

FOR SALE: Absent Ownership in Firearm Supply Store

Over 3,000 Firearms Sold Last Year!

Financial Overview

List Price: \$1,650,000

Gross Sales

2022
\$3,532,799

Cash Flow

4 year Avg.
\$563,292

Low Multiple: 3.15

Valuation: 4-Year Avg. Cash Flow (19-22) x Multiple = Valuation
 \$563,292 x 2.9 = \$1,633,546

Assets*: \$1,250,000

Inventory: Seller will guarantee that inventory will stay at \$1,200,000.

FFE: \$50,000

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

Business Information

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: Over 1,000 repeat customers who return for ammunition and Gun-Smith services. Local law enforcement agencies, first responders, military personnel, hunters, recreational shooters, people wanting to protect their home

Products: Sold over 3,000 firearms last year. Wide variety of new and used firearms for sports, protection, and recreational use, plus ammunition, scopes, sites, holsters, safes, etc.

Location: Harrisburg, Pennsylvania

Service Area: Mid-Atlantic

Year Established: 2014

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

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

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

Reason for Selling: Approaching retirement

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

Growth Opportunities: Develop a marketing strategy. Currently this business relies on billboards around the area to advertise their services. Collaborate with local shooting ranges, offer classes, and expand into E-commerce.

Funding Example

Purchase Price: \$1,650,000

25% Buyer Down Payment	\$412,500
5% Seller Financing	\$82,500
70% Bank Loan	\$1,155,000

A 25% down payment of \$412,500 returns \$384,133 in the first year after debt payments.

***Inventory on hand collateralizes 75% of the bank loan!**

Description

Selling over 3,000 firearms last year, the seller is guaranteeing \$1,200,000 in wholesale goods. Their inventory includes a wide variety of new and used firearms for sports, protection, and recreational use, plus ammunition, scopes, sites, holsters, safes, and more. The general manager of this company fully handles business operations, including online sales which allows the business to be passively owned. Their diverse outreach of customers includes local law enforcement agencies, first responders, military personnel, hunters, recreational shooters, people wanting to protect their home. 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. The revenue, both online and in store, is generally split evenly between the sale of firearms and accessories. They operate a beautiful and large shop over 3,000 Sq. Ft. with a lot of storage space for secured inventory. Another incredible asset of the business is the well-trained and experienced team whom all have a long tenure within the company.

Priced at **\$1,650,000**, with a 4-year average cash flow of \$563,292 and a low multiple of 3.15 plus the 75% collateralized loan with \$1,250,000 in guaranteed assets this business is primed for new ownership.

- CONFIDENTIAL -

Last Revised BV 3.14.2023

The Firm makes no warranties or representation in consideration to the information provided above. All communication regarding this business must occur directly with The Firm Advisors, LLC. The Firm does not sell real estate. The Firm solely advises on exit strategy.