

business
for sale



Date: **25th November 2024**
Business Reference: **36683**

About the Business:

Furniture and homeware manufacturer.

Furniture and homeware manufacturer with blue chip clients.

Furniture and homeware manufacturer.



Sector: **Manufacturing**

Asking Price:

R 5,500,000

Monthly Profit:

R 208,347

Asset Value:

R 2,879,885

Stock Value:

R 100,000

Yearly Net Profit :

R 2,500,168



Business Report

Fully describe the business's activities?

Our client spotted a gap in the acrylic market. Acquiring the technology and machinery to produce high-end acrylic furniture was their main goal.

As pioneers in acrylic furniture, their products are 100% locally made. Their cutting-edge facilities have made them a leader in the industry, and they receive increasing requests from customers looking for bespoke acrylic products for various uses in homes, hotels, commercial outfits and restaurants. With the demand, they made a strategic decision to reposition their business with the vision to become South Africa's largest acrylic furniture manufacturer.

How does the business operate on a daily basis?

They entered the market by supplying South Africa's top interior designers, decorators and architects as well as high-end furniture and homeware retailers. In just a few years, their reputation for being the leading supplier of acrylic products grew, allowing them to expand internationally with a global footprint.

At the moment they primarily supply a large distributor in the US. However, their products are sold globally through local boutique retailers that stock their products. Herein lies one of our greatest opportunities for growth.

The business supplies various ranges from multiple units for corporate retailer to bespoke units for private clients.

What Advertising/Marketing is carried out?

They currently have a fixed term contract (expiring in July 2024 but extendable should they wish to) with SA Décor who is the largest online platform for businesses in their industry. They also have an annual print publication which they have taken 2 double page spreads in. They discontinued their social media spend over a year ago as the owner didn't have the time to adequately manage it with the company he was working with, this is also something they would suggest the new owner looks into.

What competition exists?

Very little, they are industry leaders.

How could the profitability of the business be improved?

- o They are installing a smaller breaker onto the DB board which if sufficient, will decrease their monthly electricity bill by R20 – R25k.
- o Their distribution company has substantially increased the amount of thicker gauge acrylic it imports to cater for the furniture business. This would result in a decrease in COS by around 15%
- o The owner recently travelled to the east to meet with various suppliers including companies that supply some of the consumables they purchase on a monthly basis. Ideally buying these consumables in bulk would result in a monthly saving of R15 – R20k.

How involved is the Owner in running the business?

The owner is involved in the daily running of the business.

When does the current lease end?

- Lease ends 30 April 2025 however they have first right of refusal to extend it. The landlord is eager for them to stay therefore a new owner would be able to immediately extend it as per his/her length of period required

What are the trading hours?

8am to 5pm Mon - Fri.

What are the main assets of the business?

A comprehensive asset schedule will be provided to qualified buyers.

Strengths?

Years of experience in working with this product.
Industry leader
Blue chip clients
Growing export business, with growing international footprint.
Ergonomic factory.

Opportunities?

There is large opportunity to scale the business on the international front and throughout Africa. Increase profitability and efficiency by procuring specific tools and equipment. They discontinued their social media spend over a year ago as the owner didn't have the time to adequately manage it with the company he was working with. This is also something they would suggest the new owner looks into. Opportunity to purchase some additional tools machinery which would greatly improve efficiency.

Threats?

Economy.

What is the reason for the sale?

The owner wants to focus his attention on other business interests.