



# BUSINESS REPORT

Date: **3rd July 2024**

Business Reference: **35981**

About the Business:

## **Semigration sale --- well established Pest Control business in Polokwane - price reduced**

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This registered pest control business was established 21 years ago Specialises in Soil Poisoning of building foundations for residential and industrial developers. Further more they are doing weed control and serve many domestic clients Not only Polokwane , but also the surrounding rural areas in Northern Limpopo Can be operated from home or plot - providing that ample storage and parking is available

# Semigration sale --- well established Pest Control business in Polokwane - price reduced



Sector: **Services**

Asking Price:

**R 1,475,000**

Monthly Profit:

**R 63,953**

Asset Value:

**R 638,582**

Stock Value:

**R 25,000**

Yearly Net Profit :

**R 767,432**



# Business Report

## Fully describe the business's activities?

This is a VERY well established business in Polokwane Limpopo Province

The activities can be described as follow:

- \* Pre - and Post construction soil poisoning ( trenches / under floors / new buildings ) - 25%
- \* Weed control - 20%
- \* Domestic pests ( Rodents / crawling and flying insects ) - 45%
- \* Others - 10%

## How long has the business been established?

Over 20 years in operation

## How long has the owner had the business?

The seller has established the business

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

The administrative lady is daily following up on enquiries / marketing / tenders / exciting clients / purchases and staff admin

- \* 3 x Teams are using their company vehicles to visiting clients according to job cards
- \* Depending on the type of work - each team are servicing 4 to 5 clients per day
- \* Job cards are completed for each client and submitted to the office by day-end
- \* Work and operational issues are discussed with management - and the next day's job cards are handed out
- \* The business is also serving clients on the Northern rural areas of Limpopo like Mooketsi / Alldays / Vivo and as far as Venda

## What competition exists?

Yes ,there are between 10 and 15 other Pest Control Companies in the larger area

## What are the seasonal trends?

- \* Rodent control - Winter months , more active
- \* Crawling and flying insects - Summer months
- \* Weed control - Summer months

## What Balance Sheet and Income Statements are available?

2021 , 2022 and 2023 AFS are available ( Financial year-end August )

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

- \* The business should sign up more contractual clients
- \* The business should improve it's BEE rating and secure more Governmental contracts and from listed companies
- \* The business can be operated from a small holding / other privately own property to reduce overheads

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

The admin lady is with the company for 15 years and is considering to retire

The Pest control officers :

- \* 1 - 19 years
- \* 2 - 14 years
- \* newly appointed

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

The seller ( owner ) is 100% involved on a daily basis

He is the current holder of the "" P "" certificate / license and have to inspect all work and take responsibility for all regulating procedures

## When does the current lease end?

The lease was renewed in December 2023 on a month to month basis

Note that this business can easily be re-located to a privately owned property or small holding  
An office / safe storage for chemicals / storage for equipment / parking for vehicles will be required

## What are the trading hours?

7h30 to 16h30 on weekdays

## Do you require a licence?

A Pest Control Operator Certificate from the Department of Agriculture is needed for the the owner operator , or the workers

This will be a requirement for a new owner - since the seller is certified and is doing the inspections while the staff is working under supervision

3 Day Course Available in Pretoria - For Buyers own account

( Practical Training is then required - the seller might be able to assist )

## What are the main assets of the business?

- \* 3 x light delivery vehicles
- \* 3 x motorized spray tanks ( 600L )
- \* 1 X Igeba Fogger machines
- \* 3 x Knapsack sprayers
- \* 2 x Computers
- \* 2 x Industrial drills
- \* Office equipment

## How have they been valued ?

The other 3 x LDVs were valued at retail value

2018 Isuzu KB 250 P/U S/C @ R 160 000

2015 Isuzu KB 250 P/U S/C @ R 110 500

2017 Isuzu KB 250 P/U S/C @ R 120 300

Other loose assets are valued at a reasonable price

## Strengths?

- \* This business is very well established - 21 years
- \* Database of about 300 clients
- \* Well know and received in the city
- \* Reputation for excellent work
- \* Experienced and loyal staff
- \* Essential service business - serving multiple industries
- \* Can be incorporated into an existing business trading in ....property maintenance / chemical / construction

## Weaknesses?

The business is not having enough clients on contract  
The new owner / operator should have a valid certification to operate in the industry

## Opportunities?

- \* Better marketing - obtain clients on extended contracts
- \* Higher BEE rating will ensure the access to wider market
- \* Cut overheads by moving the business to a privately owned premises

## Threats?

Better BEE rating needed - losing out on opportunities  
Constant competition

## What is the reason for the sale?

The seller has reached retirement age , want to scale down and move out of the city

## Why is this a good business?

- \* The business has a good name and reputation in the city
- \* The staff is experienced
- \* The business is relatively easy to manage
- \* There are definite opportunities to grow the business in the right hands
- \* Long proven profitability history
- \* Can be integrated into other industries
- \* The business is correctly priced to sell