



BUSINESS REPORT

Date: **18th May 2024**

Business Reference: **36085**

About the Business:

Adventure and Enduro motorcycle parts and accessories eCommerce/retail store in Durban

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Sector: **Retail**

Asking Price:

R **900,000**

Monthly Profit:

R **94,875**

Asset Value:

R **866,553**

Stock Value:

R **1,000,000**

Yearly Net Profit :

R **1,138,505**



Business Report

Fully describe the business's activities?

This business provides off-road and dirt bike and motorcycle parts and accessories that are high quality and well-priced.

The market segments that it caters for are Superbikes, Moto X, Touring, Commuter and Adventure. It also provides for accessories in the burgeoning Delivery Bike market.

How long has the business been established?

Since December 2021.

How long has the owner had the business?

Since inception.

How does the business operate on a daily basis?

The business operates on 3 platforms, namely Online store, Takealot and a bricks and mortar store. It also has a presence on Bidorbuy, which brings in a small amount of monthly revenue.

The business prides itself on carrying a large amount of stock that is readily available for immediate delivery, unlike some other online stores that promote products that are not always in stock.

Stock holdings at cost can range from R2m up to R3.5m at any stage and the retail value is on average double of the cost. Some items have a lower mark-up whilst others have a higher mark-up.

How are the clients attracted to the business?

The business is the largest adventure store in KZN and is rated in the top four adventure motorcycle stores in the country. Customers are attracted to the business via a very professional website, the owner arranges regular functions such as bike rides, braais and information meetings, such as the latest GPS products that are suitable for adventure riders.

Several Motorcycle dealerships refer all of their customers to the business.

What Advertising/Marketing is carried out?

Extensive advertising is regularly carried out. The business has a social media presence on Facebook and Instagram and Google Marketing, marketing and advertising is single largest expense in the business. The owner has invested around R1m in website set-up costs, and he is continually tweaking it to create more traffic to it.

What competition exists?

This is the only physical adventure motorcycle store in KZN, so it attracts a lot of customers who come in for specialist advice. The owner and staff are avid riders with extensive experience. There is competition in the online space, but this business has exclusivity for certain types of products, including a brand of Bluetooth Helmet Systems.

What are the seasonal trends?

Business does slow down during the winter months.

Are there up-to-date Management Accounts available?

Yes, management accounts are produced monthly.

What Balance Sheet and Income Statements are available?

Annual financial statements since inception are available.

Is Seller finance available and for what amount?

No seller finance is available.

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

All staff have been with the business since inception.

How involved is the Owner in running the business?

The owner is mainly involved in procurement, website development, marketing and advertising.

When does the current lease end?

30 October 2024.

What are the trading hours?

Monday to Friday from 08:30 until 17:00.
Saturday from 08:30 until 14:00.
Sunday - closed.

What are the main assets of the business?

The main asset of the business is its website which has cost in the region of R1m so far.
Other assets are the impressive shop fittings, security systems, etc.

Strengths?

The business is the largest adventure store in KZN and is rated in the top four adventure motorcycle stores in the country.
It is also the largest stockist of a wide range of helmets in KZN and it is the agent for Touratech in the province.

Weaknesses?

Due to unforeseen circumstances, the owner has not been able to give the business his full attention, so it has not reached its full potential. However, this is not really a weakness because it allows the new owner a lot of upside growth and profitability.

Opportunities?

The owner says that the potential for the business is as follows:

Physical shop = R600k to R1m per month

Takealot = R250k per month

Website = R250k to R500k per month.

The arrival of Amazon in South Africa will also be a game changer for the business.

Threats?

This is a niche market and therefore it is susceptible to the economic fortunes of the country.

What is the reason for the sale?

The owner wishes to emigrate.