

FOR SALE: Packaging & Wholesale of Holistic Goods: Owner will stay 5 years and carry 40%

Fulfillment and distribution to smaller wholesalers – with multiple distribution centers!

Financial Overview

List Price: **\$49,000,000**

Gross Sales

2023	2022	2021
\$30,002,723	\$25,366,713	\$29,345,769

Cash Flow

2023	2022
\$9,835,970	\$7,045,348

- **Profit Margin:** 30%

Valuation Method:

2023 Cash Flow X Multiple = Valuation

\$9,835,970 x 5 = \$49,179,850

Business Information

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

Target Buyer: There are 43 well-known and respectably sized Private Equity Groups and dozens of publicly traded companies that own very similar businesses.

Services: Their services include wholesale, coordinating manufacturing, packaging & fulfillment, and arranging logistics, which is outsourced to 3rd party freight companies.

Clients: B2B sales and distribution with two primary client types: Regional Wholesalers (59%) Direct to Multi-location Shop Owners (38%), B2C for product testing purposes (3%). The largest client is less than 4% of revenue, proving there is a very diverse base.

Personnel: 39: CFO, General Manager, VP of Sales, Retail Lead, 2 Manufacturing Leads, Warehouse Lead, 4 Warehouse Associates, 5 In House Sales Reps, 24 Packagers, 19 Outside Sales Reps

Service Area: Across the United States, 36 states legalized low dose CBD/THC, with 7 more coming in the next 6-9 months.

Lease: 12,000 sq. ft. facility in Orange County, California. They moved in 2022 to add more space due to growth. Additionally, they added a distribution center in Florida in 2023.

Current Owners' Responsibilities: Product development, management, with a 4–5-year transition period.

Inventory: \$3,149,880 with **Deposits of** \$285,486

Excluded Services: The business does not represent any cannabis products which is where the law can be more complicated. Everything that is sold is **legal** hemp derived CBD Products. Think "Farm Bill" regulated hemp, **not** a "licensed" cannabis dispensary or farm. This allows the business to sell across state lines in full compliance.

Funding Example

Purchase Price: **\$49,000,000**

60% Buyer & Lender	\$29,400,000
25% Equity Roll	\$12,250,000
15% Promissory Note	\$7,350,000

Business Information

Boasting sales of \$30MM, this B2B business has two primary client types: smaller wholesalers and direct to shop owners. Services include wholesale, coordinating manufacturing, packaged development with fulfillment, and arranging logistics through 3rd party freight. This team includes a CFO, General Manager, VP of Sales, Retail Lead, 2 Manufacturing Leads, Warehouse Lead, 4 Warehouse Associates, 5 In House Sales Reps, 24 Packagers, and 19 Outside Sales Reps. They do not have any drivers, all are outsourced. They focus mainly on Distribution and Logistics to other smaller wholesalers which make up 59% of their revenue, while 38% is sold Business to Business to multi location owners; less than 3% is sold direct to the consumer and this is intentional for research and development purposes. The current owner recently reinvested significant amounts of time and money into expanding operations, including moving to a distribution center twice the size to handle the growth. They operate out of a 12,000 sq. ft. distribution facility in Southern California. In 2023 they added another distribution center in Florida. The goal for selling is to expand with a Strategic Buyer or Equity Group who can bring strong business acumen. The owner will remain on board for 4-5 years and is willing to do a 40% carry or equity roll combo as a sign of a vested interest in the business's success. Currently there are 36 States who have recognized these Low-Dose consumables as a legal product and there are projected to be another 7 states that will follow suit in the next 6-9 months. The business does not sell any traditional cannabis products but rather regulated hemp which allows them to legally sell across state lines.

This business is priced at **\$49,000,000**, producing a 30% profit margin! There are 43 well-known and respectably sized Private Equity Groups and dozens of publicly traded companies that own very similar businesses! Another growth area is in manufacturing, bringing it in house to boost productivity.

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