

business
for sale



Date: **24th November 2024**
Business Reference: **36331**

About the Business:

This work-from-home 3D printer supplier, with excellent growth potential, is for sale in Gauteng

This 3D printer supplier is based in Johannesburg and has the sole distributorship rights for South Africa for a high-end 3D printer. This 3D printer produces high quality 3D 'products' that are sought after by universities, schools and other users of 3D printers. The business also supplies the consumables (i.e, filaments) which the printers use.

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Sector: **Services**

Asking Price:

R 995,000

Monthly Profit:

R 70,570

Asset Value:

R 995,000

Stock Value:

R 500,000

Yearly Net Profit :

R 846,843



Business Report

Fully describe the business's activities?

3D Printing Services, a work from home business, is the sole distributor of high quality 3D printers and related products in South Africa. We have held the exclusive distributorship for 10 years and have a strong working relationship with the OEM (office equipment manufacturer).

3D Printing Services sells:

- 3D Printers in the education (schools and universities), manufacturing and engineering sectors
- 3D Scanners used to create 3D work files.
- 3D spare parts accessories and filament (consumables).

This sales transaction shall be a going concern of assets transaction.

How long has the business been established?

Since 2013

How does the business operate on a daily basis?

8am to 5pm and later when required

What Advertising/Marketing is carried out?

Google adverts which are managed by the website provider.
Filaments are also sold through Takealot.

What competition exists?

There are a number of competitors but the market has grown hugely over the last 10 years. The exclusive 3D machine is the company's competitive edge in that the machines are high-end products which produce a high-quality print and that can be used for educational and commercial applications (not just for hobbyists) at a very reasonable and competitive price point.

Is the business VAT Registered?

Yes.

Are there up-to-date Management Accounts available?

Yes, the SAGE Pastel Accounting System is used.

How could the profitability of the business be improved?

There is significant scope for growth. The market is large and growing. The current owners are at retirement age and have operated the business as a lifestyle business, focusing on high service levels to a select client base. Limited marketing and no direct sales have been undertaken over the 10 years.

The business has a strong brand and respected name in the market and distributes quality products which are particularly popular with schools and universities (as they are work-horses) There is scope to grow further in the sector by developing courses and curriculums to be marketed and sold with the machines.

A sales team and potentially a retail presence would be an option for growth.

There is also a demand to provide printing services to customers who require printing but do not want to buy the machine and invest time and energy in learning how to use it. A dedicated print shop to service these clients could be an attractive additional revenue source.

A new operator who is more ecommerce savvy would also be able to better leverage online sales.

Is Seller finance available and for what amount?

Yes, but the stock must, at the minimum, be paid on the effective date

What is the total staff complement?

Two (a husband and wife team)

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

The functions are split between:

- Technical issues including repairs and training; and
- sales, invoicing and customer service

A third party accountant is used for the financial statements

Do any have management potential?

n/a

How involved is the Owner in running the business?

Both husband and wife are involved and work from home

When does the current lease end?

n/a - work from home. New premises required

What are the trading hours?

8am - 5pm

What premises are utilised?

The business operates from the owner's home

What are the main assets of the business?

Tangible assets include:

- Computer and office equipment
- Inventory

Intangible assets include:

- Goodwill (business reputation, customer base, supplier contracts, website and Google traffic etc.)

Strengths?

It is a 13 year old, established and well known business in its sector

It markets and sells high quality printers and scanners at competitive prices

It is a profitable, work-from-home business that will suit those wishing to work from home

It has a strong relationship with its supplier and is the sole supplier of their product in the country. The product is of high quality and sought after by high-end users (universities, schools etc.)

It has an established and loyal customer base

The business is easy to operate with few staff

The market size is large and growing

Weaknesses?

It operates in a competitive market
It has a single supplier and brand

Opportunities?

The business could grow with additional marketing and sales focus in an expanding market
It can expand its product range
It could offer a one-stop 3D printing service offering
It could offer training courses for the product

Threats?

Cheaper competition could be a threat
Technological advancement could weaken the company's product offering

What is the reason for the sale?

The owners are wishing to retire

Why is this a good business?

It is a long standing business with a great product and strong brand in the market.
Its solid client base has a large installed base of printers in the education and commercial space that require ongoing consumables, spares etc. which lead to a self-propelled sales cycle of replacements and referrals.
The business has been operated as a lifestyle business with little focus on aggressive growth strategies which creates an opportunity for growth in terms of additional products and services and sales for an ambitious and energetic operator.