



# BUSINESS REPORT

Date: **19th August 2025**

Business Reference: **37491**

About the Business:

## Locksmith & Signage Co in Durban

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NP of R2.3m off a turnover of R10.87m. Established & well known business, qualified staff, with good equipment, long standing clients, as well as, a varied offering & route to market.

# Locksmith & Signage Co in Durban



Sector: **Services**

Asking Price:

R **4,400,000**

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?

The business started as a LOCKSMITH company to residential, commercial & industrial clientele over 30 years ago, expanding its services into access control, safes, electric fencing, number plates, then created a completely new division focusing on SIGNAGE mainly for the commercial & business sectors, which has now become 50% of the Co's total turnover.

Locksmith/security: Walk-in clients are serviced directly and relates to key cutting, FOB replacements, lock, safe & number plate purchases - all captured by the staff through the POS System. Phone in clients requiring service on-site will be visited by the mobile technical staff.

Signage : Commercial clients mainly based in Durban & an out-of-town intermediary (5%) make requests, whereafter one of the 3 designers formulates solutions inclusive of materials, then designs the sign for production, incorporating where required, the metal / 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.

## 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 5% 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.

The split between the two divisions, in respect of their products/services & clients being different, positively halves the risk that any other business/competitor might experience in the market place.

## 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 - with all VAT submissions being available

## 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).  
The sale price is at a " TO SELL QUICKLY " level of R4.4m.  
Stock would be in the region of R350k (to be assessed & accepted by the purchaser).

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

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

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

Merely be willing to quote on ad hoc queries, as the elderly seller is not willing to engage therein or conduct business development, but has instead ensured his client base is well looked after (to the benefit of a buyer - where long-term clients are more appreciated than ad hoc business)

## What is the total staff complement?

Owner plus  
Locksmith/Electronic division : (5) 3 x technicians 2 x sales/counter  
Signage division: (8) designer & 6 technicians , & a welder.  
Well trained & capable staff (13) that can function without the owner (excluding financial & strategy overview)  
The staff are certified as locksmiths not the owner.

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

The owner oversees everything & controls the finances, but as the years have gone by as and he has felt his age, he has ensured that the staff can handle their responsibilities / all the businesses requirements. with the staff being able to operate the business independently. Should a new owner wish to manage the business remotely, then a staff member in each section could be rewarded to take on the supervisory role in the two divisions.

## 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 a well-secured stand-alone property of 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)

## Are any items not included in the sale?

The owners private vehicle is not within the business

## 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) - while selling for an excellent price of R4.4m