



**A Neumann & Associates, LLC**  
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**Business Profile**

Engagement: 1492-2058A

**Company Information**

Line of business: Niche Promotional Products (Wholesale & Manufacturing)

Location: New Jersey

In Business: 25+ years

Employees: 12

Facilities: 15,000 SF Warehouse & Office (leased)

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

**Company Assets:**

• Net Working Capital	\$160,000
• Leasehold Improvements	\$0
• Office – Furniture & Computer	\$75,000
• Vehicles, Trailers, Forklifts	\$0
• Equipment & Tooling	\$150,000
• Other	\$0
<b>Total Assets included in Sale</b>	<b>\$385,000</b>

**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>
2017	\$2,500,000	\$475,000
2018	\$2,750,000	\$620,000
2019	\$2,900,000	\$670,000
2020 (e)	\$3,000,000	\$690,000



## Executive Summary

### Buyer Benefits:

1) Multiple Revenue Streams with <b>Strong and Diverse Customer Base</b>
2) <b>Strong Industry Alliances</b> and Talented Staff Poised to Maintain Performance
3) <b>Motivated Owner</b> Helping in Transition and Experienced Management in Place
4) Acquisition Financing Approved for 70% of Deal Price – <b>over 150% ROI</b>

This well-known **Niche Promotional Products Company (Manufacturing and Wholesale)** has provided expert sales and distribution of specialty marketing products to a national/global client base for over 25 years. This well-established company has experienced **dependable revenue performance with significant gross margins (currently over 55%)** and documented profitability. The seller has modern facilities in the New Jersey region totaling 15,000 SF which provides a strong base of operations for all aspects of the business and plenty of room for growth.

The Company enjoys a **strong competitive advantage and relatively high market share** gained through years of innovative high-quality products, reliable service and responsiveness to customer specs – all on time and under budget. The Company has long-standing industry associations and strong buying power – with no customer concentration. The Company has **significant growth potential** in the target market (expanded product line and Big Box opportunity) – aggressive marketing efforts could grow top line to over \$4M by 2022.

The company has been **fully reviewed and conservatively appraised** by a well-known national valuation firm at 2.6x SDCF(ttm). A full valuation report is included and there is \$160,000 in Net Working Capital plus another \$225,000 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 more than **\$400,000 benefit in after-acquisition-debt cash flow in Year #1 – over 150% return on equity investment.**

A comfortable **6-month transition period** will be provided by the owner who truly wants to continue to see the business flourish. 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	\$258,000
Buyer Bank Financing	\$1,207,000
Seller Financing @ 8% / 5 years	\$258,000
Long Term Debt Assumption	\$0
<b>Total Purchase Price</b>	<b><u>\$1,723,000</u></b>

### **A NEUMANN & ASSOCIATES, LLC**

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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.