

**business**  
for sale



# BUSINESS REPORT

Date: **12th May 2024**

Business Reference: **35972**

About the Business:

## Plumbing and Construction Business Servicing Blue Chip Clients

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Specializing in Industrial Plumbing, roofing solutions, Concrete Solutions, Building Projects

# Plumbing and Construction Business Servicing Blue Chip Clients



Sector: **Services**

Asking Price:

R **4,400,000**

Monthly Profit:

R **178,337**

Asset Value:

R **1,221,688**

Stock Value:

R **80,000**

Yearly Net Profit :

R **2,140,039**



# Business Report

## Fully describe the business's activities?

The business initially started as a plumbing business but over the years has repositioned itself as a civil consulting business servicing blue-chip clients. The multiple specialized services they offer to the manufacturing, industrial, and mining industries include:

### Plumbing Services:

- Overhead and Underground Pipe Lines.
- Storm Water Lines.
- Dust Suppression Systems.
- Smart Metering, water optimization consulting. Monthly subscriptions are R&D at this stage.
- P&ID.
- Maintenance Services.
- Construction of water tanks.

### Concrete Services

- Concrete Flooring for extra heavy-duty traffic.
- Decorative Concrete for a high finished look.
- Specialized Tiling and Epoxy's for areas where aggressive chemical compounds dissolve concrete.

### Roofing Solutions:

- New Roof Installations.
- Roof Repair Services.
- Re-Life Projects.
- Roof Maintenance.

### Coating Services:

- Painting of Buildings and Factories.
- Painting of Structures and Roofing.
- Decorative Spray Painting for Walls and Floors.

### Building Services:

- Drywall Projects.
- ISO Wall Projects.
- Ceiling Projects.

The company does a lot of maintenance work for its current portfolio of clients. They also execute annual shutdowns for some of the clients.

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

On a daily basis, the project manager together with the operations & safety officer is at the frontline of the business. The project manager is highly skilled and keeps the three team leaders with their helpers informed and fully briefed on all active projects. Each team leader's roles and responsibilities are well understood and explained regarding all projects and actively monitored by the project manager. The operations officer captures all relevant information on E-Books to ensure financial accuracy.

The owner is based in another province and visits active sites on a bi-weekly basis to ensure benchmark quality standards are maintained at all projects. He also engages daily with all stakeholders.

## How are the clients attracted to the business?

With a 21-year track record, the business has a portfolio of blue-chip clients they service. Relationships moulded over the years have seen them being used and consulted as the preferred service provider in their field of specialty. Preferably they do not take new smaller-scale projects on as they have more than enough work with their current clients. Maintaining these relationships is a priority for the business. There are 45 vendor numbers linked to the bank account of the business.

## Does the business have any contract work?

Yes, they do contract work from time to time at existing clients but prefer not to be bound by SLA agreements as part of their pricing strategy. They have roughly 45 vendor numbers linked to the business' bank account. Quite a number of these vendor numbers is with

## What competition exists?

Not many as they do Civil and Construction and specialized plumbing services. They are used as preferred suppliers by their current clients. They do not do normal house-calling plumbing.

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

Invest in specialized equipment for highly specialized projects ex. sleeve pipelines underground.  
Retail outlet for selling fittings and fixtures to the public.  
Water optimization via online app monitoring - monthly subscriptions (currently R&D).

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

1 x Manager has been with the business for 10 years.  
3 x Team Leaders.  
2 x Helpers.  
1 x Ops/Safety manager half-day position.  
2 x Owners (Husband & Wife team)

## Do any have management potential?

The manager knows the operational side of the business inside out.

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

The owner is involved on a daily basis, especially with sales and technical issues such as planning on projects. Daily tasks are managed by the manager and operational manager.

The one owner is responsible for keeping admin and bookkeeping up to date and submitting to the appointed bookkeepers. She also manages the job receiving purchase orders and internal and external communication regarding jobs received.

### When does the current lease end?

Ongoing no date confirmed for lease to end.

### What are the trading hours?

Monday - Friday 7:00 am - 16:30 pm

They also do work on emergency call-outs if required from their standing vendors.

## What are the main assets of the business?

Drain machine  
Welding machine  
Drills SDS  
Grinder big  
Grinder small  
32mm drill breaker  
Plasma cutter  
Krimpers  
Fusion welders  
General tools  
Compressor 200l  
Airless spray gun  
Thread cutting machine RIDGID  
Thread cutter  
Groove cutter  
Pipe dice sets big  
Pipe dice sets small  
Shelving  
Lifting equipment  
Pressure testing equipment  
Scaffolding  
Cut off grinder  
High pressure water jet  
Drain rods  
Tile cutters  
Hammer drill  
Gi beret butt welder  
Chain blocks  
PPR fusion welder  
Submersible pump  
Dumpy level  
Bosh Lazer level  
Lights  
Ultrasonic meters  
Ultrasonic pipe thickness tester  
Hilti fastener  
Toyota Hilux double cab 4x4 GD6  
Mahindra Scorpio S4 Single cab  
Mahindra Scorpio S4 Single cab  
Mahindra Scorpio S6 Single cab

Many more - A full list will be provided to serious buyers.

## Strengths?

19 years of trading with roughly 45 vendor numbers linked to the business's bank account.  
Brilliant work relationship with all vendors based on work outputs, not on personal owner relationships.  
Preferred supplier to various blue-chip clients.

## Weaknesses?

Owners have relocated.

## Opportunities?

Bring all subcontracted work in-house.  
Implement current R&D.

## Threats?

None perceived.

## What is the reason for the sale?

The owners have moved to Mpumalanga, and want to make some life changes. It is not practical for them to travel up and down anymore. They also want to start a new venture in Mpumalanga but can't relax their efforts in this business.

## Why is this a good business?

This is a solid and well-established business with the potential to expand on various projects and offerings.