

business
for sale



Date: **23rd November 2024**
Business Reference: **36401**

About the Business:

Transport business for sale

Established and profitable business for sale in Durban

Transport business for sale



Sector: **Services**

Asking Price:

R **18,000,000**

Monthly Profit:

R **628,222**

Asset Value:

R **15,697,095**

Stock Value:

R **500,000**

Yearly Net Profit :

R **7,538,665**



Business Report

Fully describe the business's activities?

This is a leading logistics company specializing in the safe and efficient transportation of Hazchem loads across South Africa. With a robust fleet of their own vehicles and strategic subcontracting partnerships, they ensure the secure movement of hazardous materials, prioritizing safety and compliance at every step. The business also excels in handling high-value and specialized transportation requirements. Their expertise extends to managing diverse cargo types, providing tailored solutions for unique logistical challenges. As a well-established player in the industry, the business boasts extensive knowledge of port operations at Durban Harbour, positioning themselves as experts in both in-bound and outbound cargo movements. They are committed to delivering excellence in logistics, combining reliability, safety, and efficiency to meet the dynamic needs of their clients.

How does the business operate on a daily basis?

Load, off load, unpack, re-pack and transport of Breakbulk loads.

What Advertising/Marketing is carried out?

The business relies on word of mouth and via their website.

What competition exists?

Their main competition consists of around 7 transport companies.

How could the profitability of the business be improved?

A dedicated and passionate GM.
Diversify. They are currently applying for wholesale fuel license, to capture the saving on diesel expenses.
Potential to expand in this sector.

Do any have management potential?

The Operations Manager and his 2 sons run the business.

How involved is the Owner in running the business?

Only on a strategic level, and visits the office one day in the week.

When does the current lease end?

2031.

What are the trading hours?

The team is available 24/7 although at the office for 7am - 16pm Monday to Friday.

What are the main assets of the business?

The business' main assets consist of 12 Volvo truck tractors, one 4-ton truck and 18 trailers. The current market value of the truck tractors and 4-ton truck is R10 050 000, of which 9 are freehold and 4 are on finance with Standard Bank Vehicle and Asset Finance. The settlement amounts of the 4 truck tractors is R2 938 202 as at November 2023.

The 4-ton truck is freehold.

The current value of the trailers is R2 960 000 (all freehold).

There are 4 other small delivery type vehicles which are currently valued at R1 020 000, of which one is on finance and the settlement value is R381 310 as at November 2023.

There is a forklift, valued at R100 000 and various office equipment, valued at R40 000 - all freehold.

In summary, the total net value of the assets is R10 731 797 as at November 2023.

Strengths?

In business since 1986

51% Black owned 31% Black woman owned BBEEE level 1

Commitment to excellence

Long relationships with customers

Sub-lease of premises

Weaknesses?

Current lack of focus by the Owner

Flexibility in load capabilities

Opportunities?

Expand beyond current market sector
Optimise fleet

Threats?

The issues at the Durban harbour
SA economy

What is the reason for the sale?

The owner is returning to his Mining roots, and therefore his focus on the transport business will reduce more, which is not ideal.