

BUSINESS SNAPSHOT	
Business name	Rangetop Apparel (anonymized for example purposes)
What they sell / to whom	DTC men's grilling and outdoor apparel — aprons, t-shirts, hats; primary buyer 35-55 male, mid-tier price
Founded / location	2018; Austin, TX (no physical retail)
Employees / FTE	2 owner-operators (married couple) + 1 part-time fulfillment contractor
Asking price	\$480,000 (per listing)

REPORTED FINANCIALS				
Source: FY2023-25 P&Ls (QuickBooks); 2024-25 federal returns (1120-S); 12mo bank statements through Mar 2026.				
	FY2023	FY2024	LTM Mar-26	3-YR CAGR
Revenue	\$1.42M	\$1.31M	\$1.20M	(8.3)%
Gross Margin %	58.2%	56.8%	54.1%	(2.0) pp
EBITDA	\$208K	\$172K	\$141K	(17.7)%
Reported SDE	\$245K	\$208K	\$185K	(13.1)%

NORMALIZED SDE — CLEANSHEET ADJUSTMENTS			
Every line is justified and verifiable. OK = supported by docs; Adj = restated by Cleansheet.			
Line Item	Rationale	Amount (\$)	Verifier
Reported SDE (seller)	Per seller's listing materials, FY2025	\$185,000	—
(-) Owner labor at market	Owner runs ops + marketing 45 hr/wk; market \$75K vs. \$30K booked	(\$45,000)	Adj
(-) Related-party labor adjustments	Spouse CX/photo not on payroll (\$20K market); sister design fees below market by \$20K	(\$40,000)	Adj
(+) Personal expenses removed	Auto lease \$9K, family phones \$2.4K, meals \$4.1K — itemized	\$15,500	OK
(+) One-time items removed	Brand refresh agency engagement (FY2025); not recurring	\$12,000	OK
Normalized SDE (Cleansheet)	After all adjustments above — 31% below reported	\$127,500	

CUSTOMER CONCENTRATION			
#	Channel / Customer	\$ Rev	% Rev
1	Amazon FBA	\$558K	46.5%
2	Shopify (own site)	\$432K	36.0%
3	Wholesale: BBQ Guys	\$84K	7.0%
4	Etsy	\$72K	6.0%
5	Wholesale: 4 small accounts	\$54K	4.5%
Top-5 % of revenue		\$1.20M	100.0%

Concentration verdict: Channel — High
 End-customer concentration is low (no buyer >0.5%). Channel concentration is the real risk: 46.5% of revenue is on Amazon FBA — rank, BSR, and Buy Box are not portable.
 Wholesale 11.5% combined; none under contract; all repeat-PO. Listing materials describe revenue mix as "diversified DTC and wholesale" — Cleansheet flags as misleading.

OWNER HOURS / ROLE			
Owner hours/week: ~45 hrs (couple, combined ~60 hrs)			
Function split: Marketing/paid ads 35%, ops/ordering 25%, CX 20%, design 15%, finance 5%			
Replaceability: Hard. Owner is the brand voice on social and runs Meta ad creative directly. Replaceable but with a 3-6 month learning curve.			
Transition plan offered: 90 days, 20 hrs/wk paid consulting at \$5K/mo.			

OPERATIONS & REAL ESTATE	
Footprint:	100% home-based; no office or warehouse lease
Inventory:	~\$95K at cost; held at Amazon FBA + 3PL (ShipBob, Austin)
Suppliers:	Two cut-and-sew partners (Mexico, Vietnam); 60-day lead times; no exclusivity
Asset transfer:	Amazon Seller Central, Shopify, domain, social handles, brand IP, ~\$95K inventory.

- | THREE BIGGEST RISKS | |
|---------------------|---|
| 1. | Amazon channel dependency. 46.5% of revenue is on Amazon FBA. The brand has no organic search rank above Amazon's first-page listings; if BSR slips or PPC costs spike (already up 18% YoY in this category), revenue compresses fast. The Shopify side does not currently absorb the demand if Amazon stalls. |
| 2. | Margin compression from rising paid-ad costs. Gross margin slipped 410 bps over three years (58.2% → 54.1%) while Meta + Amazon ad spend rose from 14% to 21% of revenue. The trend is the issue, not the level. A buyer underwriting steady-state SDE needs to model continued compression. |
| 3. | Owner-as-creative dependency. Owner shoots product photography, writes email copy, and runs Meta ad creative. The aesthetic is the brand. A new operator can rebuild it but expect a 3-6 month dip in conversion while the new creative voice finds its footing. |

MARKET CONTEXT — IMPLIED MULTIPLES		
Metric	Basis	Implied at \$480K asking
Asking ÷ Reported SDE	\$480K ÷ \$185K (seller's reported SDE)	3.77x
Asking ÷ Normalized SDE	\$480K ÷ \$127.5K (Cleansheet-normalized)	3.77x reported / 2.59x normalized
Asking ÷ Normalized EBITDA	\$480K ÷ \$98K	4.9x
Category comp range — SDE multiple	Sub-\$1M DTC e-commerce, declining trend (BizBuySell + comparable closes)	2.5x - 3.5x

VERIFIER'S NOTE
 Reported SDE was 31% higher than the normalized figure after market-rate owner labor, related-party labor adjustments, and one-time item separation. Channel mix described as "diversified DTC and wholesale" is in fact 46.5% Amazon FBA. Asking implies 3.77x reported / 2.59x normalized SDE versus 2.5x-3.5x category range. Cleansheet does not appraise the business or set a price.