



Date: **8th June 2026**

Business Reference: **37745**

About the Business:

## **West Rand. Leading Distributor of Building Materials: Sand, Stone, Cement, Bricks.**

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This business concentrates on the supply of building-sand, stone, bricks and cement. Based on the West Rand it is in a growth area for both affordable housing and upmarket estates. It has the fleet and the infrastructure to ensure customers are serviced efficiently. The owners also wish to sell the 4 x yards/premises for R6 million. Total for both the business and the properties = R26 million.

# West Rand. Leading Distributor of Building Materials: Sand, Stone, Cement, Bricks.



Sector: **Services**

Asking Price:

**R 18,200,000**

Monthly Profit:

**R 431,689**

Asset Value:

**R 18,575,027**

Stock Value:

**R 1,800,000**

Yearly Net Profit :

**R 5,180,262**



# Business Report

## Fully describe the business's activities?

Distributor of builders needs such as building sand, building stone, bricks, cement, brick force, steel reinforcing and construction and builders tools.

## How long has the business been established?

The business was established by the owners in 2019/2020 and has operated successfully for the past 7 years.

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

The owners ensure daily operations are on track including collections, deliveries. There is a full time bookkeeper who ensures that invoicing and debtors and creditors are kept up to date.

## How are the clients attracted to the business?

Social media is used. Advertising at local schools. sponsoring of school calendars, billboards in the area and word-of-mouth.

## What Advertising/Marketing is carried out?

Facebook, Instagram and WhatsApp Groups are used extensively.

## Does the business have any contract work?

No contracts in this type of business but long-standing relationships - especially with bigger building sites. They are listed with Build-It as a supplier.

## What competition exists?

None really in the area as none of them have the type of client base and infrastructure or fleet that this business has.

### **What are the seasonal trends?**

Most of the year is busy but July to November is really the exceptionally busy time. The business closes for builder holidays in mid-December to early January.

### **Is the business VAT Registered?**

Yes, the business is VAT registered.

### **What VAT documentation is on file?**

Normal VAT recons and returns.

### **Are there up-to-date Management Accounts available?**

Yes, these are available for qualified interested parties.

### **What percentage of the business is cash/credit?**

34% Cash/Card, 66% on Credit.

### **What is the age analysis of the debtors book?**

Current: 25%, 30 days: 54% and 60 Days: 21%.

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

Concentration on growing the Revenue.

### **What is the total staff complement?**

There are 20 staff in total: 7 x Salaries paid monthly, 11 x wages paid fortnightly and 2 x casuals.

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

This is available to qualified interested parties.

### **Do any receive special perks or incentives?**

This is always at management's discretion.

### **Are they on contract?**

Yes. letters of appointment are in place.

### **Do any have management potential?**

Yes, there has been someone who has been identified.

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

The owners are involved in the business on a daily basis.

### **When does the current lease end?**

The properties are owned by the sellers and they wish to sell these together with the business. These consist of 4 x large yards. Business asking price: R20 million PLUS the 4 x yards asking R6 million = R26 million in total. These yards are perfectly suited for their current use as builders distribution yards. There also offices built on the premises.

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

A full asset list is on file for qualified interested parties to view. These include numerous vehicles including large trucks.

## Which assets are on lease/HP and with whom?

Some assets are on lease/HP and would have to be taken over by the purchaser to ensure continuous trading.

## Are copies of agreements available?

Yes, copies of agreements available.

## Are they presently insured?

Yes, the business is comprehensively insured.

## Strengths?

The business is located in a growth area with regards to building - especially in the affordable housing market. Many building sites in the immediate catchment area.

## Weaknesses?

Potential government work in the area would be a huge addition with the correct BEE credentials.

## Opportunities?

The securing of private development work for upmarket estates in the area. These tend to be excellent clients. The addition of a lintels manufacturing plant as well as brickforce manufacturing - there is more than enough space available.

## Threats?

Normal economic threats but the business tends to navigate these very well.

## What is the reason for the sale?

Relocation.

## Why is this a good business?

Very profitable. Operates in a growth area for affordable housing which will be a reality for many years to come in South Africa. Has great growth opportunities in the higher-end market in the same vicinity.