

business
for sale



BUSINESS REPORT

Date: **21st May 2024**

Business Reference: **36539**

About the Business:

Durban Litho & Digital printing to established & loyal clientele

Well established printing company, with good management, staff & machinery, as well as, a good spread of clients & growth potential.

Durban Litho & Digital printing to established & loyal clientele



Sector: **Services**

Asking Price:

R **1,850,000**

Monthly Profit:

R **83,718**

Asset Value:

R **990,000**

Stock Value:

R **125,000**

Yearly Net Profit :

R **1,004,611**



Business Report

Fully describe the business's activities?

A well-known printing company offering litho & digital printing service to its loyal customers predominantly in Durban. Providing high quality printing, superior service, & competitive pricing to meet every client's needs, with a mixture of older & high-tech machinery to ensure the most competitive production runs. They produce their clients internal & external documentation requirements, whether single page, brochure, or booklet format, and whether coated, laminated, punched or bound.

How does the business operate on a daily basis?

Existing clients or those activated through the good website, sales manager, or referrals, receive a quote before the order is handed to the general manager, then factory manager. Delivery is mainly via the Co's driver in a new Nissan NP 200.

The area only experiences loadshedding from level 7 upwards (which doesn't occur) & hardly has electrical failures - so only the UPS's for the computers are in place.

What competition exists?

There are other businesses carrying out the same type of work, however, this business is well established and boasts loyal clientele.

How could the profitability of the business be improved?

Profitability could be improved by the owner also driving new business.

Do any have management potential?

Two of the managers manage the business when the owner is not there, which could be on a more continual basis if absolutely required.

How involved is the Owner in running the business?

The owner is a lovely gent, that works from around 10-15h00, & is mainly there for clarifying that the managers are progressing well, look over the bookkeepers' figures, process efts, & call on clients once in a while.

When does the current lease end?

The current lease is due to expire February 2026. Presently R27 000pm excl VAT, with an 8% escalation, & 3 year renewal option.

The unit size is 367m², the size of the mezzanine floor is 86m² = total space is 453m²

The premises are within a nice, secure complex in an Outer-West Industrial area close to two main roads/highways.

What are the trading hours?

Working hours are Monday - Friday 7:30 - 16:30

Closed on Weekends and public holidays.

What are the main assets of the business?

The main assets are the Litho & digital printing machines, computers & delivery vehicle. with all being in working order & sufficient for the present turnovers and more.

Their value on a 2nd hand basis would be around R1m.

The only vehicle is a Nissan NP 200 acquired in Nov 2023 for R233k, with repayments of R4 800 pm until Nov 2029.

Strengths?

This business is well-known in the industry and has an excellent reputation. They boast loyal clientele and steadily growing business.

The machinery & staff are good & capable of producing more turnover

Weaknesses?

The owner is not pushing the business as he concentrates on his retirement home construction.

Opportunities?

There is still room for growth and the possibility of offering a more diverse service.

Threats?

That competitors try steal their client base, which is unlikely due to their historic dealings

What is the reason for the sale?

The owner wishes to retire.