

A man in a blue suit and patterned shirt stands in front of a building with large windows and a blue barrel. The text 'BUSINESS REPORT' is overlaid in large, bold, green letters.

BUSINESS REPORT

Date: **31st August 2025**

Business Reference: **37453**

About the Business:

Own a leading machining and fabrication business

Offers engineering, machining, fabrication, presswork, jigs, tool and die making to clients in the manufacturing sector.

Own a leading machining and fabrication business



Sector: **Manufacturing**

Asking Price:

R **6,000,000**

Monthly Profit:

R **220,838**

Asset Value:

R **6,337,455**

Stock Value:

R **0**

Yearly Net Profit :

R **2,650,058**



Business Report

Fully describe the business's activities?

Precision machining, presswork, jig manufacture, tool and die making, engineering and fabrication of parts and equipment for clients.

How does the business operate on a daily basis?

Drawings are received, quoted and orders placed prior to execution.

What Advertising/Marketing is carried out?

Limited - mostly word of mouth - high % of repeat business.

What competition exists?

Two engineering shops are located in the area - providing in-house design and manufacture remains a key competitive advantage. In addition the installed asset base offers a 1-stop solution to most engineering requests.

How could the profitability of the business be improved?

The owner is the manager and is on the floor daily, prepares quotes, drawings and engages with the clients. A second manager with an engineering background would free up time to secure additional work. Previous managers have been headhunted.

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

Bookkeeper - 9 years
Foreman - 13 years
4 skilled artisans - 17, 13, 12 and 10 years respectively.

Do any have management potential?

The Foreman can manage day to day aspects of the business in the absence of the Owner but not complex issues nor drawings and quotes.

How involved is the Owner in running the business?

He is very involved in the business - works on the floor, in the office and meets with clients.

When does the current lease end?

The premises are owned by the business owner. Negotiations are in progress to sell the 4 units currently occupied by the business. If sold the new owners will offer an 18 month lease.

What are the trading hours?

Monday to Friday 06.45 - 16.15 plus Saturdays if urgent work needs to be done.

What are the main assets of the business?

- 3 x CNC milling machines
- 1 x CNC lathe
- 1 x Guillotine
- 1 x Bendbreak
- 1 x 250 t press
- 1 x 160 t press
- 1 x 55 t press
- 1 x 35 t press

Strengths?

- Have been accorded preferred supplier status by large strategic manufacturer - current order book + R 4.0M
- Provide a manufactured product to a euro based client - 19 years and ongoing.
- Strong asset base to offer engineering solutions
- Commercially cost competitive

Weaknesses?

The business is run and managed by the owner. There is no 2 IC.

Opportunities?

If an engineering manager can be brought in the workload can be shared and revenue increased.

Threats?

The loss of the major client - need to continue to offer various engineering solutions at agreed quality and price standards.

What is the reason for the sale?

The owner is set for retirement but will offer a handover period to ensure continuity.