

**business**  
for sale



Date: **22nd December 2024**

Business Reference: **36729**

About the Business:

**Long standing electrical contracts with 3 x airports, plus local municipal departments.**

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Master electrician has developed contracts in 3 x airports, plus with municipal departments of public works etc.

# Long standing electrical contracts with 3 x airports, plus local municipal departments.



Sector: **Services**

Asking Price:

**R 5,000,000**

Monthly Profit:

**R 157,074**

Asset Value:

**R 4,538,637**

Stock Value:

**R 20,000**

Yearly Net Profit :

**R 1,884,890**



# Business Report

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

There are 3 teams of qualified electricians who attend to all domestic, commercial and industrial daily operational requirements.

## What Advertising/Marketing is carried out?

No advertising or marketing is necessary as the work is active every day of each week.

## What competition exists?

There are many other electrical companies in all built up municipalities, but none have some of the contracts that this business has secured.

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

Development within the Airports and commercial operations is a growth opportunity.

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

Long serving staff ( employed for more than 10 years). Operational teams have daily work and these are managed by the owner who oversees the quality of the work. The owner does all the costings of the operations.

## Do any have management potential?

There is a senior electrician who assists with management of the daily operations.

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

See above. The administration manager is the wife of the owner, and they control all the operational aspects of the business on a daily basis. Both the husband and wife are 100% involved in all aspects of the business.

## When does the current lease end?

There is no lease as the work vehicles are kept at the homestead, where the business office is housed, One vehicle is utilized by the senior electrician, who takes the "bakkie" home in the evenings

## What are the trading hours?

0730 to 1630 hours is the normal, but this is sometimes extended when a task needs completion on a specific time line. Night shift is also sometimes necessary for when there is work at the airport or other sites.

## What are the main assets of the business?

There are 3 "bakkies" and each one holds the necessary equipment and tools that are required.

## Strengths?

Very well known electrical contracting business that has secured both governmental and municipal contracts for all repairs and maintenance operations in strategic and necessary enterprises, such as Airports and commercial businesses. This has made them a preferred supplier for the many tenders that are issued in these arenas.

## Weaknesses?

The only real weakness is that development in the business world is growing and this might require a larger team of qualified electricians to cope with the growing services that are required.

## Opportunities?

Growing confidence in RSA development will create more requirements for qualified operators to service these opportunities. This is a positive opportunity to be harnessed by this company.

## Threats?

The only real threat is the occurrence of load shedding and disruptive elements that may affect of the municipal and government enterprises.

## What is the reason for the sale?

The business owner is planning for retirement, but will remain as a supporting consultant in the future, for a period of time. (included in the Memorandum of Agreement)