

business
for sale



Date: **3rd July 2024**

Business Reference: **34844**

About the Business:

Everything "Braai" - butchery, bottle store & restaurant

This business is built around the South African "braai" culture and consist of: 1 - Boutique bottle store. 2 - Boutique retail butchery and deli. 3 - Wholesale butchery supplying meat to the restaurant industry. 4 - Sit down restaurant with fully licensed bar 5 - Meat processing plant serving the butchery as well providing game meat processing to its customers during hunting season.

Everything "Braai" - butchery, bottle store & restaurant

Sector: **Food**



Asking Price:

R **6,250,000**

Monthly Profit:

R **130,399**

Asset Value:

R 3,425,139

Stock Value:

R 450,000

Yearly Net Profit :

R 1,564,793



Business Report

Fully describe the business's activities?

This unique and franchisable business consist of:

- 1 - Sit down restaurant with fully licensed bar
- 2 - Boutique bottle store.
- 3 - Boutique retail butchery and deli.
- 4 - Wholesale butchery supplying meat to the restaurant industry.
- 5 - Meat processing plant serving the butchery as well providing game meat processing to its customers during hunting season.

The entire concept is built around the South African "braai" culture. All food prepared in the restaurant/café is prepared on coal as apposed to the conventional gas fired kitchen equipment.

They provide an online shopping service with a delivery service.

How does the business operate on a daily basis?

The business is based in the West Rand of Gauteng and open 7 days a week.

The restaurant/café:

- has a laid-back setting;
- has an inviting smell of freshly brewed coffee and with a great variety of mouth-watering South African dishes to choose from;
- prides itself on making all their dishes with unique, yet traditional South African recipes; and
- has a spacious outdoor area is perfect for any occasion, whether it is a quick cup of our freshly brewed coffee, a business meeting or a gathering of friends and family for an afternoon in the sun, indulging in their delicious food.

The boutique liquor store caters for the following products:

- beers & ciders;
- spirits;
- a great wine selection;
- cigarettes and
- quality wood and charcoal.

The retail butchery caters for the following products:

- Beef;
- Chicken;
- Lamb;
- Pork
- Venison;
- A selection of cold meats; and
- A great variety of spices and sauces.

All meat is bought in bulk, processed and down packed in house into retail portions. Meat orders are placed on weekends, delivered on Monday/Tuesday, processed on Wednesday/Thursday, ready for weekend sales. They probably make the BEST wors and dry wors in the country.

During the game hinting season, they provide game meat processing for their clients.

The manager is a qualified blockman, he grew up in the family abattoir and butchery and later owned his own butchery prior to joining this business. He has a passion for meat and wine and helps their restaurant customers with meat and wine pairing.

Turnover increased from R75 864 month 1 (during the liquor and restaurant "ban") to R1 110 485 in April 2022 (month 14). Turnover has been exceeding a R1m consistently since Sep 2021 and is expected to grow by between R215 000 and R315 000 from May to August due to the game meat processing.

What Advertising/Marketing is carried out?

Facebook and Whats-App broadcasts.

What competition exists?

All restaurants, take-aways, liquor stores and butcheries in the area.

How could the profitability of the business be improved?

In the short term profitability can be increased through better margin management and moving margins gradually inline with industry benchmarks.

The restaurant/café is nowhere near its potential, more marketing on all social media platform will increase revenue and ultimately profitability in all departments.

In the longer terms profitability can be increased by franchising the business on a more exclusive basis than your typical famous brands franchises. The business model can be adapted to cater for "townships" as well as real affluent areas.

Give a breakdown of staff/ functions/ length of service?

Blockman x 5 (plus 3 during the hunting season)
Managers x 2
Cashiers x 2
Chefs x 3
Waiters x 3
Barman x 1
Cleaners x 3
Driver x 1

Do any have management potential?

Yes, the blockman (currently in training as floor manager for the butchery) and one of the waiters (currently in training as Assistant Manager).

How involved is the Owner in running the business?

Not at all, he only sets growth targets for the manager.

When does the current lease end?

The current lease ends on 28 February 2024.

What are the trading hours?

Butchery and liquor store:

- Monday to Friday 9am-6pm.
- Saturday & Sunday 9am-2pm.

Restaurant/café

- Monday to Sunday 9am to last round (normally ranges between 6pm & 8pm and then 11pm on exception).

The liquor license only allows trading from 9am, however, all staff start working at 8am to do all the preparation for the trading day.

What are the main assets of the business?

Main assets are as follows:

- Equipment - R1.4 million.
- Shopfitting (leasehold improvements) - R1.06 million (market related cost = R1.48 million).
- Two vehicles.
- Liquor licenses.
- Point-of-sale system.

Strengths?

- Unique concept and set-up.
- 5 Different revenue streams.
- Wholesale and retail.
- Annuity wholesale customer base.

Weaknesses?

- Parking can be a challenge at times.
- High overheads.
- Margins are not yet market related.

Opportunities?

- The concept is very unique and can be franchised.
- Securing venison meat for the summer months.
- The restaurant/café has a lot of potential for growth.

Threats?

- Covid-19 lockdowns.

What is the reason for the sale?

The owner wants to focus on his other businesses.