

**business**  
for sale



Date: **21st November 2024**  
Business Reference: **36983**

About the Business:

**Steel Manufacturing opportunity needing capital investment - 51% BEE partner sought.**

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This company services the automotive manufacturing industry by manufacturing dunnage's, stillages and trolleys for the transport of automotive body parts around SA.

# Steel Manufacturing opportunity needing capital investment - 51% BEE partner sought.



Sector: **Manufacturing**

Asking Price:

**R 2,250,000**

Monthly Profit:

**R 70,213**

Asset Value:

**R 2,720,570**

Stock Value:

**R 250,000**

Yearly Net Profit :

**R 842,553**



# Business Report

## Fully describe the business's activities?

This company is based in Pretoria and has a combined 30 years' experience in engineering, design and manufacturing of steel products for various industries.

The company is largely focused on manufacturing stillages, dunnage's and trolleys for the automotive industry. These are then used to protect and safely transport automotive parts from the automotive manufacturing plant to different parts of SA.

They offer the following:

- Mechanical design in 3D Cad.
- Progress reporting on your project.
- Manufacturing/Fabrication – Mig and Tig welding of all steel requirements large or small.
- HD Plasma cutting, 6.2x3.2m bed.
- They use reliable suppliers for all our laser cutting, bending, sandblasting, electroplating and powder coating.

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

The business receives projects directly or indirectly from large motor manufacturer's, and their suppliers.

## What Advertising/Marketing is carried out?

The company has a low marketing spend - this can be increased to allow for greater growth.

## What competition exists?

There are other manufacturers.

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

The following factors have been identified that will assist further growth:

- BEE status
- Improved cash flow or cash injection.
- Industrial laser cutter
- Increased advertising

## Do any have management potential?

The business has a manager in place.

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

The owner is involved on a daily basis.

## When does the current lease end?

A copy of the lease will be provided to qualified buyers.

## What are the main assets of the business?

Full asset list will be available to qualified buyers.

## Strengths?

Established relationships - currently manufacturing for large motor manufacturers, the likes of BMW and Ford.

Business is showing good growth largely due to a substantial cash injection.

## Weaknesses?

BEE status

Lack of advertising

Cash flow

## Opportunities?

- Improved BEE status will guarantee larger projects.

- The purchase of a laser cutting machine will improve profitability.

## Threats?

- Steel price.
- Economy.

## What is the reason for the sale?

The seller wants to pursue other business interests.