



# BUSINESS REPORT

Date: **20th May 2024**

Business Reference: **35858**

About the Business:

## **Manufacturer, supplier and exporter of timber products**

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Well established, profitable business with an excellent reputation in the industry.

# Manufacturer, supplier and exporter of timber products



Sector: **Manufacturing**

Asking Price:

R **4,900,000**

Monthly Profit:

R **157,666**

Asset Value:

R **2,836,000**

Stock Value:

R **500,000**

Yearly Net Profit :

R **1,891,986**



# Business Report

## Fully describe the business's activities?

This well established business has positioned itself firmly as a reliable and competitive player in the industry. They manufacture, supply and export a range of timber products including mouldings, cladding, skirting, flooring, decking, panelling as well as structural timber products, mining timber and shutter ply. They currently export to Namibia, Botswana, Mozambique and Swaziland and have the sole distributorship in Mpumalanga for imported composite decks.

## How does the business operate on a daily basis?

Raw materials are sourced from various suppliers including forestries, and production for orders and stock is planned and scheduled daily.

## What Advertising/Marketing is carried out?

Extensive marketing is carried out using Google Ads, Facebook Ads, Mailchimp newsletters to their vast client database (3 700), brochures and listings in industry related publications. The business also boasts a neat website and has excellent presence on most social media platforms.

## How could the profitability of the business be improved?

There are numerous opportunities for expansion, which will be discussed with potential buyers.

## Do any have management potential?

A sales and admin manager, a production manager and an operations manager are already in place.

## How involved is the Owner in running the business?

The owner is hands on and spends time in the business daily.

### When does the current lease end?

The property is optional and is perfectly suited to the operations, with loads of extra features and several dwellings. The price of the property will be negotiated.

### What are the trading hours?

The business operates from 7am to 5pm on Monday to Friday.

### What are the main assets of the business?

The main assets consist of woodworking equipment, computer equipment and vehicles. A full list of the assets is on file and will be available to approved buyers.

### Strengths?

This is a well established business that has earned an exceptional reputation in the industry, and has shown consistent growth year on year. More than adequate stock levels are held, enabling the business to provide an outstanding service to its clients. The owner is supported by a team of well trained, experienced managers and staff.

### Weaknesses?

While the business has solid relationships with its suppliers, there are challenges from time to time in sourcing raw materials of a consistent quality.

### Opportunities?

Expansion into other market segments as well as additional expansion into Africa. The sellers have identified various other opportunities which will be discussed with potential buyers.

### Threats?

Current economic climate.

## What is the reason for the sale?

The sellers have other commitments.