



Date: **23rd November 2024**

Business Reference: **36059**

About the Business:

Top Performing Nail and Beauty Salon for Sale on the West Rand

This franchised nail and beauty salon is based in one of the most busy and successful malls on the West Rand. It is unique in that it combines two specialist salons in one store and thereby offers a one-stop beauty salon for its clients. It is also one of the top performing salons within the country for the franchise.

Top Performing Nail and Beauty Salon for Sale on the West Rand



Sector: **Services**

Asking Price:

R 849,000

Monthly Profit:

R 44,212

Asset Value:

R 33,428

Stock Value:

R 200,000

Yearly Net Profit :

R 530,540



Business Report

Fully describe the business's activities?

This consistently, top performing franchise provides nail, beauty and aesthetic services to its clients in one of the West Rand's best performing malls.

It consists of two franchised beauty salons (from the same franchisor stable), that have been combined into one salon.

It has been based in the mall for over 7 years, is well known and has over 7,000 customers on its database. The mall offers its customers and tenants with 24/7 backup power to ensure an uninterrupted shopping experience.

The salon consists of:

2 x Reception and Retail areas

4 x Treatment Rooms

6 x Nail Stations

3 x Pedi Stations

2 x Kitchens

The cost to open a similar franchised store, with no existing client base or goodwill, would be in the region of R2m

The financials reflected are based on the management accounts as at February 2023.

How does the business operate on a daily basis?

The business operates per normal mall trading hours which are:

Monday - Thursday 9.00 to 19.00

Friday 9.00 - 21.00

Saturday 9.00 to 19.00

Sunday 9.00 to 17.00

How are the clients attracted to the business?

The mall is one of, if not, the best performing mall in the West Rand

The salon is well known with a high level of repeat business and has over 7,000 clients on its database

Social media advertising

Mall advertising

It has a strong location within the mall off one of the more popular parking locations

The franchise brand is a strong brand that is represented nationwide

What competition exists?

There are other beauty salons within the mall

What are the seasonal trends?

The holiday periods, particularly over December, does reflect increased sales but the business is not seasonal.

Is the business VAT Registered?

Yes

Are there up-to-date Management Accounts available?

Yes, including monthly franchisor sales and financial reports

What percentage of the business is cash/credit?

Predominantly cash and credit card

How could the profitability of the business be improved?

The salon has recently been renovated and the shop space includes a second kitchen that can be converted into another pedi station or treatment room.

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

1 x Receptionist
4 x Beauty Therapists
4 x Nail Technicians

How involved is the Owner in running the business?

The owner is very involved

When does the current lease end?

February 2025

Is there an option of renewal & what period?

It is a 3 year renewable lease

Is a copy of the lease available?

Yes

What are the main assets of the business?

The assets comprise typical beauty salon assets, furniture and fittings, IT equipment and software and shop set-up / renovation costs.

What is their overall condition?

Good

Strengths?

It is a franchise with all the benefits of a franchise in terms of training, marketing support and operating and financial systems

It is located in a very popular and successful mall

It has been in operation for approximately 7 years and has a loyal and supportive client base

It has recently been renovated

Weaknesses?

No weaknesses identified

Opportunities?

There is scope to grow further

Threats?

No significant threats identified

What is the reason for the sale?

The owners are relocating to Cape Town

Why is this a good business?

It is consistently a top performing franchise within the franchise group, and
It combines two different salon offerings within one shop location;
In one of the best performing malls on the West Rand; and
Has recently been renovated; and
Is a profitable salon.