



BUSINESS REPORT

Date: **20th May 2024**

Business Reference: **35615**

About the Business:

Excellent E-Commerce Business - Strong Year on Year Growth

Elevate Your Future: Prime Business with huge growth prospects. Unleash Boundless Potential in the Digital Marketplace! The owner started the business in 2016. Excellent growth has been experienced.

Excellent E-Commerce Business - Strong Year on Year Growth



Sector: **Services**

Asking Price:

R **25,000,000**

Monthly Profit:

R **844,659**

Asset Value:

R **4,362,506**

Stock Value:

R **10,000,000**

Yearly Net Profit :

R **10,135,902**



Business Report

Fully describe the business's activities?

This Business is a multi-channel E-Commerce company based in Cape Town.

Their core focus is retail of Tools and Equipment whereby they retail sale of a wide range of tools and equipment used in construction, woodworking, plumbing, electrical work, and general home improvement. This includes hand tools, power tools, safety gear, and machinery.

A smaller, newer area of Home Products was also started in the last 24 months.

Their product range has expanded to over 7,500 different products over 30 categories ranging from Small Appliances, Toys, Braai, Computer IT, Camping, Load Shedding Essentials, and many more.

They have their own e-commerce website that operates as an online store where customers can browse, select, and purchase tools and related products. It has a user-friendly interface, secure payment options, and delivery services.

Their vast ray of home improvement product range caters to both professionals and DIY enthusiasts. This can include items like drills, saws, hammers, wrenches, screws, nails, paint, gardening equipment, and more.

They offer strong customer service and provide assistance with product selection, usage, and troubleshooting. It has return policies to ensure customer satisfaction.

In addition, they engage in wholesale distribution, supplying tools and products to other companies.

How long has the business been established?

7 Years since 2016

How long has the owner had the business?

Since Inception

How does the business operate on a daily basis?

The Business has its warehouse in Cape Town from where daily deliveries and shipments are made.

Suppliers deliver stock to the warehouse where it is recieved , consolidated and shipped off to customers.

How are the clients attracted to the business?

Majority of clients come from Marketplace transactions.
Marketplace Advertising promotions.
Internal sales rep that is onboarding new wholesale clients.
Gumtree attracts retail clients to the shop.
Google Maps attracts retail clients to the shop.
Google Adwords have attracted a retail and wholesale clients.

What Advertising/Marketing is carried out?

Google Adwords Campaigns

What competition exists?

Other 3rd party marketplace resellers.
Brick & Mortar Hardware Stores
Online tool websites.

What VAT documentation is on file?

Full disclosure during DD

Are there up-to-date Management Accounts available?

Full disclosure during DD

How could the profitability of the business be improved?

More imported lines being purchased. Greater bulk purchases of stock.

Calculated Nett Asset Value

The Calculated Nett Asset Value on the Balance Sheet as at 30 November 2023 comprises of:

Bank Assets: R 2.58 mil

Current Assets: R 21,49 mil of which Current Stock Level was R 20.18 mil

Fixed Assets: R 1 mil

TOTAL ASSETS: R 25,07 mil

Current Liabilities: R9.8 mil of which R 10.75mil are accounts receivable

Non Current Liabilities: R 4.5 Mil

TOTAL LIABILITIES: R 14.36 mil.

NETT ASSET VALUE: R 10,7 mil.

What is the total staff complement?

20

How involved is the Owner in running the business?

The owner has stepped aside to maintain the IT side of the business. The day to day functions are run by the management team.

His wife is also a Buyer but her role can be taught and an employee can fulfill this role.

When does the current lease end?

2027

What are the trading hours?

Monday - Friday 7:30 - 16:30

What is the square meters of the business?

780sqm

Is a copy of the lease available?

Yes

What lease deposit and/or other surety is required?

2 months rent

What are the main assets of the business?

Inventory
Supplier Contracts / Relationships
Intellectual IP - Software (the seller is also willing to adjust the selling price and retain the IP Software, maintain it and where and when needed, assist with new coding)
Shelving, Computers and other small assets.
3 Delivery Vehicles.

Strengths?

Established 7 years in the business now.
Strong supplier relationships.
Strong IP Software.
Big credit lines.
Unique brands.

Weaknesses?

Import Capabilities limited.

Opportunities?

Amazon going to enter the market in 2024.

What is the reason for the sale?

Owners built the business but now want to venture onto something new.
They have small children and both being involved is not conducive for the family.