



BUSINESS REPORT

Date: **17th May 2024**

Business Reference: **35816**

About the Business:

Going Concern - Profitable Transport with Contracts

Transporting Company delivers coal between Mpumalanga and KZN. The seller has developed an excellent reputation in the market place mainly with Contract Agents who coordinate Independent entities requiring a constant flow of goods being transported around the country. The fleet consist of four trucks and four tipper trailers. A full introduction to the Agents would be provided to ensure a seamless transition

within the business. Current market value of the fleet is R5.4 million, the difference being goodwill that has been built up over more than 10 years, contracts and staff. Staffing includes reliable and licensed Drivers for each of the vehicles with years experience with current owner. Extra loads of coal available.

Going Concern - Profitable Transport with Contracts



Sector: **Services**

Asking Price:

R **5,500,000**

Monthly Profit:

R **83,555**

Asset Value:

R **5,370,000**

Stock Value:

R **0**

Yearly Net Profit :

R **1,002,665**



Business Report

Fully describe the business's activities?

Established Logistics Company consisting of four trucks and four double trailers that operates between the Highveld in Mpumalanga and Richards Bay/Durban. 4 experienced drivers with a tenure between 5 and 20 years tenure. Open-term agreement contracts are in place with more loads available A full introduction to the Agents would be provided to ensure a seamless transition within the business. The current market value of the fleet is almost 90% of the selling price, the difference being goodwill that has been built up over more than 10 years, contracts, and staff. Staffing includes reliable and licensed Drivers for each of the vehicles with years of experience with the current owner. The potential for expansion and growth is enormous with extra loads of coal available.

How long has the owner had the business?

The owner has the transport business for more than 40 years with a specific focus on the transport of mainly coal between Mpumalanga and KZN. for the last 10 years.

How does the business operate on a daily basis?

24/7 Trips between Mpumalanga and KZN. One admin person and owner managing.

What competition exists?

Competition exist in this market, but agreements in place.

How could the profitability of the business be improved?

More loads available if more Trucks and Trailers be added.

How involved is the Owner in running the business?

Owner is managing contracts, loads, Tracking, etc.

What are the trading hours?

24/7

What are the main assets of the business?

Truck - 2019 - Daewoo Maximus KL3TX TMSA
Truck - 2019 - Daewoo Maximus KL3TX TMSA
Truck - 2018 - Daewoo Maximus KL3TX TMSA
Truck - 2017 - Tata Daewoo Maximus KL3TX
Trailer - 2016 - AFRIT TUBMASTER SIDE TIPPER LINK
Trailer - 2014 - TOP TRAILERS PTY LMT SIDE TIPPER LINK
Trailer - 2015 - ROAD HOG TRAILER SIDE TIPPER SEMI
Trailer - 2013 - AFRIT SIDE TIPPER LINK

Strengths?

4 Trucks and 8 Trailers in good condition with existing 4 Truck drivers. Three agreement contracts in place for coal delivery. Two Trackers per Truck through Matrix and Netstar where load can be followed 24/7. Business where load shedding has no effect. They have a deal on cheaper Diesel with stops on the route.

Weaknesses?

High cost of Diesel and Tyres. Very Competitive Market.

Opportunities?

Acquiring more trucks and trailers as more loads available.

Threats?

Diesel Price.

What is the reason for the sale?

Owner is involved in other Business Ventures.

Why is this a good business?

This is a very good Logistics Business with experienced drivers, contract agreements in place, High Profits, and where Load Shedding has no effect on the running of the business. Running concern with just an Admin person to be replaced.