

# ALGAWHARA LIMITED

BUSINESS PLAN FOR NEXT FIVE YEARS TO 2029

## 1. Executive Summary

Algawhara Ltd, established in 2020 and headquartered in Dar es Salaam, Tanzania, is a fast-growing manufacturer of premium polypropylene (PP) mats. With increasing production capacity and a robust supply network, we currently serve both the Tanzanian and Rwandan markets. Our goal is to become the leading synthetic mat manufacturer in East Africa through operational modernization and full automation.

We are committed to sustainable growth, quality products, and expanding our market footprint across the region.

## 2. Company Overview

- Head Office: Plot 88-89, Vingunguti Industrial Area, Dar es Salaam, Tanzania  
Our production facility is strategically located to optimize logistics across East Africa.
- Incorporation number 149520872 of 18 Jan 2021
- Current Number of Employees: Algawhara Ltd is a privately owned company that prioritizes local employment, quality manufacturing, and sustainable growth.
  - 155 Local Staff
  - 16 Expatriates
- Industry: Manufacturing – Plastics/Textiles
- Primary Product: Polypropylene (PP) Floor Mats

### Investment Objective

The primary objective of the investment in the plastic manufacturing company is to establish a sustainable, scalable, and profitable enterprise that meets the growing demand for high-quality plastic products in both domestic and regional markets.

The company seeks to maximize shareholder value by ensuring steady revenue growth, maintaining cost efficiency, and adopting innovative technologies for production.

Additionally, the investment aims to position the company as a competitive player in the plastics industry by offering reliable, affordable, and environmentally responsible products while generating long-term returns and contributing to economic development.

### Sustainability-Focused Stakeholders

The investment objective is to build a plastic manufacturing company that balances profitability with environmental responsibility. The company aims to produce high-quality plastic products while adopting eco-friendly practices, such as recycling and waste reduction, to minimize environmental impact. This investment seeks to create long-term value by addressing market demand sustainably and responsibly.

### Mission:

To manufacture high-quality, affordable, and eco-friendly plastic products that support industrial, agricultural, and household needs in East Africa.

### Vision:

To become East Africa's leading sustainable plastic manufacturer with strong regional market dominance and eco-friendly innovation.

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## 3. Products and Production

Our core product is polypropylene (PP) floor mats, manufactured using a combination of extrusion and weaving technologies. We are in the process of a three-phase modernization project to transition from semi-mechanical to fully computerized weaving systems.

ALGAWHARA LIMITED will be a fully integrated plastic manufacturing company producing polypropylene (PP) floor mats, and packaging solutions, and later, biodegradable Plastic products.



### Production Overview

- Current Output: 260 tons of finished mats per month
- Short-Term Target (2025): 400 tons/month
- Long-Term Goal (2026): 600 tons/month

Funding Requirement: USD 1.5 million

Break-even: Year 3

Projected Net Profit (5 Years): USD 5.2 million cumulative

Below is financial expectation as a result in output expansion plan. Amount in millions.

	YEAR 2025	YEAR 2026	YEAR 2027
	USD	USD	USD
Revenue	6,234,224	7,481,069	8,977,283
Cost of Sales	5,081,334	6,097,601	7,317,122
<b>Gross Margin</b>	<b>1,152,890</b>	<b>1,383,468</b>	<b>1,660,162</b>

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## Manufacturing Technology

- Extrusion: Produces PP sticks from raw polypropylene
- Weaving: Currently semi-mechanical, transitioning to computerized looms
- Upgrade Phases:
  - Phase 1 complete: 6 advanced computerized weaving machines installed
  - Phases 2 & 3 scheduled for completion by the end of 2026

## 4. Raw Materials and Markets

### Raw Materials Composition

Polypropylene (Virgin & Recycled): 87% – locally sourced



Polypropylene Yarn: 12% – imported



Masterbatch (Color Additive): 1% – imported



We maintain long-term supplier relationships to ensure a stable and cost-effective supply chain.

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## 5. Market Analysis and Target

Industry Outlook of East Africa's plastic demand grows at 7–10% annually. Tanzania imports 60% of its plastic products.

Project expansion Target Customers are: FMCG & beverage companies, construction firms, supermarkets, wholesalers, and farmers.

Competition is heavy due to Imports of cheaper and low quality products of similar nature and use as those we produce.

### SWOT Analysis:

- Strengths: Local production, eco-friendly brand, B2B contracts
- Weaknesses: High capital & energy dependence
- Opportunities: Regional exports, biodegradable plastics, government support
- Threats: Imports, regulations, raw material volatility

### Risk Analysis

Raw Material Risks: Mitigated via bulk contracts and recycling

Import Competition: Differentiation through eco-branding

Regulatory Risks: Full compliance with environmental laws

Operational Risks: Insurance, backup power, safety protocols

### Competitive Advantages

- High and consistent product quality
- Investment in automation and skilled labor
- Reliable local and international raw material supply chain
- Commitment to sustainable and scalable production

## 6. Business Objectives

### Short-Term Objectives (2025)

- Increase monthly production to 200 tons
- Complete staff training for computerized weaving systems
- Improve production efficiency and reduce downtime

### Mid-Term Objectives (By End of 2026)

- Achieve full production capacity of 300 tons/month
- Complete automation of the weaving process
- Expand distribution into new East African markets,

Our business strategy is focused on maximizing efficiency, expanding market reach, and reinforcing our brand as a leading producer of synthetic mats in East Africa.

Startup Costs (USD 1.5M): Land & building \$350k, Machinery \$700k, Raw materials \$200k, Working capital \$200k, Licenses \$50k

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## 7. JOB CREATION

Current Number of Employees: Algawhara and plan of target:

	CURRENT 2025	PLANNED2026	PLANNED2027	PLANNED2028	PLANNED2029
LOCAL	155	205	255	305	305
FOREIGN	16	20	25	30	30
TOTAL	<b>171</b>	<b>225</b>	<b>280</b>	<b>335</b>	<b>335</b>

Apart from the direct employment as planned we know that the impact of indirect employment will arise from third parties business relation which might include:

- Raw material suppliers and distributors
- Transport and logistics service providers
- Retailers and wholesalers of plastic products
- Equipment suppliers and maintenance service providers

We are further expecting to have a Induced Jobs (Spillover Effects) from neighbouring society which might include:

- Small businesses around the factory (food vendors, shops, etc.)
- Local services boosted by employees' spending power
- Recycling businesses benefiting from plastic waste collection

## 7. Financial Projections

### 7.1 Investment Costs:

The total investment costs will depend on the scale of operations at each time of existence. Key cost categories include:

#### a) Fixed/Capital Costs

- **Land & Buildings:** Factory space, storage, and administrative offices.
- **Machinery & Equipment:**
  - Plastic extrusion machines
  - Injection/blow molding machines
  - Cutting, sealing, and printing machines
  - Recycling equipment (if applicable)
- **Vehicles & Logistics:** Delivery trucks, forklifts, and material handling equipment.
- **Utilities Setup:** Electrical installation, water supply, backup generators.
- **Furniture & Fixtures:** Office and staff amenities.

#### b) Working Capital Requirements

- **Raw Materials:** Polymers (HDPE, LDPE, PVC, PET), additives, coloring agents.
- **Labor Costs:** Skilled and unskilled staff salaries, training.
- **Utilities:** Electricity, water, fuel, and maintenance.
- **Marketing & Distribution:** Branding, packaging, and sales promotion.
- **Administrative Expenses:** Insurance, licenses, permits, stationery.

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## 7.2 Sources of Finance

### a) Equity Financing

- **Owner's Contribution:** Share purchased and retained earnings from the three years that the firm has been in operations.

### b) Debt Financing

- **Commercial Bank Loans:** Medium to long-term loans for machinery and working capital.
- **Development Banks:** Loans from institutions like TIB Development Bank or AfDB.
- **Supplier Credit:** Raw material suppliers offering credit terms.

### c) Alternative Financing Options

- **Leasing of Equipment:** To reduce upfront capital requirements.
- **Government Grants / Incentives:** Industrial development funds, tax holidays, or subsidies.
- **Public-Private Partnerships (PPP):** Joint investment in large-scale operations.

Below is a financial projection for the next three years as expected to grow .

<b>ALGAWHARA LIMITED</b>						
Profit & Loss A/c for the period ending 31 Dec year						
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Revenue	6,234,224	7,481,069	8,977,283	10,772,740	12,927,288	15,512,745
Cost of Sales	5,081,334	6,097,601	7,317,122	8,780,546	10,536,655	12,643,986
<b>Gross Margin</b>	<b>1,152,890</b>	<b>1,383,468</b>	<b>1,660,162</b>	<b>1,992,194</b>	<b>2,390,633</b>	<b>2,868,759</b>
Other Income	0.00	0.00	0.00	0.00	0.00	0.00
<b>Operating Income</b>	<b>1,152,890</b>	<b>1,383,468</b>	<b>1,660,162</b>	<b>1,992,194</b>	<b>2,390,633</b>	<b>2,868,759</b>
Admin expenses	228,809	240,249	252,262	267,356	278,677	289,998
Selling and Distribution	32,894	34,539	36,266	37,717	39,225	40,794
Financial Charges	43,257	45,420	47,237	49,127	51,092	53,135
<b>Operating Expenses</b>	<b>304,960</b>	<b>320,209</b>	<b>335,765</b>	<b>354,199</b>	<b>368,994</b>	<b>383,927</b>
<b>Total Operating Profit</b>	<b>847,929</b>	<b>1,063,259</b>	<b>1,324,397</b>	<b>1,637,995</b>	<b>2,021,639</b>	<b>2,484,832</b>
<b>Profit before tax</b>	<b>847,929</b>	<b>1,063,259</b>	<b>1,324,397</b>	<b>1,637,995</b>	<b>2,021,639</b>	<b>2,484,832</b>
Taxation	254,379	318,978	397,319	491,398	606,492	745,450
<b>Profit after tax</b>	<b>593,551</b>	<b>744,282</b>	<b>927,078</b>	<b>1,146,596</b>	<b>1,415,147</b>	<b>1,739,382</b>

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<b>ALGAWHARA LIMITED</b>						
Balance Sheet as at 31 Dec of year						
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
<b>Capital &amp; Liabilities</b>						
Ordinary share capital	566,038	754,717	754,717	1,132,075	1,132,075	1,509,434
Retained earnings	681,706	786,044	1,109,576	1,109,576	1,109,576	1,109,576
	<b>1,247,744</b>	<b>1,540,761</b>	<b>1,864,293</b>	<b>2,241,652</b>	<b>2,241,652</b>	<b>2,619,010</b>
<b>Non-current liabilities</b>						
Term Loan	113,208	75,472	37,736	37,736	37,736	37,736
Overdraft	344,678	348,125	351,606	281,285	225,028	180,022
Borrowings	262,375	264,999	267,649	214,119	171,295	137,036
Deferred tax liability	-	-	-	-	-	-
	<b>720,261</b>	<b>688,596</b>	<b>656,991</b>	<b>533,140</b>	<b>434,059</b>	<b>354,794</b>
<b>Current liabilities</b>						
Trade & Other Payables	307,720	310,798	313,906	313,906	313,906	313,906
Current tax	66,420	67,085	67,755	68,433	69,117	69,808
Provisions and accruals	26,026	26,286	26,549	26,814	27,083	27,353
<b>Total Liabilities</b>	<b>400,166</b>	<b>404,168</b>	<b>408,210</b>	<b>409,153</b>	<b>410,105</b>	<b>411,067</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>2,368,171</b>	<b>2,633,524</b>	<b>2,929,494</b>	<b>3,183,944</b>	<b>3,085,816</b>	<b>3,384,872</b>
<b>Non-current assets</b>						
Property, plant and equipment	1,203,485	1,318,406	1,446,628	1,699,458	1,529,647	1,748,515
	<b>1,203,485</b>	<b>1,318,406</b>	<b>1,446,628</b>	<b>1,699,458</b>	<b>1,529,647</b>	<b>1,748,515</b>
<b>Current assets</b>						
Inventories	786,819	846,131	912,111	912,111	912,111	1,138,526
Trade receivables	324,800	415,389	516,621	517,556	588,509	441,726
Other receivables - VAT	-	-	-	-	-	-
Cash and cash equivalents	53,067	53,598	54,134	54,819	55,549	56,105
	<b>1,164,687</b>	<b>1,315,118</b>	<b>1,482,866</b>	<b>1,484,486</b>	<b>1,556,169</b>	<b>1,636,357</b>
<b>Total Assets</b>	<b>2,368,171</b>	<b>2,633,524</b>	<b>2,929,494</b>	<b>3,183,944</b>	<b>3,085,816</b>	<b>3,384,872</b>