

An opportunity exists for an investment in a timber and furniture manufacturing company with operations located in Bulawayo. The company specializes in the production of hardwood timber products, especially teak products. The company produces different products which include doors, door frames, window frames, outdoor and indoor furniture.

The company owns land and buildings in Bulawayo, valued at USD 155 000, and the Plant and Machinery is valued at USD 150 000. It has no borrowings, and the creditors are insignificant. The company has a proven track record and has operated for more than 20 years.

The company harvests timber in the Tsholotsho, Nkayi and Lupane hardwood concessions and has a share cropping partnership with the local authority, in terms of which the company gets a higher percentage of all harvested timber whilst the other partner gets a smaller percentage of the timber harvested as royalty payment.

- The company has superior equipment which makes it able to reduce the wastage factor to 15% as compared to the industry average of 50%.
- The company is in the early stages of constructing a kiln which will aid it in meeting demand for its products as the time taken for timber to be ready for processing will be reduced.
- The company has modern equipment including 2 wood Computer Numerical Control (CNC) machines, which allow the company to produce export quality timber products for the local and regional markets.
- The company is currently exporting its products to Botswana and South Africa.
- The company is a member of ZIMTRADE and is in the process of registering for bilateral and multilateral agreements with countries in the SADC and COMESA.
- The company is currently pursuing registration with South African Bureau of Standards (SABS)
- The company owns the land and buildings on which it operates.
- The company has an administration block on site while a workshop, warehouse, changing rooms, and a showroom are at an advanced stage of construction.
- The company currently generates a modest turnover and has gross profit margins of around 35%, and a Profit Before Tax of around 15%, depending on product mix and operating costs.

Furniture and Timber Business Opportunity

- The company is owner operated and has a lean management structure. There are 15 skilled permanent workers and 13 contract workers, all with considerable experience in the industry.
- The company would like to expand its product offering by supplying:
Trusses Softwood products Hardboards
The equipment needed for this expansion costs USD150 000, which is where the investment amount will be applied to in full.

An invitation is being made for an investment of USD150 000 for an equity stake of 30%.

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