

## Executive Summary

### Skin Care Product Brand w/Excellent Reviews & Reputation

**INDUSTRY**

Beauty Care

**LOCATION**

Los Angeles, CA

**ESTABLISHED/OWNED**

2002/2002

**EMPLOYEES**

20 Packaging / 25 Admin

**OWNER HOURS**

Oversight

**NON-COMPETE**

As sought / negotiated

**TRAINING**

4 weeks at 30 hrs / week

**LEASE/BUILDING**

Office / Warehouse

**LEASE**

\$47k/mo

**SIZE**

27k square feet

**INVENTORY**

\$2.6M (at cost at close)

**ACCOUNTS RECEIVABLE**

\$ 2.5M (treatment TBD)

**WORKING CAPITAL**

Cash Free / Debt Free

**EARNEST MONEY**

\$100k

**ASKING**

\$14.0M (50% @ \$7.0 ml)

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**SUMMARY**

This acclaimed skin care brand is an unparalleled leader in its 3 novel primary sales channels. Together with its direct to consumer sales efforts, the beauty care brand enjoys remarkable market access that allows it get newly launched products in front of customers and into their hands within 7 days. The company has generated over \$30 ml in average annual top-line revenues (pre-revenue share / commission splits) over the past 3 years, which included 2 transition years. They boast a strong foundation and track record for being able to deliver significantly higher sales volumes, should the buyer wish to replicate its proven formula that resulted in over \$50 ml in peak year pre-revenue share / commission split sales.

Only 1 of the 2 partners wishes to exit. The public 'face' of the company, who focuses on product development, intends to retain 50% equity & \$300 base salary/benefits package. His salary and \$150k (\$450k total) in backfill for the exiting operating partner has been adjusted out of the Adjusted Cash Flow.

**FACILITIES / ASSETS**

This 27k square foot facility leases for \$47k/month on a secure long-term lease with options. All of the company's assets, goodwill and key vendor, marketing and sales channel relationships will transfer in the sale.

**COMPETITION**

While the skin care industry is a highly competitive one, this firm has carved out a unique niche via its formidable product development and go to market strategy that provides them the ability to quickly pivot if desired and to launch products within a matter of days as opposed to weeks and months, creating a long-term competitive advantage.

| FINANCIALS    | 2023     | 2022     | 2021     |
|---------------|----------|----------|----------|
| Revenue       | \$ 16.2M | \$ 13.3M | \$ 15.1M |
| COGS          | \$ 6.2M  | \$ 4.2M  | \$ 4.5M  |
| Salaries      | \$ 3.0M  | \$ 3.0M  | \$ 5.0M  |
| Net Income    | \$ 3.5M  | \$ 1.1M  | \$ 5.1M  |
| Adjusted CF * | \$ 3.5M  | \$ 2.4M  | \$ 5.0M  |

\* \$300k legacy partner & \$150k operating partner salary backfill have been excluded

**GROWTH OPPORTUNITIES**

- ✓ Capitalize on enormous recognition & following within sales channel
- ✓ Rebrand Buyer's existing lines to relaunch via target's sales channel
- ✓ Expand distribution to traditional channels (Amazon, Big Box, Boutiques)
- ✓ Develop Int'l markets w/presence (UK, Canada, Australia & N Zealand)
- ✓ Replicate proven growth blueprint to achieve \$24+ ml revenues again
- ✓ Enjoy scaleable growth w/out issues already encountered & overcome