



A Neumann & Associates, LLC
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Business Profile

Engagement: 1492-2063G

Company Information

Line of business: Niche Food Service & Distribution

Location: Central New Jersey

In Business: 25+ years

Employees: 50

Facilities: 10,000 SF Warehouse & Office (leased) + Storage

Reason for Sale: To step back after many years (consulting available)

Company Assets:

• Net Working Capital	\$800,000
• Leasehold Improvements	\$0
• Office – Furniture & Computer	\$25,000
• Vehicles, Trailers, Forklifts	\$400,000
• Equipment – Production & Storage	\$425,000
• Other	\$0
<u>Total Assets included in Sale</u>	<u>\$1,650,000</u>

Sales and Cash Flow:

(All Information Based On P&L/Tax Returns)

<u>Fiscal Year End</u>	<u>Revenue</u>	<u>Seller Discretionary Cash Flow</u>
6/30/2019	\$11,100,000	\$840,000
6/30/2020	\$9,900,000	\$840,000
6/30/2021 (e) *	\$7,100,000 *	\$720,000 *
6/30/2022 (e)	\$10,000,000	\$900,000

*) Covid-19 impact



Executive Summary

This well-known **Food Services and Distribution Firm** provides a wide array of meal preparation and delivery to a diverse non-residential client base throughout the NJ region. The firm enjoys significant operating margins, documented profitability and significant owner benefit. This business currently operates from a conveniently located 10,000 sq. ft. leased warehouse with office space.

The company enjoys a **strong competitive advantage** in the service area through its many State and Local contracts as well as its "Approved Vendor" status with the NJ Department of Agriculture. The firm has a solid foundation and is poised for accelerated growth. It is projected that a new owner will obtain **significant additional growth** by expanding the direct sales efforts to service a wider territory and new client segments with a minimal investment of \$250,000. The company projects an annual revenue growth rate under such premise of 20%+ per year with higher gross margins.

The company has been **fully reviewed and internally appraised** at 4.8x SDCF (2020). There is \$800,000 in Net Working Capital plus another \$850,000 in Fixed Assets included in the deal, and by implementing the proposed deal structure an owner operator will obtain over **\$350,000 benefit in after-acquisition-debt cash flow in Year #1 - 36% return on equity investment.**

A comfortable **transition period** will be provided by the owner who truly wants to see the business continue to flourish. Seller will consider a mid-term consulting agreement thereafter. A very well trained and highly qualified team will stay in place and support the new owner in all aspects of the business.

(ALL DATA BASED ON SIGNED TAX RETURNS)

Deal Structure (Proposed)

Buyer Cash Down @ Closing	\$1,000,000
Buyer Bank Financing	\$1,873,000
Seller Financing @ 8% / 5 years	\$1,000,000
Long Term Debt Assumption	\$200,000
Total Purchase Price	\$4,073,000

Note: Real Estate offered by ANA Commercial Real Estate, LLC

Buyer Benefits

1) Growing business for 25+ years - leader in niche market with solid growth potential
2) Motivated owner helping in the transition, including potential consulting agreement
3) Acquisition financing approved for 70% of asking price - 36% ROI in Year #1

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NOTE: All data is based on signed tax returns and financial records. A Neumann & Associates has made no investigation or verification of the information presented herein. No additional information will be released until the Buyer has been fully reviewed and sufficient cash is available.