

FOR SALE: Sports Novelties Distributor – College & Professional Teams

300 types of products from more than 40 licensed vendors + 2 warehouses

Financial Overview

List Price: **\$4,400,000**

Gross Sales

2017: \$10,352,233

2016: \$11,106,015

2015: \$10,131,302

2014: \$9,603,647

Owner Profit/Cash Flow

2017: \$1,076,216

2016: \$1,047,613

2015: \$913,262

2014: \$705,655

Multiple: 4.3 *Multiples range from 1-5, with the average being 3

Assets Included in Purchase: \$3,322,100

Assets: \$104,900: furniture, equipment, computers, 2 fork lifts, warehouse shelving, 1 pallet shrink wrapper

Intangible Assets: Established reputation, diverse customer base, clear and informational website

Inventory: \$2,903,300 in licensed sports team novelty items

Accounts Receivable: \$313,900 *amounts may vary

Valuation: 2017 Cash Flow x Multiple = Price
\$1,076,216 x 4.09 = \$4,401,723

The valuation is based strictly on cash flow, not inventory. The inventory will always fluctuate, but that will not affect the price.

Business Information

Year Established: 1990

Location: Omaha, Nebraska & another Midwestern state

Service Area: Continental United States

Clients: 95% distribution to businesses; over 800 customers

Manufacturers: WinCraft, Fremont Die, Schutt, Riddell, ProMark Northwest, Rico/Tag Express, Kolder and more (all licenses held by manufacturer)

Wholesaler Program: low minimums - items purchased in single piece quantities

Drop Ship Program: customer can offer wide variety of products without inventory cost; they take orders and distributor ships

Office & Warehouse: 32,000 sq. ft. at \$14,398/month

Distribution Center: 17,000 sq. ft. at \$8,145.16/month

Employees: 19: Operations VP, GM, 2 sales, 2 product management, bookkeeper, marketing, 11 warehouse; 7 in another state: 3 sales, 4 warehouse

Hours: Monday – Friday: 8AM – 5PM

Growth Opportunities: Expand grocery store presence, convenience stores, baby retailers, and hardware stores. Add product lines business has been approved for

Funding Example

Purchase Price: **\$4,400,000**

10% Buyer Down Payment: \$440,000

15% Seller Financing: \$660,000

75% Bank Loan: \$3,300,000

The bank loan will be collateralized by the inventory and equipment included with the business. After one year, a new owner can expect a profit of \$430,093 after all debt services are paid.

Description

This sports novelties distributor stocks over 300 types of products manufactured by over 40 licensed vendors and warehoused in two states. Established in 1990, this Omaha-based company distributes mini football helmets, team mugs, team pennants and more to over 800 small businesses coast to coast. Over 95% of business is done business-to-business with the remaining 5% being direct sales to customers (i.e. "Mom & Pop" stores). In the past 12 months, this company has been granted contracts with Jack Daniels, Harley Davidson and Riddell to distribute their products, making them 1 of only 6 distributors able to do so.

There are 19 employees between the two locations, with a VP of Operations, a General Manager; 2 in sales, 2 in product management, 11 in warehouse, 1 bookkeeper and 1 marketing manager. Manufacturers include WinCraft, Fremont Die, Schutt and more. Customers are offered Wholesaler or Drop Ship Programs, and most orders are shipped between 24-48 hours.

The current owner desires to retire within the next year and is selling the company he has built from the ground up. The business has expanded to include a second location, allowing the business to cut down on shipping costs. Both locations have warehouses and are fully staffed with management and employees who pack and ship orders. Current ownership is responsible for overseeing general business operations and some purchasing of inventory.

Seller Training Period: 90 Days

Reason for Selling: Retirement

Next Steps

For a detailed financial package, please contact Cortney Sells or one of The Firm Business Brokerage's professionals at 402.998.5288 or email Confidential@TheFirmB2B.com.

- CONFIDENTIAL -