



AEGIS

BUSINESS ADVISORS

Confidential Business Sales - Valuations - Acquisitions - Exit Planning
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Apple Blossom Brewing Company 1550 E Zion Road in Fayetteville, AR 72703

Apple Blossom Brewing Company permanently closed on June 23, 2020.

Everything is in place for a truly turn-key operation. (See Facility/Lease Terms Scenarios)

This is an asset sale and includes all assets there were in place to run the business, including intellectual property and internet related applications and platforms.

Closing Notification: <https://www.fayettevilleflyer.com/2020/06/24/apple-blossom-brewing-announces-permanent-closure/>

The key employees were provided severances packages and have indicated they would be interested in working for a new owner.

We have had preliminary discussion with the landlord. They have indicated that they are willing to work with buyer and will be extremely flexible and consider all options.

They would consider subletting the restaurant part of the space, separating the restaurant and brewery space and adding 2,500' adjacent to the brewery space.

Richard Roberts, the Managing Broker-Intermediary at AEGIS is a licensed commercial realtor at The Brandon Group and will assist in the lease process for the buyer.

Year Established: 2013

Employees Information based on information prior to closing:

Key Reports

General Manager – Reports to Owners and has been there since first year of operation

Head Baker – Reports to General Manager

Head Brewer – Reports to General Manager

Back of House – Shared by two reporting to General Manager

Front of House – Shared by two reporting to General Manager

There were approximately 90 people in 2019 that received paychecks from Apple Blossom. Most were part-time.

Eight people received \$16,000-27,000 during the year.

NOTE: Owners did not generally work in the business. They have received their PPP loan to keep key people in place.

Hours of Operation:

Restaurant: Mon-Tue 11:00-9:00/Wed-Sat 11:00-10:00/Sun 11:00-8:00

Bakery: 7 Days 4:00 AM until 12:00 PM

Brewery: Mon-Fri 10:00-8:00

History: Apple Blossom Brewing Company was established in 2013 by a group of investors who had/have interests in bars and commercial multi-use buildings. Having a group of investors led to many ideas of avenues to pursue. This appears to have taken the much-needed focus off the development of the brewery. They then were faced with their first real competition; JJ's Beer Garden and Brewery which had live music and drew some of Apple Blossom's customer base. They have since closed for reasons unrelated to market in 2019.

Apple Blossom had focused on reducing COGS and labor cost and was getting back on track when the pandemic hit.

The business has received numerous awards since it's opening and has given back much to the community via donations of goods and services to local non-profits.

Apple Blossom has been featured in Southern Living 2019 "Best in Arkansas" among many other publications. They have received multiple awards every year for their food, beer and enjoyable patio. They have a high rate of staff retention and they were an integral part of the expansion and development of the Arkansas Brewer's Guild. They proudly maintain a trouble and complaint free record with ABC and all other agencies.

Introduction: Apple Blossom Brewing Company consisted of a Craft Beer Brewery, Pub, Restaurant and Bakery. The craft beer was sold in over 30 establishments. The bakery furnished breads and desserts to local establishments. The restaurant area includes a large patio and is adjacent to Veterans Park and the Fayetteville Trail System.

The client base was primarily adults and families during the week with a slight lean to a younger crowd on the weekends.

There was a large commercial client base utilizing their private dining are for meetings and celebrations.

There was very limited catering.

This business had multiple revenue streams with bakery and brewing providing the highest margins.

It is located in one of the more affluent parts of Fayetteville and close to Springdale Country Club and the upscale neighborhood surrounding it.

Website: <http://appleblossombrewing.com/>

FaceBook: <https://www.facebook.com/appleblossombrewing/>

Twitter: @ABBCBeer

Instagram: @appleblossombrewing

Restaurant: The restaurant provided full service for lunch and dinner with seating up to 250 in the main dining room and patios plus a private dining/meeting room with seating for up to 50. The private dining/meeting room was used by many of the larger businesses in the area for meetings and celebrations. There is also a 1,500' patio area with a view of Veteran's Park. The sellers stated that the landlord is open to discussing ways to enclose the patio area to extend its use.

Note: There is an opportunity to build a catering business which has proven very popular in this area with the type of fare that Apple Blossom specializes in.

If one wanted to focus on the brewery you may be able to sublet the restaurant area to another operator. This is just a thought at this time and needs to be developed to see if it is feasible.

Bakery: The bakery provided fresh bread, pastries and desserts for the restaurant menu and distributes to local commercial accounts. All accounts pay at time of delivery. There is an opportunity to build on their reputation, recipes and baking facilities for additional commercial accounts and catering.

Pub/Bar: The bar has the dark wood feel of an Irish pub created by a bar that was imported from Ireland. The bar includes taps for twelve beers and six more can easily be added. The bar has it's own patio area separated from the main patio in a way that allows for a smoking area.

Brewery: The brewery produced some of the finest craft brew available in the area and was originally available on guest taps at many local establishments. The equipment in the brewery is some of the best available and most equipment and feeds have been oversized with expansion in mind. There is a very large walk-in cooler that dedicated to the brewery that is oversized and over engineered allowing for extremely cold temps. There is room on the floor to add additional brewing equipment and/or canning operation.

Facilities/Lease Terms:

Apple Blossom leases a space of 8,505 square feet from Kelley Commercial Partners. The lease includes access to a 1,500 square foot patio area on the west and southwest sides of the building with a view of Veteran's Park. The space includes restaurant area, private dining room, pub, brewery, bakery, kitchen, walk-in freezer, walk-in cooler.

NOTE: Ownership has expressed a strong willingness to work with a long-term, creditworthy tenant through a combination of free or reduced rent and a tenant improvement allowance to help with interior renovations.

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NOTES: The landlord has previously expressed a willingness for the lessee to enclose part of the patio area to increase the availability during less than ideal weather conditions. Any designs would need to be approved by the landlord and at the lessee's expense.

There is an additional 2,516' adjacent to the brewery area that has an unusual foot print that the landlord has had difficulty leasing and could probably be included at a below market rent.

The restaurant area could be sublet to a restaurateur if you are mainly interested in the microbrewery business. You might also be able to spilt the brewery from the restaurant if it could be done in structurally sound way that makes sense for both the restaurant and the brewery owners.

Support/Training Seller will provide whatever training is necessary for new owner to prosper

Reason for Selling Difficulty in maintaining a single direction with multiple investors combined with COVID-19 was more than they were willing to take on. We believe this business could thrive with the right experienced owner/operator once the COVID-19 pandemic is behind us. We also know that a few restaurants will not survive increasing market share for those that do.

Competition Pros/Cons Micro-Breweries are very popular. Apple Blossom Brewery has a good following and great reputation for premium craft beer. Marketed and managed correctly could put them at the top of a small niche market. There is room for expansion and canning.

Growth and Expansion Pros/Cons We believe there will be less competition after the pandemic and that Apple Blossom Brewing could be a beneficiary of this market change.

The owners have/had plans for 2020 that include seasonal brews, restarting limited beer distribution with a handful of products, expanding packaging, expanding website to include memberships, hosting recurring and promotional events which were very productive in their first years of operation.

Beer distribution can be expanded well beyond NWA. This would require an investment in a sales and distribution team.

Their work in the Brewer's Guild has resulted in two positive pieces of legislation being passed and others in process.

The owners believe a few higher margin items on the menu would be helpful to the bottom line and they have pizza ovens which are not in use.

Financial Overview:

The startup cost in 2013 were as follows:

Brewery	\$345,225
Front of House	\$ 84,465
Back of House	\$ 64,425
Leasehold	\$ 77,975

	2019	2018	2017	2016	2015	2014
Revenue	\$1,516,488	\$1,653,506	\$1,790,093	\$1,959,332	\$1,878,298	\$1,464,559
COGS	\$ 509,810	\$ 610,619	\$ 625,272	\$ 665,292	\$ 644,854	\$ 511,511
Gross Profit	\$1,006,678	\$1,078,375	\$1,164,821	\$1,294,040	\$1,233,444	\$ 953,048
Sellers Discretionary Earning	\$ 165,695	\$ 242,604	TBD	TBD	TBD	TBD

Asset list at purchased price

Fixed Assets	
B&H Photo	1,827.03
Leasehold Improvements	73,366.24
Sign	4,609.50
delivery vehicle	4,000.00
Brewery Equipment	
Kegs	15,595.00
Brewers Hardware Supporting Equ	1,111.70
RT Process CIP Pump	3,061.73
Chemical Tanks	1,112.78
GW Kent Supporting Equipment	2,050.00
MicroMatic Supporting Equipment	2,456.79
GW Kent 20bbl Fermenter & Brite	29,590.00
Stainless Equipment & Lab Setup	1,075.00
Heat Exchanger	5,950.00
Plate Filter	6,149.00
Water Filter	500.00
Process Automation & Controls	1,776.08
Grain Mill & Hopper	2,550.00
Supporting Equipment	7,842.01
1.5 HP Variable Speed CIP Pump	2,500.00
Deutsche Kegs	54,430.06
Practical Fusion Keg Wash&Pump	10,092.98
Woodbury-Beach Rite Boiler	22,336.83
Pro Refrigeration Glycol Unit	19,094.57
Specific Mechanical Brewhouse	92,092.00
Pacific Brewing Systems Cellar	62,480.00
Brewery Equipment - Other	1,378.67
Total Brewery Equipment	345,225.20
Front of House Equipment	
Restaurant Furniture 4 Less	1,748.71
televisions	1,557.92
Appliance Warehouse Wash & Dry	453.86
Bar Equipment	
Bar & Woodwork	30,120.00
Sinks & Tables	775.00
True 3 Door Cooler	1,300.00
Total Bar Equipment	32,195.00
POS System Purchase	9,390.73
Tables, Chairs, Furniture, & Fi	
Pool Table	2,500.00
Tables, Chairs, Furniture, & Fi - Other	36,618.78
Total Tables, Chairs, Furniture, & Fi	39,118.78
Total Front of House Equipment	84,465.00
Back of House Equipment	
Dishwasher Station	5,308.86
8 burner range	2,077.00
Low Boy Cooler	944.00
True Prep Top Cooler	
S & B Liquidations	1,233.00
Total True Prep Top Cooler	1,233.00
Cooler & Freezer	3,500.00
Vent Hood ducting, curbs, etc.	1,000.00
13' Vent Hood	1,064.70
Blodgett 60' Double Deck Gas Ov	6,800.00
Plates, Pots, Pans, Etc.	11,371.60
Vent Hoods	1,000.00
True Flip Top Cooler	800.00
True Refrigerator & Freezer	1,800.00
Salamander	300.00
Sinks_Other	275.00
Dough Proofer	1,450.00
Hobart HL600-1STD Mixer	9,333.18
Vulcan fryers	350.00
Southbend Flat Top Range	600.00
Southbend 10 burner, 2 oven ran	1,400.00
Sinks	1,000.00
Flip Top Cooler	600.00
Prep Top Cooler	1,649.00
Back of House Equipment - Other	10,568.45
Total Back of House Equipment	64,424.79
Total Fixed Assets	577,917.76

Transaction Structure TBD

Price \$375,000 (Includes FFE and Inventory) **All Cash Offers Considered**

The accounts receivables, cash and deposits are not included among the assets to be sold/purchased. The seller will be responsible for all liabilities at the time of closing.

Detailed Financials and showing appointments with owner available to persons that provided a detailed [Buyer's Profile](#).

This is an asset sale which will convey to Purchaser by the Seller at closing all of Seller's furnishings, furniture, fixtures, and equipment (the "FF&E", a list of which will be attached to the written offer, goodwill, inventory, customer records, materials, supplies, transferable licenses, business name(s), telephone number(s), lease, leasehold interest and improvements, contract rights, software and software licenses, trade secrets, patents, intellectual property, web sites and domain names, email addresses, and all other assets of the business. The accounts receivables, cash and deposits are not included among the assets to be sold/purchased.

To receive additional information, contact Richard Roberts, ABI/Managing Broker
richard@aegis-email.com or 479.689.4455 Ext 11

If you would like an appointment to tour the facility with the owner during non-business hours or additional financial information please download, fill out and return the [Buyer's Profile Form](#)

AEGIS Business Brokers, LLC operates as a business intermediary on this transaction creating a dual agency. AEGIS has a duty to the transaction and will be representing both the seller and the buyer equally and fairly for this listing.

We assist in the preparing of the offer for buyers on standard easy to read/understand forms. We furnish the Escrow and Closing Attorney.

NOTE: All data provided by AEGIS Business Brokers, LLC is as provided by the Seller for information purposes only, and no representations are made by the Broker as to its accuracy. Broker has not made an independent verification of the data presented here. Buyer is advised to seek advice of professionals and perform due diligence prior to purchasing the Business.

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