

BUSINESS REPORT

Date: **4th February 2026**
Business Reference:**37762**

About the Business:

High-Demand Industrial Manufacturing Business – Strong Client Contracts | Excellent ROI Potential

An established, profitable manufacturing company producing high-quality wooden pallets and packaging solutions for leading national clients. With consistent repeat business, proven operational systems, and a strong reputation for service and reliability, this business is well-positioned for scalable growth.

High-Demand Industrial Manufacturing Business – Strong Client Contracts | Excellent ROI Potential



Sector: **Manufacturing**

Asking Price:

R 5,000,000

Asset Value:
R 830,000

Monthly Profit:

R 155,555

Stock Value:
R 1,000,000

Yearly Net Profit :
R 1,866,659



Business Report

Fully describe the business's activities?

The company is an established manufacturer and supplier of wooden pallets and crates, serving industrial and logistics clients across South Africa. It offers a full range of standard and custom-designed pallet solutions, including export-compliant and recycled options.

Known for its reliability, quick turnaround times, and commitment to sustainability, the business operates with strong client relationships and consistent repeat orders. It is well positioned for growth through capacity expansion and broader market reach.

How does the business operate on a daily basis?

The Operations Manager oversees deliveries, daily production, raw material procurement, and factory staff, while the Owner is responsible for financial management, invoicing, client relations, and supervising the sales and marketing team.

What competition exists?

Competing pallet manufacturing businesses

How could the profitability of the business be improved?

Paying suppliers in advance, enhancing productivity, and minimising expenses.

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

Operations Manager - 7 years; Workshop supervisors x3 - 4 years;
Pallet Makers x12 - 3 to 12 years; Truck drivers x2 - 11 years

Do any have management potential?

Yes

How involved is the Owner in running the business?

Daily

When does the current lease end?

Can give 2 months notice or engage in one year contract

What are the trading hours?

Monday- Friday 7h00 to 16h30

What are the main assets of the business?

3x Tata Trucks, 2x Compressors, 1x Big cutting machine,
3x small cutting machines, 1x planer, 1x extractor, 1x spindel moulder,
2x forklifts

Strengths?

Established brand with over a decade of operational experience and proven industry credibility.

Strong, long-term relationships with major national distributors and repeat clients.

Diversified product range including standard, custom, and export-compliant pallets and crates.

Weaknesses?

High dependence on timber prices and supply fluctuations.

Limited automation may constrain production scalability.

Reliance on key management members for daily operations and client relationships.

Seasonal cash flow pressures due to upfront material purchases.

Opportunities?

- Expansion into new regional markets or export territories.
- Introduction of value-added services such as pallet collection, repair, and recycling programs.
- Growth in e-commerce and logistics sectors driving increased pallet demand.
- Potential to automate production lines to enhance efficiency and margins.
- Environmental regulations promoting the use of sustainable and reusable packaging solutions.

Threats?

- Rising input costs (wood, fuel, labour) impacting margins.
- Increased competition from low-cost or informal pallet producers.
- Economic downturns affecting industrial and logistics clients.

What is the reason for the sale?

- Limited cash flow constrains the company's ability to expand, and after 13 years in the same sector, seller is exploring opportunities to diversify into new markets.