



Broker Info

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Background

General Location: Los Angeles, CA
Category: Apparel & Finished Fabrics
Years in Business: 6
Under Present Owner: 6
Hours of Operation: M-F; 9-6pm
Owner Hours: 45-50
Training: 4 weeks @ 20 hours
Organization Type:
Lease Expiration: 4/30/2009
Lease Options:
Building Size: 4,800
Employees: 8
Reason for Sale: Has other businesses

Financials

Asking Price: \$675,000
Down Payment: \$170,000
Gross Sales: \$1,395,267
Discretionary Cash Flow: \$229,292
FF&E: \$60,000
Inventory Included?
Inventory: \$0
Min. Operating Capital:
Real Estate Available? No
Rent: \$3,250
Payroll: \$20
Financing: Call

Summary

For Sale, a recognized and profitable Los Angeles based wholesaler custom manufacturer of clothing, focusing on labels and embellishments with nationwide sales to a loyal established customer base. This manufacturer enjoys a strong reputation for quality, innovation, and fulfillment. Through its use of Just-In-Time inventory practices, the company is able to provide rapid turnaround times from order to delivery with minimal inventory carrying costs. The company has enjoyed strong earnings over its life. This company's sales target a relatively recession resistant portion of the clothing industry. The two primary sales segments are garment manufacturers and promotional companies. Sales are to a wide range of businesses with no single customer accounting for more than 7% of sales.

The owner started this business from scratch 6 years ago, and he has successfully grown it into a stable, viable entity with solid sales. He is selling it because he has created a new business onto which he would like to focus all of his energy. The ideal buyer is an individual who wants an established business with a solid cash flow, and who can also leverage the current infrastructure to provide for future growth. The buyer should have strong management skills, both operational and administrative, and marketing skills. They should also be able to identify and seize new market opportunities. The buyer should be energetic, and industry specific knowledge would be advantageous.

Interested parties should register as a buyer online at www.BizEx.net or call Miles Logothetis at (310) 882-2200 Ext. 105 or David Chung at (310) 882-2200 Ext. 103 for more details on this exciting opportunity. For Sale, a manufacturer and embellisher of clothing in the Los Angeles area. Their niche is promotional clothing for fortune 500 companies like Herbalife. This business thrives in the current market conditions because they can provide service to small orders, high quality product, and quick turn-around times that other companies can't provide. They are able to maintain higher margins because their customers have come to trust their availability, quality, and on-time delivery (which is extremely important at clients' promotional events). Their high-margin specialty products and services include rhinestones, labeling, motifs, heat transfers,

appliques, screen printing, trims, specialty stitching, private labels, flock transfer, graphic transfer, patches, foil transfer, holograms, full design services, and much more. Growth opportunities stem from this company's top-down integration in embellishing which makes this company the ideal platform for a new owner to launch their own clothing line. Historically, the promotional clothing niche has been recession resistant. Gross sales were 1.4 million in 2007, 1 million in 2006, 1.2 million in 2005, 1.5 million in 2004. Sales for 2008 are currently on track to meet or exceed 1.4 million. Current owner is selling to focus his full attention on a new business venture. The ideal new owner should be able to manage about 10 to 12 employees (which includes a small office staff, a design team, and small sales force) and be comfortable with marketing. A keen eye for fashion trends is helpful.

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