

BUSINESS REPORT

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Business Reference:**37977**

About the Business:

Attractive Investment Opportunity with Flexible Deal Structuring

Discover an unparalleled investment opportunity in a business with untapped B2B lead generation and minimal digital presence. A modest marketing investment can significantly boost client acquisition. The company offers highly attractive deal structuring options, including seller finance, equity partnerships, performance-based vesting, and revolving credit structures. This flexibility ensures investors can tailor

their entry to match their risk profile and return ambitions.

Attractive Investment Opportunity with Flexible Deal Structuring



Sector: **Manufacturing**

Asking Price:

R 1,100,000

Monthly Profit:

R 22,565

Asset Value:
R 7,000,000

Stock Value:
R 0

Yearly Net Profit :
R 270,775



Business Report

Fully describe the business's activities?

The Company is a fast-growing food-processing company based in the Western Cape, specializing in the preparation, packaging, and freezing of vegetables and frozen food products for commercial buyers. The business operates with a daily processing capacity of 6 tons and maintains 20 tons of freezing storage, enabling consistent throughput and reliable supply to retail, wholesale, and industrial clients.

The company sources produce from local growers and fresh-produce markets, with a strong development mandate: supporting emerging farmers by giving them direct access to markets, allowing them to focus on production while The Company handles value-addition, packaging, and compliance.

In February 2025, The Company commissioned a state-of-the-art blanching and frying facility, enabling high-volume, specification-driven production for clients requiring processed or semi-processed foods. This facility positions the company to expand into higher-margin product lines and contract manufacturing.

The Company currently operates a collection-only model, with plans to expand into cold-chain logistics, unlocking additional revenue streams and strengthening supply-chain control. The workforce is trained in advanced food-hygiene practices, with hazard-certification processes underway to support future export and large-retail compliance.

Overall, The Company combines scalable processing capacity, modern infrastructure, and a socially impactful sourcing model, making it well-positioned for growth in South Africa's processed-produce and frozen-foods market.

How does the business operate on a daily basis?

- Food processing company, packaging of frozen food & vegetables
- Capable of producing 6 tons of produce per day
- Source from local growers & market
- We aim to assist emerging farmers with access to markets, with their focus on growing their produce & not necessarily finding markets.
- We package according to the Client specification, with freezing capabilities of 20 tons of storage
- We have a collection-only facility, intending to provide cold chain logistics.
- We have a recently established (February 2025) state-of-the-art, volume blanching & frying facility & can produce according to specifications required, with all the necessary certification and protocols.
- Our staff is highly trained in food hygiene with pending hazard certification

How are the clients attracted to the business?

The Company offers reliable production, modern processing capabilities, customization, strong food-safety practices, and a socially responsible sourcing model—all wrapped in a nimble, service-driven operation. That combination is rare, and it's exactly what makes clients choose us over larger, slower, or less flexible competitors.

What Advertising/Marketing is carried out?

Go-to-Market Strategy

The company has intentionally prioritized operational readiness, production capacity, and food-safety

infrastructure during its initial phase. As a result, no formal marketing strategy has been activated yet. This presents a high-leverage opportunity: with the core operational engine already in place, a focused marketing rollout can rapidly accelerate client acquisition and revenue growth.

1. Digital Presence & Brand Positioning

A structured digital footprint will be established across all major platforms to build credibility and visibility:

- Professional website with product capabilities, certifications, and farmer-support narrative
- Active presence on LinkedIn, Facebook, Instagram, and TikTok to showcase production, sourcing, and client success stories
- Search-optimised content highlighting processing capacity, cold-chain readiness, and custom manufacturing

This positions the Company as a modern, compliant, and socially impactful processor.

2. Targeted B2B Lead-Generation Campaign

A dedicated B2B outreach program will drive direct commercial inquiries from:

- Retailers and wholesalers
- Restaurant groups and food-service distributors
- Frozen-food brands and private-label manufacturers
- Export packers and agri-export consolidators

The campaign will include:

- Email prospecting
- LinkedIn outreach
- Industry-specific paid ads
- Direct engagement with procurement teams

This approach ensures measurable, pipeline-driven growth.

3. Strategic Partnerships & Industry Integration

The Company will leverage its unique value proposition—especially its support for emerging farmers—to secure partnerships with:

- Retail chains seeking ESG-aligned suppliers
- Government and development agencies
- Agric-hubs and cooperatives
- Export-focused aggregators

These partnerships expand market access while reinforcing the company's social-impact narrative.

4. On-Site Engagement & Product Demonstration

To convert high-value clients, The company will offer:

- Facility tours showcasing modern processing lines
- Sample production runs tailored to client specifications
- Technical consultations on product development

This hands-on approach builds trust and accelerates contract closure.

5. Cold-Chain Logistics as a Future Differentiator

As the cold-chain logistics capability comes online, it will be integrated into the GTM strategy as a premium service offering:

- End-to-end processing, freezing, storage, and delivery
- Reduced client operational complexity
- Stronger long-term retention

This positions The Company as a full-service processing partner rather than a commodity supplier.

Summary for Investors

The Company's GTM strategy is designed for rapid activation and scalable growth. With production capacity, infrastructure, and compliance foundations already in place, the marketing rollout becomes a high-ROI lever that can quickly convert operational strength into commercial traction.

What competition exists?

Mcains , Natures Best and I an J

Are there up-to-date Management Accounts available?

The figures supplied are very conservative based on projected figures which in turn is based on the off take agreements.

How could the profitability of the business be improved?

This can be driven by four levers - Capacity utilisation, Product mix, Operational efficiency, and Market access. The Company already has the infrastructure; now it's about extracting maximum value from it.

1. Increase Capacity Utilisation

Your plant can process 6 tons per day, but profitability depends on how close you operate to that ceiling. Ways to improve:

- Secure long-term supply contracts with hospitality groups, wholesalers, and retailers
- Introduce seasonal production planning aligned with Western Cape hospitality cycles
- Offer contract manufacturing for private-label brands

Higher utilisation spreads fixed costs across more volume, increasing margin per ton.

2. Shift Toward Higher-Margin Products

Raw processing has thin margins. Value-added products have significantly higher profitability.

High-margin opportunities:

- Pre-fried items (chips, wedges, vegetable fritters)
- Blanched and portioned vegetables for food-service
- Ready-to-cook frozen blends
- Private-label retail packs

Your new blanching & frying facility (Feb 2025) is a major profit accelerator.

3. Improve Operational Efficiency

Small improvements compound quickly in food processing.

Key actions:

- Reduce wastage through better trimming, sorting, and yield management
- Optimise labour scheduling around peak processing times
- Implement batch-based production to reduce downtime
- Strengthen supplier agreements for consistent pricing

Every 1-2% improvement in yield directly increases profit.

4. Strengthen Cold-Chain Capabilities

Your 20-ton freezing capacity is an asset that can be monetised.

Profit opportunities:

- Charge for frozen storage
- Offer cold-chain distribution (future phase)
- Sell "buffer stock" services to clients who want guaranteed supply

This turns infrastructure into recurring revenue.

5. Activate a Focused B2B Sales Engine

Right now, the absence of a marketing strategy limits revenue.

A targeted B2B approach will:

- Increase order volumes
- Reduce idle capacity
- Improve client diversification
- Stabilise cash flow

This is one of the highest-ROI improvements you can make.

Is Seller finance available and for what amount?

A deal can be structured with a initial deposit of R500 000.00

How involved is the Owner in running the business?

Managing Director

When does the current lease end?

2028

Is there an option of renewal & what period?

Yes, 3 Years

What are the trading hours?

7-4

What are the main assets of the business?

All processing Equipment - Valued at R7 000 000.00

What is their overall condition?

Brand New

How have they been valued ?

Local replacement value

Which assets are on lease/HP and with whom?

None on HP , Funded by Sunwest SED - payments are structured on an offtake agreement with Sunwest.

What are their settlement amounts?

R3 500 000.00

Are copies of agreements available?

Yes

Strengths?

Modern Processing Infrastructure

Newly established (Feb 2025) blanching & frying facility with high-volume capability positions the Company ahead of many mid-tier processors.

Strong Production Capacity:

Ability to process 6 tons per day with 20 tons of freezing storage, enabling reliable supply and buffer stock.

Customised Client Solutions:

Packaging and processing according to client specifications—an attractive differentiator for hospitality, wholesalers, and private-label brands.

Local Sourcing & Emerging-Farmer Integration:

Direct relationships with growers and a mandate to uplift emerging farmers enhances ESG value and supply-chain resilience.

Highly Trained Workforce:

Staff trained in food hygiene with hazard certification pending, strengthening compliance and credibility.

Strategic Location:

Based near Cape Town's main fresh-produce market, reducing inbound logistics costs and improving freshness.

Weaknesses?

Limited Working Capital:

Cash-flow constraints restrict raw-material purchasing, marketing activation, and full utilisation of processing capacity.

- No Active Marketing Strategy Yet:

Lack of digital presence and B2B outreach limits client acquisition and brand visibility.

- Collection-Only Model (for now):

Absence of cold-chain logistics reduces convenience for clients and limits service integration.

- Certification Still in Progress:

Pending hazard certification delays access to major retailers and export-linked buyers.

- Underutilised Capacity:

Without consistent contracts, the plant may operate below optimal throughput, reducing margin efficiency.

Opportunities?

Cash Injection to Unlock Growth:

Additional capital can rapidly increase throughput, expand product lines, and activate marketing—dramatically improving profitability.

High-Margin Product Expansion:

Pre-fried items, ready-to-cook blends, and private-label frozen products offer significantly higher margins than raw processing.

Cold-Chain Logistics Offering:

Introducing delivery and frozen distribution creates a new revenue stream and strengthens client retention.

Hospitality Sector Growth:

Western Cape tourism continues to rise, driving demand for consistent, pre-prepped, and frozen produce.

Retail & Export Market Entry:

Once certification is complete, the company can supply national retailers, export packers, and food-service distributors.

Partnerships with ESG-Focused Buyers:

Sunwest and similar organisations value suppliers who support emerging farmers and local economic development.

Threats?

Seasonal Demand Fluctuations:

Winter troughs in the Western Cape hospitality industry can reduce order volumes.

- Price Volatility in Fresh Produce:

Market fluctuations can impact margins if not offset by strong supplier agreements or buffer stock.

- Competition from Larger Processors:

Bigger players may compete on price or capacity, especially in retail tenders.

- Certification Delays:

Any delay in hazard or food-safety certification could slow access to high-value markets.

- Load Shedding & Utility Instability:

Power disruptions can affect freezing, processing, and storage unless mitigated by backup systems.

What is the reason for the sale?

The Company has reached a pivotal stage in its development. The business has already invested heavily in building modern processing infrastructure, establishing strong supplier relationships, and developing the operational capability needed to serve high-value clients across the Western Cape. With these foundations firmly in place, the next phase of growth depends on expanding our commercial reach and activating a structured go-to-market strategy.

To unlock this next chapter, we are seeking a strategic capital partner. The decision to sell a stake in the business is driven by a clear and intentional objective: to raise the funding required to accelerate market entry, strengthen client acquisition, and fully utilise our processing capacity. This investment will enable us to scale production, introduce higher-margin product lines, and position the company as a competitive, reliable supplier within the hospitality, retail, and food-service sectors.

In essence, the equity offering is not about exiting the business—it is about empowering it. By bringing in a partner who shares our vision, we can convert our operational readiness into commercial momentum, ensuring that the company grows into the high-potential, market-leading enterprise it is designed to be.