



**ABERCORN BUSINESS SALES**  
SUCCESSFULLY SELLING YOUR BUSINESS



**Engineering & Cutting Tool Distributor and Supplier - Defence Sector**

Southern England

**Asking Price: £400,000**

Reference: HR02-ABS | Confidential Memorandum

**Asking Price:** £400,000 plus stock (cash-free, debt-free)

**Current Turnover:** Circa £1,500,000 p.a.

**Gross Profit Approx:** Circa £480,000 p.a.

**Adjusted EBITDA** (pre director drawings): Circa In excess of £225,000 p.a.

**Customer Base:** 30 regular clients, including blue-chip defence contractors

**Quality Standards:** ISO9008 accredited

**Reason for Sale:** Retirement

### **Business Overview:**

This is a rare opportunity to acquire a highly reputable, long-established engineering and cutting tool supplier with an exceptional reputation, a loyal customer base, and strong positioning within the UK's defence supply chain.

Founded in 2008, the Business has become one of the UK's most trusted engineering and cutting tool distributors, supplying premium quality products to manufacturers across multiple sectors, with a strong concentration in defence-related industries.

### **Key products include:**

- Carbide end mills & slot drills
- Vari helix end mills & roughing end mills
- Carbide drills, spot drills & centre drills
- Machine taps & threadmills
- Indexable inserts
- General engineering tools

The company is a main distributor for several leading global brands, including:

OSG | Kyocera | Walter | Prototyp | Iscar | Emuge | Franken | Toolex

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### **Market Position & Competitive Advantage:**

The Business has cultivated an enviable reputation for:

- Quality & reliability – Supplying only premium tools and consumables
- Sector specialisation – Strong focus on defence sector clients, providing recurring, high-value orders
- Comprehensive product range – Vast inventory with immediate availability
- Technical expertise – Experienced staff providing tailored advice and after-sales support
- Value-added services – Including tool refurbishment, consignment stock, and advanced vending systems

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### **Vending & Asset Management Systems:**

The Business differentiates itself through a sophisticated tool vending solution, enabling clients to optimise stock control and reduce downtime.

- Supplies and integrates Matrix vending systems
- Provides real-time inventory tracking and automated replenishment
- Helps clients reduce consumable costs and improve operational efficiency

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### Customers & Sectors:

- Loyal and recurring customers
- Several long-term, high value defence sector clients
- Some customers operate under exclusive supply agreements
- Majority of clients place repeat orders, ensuring predictable revenues

### Marketing & Sales:

- Professional website showcasing products, services, and promotions
- Online visibility supported by product catalogues and promotional videos
- Occasionally targeted direct mail campaigns
- Strong reputation drives significant word-of-mouth referrals

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### Operations & Staff:

- Highly trained team of 5 full-time employees and 1 part-time staff member
- Owners maintain strategic oversight and supplier relationships
- Smooth handover assured – current owners will provide training and transitional support

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### Financial Performance:

Financial Summary-	FY2024
Turnover-	c£1,500,000
Gross Profit-	c£480,000
Adjusted EBITDA/Net Profit	c£225,000+
Asking Price-	£400,000 + Stock
Basis of Sale-	Cash-Free, Debt-Free

**Stock:** To be valued separately at completion.

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### Opportunities for Growth

The Business is well-positioned for expansion:

- Defence sector growth: Increased government defence budgets present further opportunities
  - Digital sales strategy: Enhance online presence and drive e-commerce sales
  - Supplier partnerships: Potential to introduce additional premium tooling brands
  - Geographical expansion: Increase in market penetration in Southern England
  - Recurring revenues: Further development of tool vending systems
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**Reason for Sale:**

The owners are seeking to retire after successfully running the business for 16 years.

**Support and Training:**

The vendors are committed to ensuring a smooth and well-supported transition to the new owners. They would also consider staying on in the business post sale as an employee should the new owner so require.

**Confidentiality Notice:**

This Sales Memorandum is strictly confidential and intended solely for parties directly interested in acquiring the Business. By accepting this document, you agree not to disclose its contents to any third party without the prior consent of Abercorn Business Sales.

**Next Step:** To Register Interest, you will need to fully complete our Confidentiality Agreement

**Important Notice**

This information has been prepared by Abercorn Business Sales to provide a general overview of the opportunity. It does not constitute an offer or contract.

Interested parties are required to sign a Non-Disclosure Agreement (NDA) before receiving further details, including financial statements, client lists, and supplier agreements.

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## Next Steps & Contact

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