










LISTING OPPORTUNITY

Established Organic Kosher Bread Bakery with Grain Mill

Bay Area Wholesale Kosher Bread Bakery has 3000 Daily Loaf Production



SPECIFICATIONS

 Price: \$325,000	 Revenue: \$570,123 (4-Year Avg)	 Cash Flow: \$60,639 (4-Year Avg)
 Location: East Bay	 Service Area: San Francisco Bay Area	 Profit Margin: 10.37%
 Employees: 4ft 3pt (Includes 2 Owners)	 Reason for Sale: Sellers are Retiring	 Goodwill: 45 Yr. Reputation, 4.5 Star reviews

BUSINESS SUMMARY

Year Established: 1976

Services: Wholesale breads, rolls and cookies make up a 20-item production line

Equipment: 3-foot stone grain mill, (2) Reed, 30 tray revolving ovens, (2) 350# horizontal mixers, make-up machines, 2-rack proofer, 6X12 walk-in refrigerator, 3 compartment sink, Oliver bread slicer, 3 delivery vans plus all pans, bread straps and small wares included

Product breakdown: Top 5 breads make up 63% of total sales; next 5 breads make up 33% of total sales

Clients: 100% wholesale to supermarkets, no single account is over 10% of total sales

Lease: 7742 sq. ft. Shop, Monthly Lease \$3037

Personnel: 3 part time bakers, 3 full time bakers (2 of them the owners) 1 FT and 1 PT driver

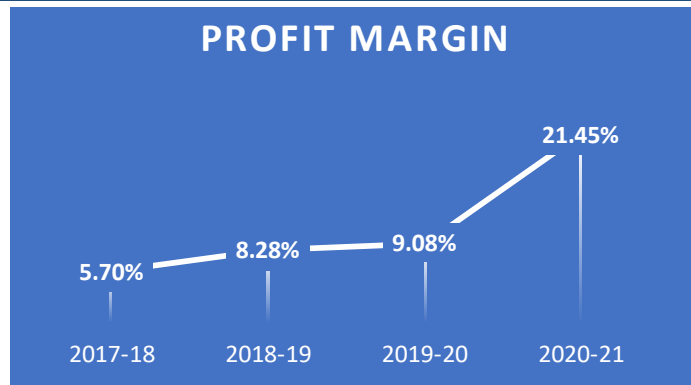
This acquisition opportunity is for a 45-year, well-established and highly reputable wholesale, kosher bread bakery in an excellent location. Bakery is about 10 minutes from the Bay Bridge and has short driving time to most customers.

All the equipment, UPC coding, nutritionals and full menu of the company's developed proprietary formulas are part of this package. There is a cooling room, ample storage, and an office. The best candidate to buy this business is someone who has volume bread baking experience and can develop a strategic plan for growth to realize the full potential of the business.

The retiring owners will offer training and transitional support to facilitate buyer's success in the 100% purchase of this business.

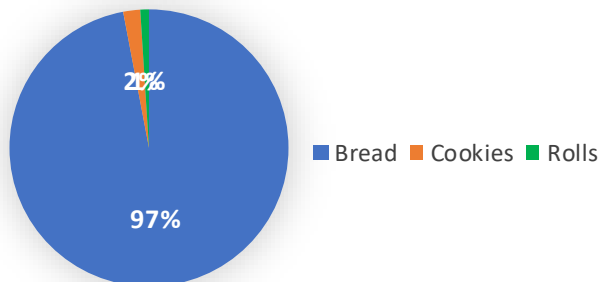
VALUE PROPOSITION

- Real estate offered to qualified buyer
- Exceptional Customer Reviews of 4.5 stars
- Average of 10.37% Profit Margin, or \$60,639
- Priced competitively rather than start from vanilla shell
- One of the original organic bakeries in the Bay Area
- 13.5% Product return rate, stock resold to discount store
- Customer list has 74 accounts with good product placement
- Buyer to Replace Retiring Seller- Need one baker to replace second owner
- Average account size is \$7,538
- Largest account gross sales was \$41,657 in 2020

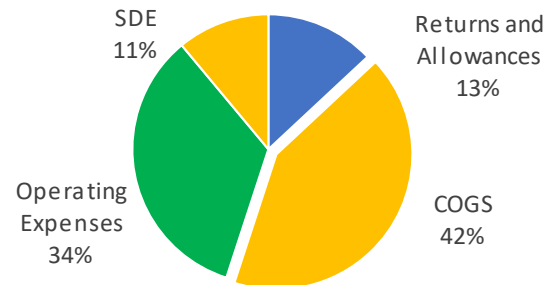


REVENUE BREAKDOWN

Revenue by Product Category



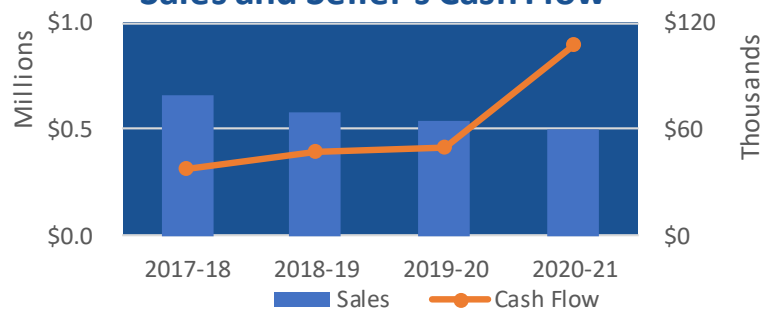
Percentage Breakdown



FINANCIAL HIGHLIGHTS

- Listing Price: \$325,000 + Inventory
- 2020 SDE: \$108,050 per P/L
- 2020 Sales \$503,727 per P/L
- 7% Sales Dip in 2020, due to COVID
- 2021-22 sales trending toward 2019 levels
- Recommended Working Capital: \$25,000
- Inventory Estimated Monthly Average: \$6K
- Great loyal customer base
- Top 5 selling breads make up 62% total sales
- Cost savings between whole grain and bag flour is \$.60 cents per pound

Sales and Seller's Cash Flow



CASHFLOW ANALYSIS

Financial Statement Source	Tax Return	Tax Return	Tax Return	YTD/P&L
Accounting Year is July 1- June 30	2017-18	2018-19	2019-20	2020-21
Sales	\$656,200	\$578,275	\$542,290	\$503,727
Returns and allowances	\$87,293	\$76,195	\$65,290	\$65,686
Less Cost of Sales	\$305,151	\$235,077	\$213,036	\$206,442
Less Operating Expenses	\$267,051	\$270,688	\$278,523	\$188,548
Equals Net Income Before Taxes	(\$3,295)	(\$3,685)	(\$14,559)	\$43,051
Plus Depreciation	\$0	\$0	\$0	\$0
Plus Amortization	\$8,800	\$8,800	\$8,800	\$8,800
Plus Interest on Loans to Business	\$94	\$0	\$0	\$0
Plus Officer/Owner's Salary	\$42,800	\$54,800	\$68,000	\$70,215
Plus Payroll Taxes on Officer/Owner's Salary	\$0	\$0	\$0	\$0
Equals Preliminary Seller's Discretionary Earnings	\$48,399	\$59,915	\$62,241	\$122,066
Addbacks:				
Salary to Working Family Member	(\$30,000)	(\$31,000)	(\$32,000)	(\$33,000)
Auto Expenses for Owner's Benefit	\$0	\$0	\$0	\$0
Insurance Premium - Working Family Member	\$18,984	\$18,984	\$18,984	\$18,984
Owners' Pension Plan	\$0	\$0	\$0	\$0
Non-Business Phone, Internet & Cell Phone Expenses	\$0	\$0	\$0	\$0
Sum of Addbacks:	(\$11,016)	(\$12,016)	(\$13,016)	(\$14,016)
Total Seller's Discretionary Earnings (SDE)	\$37,383	\$47,899	\$49,225	\$108,050
Profit Margin	5.70%	8.28%	9.08%	21.45%

Notes: YTD P/L has not been adjusted for tax returns. Salary add back is to replace one owner with a baker. insurance premium is for both owners.

ASKING PRICE

The asking price is determined using a cash flow and asset methodology. Cash flow is the sum of net income from the business plus any non-cash expenses, non-recurring items and any seller's personal expenses. The asset methodology takes into account what it could cost to open a similar business in equipment and square feet. A multi-factor multiplier is applied to the cash flow based on the condition of the business and the asset value is added to that result.

For this business, a three-year average cash flow is applied making the business price more favorable to the buyer. The multiplier applied in this case is 2x, is the standard multiplier for bakeries plus a steeply discounted asset value.

The SDE value takes into account time to build up the goodwill and customer base. If you were to build out a similar space with like equipment it could cost upwards of \$1 million or more.

CASHFLOW X PRESCRIBED MULTIPLE + (ASSETS) = FAIR MARKET VALUE

With this information, the computation is as follows:

$$\underline{\$74,663} \quad \times \quad \underline{2 + (\$175,647)} \quad = \quad \underline{\$325,000}$$

The fair market value found above positions the listing price as:

\$325,000