

A man in a blue suit and patterned shirt stands on a city street, smiling. The background shows a building and a blue trash can.

# BUSINESS REPORT

Date: **19th May 2024**

Business Reference: **35980**

About the Business:

## Diverse E-Bike company in the Western Cape

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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