

business
for sale



Date: **21st January 2025**
Business Reference: **36413**

About the Business:

Specialized Drilling Company for Sale: Unique Equipment, Urban Expertise, and Growth Opportunity

A reputable drilling and pump installation business offering specialized services in urban and challenging environments. Expertise includes borehole drilling, pump installations, solar farm drilling, and piling for unstable ground. The business is well-positioned for growth, particularly in the expanding solar energy

sector. A skilled team and efficient operations ensure reliable, high-quality service. Strong potential for expansion in both renewable energy and urban development markets.

Specialized Drilling Company for Sale: Unique Equipment, Urban Expertise, and Growth Opportunity



Sector: **Services**

Asking Price:

R 2,900,000

Monthly Profit:

R 165,600

Asset Value:

R 2,000,000

Stock Value:

R 0

Yearly Net Profit :

R 1,987,203



Business Report

Fully describe the business's activities?

The core business focuses on borehole drilling and pump installations, with water backup and filtration system installations currently being outsourced but easily scalable to bring back in-house. The company offers in-house water surveying, supported by a subcontractor for execution.

Additionally, the business provides specialized drilling services for solar farm installations, including assistance with piling on unstable ground. Solar farm drilling has become a significant growth driver. A key differentiator is the company's custom drill rig, allowing access to locations that traditional drilling equipment cannot reach. This capability makes them a preferred subcontractor for other drilling companies facing space constraints.

This unique expertise and equipment give the company a competitive edge in the industry and a strong platform for future growth.

How does the business operate on a daily basis?

Leads and enquiries are promptly addressed by the office team. Jobs confirmed from these enquiries are organized into a weekly roster, which is shared with the operations team to ensure clarity and preparation. The office also ensures that all required equipment and supplies are ready and available for each project. Additionally, it manages invoicing and payment collection to maintain seamless financial operations. The foreman, with his extensive expertise, takes charge of all on-site operations and task delegations. He ensures that work is carried out to the highest standards and that clients are fully satisfied with the services provided.

How are the clients attracted to the business?

Mainly referrals and word of mouth from satisfied customers (25 year of goodwill).
Social Media Marketing.

How could the profitability of the business be improved?

Bringing water storage solutions back in-house.
Better marketing campaigns with specific reference to water storage which is a growing industry in a drought-stricken country like South Africa.
Exploit current and past customers for filtration installations.
Approach more solar farm developers.

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

1 x Admin
1 x Drilling Foreman
3 x Drilling Assistants

Do any have management potential?

The drilling foreman manages the actual on-site drilling and all operational tasks associated with the function. He is a very loyal member of staff.

How involved is the Owner in running the business?

The owner is involved 100% day to day in the running of the business.

When does the current lease end?

The current owner is the landlord. The landlord will provide the buyer with the option to stay on and lease the premises.

Is there an option of renewal & what period?

A new lease agreement will be negotiated with the owner, the cost however is already worked into the financials.

What are the main assets of the business?

- 1 x Toyota Hino 8 Ton with HIAB crane (2013)
- 1 x Atlas Copco Compressor 21 Bar 850 CFM (2010)
- 1 x D150 Drilling Rig (2024)
- 60 x 2-metre drill rods (120m) (2024)
- 1 x 6" Hammer with 6.5" bit (2024)
- 1 x 5" Drag Bit (2023)
- 1 x 3" Hammer (2020)
- 1 x Back Hammer (2024)
- 100 Meters Compressor Air hose (2022)
- 1 x Hammer Stripper to remove bits (2022)
- 1 x Generator 8kva (2022)
- 1 x CO2 Welder (2022)
- 1 x Stick Welder (2022)
- 3 x Welding Gas Bottles (2022)
- Miscellaneous hand Tools
- 2 x Water Tanks (2.5KL & Flow Bin) (2022)
- 1 x Foam Pump (2021)
- 1 x Plasma Cutter (2022)

Strengths?

Unique Equipment: The custom drill rig enables access to challenging locations, making the company an ideal choice for urban drilling projects.

Expertise: The knowledgeable foreman ensures high-quality work and client satisfaction.

Diversified Services: Offers a range of services, including borehole drilling, pump installations, solar farm drilling, and piling for unstable ground.

Reputation: Regularly trusted by other drilling companies to handle difficult projects, showcasing reliability and industry trust.

Strong Growth Segment: Growing water interruptions in South Africa and solar farm drilling is a rapidly expanding area of the business.

Weaknesses?

Outsourced Services: Currently outsourcing water backup and filtration installations, which could reduce potential revenue streams.

Opportunities?

Urban Expansion: Increasing demand for urban drilling due to space constraints and ever-increasing water interruptions in growing cities.

Renewable Energy Growth: Expansion in solar farm installations and infrastructure development offers significant growth potential.

In-House Services: Bringing water surveying and filtration system installations in-house could enhance profit margins and service control.

Market Positioning: The unique drill rig setup provides an opportunity to market the business as a specialist in challenging and space-restricted drilling projects.

Franchise or Expansion: Replicating the business model in other regions with similar urban constraints could drive growth.

Threats?

Economic Factors: Fluctuations in the economy or reduced demand for drilling services could impact revenue.

What is the reason for the sale?

The current owner was running the business with her husband. Her husband passed away a year ago and she no longer wants to continue with the business on her own.

Why is this a good business?

With the ever-increasing water outages, water contamination, reality of water shedding, etc. there is a growing demand for alternative water supply and it will continue to grow in South Africa. In addition to water solutions, the business is also making good profits out of solar farm hole drilling and piling which is also a rapidly growing industry in South Africa.