A Neumann & Associates, LLC

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Business Profile — **Engagement: 1492-2156**

Company Information

Line of business: Retail & Wholesale Beverage Distributor

Location: Eastern Pennsylvania

In Business: 30+ Years

Employees: Staff of 10 with Strong Organization in Place

Facilities: 12,000 SF Warehouse & Office (separate purchase)

Reason for Sale: Retirement

Company Assets:

• Net Working Capital	$100,000
• Leasehold Improvements	$0
• Office – Furniture & Computer	$25,000
• Vehicles, Trailers, Forklifts	$50,000
• Equipment & Tooling	$50,000
• Other – Existing PLCB License	$125,000
Total Assets included in Sale	**$350,000**

Sales and Cash Flow: **(All Information Based On P&L/Tax Returns)**

Fiscal Year End	Revenue	Seller Discretionary Cash Flow
2023	$11,600,000	$650,000
2024	$12,200,000	$930,000
2025	$9,500,000	$400,000
2026 (e)	$5,500,000	$300,000

Executive Summary

This well-known **Retail & Wholesale Beverage Distributor** has provided Beer, Soda and Water to a regional client base of individuals and establishments in eastern PA for over 30 years. This well-established Company has experienced **reliable revenue performance** and enjoys significant net operating margins with documented profitability. The Company's conveniently located facility (available with the business under separate purchase) provides a strong base of operations for all aspects of the business and ample room for growth.

The Company enjoys a **strong competitive advantage** gained through years of responsiveness to customer preferences, strong product knowledge and diversified product offering. The Company has a long-standing industry reputation for excellence and strong buying power – consistently delivering more value to its growing customer base. The Company has **significant growth potential** in the target market – aggressive marketing efforts, team expansion and a broader reach could grow top line to over $5M within a 5-year period.

The Company has been **fully reviewed and conservatively appraised** by an accredited national valuation firm at 4.3x EBITDA. A full valuation report is included and there is $100,000 in Net Working Capital plus another $250,000 in Fixed Assets included in the deal. The business is pre-qualified by an SBA lender subject to buyer's financials, and by implementing the proposed deal structure an owner operator will obtain **$220,000 benefit in after-acquisition-debt cash flow in Year #1 - almost 130% return on equity investment**.

A comfortable **transition period** is offered by the owner who truly wants to continue to see the business flourish. A very well trained and highly qualified team is in place to support the new owner in all aspects of the business.

(ALL DATA BASED ON SIGNED TAX RETURNS)

Deal Structure

(Proposed)

Buyer Cash Down @ Closing	$172,000
Buyer Bank Financing	$516,000
Seller Financing @ 9.75% / 5 years	$172,000
Long Term Debt Assumption	$0
Total Purchase Price	**$860,000**

Note: With the purchase of the business the real estate needs to be purchased at a cost of $1.3M, as offered by ANA Commercial Real Estate, LLC

Key Requirements for License Transfer per the Pennsylvania Liquor Control Board

1)	**Financial Vetting:** The buyer must prove the "source of funds." The PLCB uses a 6-month look back period to track every dollar used for the purchase to ensure no "silent partners" or organized crime involvement.
2)	**Background Check:** All officers, directors, and stockholders (if a corporation) must undergo criminal background checks and fingerprinting
3)	**Residency:** At least 51% of the ownership must typically meet PA residency requirements (or the entity must be properly registered in PA).

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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.