



# BUSINESS REPORT

Date: **11th August 2025**

Business Reference: **37491**

About the Business:

## **Signage Co with 2nd product Durban**

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NP of R2.3m off a turnover of R10.87m. Established & well known business offering signage (70%) & other very different service (30%) to businesses/individuals. qualified staff, with good equipment, long standing clients, as well as, a varied offering & route to market.

# Signage Co with 2nd product Durban



Sector: **Services**

Asking Price:

R **5,250,000**

Monthly Profit:

R **194,406**

Asset Value:

R **900,000**

Stock Value:

R **0**

Yearly Net Profit :

R **2,332,873**



# Business Report

## Fully describe the business's activities?

1. Signage : comprises some 65% of turnover produced by the owner & 10 staff . Commercial clients mainly based in Durban & an out-of-town intermediary (8%) make requests, whereafter the owner or 3 designers discuss solutions inclusive of materials, then design the signs for production, incorporating where required, the metal workshop, aluminium workshop, spray booth or print machines (flat bed for rigid materials, 3 printers for material signs & cylindrical drums for print transfers). Thereafter the signs are collected, delivered or erected as required.
2. Other services (to be disclosed later): comprising some 35% of turnover are dealt with by 7 staff. The products are at this first level on purchaser interaction, described as being metal & electronic parts utilised by both businesses & individuals. They are not really complex in nature but do require easily trained processes to ensure their correct production/functioning. Walk-in clients are serviced directly, while technical staff visit clients for on-site services.

## How long has the business been established?

30 + yrs by the seller

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

Repeat clients (5-20 yrs & 20% of turnover) & another that lists this business as the preferred supplier (20yrs & 10% of turnover) are the mainstay of both divisions (the latter perhaps being the reason why a purchaser might buy the shares of the PTY vs as a going concern out of the PTY).  
An out-of-town intermediary brings in some 8% of total turnover, adding his mark-up to the signage forwarded through him.  
Word of mouth referrals, a website, google, search-engines & social media marketing also play their part.  
There are no long term contracts, but preferred supplier status & repeat clients have allowed the Co. to grow.

## What competition exists?

Competition exists across the businesses two divisions, with the market being large enough for all efficient businesses to have a share thereof, while those that don't make the grade come & go.

## What are the seasonal trends?

moves between R650k (2) up to R1.3m (1), with a nice mix & spread over the year

### Is the business VAT Registered?

Yes

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

Past AFS are available, with the Feb 2025 utilized within this Report  
Off a turnover of R10,87m pa (excl VAT), and with all expenses well covered, the business provides an Owners Discretionary Income totaling R2.3m (i.e. the Net Profit of the business plus owners benefits)  
Last 3 months already at R2.5m turnover (excl VAT)

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

50% eft & credit card with the balance on 30 day accounts (very little cash)

### What is the total staff complement?

Owner plus  
Signage division: (8) designer & 6 technicians , & a welder.  
2nd division : (5) 3 x technicians 2 x sales/counter  
Well trained & capable staff (13) that can function without the owner (excluding financial & strategy overview)

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

The owner is hands on in all aspects of the business, because he likes to be, as the staff can operate independently

### What are the trading hours?

Monday to Friday 0800 to 1700 hours. Saturday 0800 to 1300 hours

## What is the square meters of the business?

The site is some 1 000m<sup>2</sup> vs the buildings of some 600m<sup>2</sup>, which would be available at R32 500pm excl VAT, E, W & refuse; with an 8% escalation clause pa.

The seller owns the premises & is open to discussions on the length of lease required by the purchaser of the business; while a sale of the premises is not presently being considered (which by definition indicates that he believes in the business going forward, otherwise he would have it up for sale at the same time of the business)

## What are the main assets of the business?

A full list is available. They are in good condition & more than sufficient with a 2nd hand value of some R900k+

The main assets are: 6 bakkie/trucks, 5 printing machines with different purposes, designer software, computers, pastel system, various metal machines & electronics.

All are paid off except 1x flat bed print on a full rental at some R180k pa (within the business expenses)

## What is the reason for the sale?

The owner is at the retiring age after 30+ years of operating this business

He will happily help the new blood with keeping his legacy going

## Why is this a good business?

Established business & name of over 30 years, with two different product/service lines (spread of any industry/client risk), producing a steady turnover of R10,87m pa (excl VAT), and with all expenses well covered, the business provides an Owners Discretionary Income totaling R2.3m (i.e. the Net Profit of the business plus owners benefits)