



BUSINESS REPORT

Date: **18th May 2024**

Business Reference: **35628**

About the Business:

Very profitable freight transport business, with great growth prospects for sale in Gauteng

This is an exceptional business with blue chip clients who service the FMCG and Food Sectors. It is a short to medium distance haul business, very well managed and provides an unmatched, quality service to its clients.

Very profitable freight transport business, with great growth prospects for sale in Gauteng



Sector: **Services**

Asking Price:

R **10,750,000**

Monthly Profit:

R **335,009**

Asset Value:

R 9,630,457

Stock Value:

R 500,000

Yearly Net Profit :

R 4,020,106



Business Report

Fully describe the business's activities?

The business is involved in freight transport. It is a small operation that includes 4 Freightliners and 3 MAN horses all with Superlink trailers.

It is profitable, well run and has a tunnel vision focus on quality, service and price.

Its clients are blue chip distributors of FMCG goods and food products to retailers in Gauteng. These clients have their own transport and warehouses but outsource much of their transport business to independent transport companies.

The business is primarily short haul although it does do a limited amount of medium distance loads too, to the Free State, Limpopo and Mpumalanga.

There is scope to grow the business further with the same clients but the current owner has focused on keeping it relatively small for management and control purposes to provide a premium service to the clients.

This is a going concern sale of assets (not a sale of the members interest)

How long has the business been established?

10 years

How does the business operate on a daily basis?

Operationally it operates for 24 hours, 7 days a week.

The office operates for 9 to 10 hours a day during the week.

How are the clients attracted to the business?

The business has had the same clients for 10 years and has grown with the client as its business has grown.

The business has provided an exemplary service to the clients since inception to such an extent that they are continually requested to expand their fleet.

What Advertising/Marketing is carried out?

None

Does the business have any contract work?

There are legal contracts with the clients

Is the business VAT Registered?

Yes

Are there up-to-date Management Accounts available?

Yes

What Balance Sheet and Income Statements are available?

Yes

How could the profitability of the business be improved?

Grow the business in terms of number of vehicles

What is the total staff complement?

11

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

7 Drivers (between 2 - 5 years with the business)
1 Mechanic
2 Yard Staff
2 Members (Owner and Wife - responsible for Operations and Admin respectively)

Are they on contract?

All staff are independent contractors

Do any have management potential?

No

How involved is the Owner in running the business?

The owner is totally involved

When does the current lease end?

It is a rotating one year lease

What is the square meters of the business?

Truck yard with workshop, storage and office facilities. The area is approximately 1.5 ha

What are the main assets of the business?

6 Freightliner Trucks
1 MAN Truck
7 Superlink Trailers (Tautliners)
Tools
Gantry
Spares
Diesel tank
Office furniture

What is their overall condition?

Very good

Strengths?

Longstanding relationship with blue chip clients
Small, innovative transport company with tunnel vision focus on service, quality and price
Well, and regularly, maintained fleet
Most services, such as maintenance, are done in-house
Short haul service
Well positioned geographically to pick-up and delivery points
Very simple and effective admin procedures that ensure accurate and complete billing and cost control
Quickbooks invoicing and debtors system used
All trucks have on-board cameras and tracking devices
Excellent trained and experienced staff

Weaknesses?

None identified

Opportunities?

There is growth potential with existing and new clients

Threats?

Competition is theoretically a threat but this is mitigated through the historical and current service and quality levels

What is the reason for the sale?

The owner wishes to relocate to and pursue farming interests on his farm and have more time with his children who are entering high school in the short term.

Why is this a good business?

This is an excellent business because it has long and established relationships with its clients, is small, very profitable and has very real growth opportunities.
The owner is offering a generous hand-over period to ensure the ongoing success of the business and the maintenance of service levels