

# Available for Acquisition #21402

## High-End Dog Apparel Manufacturer with Successful Direct-to-Consumer eCommerce Site

ACT Capital Advisors is pleased to offer a leading manufacturer of breed-specific dog apparel. The Company has developed a loyal following of high-income dog owners who are willing to spend an average of \$136 per order. The Company generates the vast majority of its sales through its own eCommerce website by using organic SEO and social media. The Company is located in a major metro area on the West Coast of the United States.

### Investment Highlights

- **Direct-to-Consumer Business Model Delivers Excellent Gross Profit and Adjusted EBITDA Margins.** The Company manufactures its products and sells them direct to its customers. In 2020, the Company's revenue was \$1,331,535, its Gross Profit was \$890,394, and its Adjusted EBITDA was \$618,789. The 2020 Gross Profit margin was 66.9% and the Adjusted EBITDA margin was 46.5%.
- **Steady, Double Digit Sales Growth.** The Company has grown every year since 2006. The Company's average annual revenue growth rate from 2016 – 2020 was 23.6%. In 2020, the Company's sales increased 28.9% over its sales in 2019. In 2021, Owners expect the Company's sales to increase 21.0% (to \$1,610,000) over its sales in 2020.
- **Rapidly Growing Customer Market.** The Pet Clothing Market is expected to reach \$7.0 billion by 2028, up from \$5.2 billion in 2021, according to Fortune Business Insights. In 2020, COVID 19 helped expand this market even further. It was a central factor in an 11.38 million increase in the number of new pet owners in the United States.
- **Significant IP and Product Barriers of Entry.** Over the past 15 years, the Company has developed breed specific patterns and sizing charts for over 25 unique dog breeds. This trade secret IP enables the company's products to fit much better than "one size fits many breeds" model used by competitors. Furthermore, the company owns hundreds of high-quality images demonstrating versatility and fit of its products in action.
- **Affluent Customers Continued to Spend During COVID-19.** The Company's target customers are mid to high income women who want to purchase quality canine apparel that fits their dog properly. With the remote working trend (accelerated by COVID 19), this demographic is paying more attention to their pets and spending more time with them.
- **Market Leading High-End Brand.** The Company is recognized worldwide as a leader in quality, fit and style among dog owners who demand the best for their dog's specific breed. In many communities, Company's apparel products have become a status symbol for dog owners who demand the best.
- **Cost Effective Labor Resources AND Made in the USA.** The labor used to manufacture the Company's products are largely 1099 contractors located near the Company's headquarters. The Company also sources 95% of its raw materials domestically. This has made the business largely immune to international supply chain disruptions.
- **Cost Effective Marketing.** The Company's cost of new customer acquisition is low – approximately \$4.15 per new customer – due to most of its sales coming from non-paid traffic sources. Two example sources include 1) positive reviews from ambassadors who are given complimentary products, and 2) organic search results on Google.

### Summary Financial Performance

	2018	2019	2020	2021	2022	2023
Revenue	\$ 963,650	\$ 1,032,805	\$ 1,331,535	\$ 1,610,846	\$ 1,948,746	\$ 2,357,526
Gross Profit	\$ 595,852	\$ 648,755	\$ 890,354	\$ 1,077,120	\$ 1,303,062	\$ 1,576,400
Adjusted EBITDA	\$ 440,399	\$ 466,883	\$ 618,789	\$ 751,009	\$ 908,545	\$ 1,099,126

# Available for Acquisition #21402

## Contact Information

For more information, please contact:

ACT Capital Advisors, LLC  
7525 SE 24th Street, Suite 630  
Mercer Island, WA 98040

Interested parties should execute the #21402 Confidentiality Agreement (CA) and return it to ACT Capital Advisors with a written request to receive the Confidential Information Memorandum (CIM).

CAs and CIM requests should be submitted to:



Chris Sheppard  
Managing Director  
[csheppard@actcapitaladvisors.com](mailto:csheppard@actcapitaladvisors.com)  
Phone: (425) 387-4988



John Norton  
Managing Director  
[jnorton@actcapitaladvisors.com](mailto:jnorton@actcapitaladvisors.com)  
Phone: (206) 486-3409