



Economics of an Ice House Vending Machine



The Economics of Traditional Ice Bunkers



The majority of ice today is still purchased pre-made, and pre-bagged at a convenience store. These stores often pay \$4 for a bag of ice to turn around and sell it for \$5. In a traditional ice sale the profit per bag is often less than \$1. Sometimes it is even sold at a loss.

Convenience stores have to pay for the ice production off site, trucks to deliver the ice, labor involved in moving the ice, and all of this is before the ice bag is often broken or stolen. There is a much better way.



What does a Vended Bag of Ice Cost?

On average the associated costs to produce one vended bag of ice are; 2 cents in water, 18 cents in electricity, and 15 cents for the plastic bag. All in, a 20 lb bag of ice costs around 35 cents to produce.

Even if you sell ice for less than your traditional competitor, your margin per 20 lb bag is likely \$3 or higher.

If you sell 78 bags per day*, that is approximately \$7,020 NET a month, not including any machine financing costs.



Vends per day average will vary based on location, state, and season.

*78 was selected as our annual daily average across our top ten performing states.

Expected Investment



All business opportunities require an initial investment. Luckily, the startup cost for an ice vending machine is very low in comparison to other businesses. There are three options to choose from, and which is right for you will depend on how much you want to invest, your financing options, and your location, which we will explore later in the guide.



ICE HOUSE (IVM)

The first and the largest model, IVM, holds up to 6,500 lbs. of ice and can serve up to 50,000 customers a year. Ideal for high traffic locations, we refer to this as a destination model because customers will make a separate stop at this location for the value of the product. **Pricing starts at \$145,000+.**



ICE KIOSK (IVK)

The IVK is mid-sized for locations with less space and traffic. Like the IVM, the IVK is a destination model and customers still make the extra stop for the value proposition offered. The buyer has the option to select a 2,400 or 3,000 lb bin, to meet their business needs. **Pricing starts at \$105,000+.**



ICE MERCHANT (IVT)

This machine is referred to as a convenience model because customers are willing to pay more to avoid leaving the location. Its compact design and low investment requirements make it ideal for retail stores, campgrounds, and marinas. **Pricing starts at \$60,000+.**

Potential **Financing Options**

Deciding how to finance your ice vending machine will depend on your situation and your goals. There are a few ways that business owners may choose to finance their machine.

Savings

To eliminate interest and start profiting from their machine right away, many business owners use savings or the sale of other investments to finance their machines.

SBA Loans

IHA works with the Small Business Association (SBA) to give business owners access to fast, reliable, low-interest loans.

Partnership

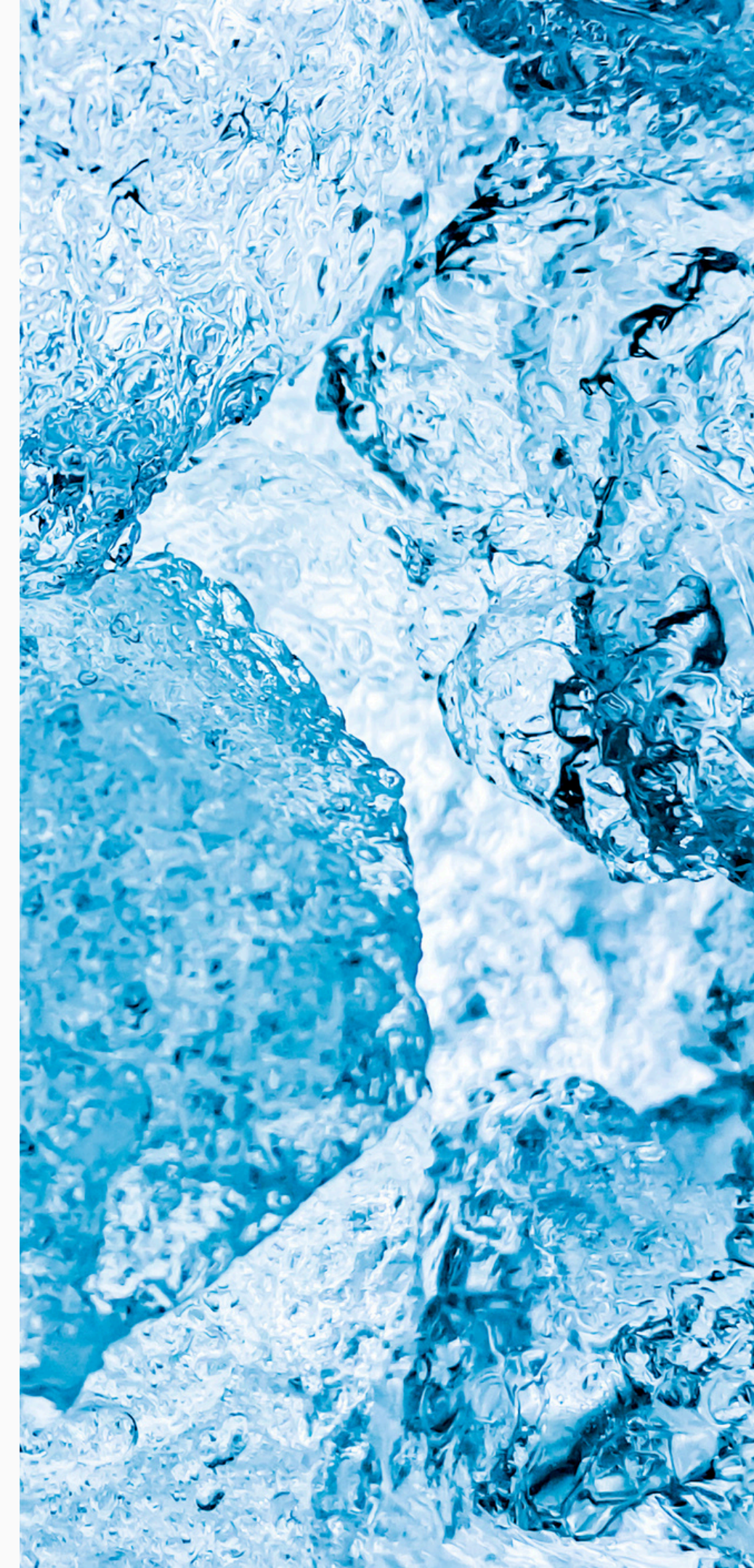
Funding your investment in partnership with others is a common way to finance the project. This structure is good for individuals who do not have the financials necessary to fund the entire amount of the project themselves.

Personal Loans

Investing some of your funds and making terms with friends or family can be a good way to finance your machine with minimal risk.

Equipment Financing

Typically, an equipment financing company will have a much less involved process compared to SBA or conventional loans from a bank.



Building a Business of Value

Ice House America has seen many machine owners sell their machines for more than they paid for them, often many years later due to the value of the recurring daily sales.

No Franchise Fees

When you purchase an Ice House America machine it is yours. We do not charge any franchise fees, location fees, licensing or surprise fees.

Use Profit to Buy Your Next

Many of our machine owners reinvest their profits into additional locations. 20% of owners have 3 or more machines. Managing multiple machines isn't much more work than operating 1.

High Resale Value

It is not uncommon for a machine owner to retire from the ice business after 10+ years and sell their business or machines at a 5x plus annual profit multiple.

Owner Operated

Little human capital required, owners are able to operate their business either on their own, or with a part-time hire. Minimal visits are required to collect cash, replace filters, load new bags, and do routine maintenance, and remote monitoring is available to alert and allow the owner to manage the business, and their time, efficiently and effectively.



Financing Example

Using an example of an all in price of \$150,000 for a loan term of 15 years at a 6% interest rate, your monthly payment would be \$1,265.79.

Your break even is often between 15 - 22 bags sold per day.

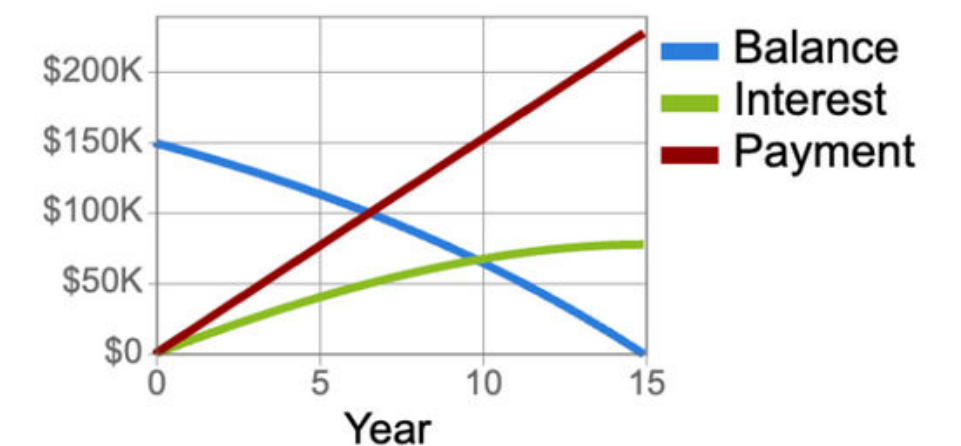
Monthly Payment: \$1265.79

you will need to pay \$1265.79 every month for 15 years to payoff the debt.

Total of 180 payments	\$227,841.34
------------------------------	---------------------

Total Interest	\$77,841.34
-----------------------	--------------------

Principal - 66%
Interest - 33%



Time & Maintenance

Managing your ice vending machine doesn't require as much time as other businesses, there's no need to restock, and no employees to supervise. Once the machine is placed, it requires little monitoring and maintenance. Here is what you can expect to put in, and options you can use to make this process easier.

Regular Maintenance

All ice vending machine models are designed for minimal maintenance. Setting aside a few hours regularly will keep your machine in full working order. An effective maintenance schedule might look like this:

- **Weekly-monthly:** clean coin mechanisms, bill acceptors, collect money, replace bags, and do a light clean up of the machine.
- **Quarterly:** change the sediment filter.
- **Biannually:** check all filters and clean ice maker.
- **Annually:** replace bulbs and lubricate components.

Repairs

As with any machine, repairs are sometimes needed, though this does not happen often. These can sometimes be unexpected, so it's a good idea to monitor your machine, so you know when something isn't right.



Remote Management

Typically it can be difficult to identify when your machine may need a repair or maintenance without physically visiting the unit, but with the use of our Smartice system you can monitor machine performance from home, work, vacation, and everywhere in between. This minimizes downtime, and gives machine owners significant remote control of their vending machines.

24/7 Remote Access

Smartice allows you to access your machines from the convenience of a computer, tablet, or smartphone. The application enables owners to manage many aspects of their machine, including: location information, product sales, technical operations, and customer service.

Sales Data

Get unparalleled access to all sales activity involving your machine to identify sales patterns, know how full your ice bin is, and evaluate machine performance within a user friendly custom dashboard.

Monitoring

With the SmartIce cloud-based platform, you can access and monitor your machine(s) from your computer or smartphone at any time. You can schedule maintenance, correct issues, view sales, and utilize many other features to make your business management easier. You are the boss, so you can spend as much or as little time monitoring the business as you'd like.





Location Cost

The location of your business plays an integral role in its success. While you can't know for certain how much business your vending machine will get, analyzing key factors beforehand can help you make an approximation. Ice House America's team of experts helps buyers analyze the market potential in the proposed area to determine that the location is right.

If you already have a location in mind and you're wondering if an ice vending machine is suitable, consider the following factors.

Location can be free if you already own the real estate, if not you may be able to negotiate a rental price for a location to place your machine. This could be hundreds of dollars or more depending on the location, traffic, and a variety of factors.





What to Look For

The most successful locations for ice vending machines have a few things in common: visibility and high traffic. It should also be accessible, which makes parking lots and existing stores ideal locations. Here are a few other commonalities:

01. Location is on the main street with a high traffic flow
02. The machine can easily be visible from the busy road
03. The speed limit should be 45 MPH or below
04. The location is easily accessible from the main road
05. A truck or trailer can navigate around the machine easily





A Few Examples

Many people visit ice vending machines on their way to work, so placing them near other popular, nearby stores is a good way to leverage their customers and increase sales. Generally, the following stores have large parking lots, accessible utilities, and they are located on busy roads, so they are often good locations to consider:

Dollar Stores

Laundromats

Bulk Stores

Discount Stores

Car Washes

Pawn Shop / Title Loans

Rent-A-Centers

Liquor Stores

Small Grocery Stores

Storage Centers





Considerations

Your ice and water vending machine has few demands, but there are some necessities in order for it to work properly. If you don't own the property you're considering, you'll also have to work with the owner. Keep in mind that some landowners have already volunteered their property for lease with Ice House America. Here are a few considerations as you pick your location.

1. Is electricity available?

2. Is water hookup available?

3. Can the ice vending machine drain properly?

4. Is the owner open to leasing their space?

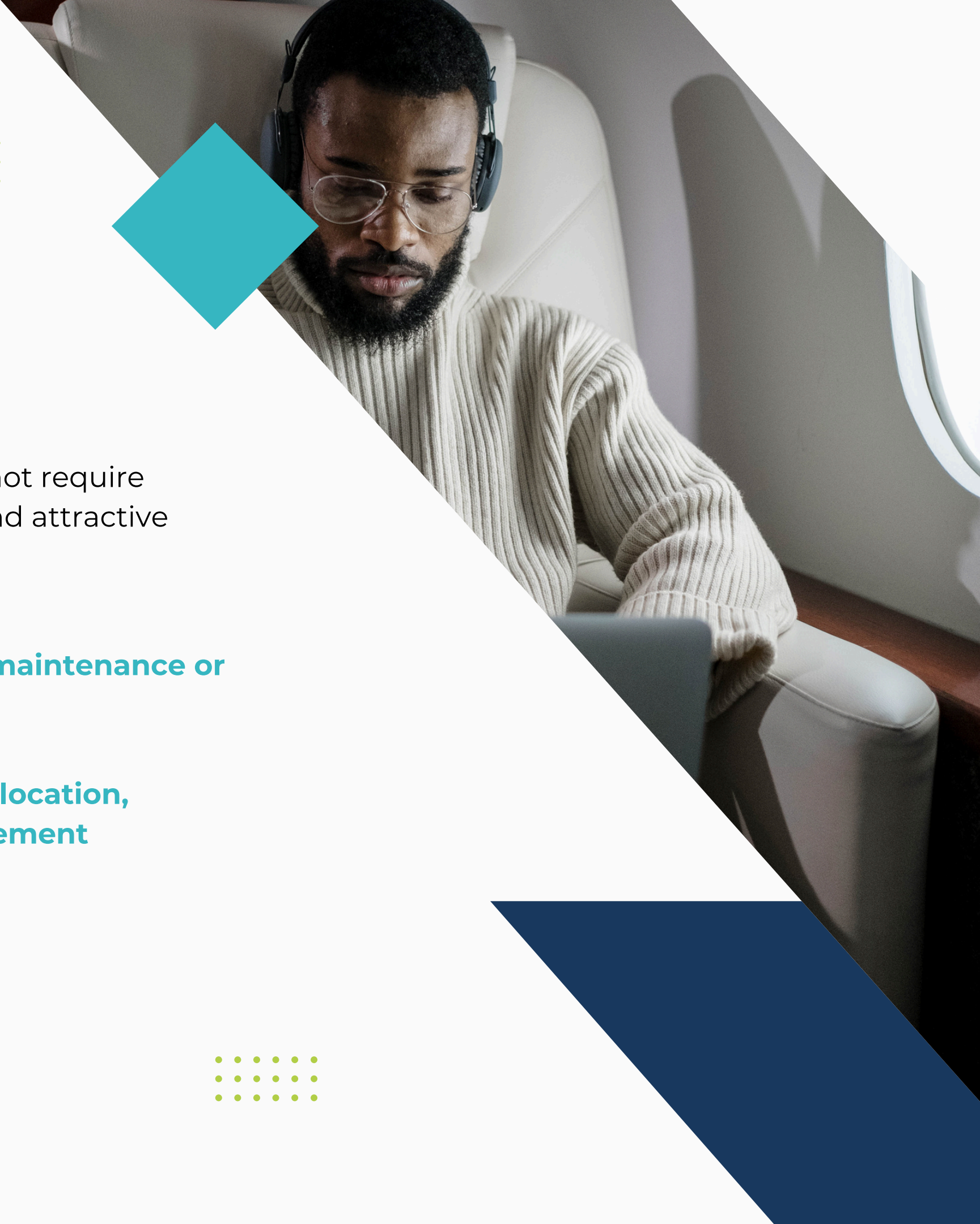
5. Has an owner already volunteered to lease space near you?

6. What does your placement look like within the location you chose?

7. What type of sight line visibility is there to your machine?

8. Obtaining a permit to use the space





Business Management

Your ice vending machine requires relatively little time and does not require you to be present at the location all the time. If these aspects sound attractive to you, an ice vending machine business may be ideal for you.

Minimal time demands

Ability to travel freely

Manage your business from your laptop or computer

Work alone, or delegate maintenance or management as needed

Choose your investment, location, hours, and level of involvement





ICE2U Mobile App Machine Network

Even though Ice House America machines are independently owned and operated, we have provided a simple and easy way for vending fanatics to find your machine and vend digitally.

Large network - when you join the ice2u network, hundreds of thousands of existing users will be able to find and easily vend from your machine

Leverage the rewards program which encourages repeat purchases and brand loyalty

Get instant visibility of your machine with our ICE2U vending application

Cash in on yearly giveaways that will boost traffic to your business

Create your own promotions to boost sales





ICE2U Mobile App Machine Network

ICE2U makes it easy for users to vend from any existing machine locations. The ICE2U app has a strong existing base of loyal customers that are available for new machine owners to tap into.

Go cashless and pay with the touch of your phone

Cashless means touchless and sanitary, helping you, your customers, and other patrons

Get your receipts straight to your email

Access instructions and tutorials



**94% of ICE2U
Customers vend only
from ICE2U enabled
machines**



**54% of users vend
once or more a
week**



**42% of users utilize
multiple ICE2U
enabled locations
regularly**



Profitability

How much you will make will mainly depend on your location and the size of your machine. You can estimate this based on your traffic calculations provided in this section, or to get a better understanding [work with an Ice House America expert](#) to calculate the area's business potential. As you consider profitability, ask yourself the following questions.

Profitability Considerations:

- How much do I want to make in a year?
- How much am I willing to invest?
- How much time do I have or want to put in?

Average Sales Data:

- Ice Vend Averages
 - 78 vends per day
 - 546 vends per week
 - 28,392 vends per year

*Averages based on annual averages between 10 states



Risk

Although investments come with some level of risk, there are minimal risks involved in entering the ice vending industry; with careful consideration of your location, ice vending machines are steady, low-risk investments. Ice House America strives to set the proper expectations so that buyers know the investment costs, the time needed to run business, and earning potential, leaving little room for speculation or volatility.

No Speculation

You know how much you are investing, and what you are getting out of that investment.

Real Property

A vending machine is not an intangible stock or share, it's a physical item with a valuation.

Low Volatility

Once you approximate the location's business potential, you can forecast your annual revenue.





Be The Boss

If you're interested in a low-maintenance business to earn a consistent residual income, contact us.

We can help you analyze the business potential in your area and select an ice vending machine that will meet your needs.

[Let's Get Started!](#)



Contact Us

(888)-388-1590



Our Address

278 US Hwy 319 S, Moultrie, GA
31768

