

ELMQUIST COMMERCIAL



Mosquito Fleet Winery
Business Opportunity for Sale

Offering



Synopsis

Mosquito Fleet Winery is searching for an enthusiastic buyer who is passionate about wine and wishes to continue the stellar reputation the owners have built amongst their followers and in the industry. Founded in 2009, the winery has seen tremendous growth in the wine club coupled with an ever-increasing number of wines that are scored above 90 points and many awards. Currently, the demand for the wine club exceeds the supply of the winery and is capped.

- i Price: \$1,800,000
- ii Performance: \$214,000 (2024)
- iii Wine Inventory: \$2,500,000
- iv Equipment Valuation: \$383,000
- v Facilities Available for Rent
 - 1. Indoor Tasting Room: 1,400 Sq. Ft.
 - 2. Outdoor Pavilion: 2,000 Sq. Ft.
- vi Parking Available On-Site

Current Staffing: MFW is currently open 16 hours per week. Staff shifts typically equate to 22 hours per person/per week. Staffing is at three to four employees per shift. The owner/manager is being paid for their time managing the "Captain's Club" and all accounts payable/accounting.

Brand



What started with 200 cases quickly grew to 1,200 cases to 2,400 cases and now, with the addition of the white wine and sparkling program, they are producing 3,000 cases a year. They are focused on red wine production, mostly Bordeaux varietals with a few ventures into some Rhones to provide some additional variety for their club members. They typically produce 10 to 12 different red wines per year with an emphasis on Cabernet Sauvignon, Cabernet 'Reserves', and Cabernet-based blends.



Captain's Club

The Captain's Club was started in 2013 and its growth has exceeded their ability to keep up with the demand. The club was capped for 18 months and a waiting list was created for future members anxious to join. They have now re-opened the club which has grown to 775 members.

When they started offering a club, they offered two, four, six, or 12 bottle levels per quarter. This has served to be a great model as each quarter pick up brings another successful sales event usually spanning over two weekends. The winery has only been open three days a week for the past two years. Prior to that, they were only open limited hours Saturdays and Sundays. After they recently reopened the club, they ceased offering the two-bottle membership level. They now offer four, six, eight, or 12 per quarter.

The club offerings include 15% off for the remaining two-bottle members, 20% discounts for four bottle members, and 25% discounts for all remaining levels. It also includes free tastings of our three-to-four wine lineup when they come to the tasting room. Additionally, it includes first options on winemaker dinners, special events, and international wine-based travel tours with the owners.

**Note: They have pre-wrapped and set aside inventoried wines for the next five quarterly pick ups based on disbursements to 810 club members. Presently, each club disbursement is typically 260 to 270 cases; \$115,000 to \$120,000 per quarter depending on the price point of chosen varietals in each club release.*

Growers

The current owners have worked hard to nurture relationships with tremendous growers from Paul Champoux and Phinny Hill on Horse Heaven Hills to Pepper Bridge in Walla Walla. From Quintessence and Kiona on Red Mountain to several tremendous sources from Dineen and Two Mountain in Zillah, they have the contacts and the ability to significantly increase the annual harvest. In 2022, they harvested 50 tons of red wine varietals—it was clearly pushing the limits of their present capacity while maintaining their daily careers.



Business



The current owners have enjoyed steady year-to-year growth. This growth was achieved through quality and reputation as sales are primarily through their club/tasting room. They do not distribute to retail outlets. An ownership group wanting to expand the brand could easily capitalize on their tremendous brand recognition across the state, double production, and really build volume for distribution as well.

Price Point

When they started in 2009, their price points were \$36/bottle and below. They always felt they “Needed to earn it” before they started raising prices consistent and representative of the quality. After years of accolades and increasingly consistent 90+ point wines, they have started bumping prices in the past year. The majority of their wines are \$42/bottle or greater. Standard Cabernets and Zinfandel sell at \$55/ bottle while specialty Cabs sell at \$85 and \$110 for their R-34 Cabernet. They have yet to release a few additional specialty Cabs including their “Admiral 360” Cabernet from Paul Champoux, which will release at \$200/bottle, and they have a growing wait list to purchase it.

Performance

2-YEAR FORECAST	2023	2024
Gross Receipts	\$888,853	\$1,022,181
COGS	\$348,309	\$400,556
Gross Profit	\$540,543	\$621,625
Wages	\$85,290	\$91,260
Repair and Maintenance	\$11,500	\$11,500
Rent	\$55,000	\$58,000
Taxes and Licenses	\$94,557	\$108,741
Depreciation	\$3,000	\$3,000
Other Deductions	\$126,170	\$135,002
Total Deductions	\$361,620	\$393,483
Net Income	\$165,026	\$214,122

Added Price Point

They have slowly bumped the bottle prices with very little effect on club member enthusiasm for the wines. Their ongoing success with many showings on the “Seattle Times Top 50 Wines” (R34 at #3), and producing an increasing number of 93 to 95 point wines, continues to drive customer excitement. They believe there is plenty of room to grow profit simply by addressing price point alone. Their quality and reputation supports this pricing trend.



Facilities

While both existing owners remain fully employed in their long-time careers, their passion for wine has turned a little fun “side hustle” venture into a thriving small business where the sky is the limit. The challenge is not product demand but time and space to scale it. They work out of a 3,200-square-foot facility. 1,400 square feet is dedicated to a beautiful tasting room and commercial kitchen with a newly added 2,000-square-foot outside area under an outdoor pavilion which has been embraced emphatically, with more member events and live music, but production and storage space is limited.

As far as space is concerned, one owner holds the adjoining property with plans for a new 6,400-square-foot facility. This space, in part or in whole, could be customized to support both production and case storage for this thriving winery at its present location.

Floor Plan



Future Growth



For the group prepared to address the needed time and space to take on an expanded distribution model, doubling both production and sales will not be difficult. Promoting the Captain's Club as "re-opened" will quickly allow hundreds to be added to an automatic quarterly sales base. By adding new distribution lines to serve retail outlets and restaurants, we could see this production move quickly to 6,000 cases per year. The brand is increasingly known and respected by customers and critics alike. At this point, it's simply about a team with the time and people to make it happen. The table is set for this to occur immediately.

Added Profit Margin

Added profit margin will also be realized with a slight alteration to the winemaking style. They have been uninhibited by cost when choosing the cooperages and higher percentage of new French oak for elevage. Taransaud, Bosseut, Orient, Francois Frerere, Boutes, Quintessence, and Sylvain's 'Grand Reserve' barrels have been utilized to bring out the finest in the layering of oak notes. The results have obviously been well received but the cost could certainly be rolled back to achieve a greater margin—simply by addressing some of these luxury expenditures which have added to their winemaking costs.



Transition

The current owners are thrilled to continue these conversations with you regarding this opportunity. This operation is just waiting for a team with the time, passion, and vision to carry on and exponentially expand on what they have built over the past 14 years. They can't wait to assist you in a seamless and exciting transition to the next phase of growth and brand expansion.





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