

business
for sale



Date: **17th October 2021**
Business Reference: **32226**

About the Business:

Air Conditioning and Cooling business with contracts in a huge area

Experts in any type of cooling Installation and maintenance of AC systems and coldrooms for commercial and residential customers. Many of the work is on a contract basis

Air Conditioning and Cooling business with contracts in a huge area



Sector: **Sales & Services**

Asking Price:

R 2,600,000

Monthly Profit:

R 47,225

Asset Value:

R 1,442,293

Stock Value:

R 150,000

Yearly Net Profit :

R 566,695



Business Report

Fully describe the business's activities?

The business specialize in the service, repair and supply of air conditioner units and has now branched out to now cover the vast market of refrigeration. This includes the repair, service and supply in all refrigerator and cool room aspects.

Contract work is done for many mining companies and a vast area is serviced by five skilled mobile teams
On a smaller scale the business is also retailing in cooling / refrigeration spare parts and AC gas.

The business has a loyal customer base and is also giving back into the community by offering training and skills courses to young entrepreneurs.

How does the business operate on a daily basis?

The general manager is active in following up on contract work / e-mails and phone calls on a daily basis .
He oversee the control of the stock / equipment and vehicles .

Technical teams book out they vehicles / tools / equipment and stock on a daily basis and respond to contract projects and call-outs .

The admin assistant keeps track on payments and debtors and communications .The admin assistant also handles the smaller retail side of the business where electrical and cooling components are sold to the public

What Advertising/Marketing is carried out?

Roadside advertising signs , booklets , Social media platforms and booklets

The business has a Representative that visits mines and core customers in the area

The owner also has a vast network of business contacts

What competition exists?

No real competition - this business is a market leader in this area

How could the profitability of the business be improved?

The business has cheap rental space available to sell AC , refrigerator and coldroom spare parts directly to the public .

New appliances can be sold directly to the public

Repaired and re-conditioned refrigerators and other electrical appliances can be sold to the public at high margins .

Currently the business is building relations with management of shopping malls - when installed air conditioning systems are out of warranty this business is taking over the maintenance contracts and will also most likely do the replacement of older systems

From this relationship the business is starting to supply cleaners to malls - cleaning ablutions and also servicing higenic dispensers in the malls . This also offers a opportunity to branch out and start a new venture in the rendering of cleaning services and the supply of cleaning materials .

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

7 of the employees is with the business for more that 7 years

The others are employed by the business for more than a year

Do any have management potential?

Yes , but it is advisable that the buyer will be directly involved in the running of the business

The manager (owner) will be available to consult for a month after the sale of the business at an agreed salary

How involved is the Owner in running the business?

The owner is 100 % involved in the business .

He ensure good relations with the key customers and network to obtain further contracts .

He manages and signs off the work forms from his admin assistant

The owner has very good systems in place to track the technical teams's vehicles and work progress to ensure that work and tasks are done productively

Systems are in place to control orders / payments / tools / equipment /

When does the current lease end?

3 years

What are the trading hours?

Weekdays from 7h30 to 17h00

Saterdays from 7h30 to 13h00

What are the main assets of the business?

The main assets in the business is the following :

Relative new reliable vehicles that are on hire purchase

Specialized tools used in the trade

Air Conditioner stock and parts (expensive air conditioner stock is not carried but is easily ordered from the agents)

Strengths?

This business is the market leader in a huge mining area where there is constant growth

The business over diversified services to a vast spectrum of clients

Strong long term contracts

Skilled and dedicated workforce

Weaknesses?

Expensive business to operate

Stock is expensive and cash flow need to be strictly controlled

Although the contracts with the mines are of a great benefit - the payment terms of 60 to 90 days calls for strict cash flow control

Opportunities?

New mines are planned in the area and the current mines are expanding .

This is very warm area - air conditioning and cooling is a necessity .

Besides the mines there is a broad base of clients -

Lodges , Supermarkets , Filling stations , Malls , Funeral services , Residential projects , Schools and many offices are also making use for their products and services

Opportunities?

New mines are planned in the area and the current mines are expanding .

This is very warm area - air conditioning and cooling is necessity .

Besides the mines there is a broad base of clients -

Lodges , Supermarkets , Filling stations , Malls , Funeral services , Schools and many offices are also making use for their products and services

Threats?

Staff need to be monitored .

Effectiveness is key

The "" reputation "" of the business is just as good as the previous job completed

What is the reason for the sale?

Owner considers immigration with family