

ACQUISITION OPPORTUNITY

LIST PRICE

To find out email:
SaeedMoghadam@lbahs.com

FINANCIAL

Annual revenue is:
\$32 million

EBITDA is \$750,000



COMPANY OVERVIEW

- ▶ Company was started in 2006 and incorporated in North Carolina as a S Corp.
- ▶ Focuses on the following customers: Gas stations, convenient stores, Mini market and Tobacco stores.
- ▶ Services include: Wholesale/distribution of all products (except alcohol and refrigerated goods), Cash and carry model similar to Sam's Club concept – where customers pick up their own products, pay, and load it in their own cars.
- ▶ Master distributors for all major tobacco products (excluding Marlboro).
- ▶ 9 salary employees and 13 hourly employees.
- ▶ Marketing is done thru mail, flyers, text messages, and emails.
- ▶ Over 50 suppliers
- ▶ Three warehouses that equal 75,000 square feet in space.

KEY INDUSTRY OPPORTUNITIES

Internet Sales - Because they already stock a large inventory of products, distributors are in a strong position to sell products beyond their traditional market. Although many distributors use a website for marketing, most present only a limited ability for customers to order online. The greatest difficulty is often in providing an up-to-date catalog that customers can easily navigate. Internet sales are easiest for distributors of small items that can be shipped through regular parcel services like UPS.

Logistics Services for Customers - Distributors can provide inventory management, just-in-time delivery, and order fulfillment services to customers. Inventory management, using dedicated space in their or their customer's warehouse, especially appeals to customers in retail or service businesses that require an inventory of many items. Just-in-time delivery service is most useful to industrial customers, while order fulfillment services are used by retailers with internet sites that don't want to maintain an inventory. Some distributors provide delivery services to other distributors that sell to the same customers, such as grocery stores.

Product Processing Services for Customers - In some industry segments, processing services have become common. Many steel distributors, for example, process standard steel into semi-finished goods for customers by cutting, welding, or coating. Distributors of electrical products may assemble kits of components that customers use to make products. Food distributors may assemble meats, for example, into sales-ready portions that are packaged and priced according to customer specifications.

Spin-offs of Fee-based Services - Some distributors are spinning off certain services into their own segments or separate companies. Health and safety training, once provided as an in-house service, is one area distributors have found profitable as companies have needed more training to meet stiffer government regulations. Distributors have also found success with offering staffing and consulting services to clients. Distributors can diversify revenues by branching out into other related services as well as better integrate themselves with customers.