



# BUSINESS REPORT

Date: **3rd July 2024**

Business Reference: **35885**

About the Business:

## Sales and service business in the Hoedspruit area

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Perfect business for the entrepreneur who is technically inclined and service orientated , looking for an opportunity out of Gauteng . Diverse market , year on year growth , exclusive area

# Sales and service business in the Hoedspruit area



Sector: **Services**

Asking Price:

R **2,165,000**

Monthly Profit:

R **94,531**

Asset Value:

R **190,000**

Stock Value:

R **735,000**

Yearly Net Profit :

R **1,134,375**



# Business Report

## Fully describe the business's activities?

The business specialises in Sales, Spares, and accessories for all DIY power tools and builders equipment. The business also supplies swimming pool pumps and all other pumps  
Repairs and servicing of equipment are done in-store, but they also offer limited call-out services  
The business recently also added a generator (sales and repairs) to their portfolio  
Installation and repairs of laundry machines at lodges in the area is also now offered

## How long has the business been established?

2014

## How long has the owner had the business?

2014

## How does the business operate on a daily basis?

The team opens the business and attend to sales and repair jobs  
Ordering and bookkeeping are kept up to date  
Clients are offered expert advice to choose and acquire the correct equipment  
The technicians are available for repair and installations

## How are the clients attracted to the business?

Marketing , word of mouth and a solid reputation

## What Advertising/Marketing is carried out?

Online marketing and local media

### Does the business have any contract work?

Yes , they are contracted to do installation and maintenance of laundry machines at Lodges in the area

### What competition exists?

Yes , but to a lesser extent

This business is the sole appointed service center for all premium power tools in this area

### What are the seasonal trends?

The turnover is stable throughout the year

### Describe the client base

The client base comprised building contractors, homeowners, farmers, industrial workshops, Lodges, and the conservation industry

The turnover is made up roughly 50% of sales of new equipment, and 50% in the sale of spares and labor on repairs

### Describe the product range

Besides the normal power tools ( grinding / drilling/sawing/sanding etc. ) the business also selling a wide range of safety and builders equipment, pumps , generators, brush cutters, and chain saws

### Does the business hold the sole service agency for specific brands ?

The business has been appointed as the service center for this specific area close to the KNP Brands - Makita , Black n Decker , De Walt , Maktec , Stanley , Ryobi , Fatmax and Ingco

This offers the business a competitive advantage and foothold in the market.

### Is the business VAT Registered?

Yes

### **What VAT documentation is on file?**

All relevant documentation are on file

### **Are there up-to-date Management Accounts available?**

Yes, up to date information is kept on a Point of sales system.

### **What Balance Sheet and Income Statements are available?**

The 2023 AFS be available soon  
( 2023 management accounts were used in the financial calculations )

### **What percentage of the business is cash/credit?**

60 / 40

### **What is the age analysis of the debtors book?**

No more that 10% debtors are on > 30 days

### **How could the profitability of the business be improved?**

Expansion of the product range on offer.  
Equipment hire as an additional service.  
Installation and maintenance of laundry machines are a new service that was recently introduced.

### **Is Seller finance available and for what amount?**

No, but the seller will consider an active partner who need to be hands-on and practical

### **What is the total staff complement?**

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

5 x Technicians  
2 x Admin staff  
1 x assistant manager

### Do any receive special perks or incentives?

No

### Are they on contract?

Yes , standard labor contracts are in place

### Do any have management potential?

Yes, the assistant manager

### How involved is the Owner in running the business?

The owner is daily involved in the business mostly overseeing the finances / checking on the level of workmanship/liaison with core clients and suppliers

### When does the current lease end?

An open lease is in place

### Is there an option of renewal & what period?

Open lease.

### What is the annual escalation %?

10% to be negotiated by a new owner

### What are the trading hours?

Week days 7h30 to 16h30  
Saturdays 9h00 to 12h00

### What is the square meters of the business?

More or less 250 m2

### Is a copy of the lease available?

Yes

### What lease deposit and/or other surety is required?

The normal deposit requirements will be applicable

### What arrangements are in place for load shedding ?

The business does have a back-up generator

### What are the main assets of the business?

Shop fittings / Stock / Vehicles ( 1 x Hilux )

### Are any items not included in the sale?

No - all inclusive

### What is their overall condition?

Very good

### Do any require repairing?

No repairing needed

### How have they been valued ?

Valued at cost

### Which assets are on lease/HP and with whom?

One vehicle is lease via Toyota Vehicle Finance

### What are their settlement amounts?

More or less R 100 000

### Will Seller settle or Buyer to take over?

Negotiable

### Are copies of agreements available?

Yes

### Are they presently insured?

Yes

### Strengths?

Well established, good client base, good & solid reputation

A good diverse range of products and services

The business is not heavily reliant on electricity - but can be powered by a generator or a simple inverter system



## Weaknesses?

The seller is not focused on growth and diversification opportunities

## Opportunities?

Many growth opportunities

Diversification options

This area is a growth point - higher disposable income

Good very good option for semigration - if you prefer the bush to the sea

## Threats?

No threats were identified

## What is the reason for the sale?

After 9 years in the trade, the seller is looking for a new challenge in life.

## Why is this a good business?

This business is located in one of the high growth nodes in the North - semigration option

There is a solid client base - the sales and service team have great knowledge and expertise in the trade

A wide product range of premium brands are stocked

This specific business, in this specific area, will not be influenced by the general economic downturn

## Broker note to interested buyers

Please note that specific/detailed information will only be shared with buyers that are pre-qualified / valid NDA / proof of funds available - as requested by the seller.