

# FOR SALE: B2B Wholesale & Distribution of Legal All Natural Products

50% Hemp derived products Legal in 35 States and Counting, 50% Nicotine related products, legal in all 50 states!



## Financial Overview

List Price: **\$47,750,000**

### Gross Sales

2021	2020	2019
\$29,345,769	\$11,089,057	\$8,456,846

### Cash Flow

2021
\$10,476,976

- Profit Margin: 36%
- Multiple: 4.55

## Assets\*: \$4,305,675

Inventory: \$3,881,595 Deposits: \$231,280

A/R: \$192,800 A/P: -\$609,036 (paid ahead)

\*amounts may vary, assets may be depreciated, replacement cost, or fair market value

## Target Demographic

This market provides an alternative to western medicine and has helped users manage their pain without the fear of an addiction. This alternative is on the rise and has helped people with the following conditions:

- Alzheimer's Disease
- Amyotrophic Lateral Sclerosis (ALS)
- Crohn's Disease
- Epilepsy and Seizures
- Glaucoma
- Multiple Sclerosis and Muscle Spasms
- Severe and Chronic Pain
- Severe Nausea or Vomiting caused by Cancer Treatment

## Health Benefits

- Better for you than alcohol
- Calms anxiety
- Assists with PTSD
- Much safer option than street drugs, such as fentanyl

## Funding Example

Purchase Price: **\$47,750,000**

75% Buyer & Lender	\$35,812,500
15% Equity Roll (if buyer desires)	\$7,162,500
10% Promissory Note w/Performance Benchmarks	\$4,775,000

## Business Information

**Clients:** B2B sales and distribution with two primary client types: Smaller Wholesalers (59%) Direct to Shop Owners (38%), Miscellaneous (3%). The largest client is only 3% of revenue, so it is a very diverse base.

**Service Area:** Across the United States, 35 states legalized low dose CBD/THC, with more coming. They ship the nicotine-related products to all 50 states.

**Lease:** 12,000 sq. ft. distribution center in Orange County, California

**Personnel:** 39: CFO, General Manager, VP of Sales, Retail Lead, 2 Manufacturing Leads, Warehouse Lead, 4 Warehouse Associates, 5 Sales Reps, 24 Packagers

**Reason for Selling:** Expand with a Strategic Partner or Equity Group who can bring strong business acumen and who may want to grow into manufacturing, bringing it in house to boost profit margins.

**Current Owners' Responsibilities:** Owner 1: Product development, management, and market research. Owner 2: Risk management and team support (only 5 hours per week, no replacement needed).

**Transition Period:** 4-5 years

**Growth Opportunities:** Individual states are continually expanding the legality of hemp and nicotine-based products, which allows for organic growth. This business has also recently expanded into Delta-8 and continuing to explore these products would be a huge opportunity for growth. The owner also sits on a major lobbying board that campaigns Congress constantly.

**Target Buyer:** There are 23 large Private Equity Groups and dozens of publicly traded companies that own very similar businesses. A few of the top Private Equity Groups are Merida Capital Holdings, Canna Angels, Casa Verde Capital, Gotham Green Partners, and Phyto Partners.

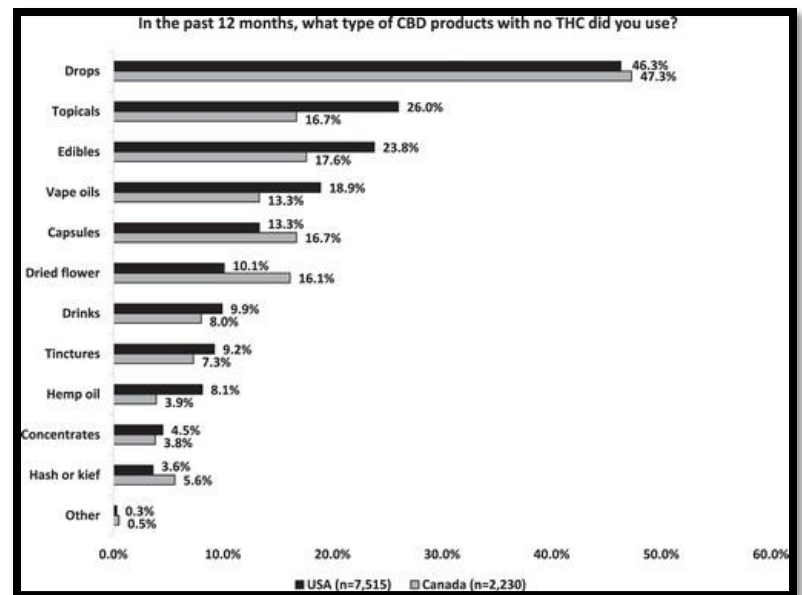
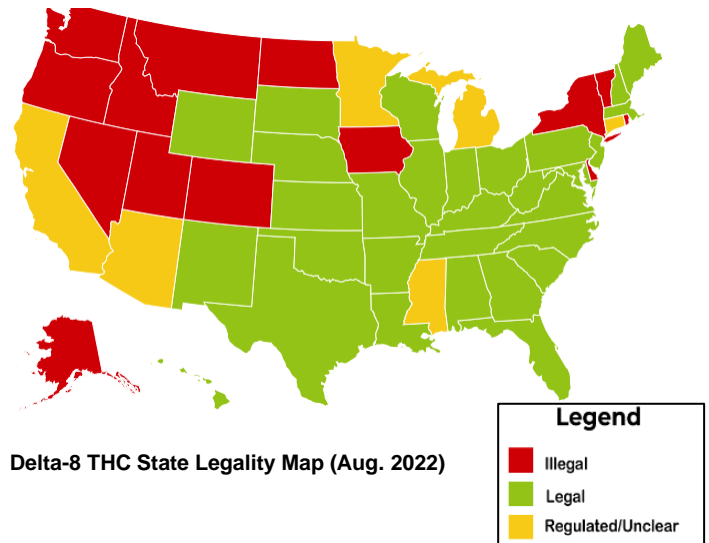
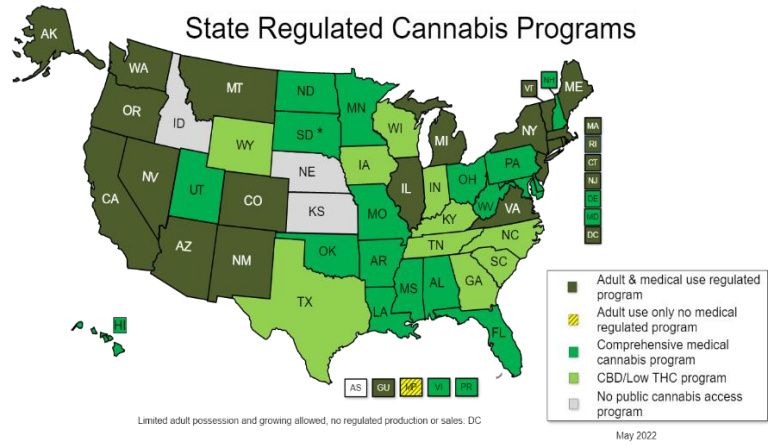
## Description

Operating out of a 12,000 sq. ft. distribution facility in Orange County, this fulfillment, wholesale, and distribution business has 4 subsidiaries, each with a unique product and target consumer. The products range from legalized low dose CBD to natural consumables. They have unparalleled growth from 11 million to nearly 30 million over the last 24 months! This company focuses mainly on Distribution and Logistics to other much smaller wholesalers which makes up 59% of their revenue, while 38% is sold Business to Business directly to operators and shop owners; less than 3% is sold direct to the consumer and this is intentional for research and development purposes. This market provides an alternative to western medicine and has helped users manage their pain without the fear of an addiction. This alternative is on the rise and has helped people with Alzheimer's Disease, Amyotrophic Lateral Sclerosis (ALS), Crohn's Disease, Epilepsy and Seizures, Glaucoma, Multiple Sclerosis and Muscle Spasms, Severe and Chronic Pain, Severe Nausea or Vomiting caused by Cancer Treatment. There are several health benefits, as it is better for you than alcohol, helps to calm anxiety, assists with PTSD, and is a much safer option than street drugs, such as fentanyl.

The active owner is showing good faith in the onward success of the business by staying on-board for 4-5 years. He leads a strong team of about 40 individuals who are experts in this industry. This includes a CFO, General Manager, VP of Sales, Retail Lead, 2 Manufacturing Leads, Warehouse Lead, 4 Warehouse Associates, 5 Sales Reps, and 24 Packagers. They do not have any drivers, as this is all outsourced. The goal for selling at this time is to expand with a Strategic Partner or Equity Group who can bring strong business acumen and who may want to grow into manufacturing, bringing it in house to boost profit margins.

Currently there are 35 States who have recognized these Low-Dose consumables as a legal product and at this upcoming mid-term there is projected to be another 6-9 states that will follow suit. The current owners recently reinvested significant amounts of time and money into expanding operations. Not only will a buyer be able to enjoy the spoils of this recent focus, but they will also have multiple opportunities to continue this focus on growth. Individual states are continually expanding the legality of hemp and nicotine-based products, which allows for organic growth. This business has also recently expanded into Delta-8 and continuing to explore these products would be a huge opportunity for growth. The owner also sits on a major lobbying board that campaigns Congress constantly. Note from the seller: "In response to any concerns regarding Vapes. Inhale-able products have gone from roughly 80% of sales last year to closer to 30% as we pivoted towards the edible product legislation."

Priced at **\$47,750,000**, the seller is offering a 15% equity roll if desired by the buyer, along with a 10% promissory note with performance benchmarks, to be agreed upon by both Buyer & Seller. As the health benefits of hemp and cannabis products continue to be shared, the client base for this business continues to grow.



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