



Date: **27th September 2024**

Business Reference: **36728**

About the Business:

## **Ventilation & Engineering Project Specialist - Industrial Sector**

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They are a Cape Town-based engineering firm that can custom design, adapt or upgrade any medium to large industrial ventilation system to client-specific needs. A licensed OEM manufacturer, their highly skilled team and fully equipped workshop empowers them to design-fabricate a wide range of high quality products at competitive prices. The company was founded in 1968 and steadily gained a reputation as

evaporative cooling specialists. In recent decades, however, they expanded their services to become a significant player in all aspects of medium to large industrial ventilation systems that range in value from R10 000 to R4.8 million. While they initially manufactured fans for use in their own projects they have become a force in the market place in terms of producing fans for external parties. Given their in-house manufacturing flexibility, they offer quick turnabout on quality products. They are a registered member of the Steel and Engineering Industries Federation of South Africa (SEIFSA), The Cape Chamber of Commerce and the Construction Industries Development Board (CIDB) with an M4 Grading.

## Ventilation & Engineering Project Specialist - Industrial Sector



Sector: **Manufacturing**

Asking Price:

**R 12,260,000**

Monthly Profit:

**R 349,138**

Asset Value:

**R 5,668,150**

Stock Value:

**R 340,000**

Yearly Net Profit :

**R 4,189,653**



# Business Report

## Fully describe the business's activities?

Design and Manufacture of Industrial Fans, Ovens, Reverse Pulse Filters, Rotary Valves, Wet Scrubbers, Cyclones, Ducting, Sheetmetal

Design, Manufacture and Install of Ventilation systems, Dust Extraction and Fume Extraction systems, Kitchen Canopies

They are a registered member of the Steel and Engineering Industries Federation of South Africa (SEIFSA) The Cape Chamber of Commerce and the Construction Industries Development Board (CIDB) with an M4 Grading.

## How does the business operate on a daily basis?

Design, Manufacture and Installation of Dust Extraction systems: fans, reverse pulse filtration units, screw conveyors, trough conveyors, rotary valves, cyclones, bag filters, wet scrubbers.

Design, Manufacture and Installation of Industrial Ovens: curing ovens, burn off ovens, conveyor ovens, drying oven, rotating trolleys, standard trolleys and oven fans.

Design, Manufacture and Installation of Paint Booths and Fume Extraction systems: manufacture of fans, ducting, plenums, flush mounted lights, doors

Design, Manufacture and Installation of Ventilation systems: fans, ducting, filter boxes

Design, manufacture of Extraction systems: fans, ducting, hoods, filtration units.

Design, Manufacture and Installation of Kitchen extraction systems: canopies, hoods, ducting and fans.

Manufacture Steel products: silo's, ducting, ladders, gantry's, cat ladders, stairways.

Design, Manufacture, Install and Supply of: SISW BCC Centrifugal fans, DIDW BCC Centrifugal fans, SISW FCC Centrifugal fans, DIDW FCC Centrifugal fans, Radial Blade Centrifugal fans, Paddle fans, High Temperature fans, Roof Mounted fans, Air Handling Unit fans – (SISW BCC, DIDW BCC, SISW FCC and DIDW FCC), Light Duty fans – (SISW BCC, SISW RB)

## What Advertising/Marketing is carried out?

They have a staff member who follows up on all quotation sent, contacts prospective clients as well as the website.

## What competition exists?

There is one main local competitor that they compete against in terms of fan manufacture and on some of the large extraction projects.

Various smaller companies also quote on some of the smaller projects.

## How could the profitability of the business be improved?

By increasing/targeting the sales of fans they would be able to increase their share of the national market of ±R500million

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

A complete list of staff is on file

## Do any have management potential?

Yes, there are two staff members who presently serve as directors with others who have the potential to step up into a managerial position.

## How involved is the Owner in running the business?

While the owner is at the business full time, he can be away for extended periods..

He is mainly involved in the technical aspects of design and sales

## When does the current lease end?

The present lease ended in June 2023.

A new lease will be signed at R55 000.00 per month.

The monthly levy and generator cost would be added

The property is held in a family trust owned by the business owner.

## What are the trading hours?

Monday to Friday start 07H00 and close at 16H30 except for Friday close at 14H30

## What are the main assets of the business?

A full asset list is on file

## Strengths?

The business is profitable, with a healthy bank account. The product range ensures that they have ongoing orders on hand. They have dedicated staff, and while some are unionized, they have never experienced any issues or industrial action whatsoever

## Weaknesses?

They do not import the smaller fans for domestic and industrial use.  
They are having to subcontract the manufacture of electrical panels and wiring for their ovens.  
With an increase in sales, this could be done in-house.

## Opportunities?

Initially increasing their share of the fan market, is the biggest opportunity.  
Secondly, they could increase their market share of manufacturing industrial ovens - to be discussed with a new owner.

## Threats?

At present they do not have any threats to the business.

## What is the reason for the sale?

The owner wishes to retire but will be available for an extended handover period and on a consultancy basis thereafter.