

business
for sale



Date: **3rd July 2024**

Business Reference: **35980**

About the Business:

Diverse E-Bike company in the Western Cape

This well known E-Bike company - Chilled Squirrel is operated from the Mother City Over the years friends and clients shared in the passion and knowledge Matt and his team brought to the lower end of E-Biking

Diverse E-Bike company in the Western Cape



Sector: **Retail**

Asking Price:

R 1,850,000

Monthly Profit:

R 2,145

Asset Value:

R 1,401,322

Stock Value:

R 2,300,000

Yearly Net Profit :

R 25,741



Business Report

Fully describe the business's activities?

The business is the market leader in the selling of electric bikes , electric bike components (lithium batteries , chargers , motors , LCD displays , controllers etc) and related cycling / electric bike gear (bike carriers , LED safety lights , Safety helmets , safety combination locks etc)

They (a) build complete e-bikes
(b) convert normal bikes to electric
(c) service and maintain normal bikes and electric bikes.

The business is not competing directly to the known cycling brands - but is rather rendering a personalised service to clients who are looking for custom tuned e-bikes

How does the business operate on a daily basis?

Enquiries are received via phone calls ,emails and via website online forms.
The technical team are building / converting / repairing and servicing e-bikes
The admin team are focusing on orders / stock ordering from overseas / marketing and media
(detail info available)

What Advertising/Marketing is carried out?

Marketing is done via YouTube, Facebook and Instagram but also via word of mouth because of the excellent reputation for quality / workmanship and customer service the business is known for.

The business have a 5000 plus following on Facebook and a 99% 5-star reviews
Google 5-star reviews are beyond a 100
2000 subscribers on Mailchimp to whom they send out monthly newsletters

Customers are relying on good reviews , knowledge and backup service - this business is ticking all this boxes

What competition exists?

Main competitors : Giant , Trek , Specialised , Titan , Merida.(known factory brands)
They have found these competitors to be helpful in driving the interest in e-MTBs , and attracting more customers.
However they found that the factory e-Bikes are generally more expensive
This company caters for a very specific sector of the market - and is not competing directly against the main role player

How could the profitability of the business be improved?

Prior to COVID they imported complete e-Bikes from the East - a profitable operation
The import of complete e-bikes was halted in 2021/22 due to their suppliers halting manufacturing and assembly activities as a result of the Covid pandemic in the East

They now have started taking orders on a higher-end frame integrated e-MTB brand - turnover will be stimulated and profitability will grow

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

2 members of staff for sales and admin.
1 member of staff for technical (workshop).

Do any have management potential?

Yes, their head technician has been with the business since 2014
He is capable of running the business on a day to day basis.

How involved is the Owner in running the business?

50%
The seller often travel to Taiwan for up to a month - while communicating with the manager remotely

When does the current lease end?

February 2028

What are the trading hours?

Monday to Friday 08h30am ~ 16h30.
Saturdays 08h30am ~ 13h30.
Closed on the Last Saturday of each month.

What are the main assets of the business?

Computers, Tools and Furniture, stock and market leading expertise

Strengths?

This business is catering for a specific market segment

Branding / Reputation for customer service and quality.

Ability to convert most bicycles including trikes and tandems to electric.

Economical prices where couples can invest in two e-bikes due to the affordability factor.

The ability to be 100% in control of imports directly with manufacturers and not be fully reliant on any local wholesalers.

The ability to now build complete e-bikes overseas with reliable assemblers / manufacturers.

This business has the best expertise regarding Bafang E motors & controllers in South Africa

Weaknesses?

The building of E-Bikes locally (was necessary because of the supply chain lost during COVID) -- had a negative effect on the profitability of the business

Opportunities?

Building complete e-bikes (sub assembled direct from the East)

Supplying e-bike fleets for tour / rental companies.

Supplying e-bike fleets for the last mile city / urban deliveries (a major trend gaining momentum in SA).

Threats?

Exchange rate.

Electricity (e-bike batteries need electricity to charge their batteries or solar if electricity is not available)

What is the reason for the sale?

The owner is moving to Taiwan to build and supply electric motorcycles globally - not electric bicycles.

New personal challenge