



BUSINESS REPORT

Date: **9th May 2025**

Business Reference: **37157**

About the Business:

Growing Food Manufacturing Business - Asset Sale

Located in the East Rand, this small food manufacturing business produces a diverse range of food products and maintains strong ties to government tenders, township markets, and resellers. It supplies catering services, correctional facilities, and hospitals, while a well-established reseller network distributes products to informal markets. With solid tender connections and growing market reach, the business is

Growing Food Manufacturing Business - Asset Sale



Sector: **Manufacturing**

Asking Price:

R 850,000

Monthly Profit:

R 1

Asset Value:

R 2

Stock Value:

R 0

Yearly Net Profit :

R 1



Business Report

Fully describe the business's activities?

This manufacturing business produces food products for the hospitality, government, and charity sectors, supplying Correctional Services, mines, and hospitals with upfront payments. Approved by Swaziland's Nutritional Council, the UN, and health departments, it also sells yoghurts, juices and other products through a factory shop and 100 resellers in informal markets across multiple provinces.

How does the business operate on a daily basis?

- Sales: Walk in trade & fulfilling of orders via WhatsApp, email etc. to be pulled out for customers collecting.
- Orders for manufacturing are sent to manufacturing department to be manufactured.
- Manufacturing: Orders received for manufacturing are then processed. Recipes are then created
- Admin Duties: Enquiries, quotations, invoicing, emails.

What Advertising/Marketing is carried out?

- Facebook
- Tiktok

What competition exists?

Minimal competition

How could the profitability of the business be improved?

Expand Direct Sales & Institutional Contracts

- Leverage the existing database of Correctional Centres and other government institutions to secure more direct supply contracts, eliminating intermediaries and improving profit margins.
- Approach additional government departments, hospitals, and corporate canteens to expand institutional sales.

Increase Retail Presence

- Introduce the product line into supermarkets and wholesale distribution chains, especially the bakery premixes, cereals, and instant meals.
- Develop private-label partnerships with major retailers to enhance brand visibility and increase bulk sales.

Optimize Production & Reduce Costs

- Invest in more efficient production equipment to lower manufacturing costs and increase output.
- Source raw materials in bulk from more cost-effective suppliers or negotiate better terms with existing suppliers.
- Reduce wastage and improve supply chain efficiency to minimize production losses.

Enhance the Yoghurt & Juice Business

- Scale up the factory shop's marketing efforts to attract more customers.
- Expand the reseller network by offering incentives to distributors in townships and rural areas.
- Develop a branded yoghurt and juice product for supermarket and wholesale distribution.

Introduce Higher-Margin Products

- Develop and market premium, health-conscious product lines such as high-protein cereals, fortified soya meals, and sugar-free juice alternatives to cater to emerging health trends.
- Explore new product variations that can fetch higher margins, such as organic or specialized dietary products.

Improve Marketing & Brand Awareness

- Build an online presence through social media, e-commerce, and digital marketing to attract more direct buyers.
- Engage in B2B marketing to target corporate buyers, large-scale caterers, and new institutional clients.
- Create educational content and promotional campaigns to highlight the benefits and affordability of products.

Diversify Export Markets

- Expand supply into more African countries by leveraging the existing UN and health department approvals.
- Seek partnerships with international aid organizations that require bulk food supplies for humanitarian efforts.

Optimize Pricing Strategy

- Conduct a market analysis to ensure pricing is competitive while maintaining healthy margins.
- Offer volume discounts for bulk buyers to encourage larger orders and repeat purchases.

Introduce Value-Added Services

- Provide customized product formulations for corporate and institutional clients who require specific nutritional specifications.
- Offer private-label manufacturing services for wholesalers and retailers.

Strengthen Financial & Operational Management

- Implement more rigorous financial controls to monitor costs and improve efficiency.
- Explore financing options for expansion without overextending cash flow.
- Continuously review and adjust operational strategies based on market demand and profitability analysis.

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

Management x 1 (4 years+)
Admin x 1 (4 years+)
Factory x 3 includes driver (4 years+)
Combined total number of years experience: 20 years

Do any have management potential?

They have supervisory experience.

How involved is the Owner in running the business?

100%

What are the trading hours?

08:00 - 16:30

What are the main assets of the business?

Moduliser
Ribben Blenders - 300kg and 500kg
Cooking pot
Scales
Stitching machines
Racking
Label printer
Cold room

Strengths?

- Diverse Product Range – Manufacturing of bakery premixes, instant desserts, milk, gravy, soup, juice powders, cereals, and soya meals caters to multiple industries.
- Established Contracts & Compliance – Supplies products according to government specifications for Correctional Services, mines, and hospitals, ensuring a stable and secure revenue stream.
- Upfront Payment Model – All customers pay upfront, reducing financial risk and improving cash flow.
- Government & International Approvals – Approved by the Nutritional Council, UN, and health departments in Swaziland, providing credibility and expansion opportunities.
- Strong Distribution Network – Approximately 100 resellers distribute yoghurts and juices to informal trade markets in townships and rural areas, expanding the customer base.
- Factory Shop for Direct Sales – An in-house retail outlet provides an additional revenue stream.
- Opportunity for Direct Prison Deliveries – Established database of Correctional Centres available to expand direct supply opportunities.

Weaknesses?

- Dependence on Institutional Buyers – Heavy reliance on government contracts and bulk buyers could pose a risk if regulations or policies change.
- Limited Brand Recognition – Primarily operates in B2B sectors, with less visibility in mainstream retail markets.
- Factory Shop Growth Potential – The yoghurt and juice sector has high demand but may require additional investment in branding and distribution to scale further.

Opportunities?

- Expansion into Retail & Exports – Possibility to enter supermarkets and expand into other African countries with existing product approvals.
- Strengthening Direct Distribution – Selling directly to Correctional Centres and other institutional buyers can improve margins.
- Product Innovation & Diversification – Further development of nutritional and health-focused products to meet evolving industry trends.
- Growing Demand for Affordable Nutrition – Increased focus on cost-effective, nutritious food products opens doors for further growth, particularly in underprivileged and rural markets.

Threats?

- Regulatory & Policy Changes – Changes in government specifications or procurement processes could impact contracts.
- Competition & Market Entry Barriers – Other manufacturers or new entrants could pose a competitive threat, particularly in institutional supply.
- Economic Factors & Cost Fluctuations – Rising raw material and production costs may impact profitability.
- Dependence on Resellers – Informal trade resellers may be inconsistent, requiring strong relationship management to maintain stability.

What is the reason for the sale?

Owners husband got ill.