line. Some owners are moving away from cash-based payment systems and toward card-operated stores. These systems reduce the amount of time spent handling coins and they also have a variety of built-in marketing features — such as time-of-day pricing specials and customer data reports — allowing owners to closely examine and refine store operations.

This traditional industry is seeing lots of new ideas. Both customers and owners of self-service laundries are benefitting from changes that are making the laundry process fast and simple.



Success starts early

A VARIETY OF FACTORS SHOULD BE CONSIDERED

A self-service laundry is a simple business. But, a laundry's profitability is directly affected by the amount of time, energy and creativity that the owner puts into the business.

The investor's contributions and effort are used early in the process during site selection. A good location requires a variety of factors, some of which — but not all — include:

- Demographic review of customers and competition in planned service area
- Highly visible location with good traffic counts nearby and available parking
- Easy access to water, gas, electricity
- Reasonable rent or land purchase costs
- Size of store compared to demographics
- Proper choice and mix of equipment for the site's demographics

Industry data on self-service laundries

- Vended laundries range in size from less than 1,000 sq.ft. to over 5,000 sq.ft. The average size store is about 2,400 sq.ft.
- These laundries can range in market value from \$50,000 to more than \$1 million, and can generate cash flow between \$15,000 and \$200,000 per year.
- Laundries generally occupy retail space on long-term leases (10-25 years).
- Vended laundries are unique businesses in that they have no inventory or receivables.
- The average laundry owner spends 12-24 hours per week managing their business.
- Total start-up costs for new self-service laundries can vary from under \$75,000 to over \$500,000. Such projects are typically financed with a 20-30% downpayment.
- Landlords can contribute toward more costly leasehold improvements that might be needed with a vended laundry.

— Courtesy of CLA and other sources



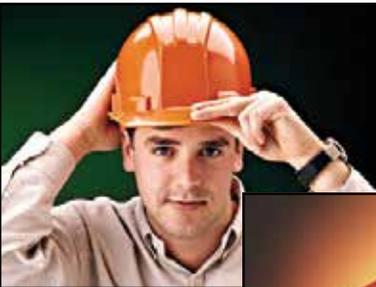
SUPPORT BEFORE, DURING AND AFTER THE SALE

Any vended laundry decision can benefit from the information and advice offered by our large network of **Milnor dealers**.

From the early stages of site selection to follow-up service and marketing support during operations, Milnor dealers can provide a wealth of detailed knowledge that can benefit you and your customers.

Milnor dealers are partners in their customers' success stories. Contact your Milnor dealer or allow us to introduce you to them.

A MILNOR DEALER IS A VALUABLE PARTNER!



*Equipment installation,
construction and service*



Plan layouts and renderings



Your local Milnor dealer can provide:

- **Knowledge of your local vended laundry market, including costs and expenses in your area**
- **What types of coin- or card-operated machinery to install**
- **Planning advice on site selection**
- **Follow-up warranty service**
- **Guidance on marketing**



Milnor — a legendary name in laundry

MORE THAN 50 YEARS OF VALUE AND RUGGED PERFORMANCE

Milnor has been building industrial-grade laundry machinery for decades. In the process, the company has become a recognized leader throughout the world for providing durable machinery into a variety of commercial laundry markets.

A family-owned company, Pellerin Milnor Corporation draws upon its engineering experience from building large industrial washers and dryers to also manufacture smaller equipment for coin- or card-operated laundries. Milnor equipment has developed a strong record of performance in vended laundries over the years.

Laundries are hard on machinery — water, chemicals, humidity and repeated use can wear down poorly-made machinery very quickly. Choosing **durable machinery** is vital to any productive and profitable vended laundry operation.

Machinery must also be **easy-to-use** for customer convenience, resulting in a high level of turns-per-day. The simple push-button controls featured on Milnor washers

and dryers allow them to be put into operation quickly and easily.

Equipment must also be **energy-efficient** as utility costs can sometimes consume 25% or more of a vended laundry's gross profits. Milnor's GreenTurn™ formula set allows the laundry owner to choose washer cycles using less than 1 gallon per pound processed.



Combined with a strong dealer network, Milnor's long history of durability and high customer value becomes a vital and important resource for any vended laundry owner.



Make the right choice.
Contact Milnor or a Milnor
dealer to plan your next steps.

Pellerin Milnor Corporation



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