

business
for sale



Date: **15th January 2025**
Business Reference: **36810**

About the Business:

**Leading Security Fencing Business. East Rand.
Works Nationally. Very Good Profits. Growth.**

This leading security fencing provider and installer has numerous large national corporate clients on its books and can still grow further. The product is excellent and sought-after in South Africa by Developers, Quantity Surveyors, Architects, Corporate Parks, Office Parks, Housing Estates and Home Owners.

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Sector: **Services**

Asking Price:

R 18,500,000

Monthly Profit:

R 532,337

Asset Value:

R 1,060,000

Stock Value:

R 1,000,000

Yearly Net Profit :

R 6,388,038



Business Report

Fully describe the business's activities?

Supplier and Installer of the latest fencing systems for blue chip clients, shopping centres, office parks, corporate head offices and complexes. The business also has smaller clients that use its services. Property Developers and Quantity Surveyors also make use of their services. The business is the sole supplier to a major truck importer and services all 18 branches of this client.

How does the business operate on a daily basis?

The staff open open and close the business. A Sales Manager has been employed to drive the sales force and assist the owners in their absence from the business. The internal sales staff work on a quoting system that allows them to quote for jobs up to R300 000. Above R300 000 the quote needs to be approved/viewed by the owners.

What Advertising/Marketing is carried out?

Extensive advertising is carried out: Google Adwords, Social Media, Billboards including electronic billboards, Leads to Business etc.

Does the business have any contract work?

The work is predominantly project-based with 50% of a quote to be paid upfront.

What competition exists?

There are other suppliers in the market but this business has been on top of their advertising, marketing and service leading to a nice healthy increase in revenue.

Is the business VAT Registered?

Yes, the business is VAT registered.

What Balance Sheet and Income Statements are available?

February 2024 AFS's are available to qualified buyers.

How could the profitability of the business be improved?

Even better marketing that is currently carried out will also contribute to more revenue. A better BEE level will also assist in getting government tenders if a new owner so wishes. The current owners do not tender for any government work.

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

Permanent Employees: 4 x Sales, 2 x Welders, 1 x Driver, 1 x Cleaner.
The contractors work on-site as installers.

Do any have management potential?

The Sales Manager and the internal sales ladies are able to cope with daily operations very well.

How involved is the Owner in running the business?

The owners work from about 9.00 am to 2.00 pm on four days a week.

When does the current lease end?

The current lease ends in February 2025.

Is there an option of renewal & what period?

Yes, there is an option for renewal with the period to be negotiated.

What is the annual escalation %?

6% per annum.

What are the trading hours?

Monday to Friday: 8.00 am to 4.30 pm.

Do you require a licence?

No special licence is required to operate this business.

What lease deposit and/or other surety is required?

Normally 1 x month's rental.

What are the main assets of the business?

Machinery, Forklift, 1 x bakkie, 2 x Mercedes vans, 2 x flatbed trailers, desks, chairs, computers.

Which assets are on lease/HP and with whom?

The bakkie is on lease.

What are their settlement amounts?

About R200 000.

Strengths?

Well-known to the market that needs this product. Knowledge of staff is excellent. Service is top-notch. Still room for growth of the business.

Weaknesses?

Little to none. The current owners have decided to grow the business organically by competent and aggressive advertising and offering excellent service.

Opportunities?

Mining and especially exporting into Africa - as the infrastructure needs maintenance and repairs the more busy this business becomes.

Threats?

Normal economic conditions but the business has ridden these hiccups out pretty well in the recent past. The typical customer does not appear to be cash-strapped.

What is the reason for the sale?

The owners wish to retire and relocate.

Why is this a good business?

Well-established. Excellent revenue numbers as security continues to be a priority for companies and individuals. Potential growth market north of our borders. Good profits.