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BIZ FOR
SALE

Manufacturing of Replica AC Cobra Cars

PROFILE

Description: The principal commenced building AC Cobra replicas in 1984 and has since built and sold 500 of these popular cars, mostly to the local market. This business was one of the first replica manufacturers worldwide and the first on the African continent. The vehicle geometry has been redesigned and the business is now being relaunched.

Industry / Sector:

LOCATION

State / Province: Western Cape RSA

City / Town: Cape Town

Location / Area: Suburbs - Light Industrial Area

Metro Proximity: Cape Town. It should be possible to commute from this metro city to the business location.

Portability: Up for discussion with the principal and Investor

PRICE

Asking Price: R 8 800 000

Conditions: See Terms Of Payment details below

FINANCIAL & OPERATING INFORMATION

Turnover: R 875 000 per month

Profit: R 186 025 per month

Annual Return: 25 % per annum

No. of Staff: 6

Year Established: 1984

Legal Persona: Private Company (Pty) Ltd

Other Information:

. RECENT PRODUCT HISTORY .

The principal has always been concerned with high speed handling and safety of the early cars which was considered to be a problem with the original AC Cobras. A better chassis was required so he designed a stiffer multi-tube chassis that also addressed criticism from tall drivers who complained that the seating position is too high in a Cobra.

. ASSET VALUATION .

A major portion of the investment amount will cover the acquisition of fixed assets and components.

. STAFFING .

The planned head count starts with six and increases to nine during year two and then to 13 in the following year.

. TERMS OF PAYMENT .

1. 50% on signing of the sale agreement
2. 25% on completion of training
3. Final 25% on commencement of production

. BUYERS'S SKILLS and EXPERIENCE REQUIREMENT .

This is a critical issue which would need to be discussed with the principal.

. OPPORTUNITY for GROWTH .

Export market opportunities are considerable. One of the added benefits of investing in the Cobra project is that the NEW partnership will take care of everything. We will take care of hiring staff, building the distribution line, accounting, building the strategic position of the business, marketing and more. You can breathe in knowing we got this. Let your investment grow with confidence and pride.

. REASON FOR SALE OF SHARES .

- The seller wishes to retire and ensure that the buyer will be satisfied by the terms that are structured.
- The principal originally considered a working partner acquiring 50% equity of the business, but given his age, he decided to sell the entire business and rather hand over the reigns through a structured hand over that will suit both parties.
- The detailed plan will be discussed during the sale negotiations, subject to the confidentiality agreement that will be signed by the parties.

. NON-DISCLOSURE AGREEMENT .

Any interested party will need to be prepared to complete and sign a non-disclosure agreement. This protects all parties involved.

. FINANCIAL METRICS FOR UK (STERLING) BUYERS

- Price:- £390000
- Price Flex:- Investor must commit to the terms acquiring 100% of the business - either £390,000 or R8.8 million for SA buyers.
- Profit:- £9000 p/mth
- Turnover:- £40000 p/mth

. AVAILABILITY of CASH FLOW AND PROFIT FORECASTS .

Detailed spreadsheets and forecasts will be provided to interested investors, subject to signing a CONFIDENTIALITY AGREEMENT. Year 1 projections are presented above in sterling and equates to ZAR (Annual Sales of R10million and annual NPBT of R2.32 million. Year 2 projected annual sales are Â£790k (ZAR18 million), with Annual NPBT at £320k (ZAR7.3 million) - producing an ROI of 80 % per annum, based on the initial investment of £390k or ZAR8.8 million for 100%.

. DUE DILIGENCE .

A comprehensive and detailed investment plan is available for perusal by the potential investor, subject to signing a CONFIDENTIALITY AGREEMENT.

. PROOF of FUNDING REQUIREMENT .

A potential buyer needs to demonstrate that they have access to the required unencumbered cash funds to finance the cash transaction portion of this purchase.

The seller will not provide any documentation, business details or financials and will not accept any offer unless the proof of funding has been provided.

. TRAINING AND ORIENTATION .

Will be discussed between the principal and the potential buyer.

The seller is also prepared to negotiate remuneration and a short term service contract covering the hand over period until production has commenced.



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