

A man in a blue suit and patterned shirt stands on a city street, smiling. The background shows a building and a blue trash bin.

BUSINESS REPORT

Date: **20th May 2024**

Business Reference: **36328**

About the Business:

22 year old Nursery in the Western Cape

This well-known nursery, in a niche environment, is for sale. Plants, vines, crop, agriculture - get your fingers green !

22 year old Nursery in the Western Cape



Sector: **Retail**

Asking Price:

R **7,000,000**

Monthly Profit:

R **331,654**

Asset Value:

R 970,000

Stock Value:

R 6,500,000

Yearly Net Profit :

R 3,979,842



Business Report

Fully describe the business's activities?

This nursery historically, only supplied plants for re-establishing or new plantings for specific sectors within the South African agriculture.

The existing owners (3 Partners) have this year, also diversified into additional products.

More information will only be made available to approved buyers.

How does the business operate on a daily basis?

The one owner, who has 50 % shares, also lives on the farm. The other 2 partners are silent investors, not in Cape Town.

What Advertising/Marketing is carried out?

Direct marketing. Sponsorships. Field days.

What competition exists?

Only one of 9 players in the market - 5th biggest

How could the profitability of the business be improved?

Marketing drive. New technologies in production. Additional contracts with plant breeders.

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

One financial/office worker. Driver. Six general workers. All staff are expert in their field. Nobody with more than five years of employment.

How involved is the Owner in running the business?

The current owner and farmer owns the majority of the Nursery.
There are currently 3 partners in the business.
Through this, the IP of the previous owner is protected and secured for the future sustainability of the nursery.

When does the current lease end?

The Farm is being rented by the Business.
The Landlord is in Johannesburg.
The current lease ends in August 2025. New/extension to the contract to be negotiated.
Production is not site-specific and other properties can be used for production.

What are the trading hours?

7:00 am to 5:00 pm

What are the main assets of the business?

Farming Equipment
IP
Stock

Strengths?

Well-known brand name in the industry.
Have rights to and frequently obtain more sought-after lines in the industry.
Have own contracted farming areas
Very difficult industry to enter because of the high barrier to entry
New technology is exclusive to this business.

Weaknesses?

Currently without a marketer.

Opportunities?

The industry as a whole is starting to grow from a low base. Covid and a few other things had a significant effect on the industry.
It is anticipated to grow at a significant pace from the low base.

Threats?

Normal agricultural threats.

What is the reason for the sale?

The owners feel that the Business should be owned by a single farmer who can run the Nursery with his skill set.
Some of the shareholder's personal circumstances have changed dramatically.