

business
for sale



Date: **4th December 2024**
Business Reference: **35570**

About the Business:

Laundry/Dry Cleaning business

Long standing laundry/dry cleaning business in shopping mall in the East Rand

Laundry/Dry Cleaning business



Sector: **Services**

Asking Price:

R 1,900,000

Monthly Profit:

R 85,329

Asset Value:

R 1,554,333

Stock Value:

R 60,000

Yearly Net Profit :

R 1,023,948



Business Report

Fully describe the business's activities?

The business is in a busy shopping centre in the East Rand covering the following services: Laundry, dry cleaning, shoe repair, tailoring services and other sundry consumable sales. The business has a mobile service with one delivery vehicle. There is an off the shelf laundry software package that is used to manage the business and control the administration.

Due to personal pressures and the negative impact of Covid, the seller decided to consolidate his 5 stores into one, which has resulted in a very profitable store managed closely by competent staff.

How long has the business been established?

35 years on the same premises

How long has the owner had the business?

8 years

How does the business operate on a daily basis?

Staff open the shop in the morning and owner goes to the shop at lunchtime

What Advertising/Marketing is carried out?

Shop store frontage and word of mouth

What competition exists?

A lot of smaller laundry businesses suffered during COVID, and closed down

What Balance Sheet and Income Statements are available?

Year-end up to Feb 2022.

Management accounts up to Sept 22

What percentage of the business is cash/credit?

35% cash, 65% credit card and 5% co-operative debtors on 30 day terms

How could the profitability of the business be improved?

Increase customer base both locally and via mobile unit

What is the total staff complement?

6 staff members excluding owner

Are they on contract?

All on staff contracts

Do any have management potential?

Yes

How involved is the Owner in running the business?

Involved on a daily basis after lunch

When does the current lease end?

Currently negotiating new 3 year lease

Is there an option of renewal & what period?

Yes

What are the trading hours?

8h00 to 17h30 Monday to Friday
8h00 to 14h00 Saturdays
Closed Sundays and public holidays

What is the square meters of the business?

82 sqm

What are the main assets of the business?

Main assets consist of dry cleaning and laundry equipment, as well as one mobile service vehicle. An asset list is available to interested buyers.

How have they been valued ?

Original cost was R1.4m (plant & equipment)
Insurance value is R890k (vehicle R171k)

Strengths?

Business is very well known and has been based on the same premises for over 3 decades.
Loyal customer base
Consolidation of 5 shops into 1 has allowed good leverage on costs. Mobile service allows old customers to still be serviced, but from the one shop and infrastructure
Full service including - laundry, dry cleaning, tailer, cobbler, sundry consumer sales

Weaknesses?

Limited marketing currently

Opportunities?

Increase mobile customer reach
Advertise on social media platforms

Threats?

Other competitors in the region

What is the reason for the sale?

Owner wishes to retire