



BUSINESS REPORT

Date: **5th August 2026**

Business Reference: **38324**

About the Business:

Established Industrial & Mining Supply Business for Sale

Established industrial supply business with more than 36 years of successful trading. Supplying engineering, mining, safety and maintenance products to a loyal customer base, with approved supplier status at Eskom and major mining groups. Strong management, proven systems and excellent growth potential make this a turnkey acquisition opportunity.

Established Industrial & Mining Supply Business for Sale



Sector: **Retail**

Asking Price:

R 900,000

Monthly Profit:

R 40,713

Asset Value:

R 420,001

Stock Value:

R 1,600,000

Yearly Net Profit :

R 488,560



Business Report

How does the business operate on a daily basis?

The business operates through a combination of counter sales, trade account customers and delivery services. Orders are received both in-store and from established commercial clients, with stock sourced and supplied efficiently through the existing inventory and supplier network. Regular deliveries are made to industrial, mining and engineering customers, ensuring reliable service and repeat business.

How are the clients attracted to the business?

The business has built its customer base primarily through its long-standing reputation, exceptional customer service, industry relationships and repeat business. Many clients have remained loyal over several years due to reliable service, product availability and the company's approved supplier status with major organizations.

What Advertising/Marketing is carried out?

Marketing is primarily relationship-driven through direct customer visits, referrals and long-established industry relationships. The business relies on personal interaction, repeat customers and its reputation within the industrial and mining sectors, presenting an excellent opportunity for a new owner to introduce modern digital marketing and proactive sales initiatives.

Does the business have any contract work?

The business does not operate under formal long-term contracts but benefits from ongoing repeat business and established trade relationships with industrial, mining and engineering customers.

What competition exists?

There is one primary local competitor in the area. The business remains competitive through its extensive vendor registrations, long-established customer relationships, broad product offering, as well as big variety of stock and reputation for reliable service.

Is the business VAT Registered?

Yes. The business is VAT registered and compliant with all applicable VAT requirements.

What VAT documentation is on file?

Valid VAT Registration documentation is available.

Are there up-to-date Management Accounts available?

No.

What Balance Sheet and Income Statements are available?

Historical financial statements, including Balance Sheets and Income Statements, are available for review during the due diligence process.

What percentage of the business is cash/credit?

Approximately 20% of sales are generated through cash transactions, while 80% are derived from established credit account customers, reflecting strong ongoing commercial relationships with industrial clients.

What is the age analysis of the debtors book?

The debtor's book averages approximately 30 days, indicating effective debtor management and timely collections.

How could the profitability of the business be improved?

Profitability can be enhanced through several strategic initiatives, including:

- Improving the company's B-BBEE status to unlock additional tender and procurement opportunities.
- Employing a dedicated external sales representative to actively pursue new business.
- Introducing modern operational practices to drive growth.
- Expanding the customer base to reduce reliance on a small number of major customers.
- Implementing targeted digital marketing and strengthening the company's online presence.

Is Seller finance available and for what amount?

The seller's preference is for a conventional sale and does not wish to provide seller finance.

What is the total staff complement?

The business employs 5 staff members, comprising an experienced management team, counter sales staff and support personnel.

Give a breakdown of staff/ functions/ length of service?

Manager- Since 2007 - Oversees the daily operations, staff management, customer service, purchasing and business administration. Possesses extensive operational knowledge of the business.

Counter Sales Consultant - Since 2010: Counter sales, customer service, quotations and order processing.

Counter Sales Consultant - Since 2014: Counter sales, customer service and general administration.

Counter Sales Assistant (Temporary Student) - Temporary: Assists with counter sales and customer service.

Cleaner: Since 2012 - General housekeeping and maintenance of the premises.

Are they on contract?

Yes. Employees are employed under formal employment agreements.

Do any have management potential?

Yes. The existing manager has extensive operational experience and possesses the capability to continue managing the day-to-day operations of the business under new ownership

How involved is the Owner in running the business?

The owner has no day-to-day involvement in the business. Daily operations are managed by an experienced manager who has been with the company since 2007 and has comprehensive knowledge of all operational aspects. This provides a smooth transition opportunity for a purchaser and reduces reliance on the current owner.

When does the current lease end?

The business operates from premises owned by the seller. A new lease agreement will be negotiated with the purchaser upon the sale of the business, unless alternative arrangements are agreed. The building is also for sale.

Is there an option of renewal & what period?

Yes. As the property is owned by the seller, lease terms and renewal options can be negotiated with the purchaser.

What is the annual escalation %?

To be negotiated between the purchaser and the property owner.

What are the trading hours?

Monday to Thursday: 07:00 - 16:15 Friday: 07:00-14:30 Saturday 08:00-11:00 Sunday: Closed

What is the square meters of the business?

+/- 350 m2

Is a copy of the lease available?

Yes

Do you require a licence?

No specific operating licence is required for the business.

What are the main assets of the business?

The business's principal assets include a comprehensive inventory of industrial supply products, together with shelving, office equipment, computers, two operational vehicles, and the operational infrastructure required to conduct the business efficiently.

What is their overall condition?

The business assets are generally in good operational condition and are suitable for continued use in the normal course of business.

Do any require repairing?

No significant repairs have been identified.

Which assets are on lease/HP and with whom?

A Konica Minolta printer is currently subject to a service agreement.

Will Seller settle or Buyer to take over?

To be agreed between the seller and purchaser.

Are copies of agreements available?

Yes. Copies of the relevant agreements are available.

Are they presently insured?

Yes. The business assets are currently insured.

Strengths?

Established business with a proven 36-year trading history and an excellent reputation within the industrial supply sector.

Extensive approved vendor registrations with Eskom, mining houses and major industrial companies, creating a significant barrier to entry.

Strong, loyal customer base with long-standing commercial relationships and recurring business.

Diverse product offering.

Experienced manager with the business since 2007 who oversees the day-to-day operations, reducing reliance on the owner.

Stable, long-serving workforce with valuable product knowledge and customer relationships.

Approximately 80% of revenue is generated through established credit account customers, providing consistent repeat business.

Well-established operational systems with delivery capability and an efficient service model.

Flexible lease arrangements available, as the premises are owned by the seller.

Weaknesses?

Limited marketing activities and minimal online presence.

No dedicated external sales representative actively developing new business.

Current B-BBEE status may limit access to certain procurement and tender opportunities.

Opportunities?

Improve the company's B-BBEE status or introduce a strategic B-BBEE partner to unlock additional corporate and government procurement opportunities.

Appoint a dedicated external sales representative to expand the customer base and increase sales.

Introduce innovative business strategies to drive future growth.

Increase digital marketing efforts and establish a stronger online presence.

Leverage existing vendor registrations to secure additional business with major industrial companies, mining houses and Eskom.

Optimise inventory management to improve cash flow and reduce excess stock holdings.

Threats?

Increased competition from other industrial fastener and engineering supply businesses.

Economic downturns or reduced activity in the mining, engineering and industrial sectors.

Rising supplier costs and supply chain disruptions affecting product availability and margins.

Changes in procurement policies or vendor requirements at major customers.

Pressure on margins resulting from increased price competition within the industry.

What is the reason for the sale?

The owner wishes to retire after successfully owning and operating the business since 2001. The business has been established for 36 years and presents an excellent opportunity for a new owner to acquire a well-established operation with an experienced management team, loyal customer base and significant growth potential.

Why is this a good business?

This is a rare opportunity to acquire a long-established and reputable industrial supply business with a proven 36-year trading history. The business has built strong relationships with Eskom, major mining houses and industrial companies through its extensive vendor registrations, providing a significant competitive advantage that would take years for a new entrant to establish.

The business operates largely independently of the owner, with an experienced manager overseeing the day-to-day operations and a loyal, long-serving team ensuring operational continuity. Its diverse product range, established commercial customer base and strong reputation generate consistent repeat business and provide a solid foundation for future growth.

There is also considerable upside potential for a new owner through improving the company's B-BBEE status, appointing a dedicated sales representative, expanding marketing efforts and leveraging existing vendor approvals to secure additional business. These opportunities make the business well positioned for continued growth under new ownership.