SAMPLE CONFIDENTIAL INFORMATION MEMORANDUM

Acme Surfing Corporation

Surfing Apparel & Equipment | California

"A Surfing Brand With Established Distribution"



Represented by **Morgan & Westfield** | morganandwestfield.com | buyers@morganandwestfield.com

Public Sample | Fictional Company and Financial Information

Executive Summary

Business Snapshot

Industry:	Consumer Products > Surfing Apparel & Equipment
Location:	California; domestic and international sales
Year Established:	2004
Asking Price:	Not disclosed; offers invited
Gross Revenue:	$30,000,000 (TTM ended September 30, 2026)
Adjusted EBITDA:	$5,000,000 (same TTM period)
Employees:	61 Full-Time | 9 Part-Time; excludes the owner
Real Estate:	Leased office, warehouse, and retail premises
Inventory:	$4,000,000; included within normal working capital
Seller Financing:	Open to discussion
Relocatable:	Potentially; subject to staffing, logistics, and leases

Business Description

Acme Surfing Corporation designs and sells wetsuits, surfing apparel, and equipment through approximately 750 retail locations, its online store, and a California retail and rental location.

Contract manufacturers produce the core range. Acme manages product design, quality control, sales, and distribution through an established operating team.

The Investment Opportunity

Owner Lucas Waters plans to retire. A buyer could build on the wholesale network and online channel by expanding account coverage, improving conversion, and funding additional inventory.

Key Investment Highlights

- **Experienced Management:** A general manager with ten years of tenure oversees daily operations. The owner focuses on strategy, key suppliers, and product approvals.

Company Overview

Formation & Ownership

John Smith founded Acme Surfing Corporation in 2004. Lucas Waters acquired the business in 2012 and owns 100% of the corporation. John continues to provide product-design services under a contractor agreement.

History & Milestones

The business began as a wetsuit supplier to independent surf shops. Under Lucas, it added wholesale accounts and a direct online channel while retaining design and distribution functions in-house.

- **2012:** Lucas acquires the company and expands wholesale sales.
- **2018:** The company launches its own e-commerce store.
- **2021:** International distribution expands through additional retail partners.
- **2024:** Office and warehouse operations move to the current leased facility.

Reason for Sale

Lucas plans to retire from business ownership and reduce his ongoing responsibilities. He is prepared to provide a defined handover and discuss limited consulting support. The general manager runs daily operations, while the transition will address supplier relationships, product approvals, and the owner's remaining decisions.

Business Strengths and Growth Opportunities

Investment Highlights

- **Established Distribution:** Approximately 500 wholesale accounts place products in 750 retail locations. Wholesale generates $18 million, or 60%, of TTM revenue.
- **Multiple Sales Channels:** The company's online store generates $9 million, or 30%, of TTM revenue. Retail and rentals contribute the remaining $3 million.
- **Operating Management:** A general manager with ten years of company tenure oversees daily operations. The owner spends about 15 hours per week on selected strategic responsibilities.
- **Customer Diversification:** The largest wholesale customer represents 7% of total TTM revenue; the five largest account for 24%. Repeat orders are not guaranteed future revenue.

Growth Opportunities

The business has an established product range and distribution base. Potential growth initiatives include:

- **Expand Existing Accounts:** Use reorder data to identify existing retailers that could carry more of the range. Expansion would require additional inventory.
- **Improve Online Conversion:** Test product-fit guidance, checkout changes, and retention campaigns. Evaluate performance after returns, fulfillment, and acquisition costs.
- **Develop Selected Markets:** Add distributors in markets where the company already receives online demand, subject to commercial terms and service capacity.
- **Strengthen Inventory Planning:** Improve seasonal purchase planning and stock availability. A buyer should also plan for reliance on two core manufacturing partners and the founder's design work.

Financial Overview

Financial Summary

Illustrative adjusted figures in U.S. dollars. Fiscal years end December 31. TTM is the twelve months ended September 30, 2026.

Metric	FY 2024	FY 2025	TTM
Revenue	$24,000,000	$27,000,000	$30,000,000
Cost of Goods Sold	$16,000,000	$18,000,000	$20,000,000
Gross Profit	$8,000,000	$9,000,000	$10,000,000
Adjusted Operating Expenses	$4,000,000	$4,500,000	$5,000,000
Adjusted EBITDA	**$4,000,000**	**$4,500,000**	**$5,000,000**

Adjusted operating expenses exclude interest, income taxes, depreciation, amortization, and nonrecurring costs. They include market-rate compensation for management responsibilities. All figures are fictional and are not audited or reviewed results.

Financial Trends

- **Revenue Growth:** Revenue increases 12.5% in 2025. TTM revenue is 11.1% above full-year 2025; these are overlapping periods.
- **Stable Margins:** Gross margin remains 33.3% and adjusted EBITDA margin remains 16.7% across the illustrated periods.
- **Earnings Growth:** Adjusted EBITDA increases from $4.0 million in 2024 to $4.5 million in 2025 and $5.0 million in the TTM period.
- **Working Capital:** Illustrative net working capital is $4.0 million: $1.5 million receivables plus $4.0 million inventory, less $1.5 million payables. Inventory is counted within working capital.

Illustrative annual capital expenditure is $500,000. EBITDA is not cash flow; capital expenditure, working-capital movements, taxes, and financing costs also affect cash available to a buyer.

Transition Plan

Short-Term Training Period

Lucas is prepared to discuss an initial twelve-week handover, with up to twenty hours per week of support. Responsibilities, availability, compensation, and any extension would be agreed as part of the transaction.

Long-Term Transition Support

- **Owner Consulting:** Limited consulting support could be discussed for up to twelve months after closing, with scope and compensation agreed separately.
- **Management Continuity:** The general manager is expected to remain, subject to agreement. The buyer would confirm retention arrangements and reporting responsibilities.
- **Knowledge Transfer:** The handover would cover supplier introductions, product approvals, seasonal purchasing, and owner-held customer relationships. The founder's design agreement would require separate review.

Transition Summary

Initial Training:	Twelve weeks, up to twenty hours per week
Owner Consulting:	Potential limited support for up to twelve months
Key Staff:	General manager expected to remain, subject to agreement
Design Support:	Subject to the founder's contractor arrangement
Seller Financing:	Open to discussion; no terms agreed
Final Terms:	Transition scope and compensation subject to agreement

End of sample. All company information and financial figures are fictional. For help selling your business, visit morganandwestfield.com or email clients@morganandwestfield.com.