

FOR SALE: Guns & Firearms: Sell, Repair, and supply Ammo – Absent Owner

Pro 2nd Amendment: Gun and Firearm business with \$800,000 in inventory!

Financial Overview

List Price: **\$2,000,000**

Gross Sales

2022 Annualized	2021	2020	2019
\$4,125,752	\$5,028,881	\$5,818,647	\$3,693,314

Cash Flow

2021
\$1,029,895

Valuation: 4-Year Avg. Cash Flow (19-22) x Multiple = Valuation
\$565,940 x 3.5 = \$1,980,790

Assets*: \$850,000

Inventory: Seller will guarantee that inventory will stay at 40% of the purchase price.

FFE: \$50,000

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

Business Information

Year Established: 2014

Location: Harrisburg, Pennsylvania

Service Area: Mid-Atlantic

Products: Wide variety of new and used firearms for sports, protection, and recreational use, plus ammunition, scopes, sites, holsters, safes, etc.

Services: Firearm sales, gun trading, gunsmithing & cleaning to prepare firearms for off-season storage, scope installation, night sight installation, total tear down, cleaning, reassembly, and function checks of firearms

Customers: Local law enforcement agencies, first responders, military personnel, hunters, recreational shooters, people wanting to protect their home

Business Hours: Mon-Sat: 10am-6pm; Closed on Sundays

Lease: 3k sq. ft. building; \$2,600/month

Reason for Selling: Approaching retirement

Personnel: 6 employees; general manager operates the company and is responsible for ordering inventory as well as scheduling and is willing to stay on after the sale. The remaining employees know how to run the day-to-day operations within the store.

Seller Training Period: 1 Year. General Manager wants to remain operating the company.

Growth Opportunities: Work with more distributors (the business currently has memberships with 12 distributors, but only works with 3) – working with more would allow for more online sales

Current Owners' Responsibilities: Passive Ownership – No role or responsibility.

Funding Example

Purchase Price: **\$2,000,000**

10% Buyer Down Payment	\$200,000
10% Seller Financing	\$200,000
80% Bank Loan	\$1,600,000

***Inventory on hand collateralizes 50% of the bank loan!**

Description

Currently this business has hundreds of firearms in stock, valued at \$800,000 and the seller will guarantee that the merchandise will remain at 40% of purchase which collateralizes 50% of the bank loan! Their surplus of inventory includes a wide variety of new and used firearms for sports, protection, and recreational use, plus ammunition, scopes, sites, holsters, safes, and more. With years of experience in the firearms industry, they are a full-service business offering services such as firearm sales, gun trading, gunsmithing & cleaning to prepare firearms for off-season storage, scope installation, night sight installation, total tear down, cleaning, reassembly, and function checks of firearms. Their diverse outreach of customers includes local law enforcement agencies, first responders, military personnel, hunters, recreational shooters, people wanting to protect their home. Another incredible asset of the business is the well-trained and experienced team whom all have a long tenure within the company. The general manager of this Firearms merchant fully handles business operations, including online sales which allows the business to be passively owned. The revenue, both online and in store, is generally split evenly between the sale of firearms and accessories. With an established customer base, they sell approximately 3,000 firearms per year, with 1,000 of those sold to repeat customers. They work out of a 3,000 sq. ft. space and the current rent is \$2,600/month, with 4 years left on the lease.

Priced at **\$2,000,000**, this business is in a prime geographic location, has a solid online sales representation, has an outstanding reputation built on customer services, this business is primed for a new owner to step in and enjoy the spoils of an annual cash flow over \$1M. A new owner could offer more online products by working with more distributors; the company currently works with three distributors but has memberships with 12. Opening the store on Sundays would also lead to a boost in sales.

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The Firm does not sell real estate. The Firm solely advises on exit strategy.