

FOR SALE: Fulfillment and Distribution to Wholesalers of Holistic Goods

Owner will stay 5 years and carry 30%

Financial Overview

List Price: \$39,500,000

Gross Sales

2023	2022
\$30,002,723	\$25,366,713

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 4 = \$39,343,880

Business Information

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

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

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

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

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

Owner Role: 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: \$39,500,000

70% Buyer & Lender	\$27,650,000
20% Equity Roll	\$7,900,000
10% Promissory Note	\$3,950,000

Business Information

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. 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. 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. 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. 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 30% carry or equity roll combo as a sign of a vested interest in the business's success.

This business is priced at **\$39,500,000**, producing a 30% profit margin! Another growth area is in manufacturing, bringing it in house to boost productivity. 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.

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