



Date: **23rd November 2024**

Business Reference: **36530**

About the Business:

Plastic manufacturing and recycling in the East of Joburg

This is a three in one business. They offer plastic recycling with a combined capacity of approximately 160 tons

Plastic manufacturing and recycling in the East of Joburg



Sector: **Manufacturing**

Asking Price:

R 12,300,000

Monthly Profit:

R 432,655

Asset Value:

R 5,460,326

Stock Value:

R 1,200,000

Yearly Net Profit :

R 5,191,856



Business Report

Fully describe the business's activities?

This business is a plastic manufacturer comprising of the following departments.

Two plastic recycling machines with a combined capacity of approximately 160 tons
Three injection moulders
A specialised plastic manufacturing department

How does the business operate on a daily basis?

They have a smooth-running operation.

The following roles need to be replaced:

1. The seller who organise all loads and materials in the morning. He then manages it from his phone for the rest of the day.
2. The maintenance person checks the machine efficiency. Running for parts and to collect and visiting customers from time to time
3. One full day admin person to handle all invoicing and office admin

They have staff in place to run each department, who also reports on any stock items required.
They run production according to orders received.

What Advertising/Marketing is carried out?

No advertising

What competition exists?

Some parts of the business have other competitors

How could the profitability of the business be improved?

There is still a 40% capacity on the injection moulding

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

Recycling and crushing - 5 operators
Injection Moulding - 3 staff members. 1 setter and 2 operators
Specialist staff - 2 staff members - 20 months
Drivers - 2

Do any have management potential?

The employees are good at their respective duties and the business can be left alone for lengths of time. The owner does the purchasing and runs the company and provides oversight on the output.

They have 1 staff member with many years plastic experience that will be able to run the factory with the necessary training. He has a driver's license as well.

How involved is the Owner in running the business?

Daily, but not all day

When does the current lease end?

End October 2025

What are the trading hours?

12 hours shift operation from Monday to Friday. Weekends if required

What are the main assets of the business?

2 x plastic palletizers
3 x injection moulding machines
2 x specialised machines
Moulds
Vehicles

Strengths?

Service a niche market.

Regrind materials are clean inhouse scrap from other manufacturers.

Easy to process and function.

Excellent trained staff.

Well established with good profit.

No loadshedding as they are on the same grid as large companies in the area.

Weaknesses?

To be able to get enough quality raw materials to be able to grow the regrind department.

Opportunities?

Moulds bought in the injection moulding plant that has not been introduced in the market yet. There is opportunity to run these products and grow the turnover and profit.

Threats?

Loosing the trained staffs skills in the plant.

What is the reason for the sale?

Semigration