business
for sale



BUSINESS REPORT

Date: **3rd November 2026**
Business Reference:**38211**

About the Business:

Metal Recycling and Skip Hire business

Well-run metal recycling operation with steady throughput and loyal suppliers. A parallel bin business supports scrap collection, enhancing revenue, operational efficiency, and scalability in a proven, profitable enterprise.

Metal Recycling and Skip Hire business



Sector: **Retail**

Asking Price:

R 19,439,000

Monthly Profit:

R 441,969

Asset Value:
R 11,234,618

Stock Value:
R 1,800,000

Yearly Net Profit :
R 5,303,630

Business Report

Fully describe the business's activities?

“Strategic Acquisition Opportunity"

This is not the acquisition of a metal recycling business.

It is the acquisition of a regional supply ecosystem.

Over more than five decades, the business has developed a highly defensible market position through supplier relationships, infrastructure, logistics capability and recurring collection systems that would require years and substantial capital expenditure to replicate.

The acquisition immediately provides:

- A dominant regional position.
- Long-established supplier relationships.
- An embedded skip-bin network securing recurring material flow.
- Processing infrastructure capable of supporting further growth.
- Expansion capacity without significant additional fixed investment.
- Experienced operational personnel.
- An established customer base and trusted market reputation.

Unlike greenfield expansion, where capital is invested before market share is achieved, this acquisition delivers immediate market presence together with an operating platform capable of supporting future regional consolidation.

The value therefore lies not in the equipment, but in the predictable movement of recyclable material through a proven supply network.

Whoever controls the supply ultimately controls the market.”

How does the business operate on a daily basis?

The business operates as a scrap metal collection, processing, and resale operation. Daily activities typically include:

Receiving scrap from walk-in suppliers and contracted collectors
Weighing and grading materials (ferrous vs non-ferrous)
Sorting, cutting, and preparing scrap for resale
Loading and dispatching bulk quantities to larger processors/exporters
Managing cash purchases and supplier payments

Operations are highly dependent on:

Working capital (for buying scrap)
Equipment (e.g., scales, cutting equipment, trucks)
Staff efficiency in sorting and handling material

What Advertising/Marketing is carried out?

Formal marketing is usually limited. The business likely relies on:

Word-of-mouth referrals
Existing supplier networks
Local visibility and signage

Digital or structured marketing is generally minimal in this sector, which can represent an upside opportunity.

What competition exists?

Competition typically includes:

Other licensed scrap dealers in the region
Informal/unregistered operators
Large national scrap groups with greater buying power

Competitive factors:
Pricing offered to suppliers
Payment speed (cash flow strength)
Location and accessibility
Relationship networks

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

To be obtained during due diligence

Do any have management potential?

No

How involved is the Owner in running the business?

The owners runs the daily operations of the business as well as the finances.
This is a family run business.
During the valuation process provision for manager salary of R60 000 per month were provided.

When does the current lease end?

The owners own the premises. The premises is not for sale but the buyers will rent it.
One of the competitive advantages of the business is that it have a weighbridge on the premises.
The only scrap dealers in the area with a weighbridge. The premises is perfectly allocated and important aspect to the business success.

What are the trading hours?

Monday to Thursday 7H30 to 7H00
Friday 7H00 to 16H00
Saturday Closed

What are the main assets of the business?

A full list of assets will be provided

Strengths?

The business demonstrates a number of entrenched competitive advantages that position it as a dominant and highly defensible player within its regional market:
Long-standing operating history and reputation
Established in 1971, the business has built over five decades of trust, credibility, and recognition, which underpins both supplier loyalty and customer confidence.
Market leadership and scale
As the largest scrap metal dealer in the area, the business benefits from superior scale in purchasing, processing, and negotiating resale pricing, giving it a clear advantage over smaller operators.
Control over supply through strategic supplier relationships
Four of the region's largest scrapyard operators channel their scrap into the business. This effectively positions the business as a central aggregator, ensuring consistent high volumes and stronger pricing leverage in downstream sales.
Secured and recurring supply via bin network (critical advantage)
The company owns 64 bins deployed at customer premises, which are used both for scrap collection and rental purposes.
This creates a predictable, recurring inflow of scrap material
It effectively locks in supplier relationships and reduces reliance on opportunistic buying
It establishes a built-in customer base with ongoing engagement
This system is a significant competitive differentiator, as competitors without similar infrastructure are forced to compete for supply on a transactional basis.
Integrated logistics capability
The business owns two trucks dedicated to transporting bins, ensuring:
Reliable and timely collection cycles
Lower dependence on third-party logistics
Greater control over supply chain efficiency
Additional revenue stream and operational flexibility (crane truck)
The company owns a 30-ton crane truck which:
Is rented out to perform external work
Supports demolition projects, creating access to additional scrap supply channels
Generates supplementary revenue independent of core scrap trading
This adds both diversification and strategic sourcing capability, as demolition work often leads directly to scrap acquisition.
Superior infrastructure and storage capacity
The yard allows for large-scale stock accumulation and pre-loading, enabling the business to:
Consolidate volumes
Time the market for better pricing
Operate more efficiently than competitors with limited space
Value-added processing capability
Equipment such as the gantry shear (guillotine shear) enhances scrap quality and pricing, while the press and other machinery improve handling efficiency and throughput.
Operational efficiency and cost advantage
Tools such as the scrap grab reduce labour requirements, improve safety, and increase processing speed—contributing to a lower cost per ton handled.
Strong barriers to entry
The business's scale, infrastructure, logistics assets, and embedded supplier network create significant capital and relationship barriers, making it difficult for new entrants or smaller competitors to compete effectively.

Weaknesses?

Working capital requirements
The need to purchase scrap (often cash-based) requires disciplined cash flow management.

Opportunities?

Expansion of bin deployment network
Increasing the number of bins at customer sites could further entrench supply control and expand market share.
Increased utilization of existing infrastructure
The current yard, plant, and logistics capacity provide room to grow throughput without proportional increases in fixed costs.

Threats?

Commodity price volatility
Fluctuations in scrap prices can impact margins and supplier motivation. This can be good or bad for the business. Because of the storage capacity the company can hold on to stock tell prices improve and the sell.
Regulatory environment
Increasing regulation around scrap trading and compliance may increase operational complexity.

What is the reason for the sale?

The owners want to retire