

**ALAF Limited**

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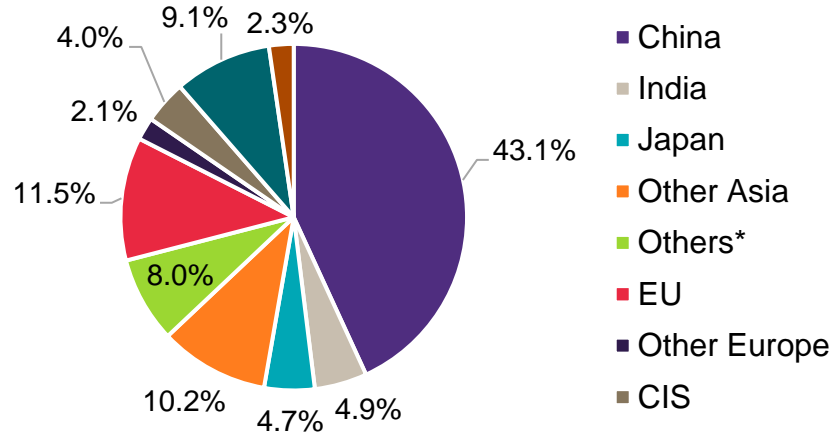
**Color Coated Line Feasibility Study**

February 2023

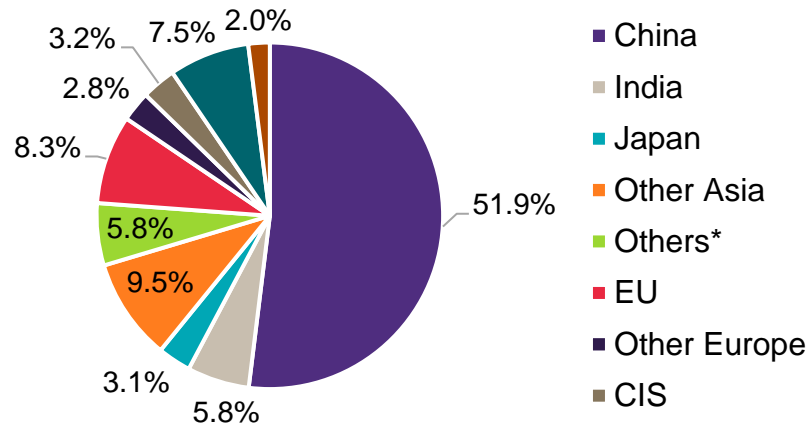
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## Apparent Steel Use: Geographical Distribution (2010)

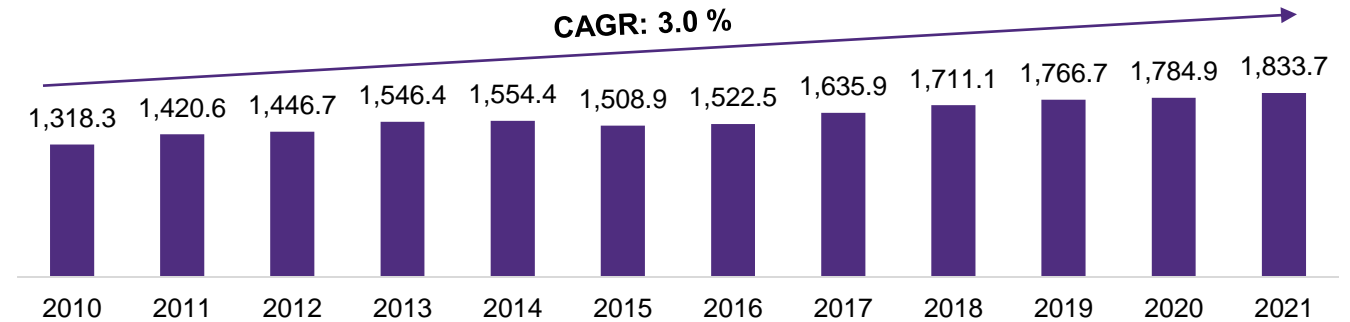


## Apparent Steel Use: Geographical Distribution (2021)



Source: World Steel Association

## Global Steel Demand – Million MT

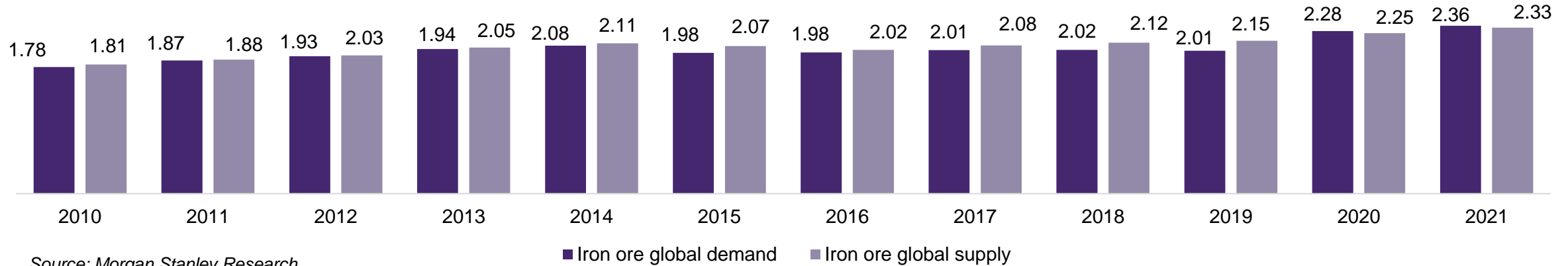


Source: World Steel Association

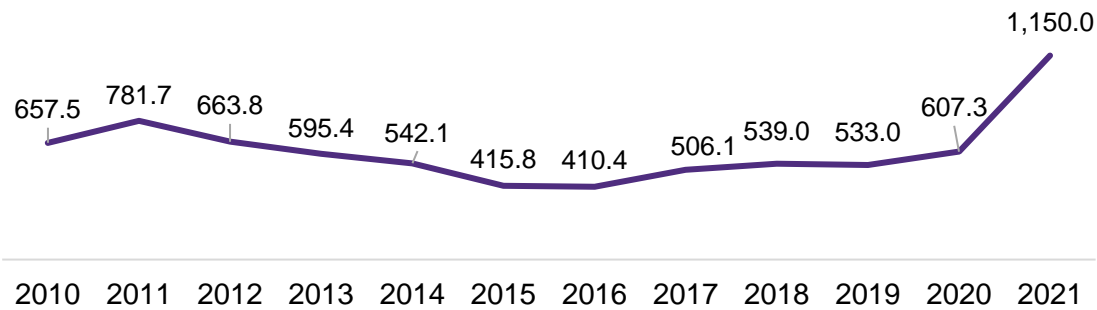
- The total demand for finished steel products increased at a CAGR of 3.0% from 1,318.3 million MT in 2010 to 1,833.7 million MT in 2021
- The share of top three countries (China, India, and Japan) in the global steel demand increased from 52.7% in 2010 to 60.8% in 2021
- The increased levels of investments in the construction and infrastructure sectors in China and India drove the growth in demand for steel products. On the other hand, economic slowdown in the EU region and the US resulted in a decline of their share of the global demand for finished steel products

**Going forward, the steel industry is expected to grow, but with a lower rate as compared to previous years. This is mainly due to ongoing war between Russia and Ukraine, rising inflation, supply chain disruptions and slowdown in construction sector due to rising interest rates and costs**

## Demand and Supply of Global Iron Ore – in billion MT



## Hot Rolled Coil Prices – USD/MT



Source: OECD, Market Watch, Primary Interview

- There was a surplus in the global iron ore market from 2010 to 2019 because of which the prices of iron ore decreased, which in turn reduced the price of various steel products
- In contrast, there was a deficit in the global iron ore market from 2019 to 2021 because of which the prices of iron ore increased, which in turn increased the price of various steel products
- The market surplus in the iron ore market from 2010 to 2016 caused the prices of hot rolled coils to decrease during the same period. The prices have risen from 2020 to 2021 mainly due to lower levels of supply and additional lockdowns around China's top steel-producing region

**Globally, crude steel prices have increased in the last one year and are expected to remain muted in the near future. The increasing crude steel prices coupled with the modest growth in demand for steel will translate to reasonable margins for ALAF once they start producing the color coated roofing sheets in Tanzania**

## Finished Steel Demand by region (million tonnes)

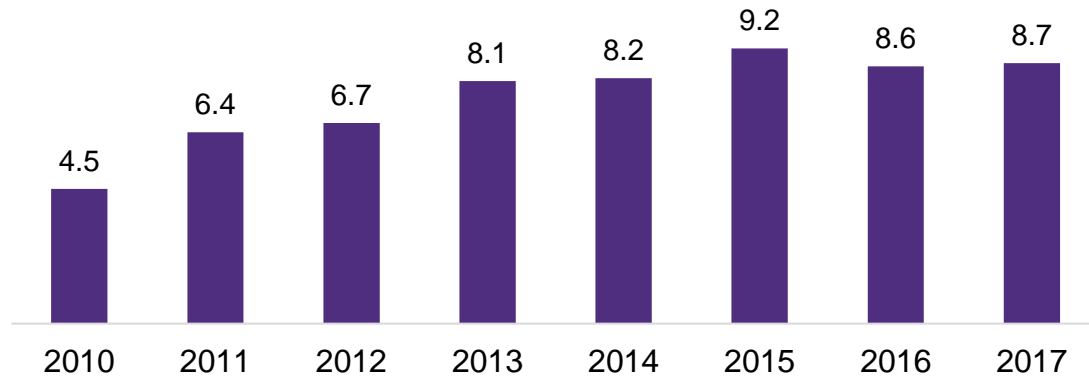
Region	2019	2020	2021	Growth % (2020)	Growth % (2021)
Asia & Oceania	1,253.9	1,316.8	1,298.1	5.0%	-1.4%
EU	157.7	131.0	152.8	-16.9%	16.6%
NAFTA	136.2	113.6	136.9	-16.6%	20.5%
CIS	58.5	57.6	58.5	-1.5%	1.6%
Other Europe	33.0	44.9	51.0	36.1%	13.6%
Central and South America	41.0	38.8	50.7	-5.4%	30.7%
Middle East	48.0	47.0	48.3	-2.1%	2.8%
Africa	38.5	35.2	37.4	-8.6%	6.2%
<b>World</b>	<b>1,766.7</b>	<b>1,784.9</b>	<b>1,833.7</b>	<b>1.00%</b>	<b>2.7%</b>

Source: World Steel Association

- The African region was amongst the six highest growing regions with finished steel product demand reaching 37.4 million tonnes in 2021, accounting for 2.0% of the global demand
- Driven primarily by urbanization and infrastructure projects, steel demand (finished steel) in Africa is expected to increase from 40.2 million tonnes in 2022 to 41.9 million tonnes in 2023

**In the coming years, steel demand growth rates in Africa will be moderate in line with expectations of the global economic slowdown and the global pandemic with demand in North Africa expected to pick up mainly due to the structural reforms that were introduced in the steel sector in Egypt in 2017**

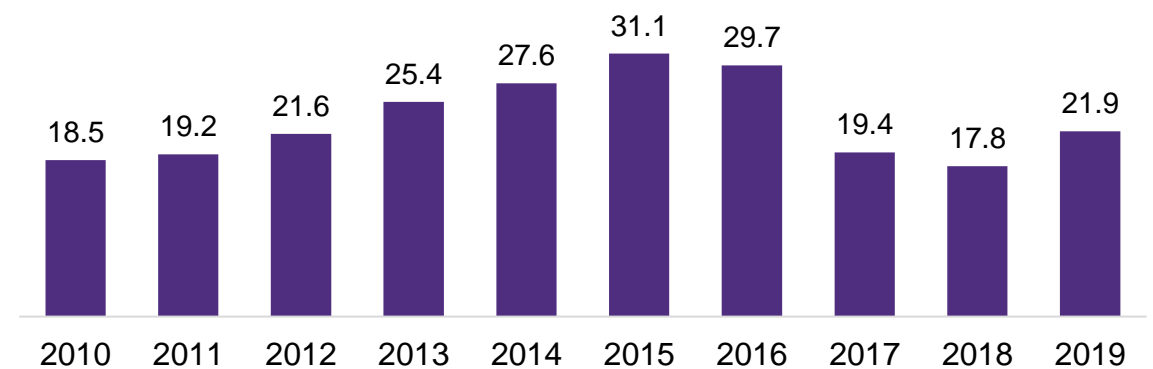
**Import of flat products\*  
(Million MT)**



\*Flat products consist of hot rolled sheets, cold rolled sheets, coated sheets, and plates with wide applications in automobiles, construction, and agriculture equipment

Source: World Steel Association, Steel Statistical Yearbook 2018

**Import of Semi-Finished & Finished Steel Products  
(Million MT)**



\*Semi-finished products include steel products such as billet, blooms and slabs. These products can be made by direct continuous casting of hot steel or by pouring the liquid steel into ingots, which are then hot rolled into semi-finished products. Finished products are obtained upon hot rolling/forging of Semi-finished steel (blooms/billets/slabs)

Source: World Steel Association, Steel Statistical Yearbook 2020

- Import of flat products has almost doubled in eight years since 2010, reaching a peak of 9.2 million MT in 2015
- Imports of semi-finished and finished steel products increased from 18.5 million MT in 2010 to 21.9 million MT in 2019 reaching a high of 31.1 million MT in 2015. Algeria and Egypt have experienced sharp declines in 2018 of 32.6% and 75.0% respectively with increasing demand indicating more local production in those years
- Tanzania's imports of finished and semi-finished products have tripled since 2010 reaching 946,000 MT in 2019 from 332,000 MT in 2010 to cater to the rising demand during that period

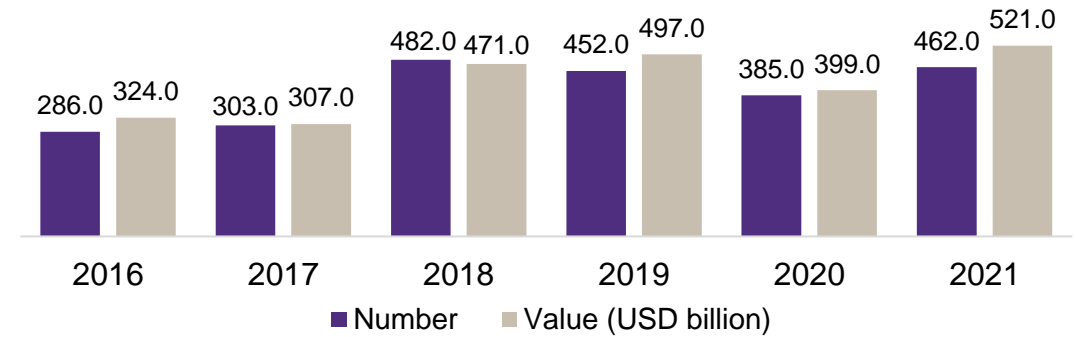
**On an overall level, African demand for finished steel has increased since 2010 coinciding with a period of falling crude steel production and increasing imports of both flat steel and semi-finished and finished products indicating that the increasing demand was met through imports**

## Region Wise Projects (Number and Value)

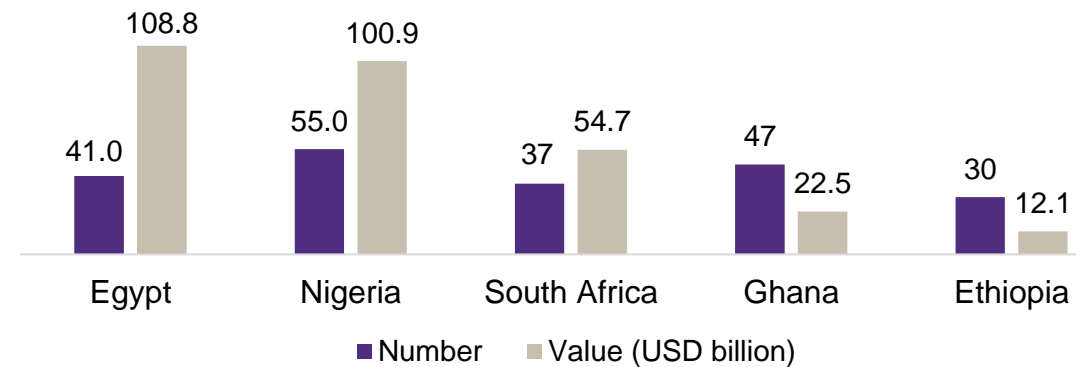
Year	2016	2017	2018	2019	2020	2021	% Of Total Africa
	<b>Northern Africa</b>						
Number of Projects	42	40	109	87	71	86	18.6%
Value (USD billion)	76.1	77.1	148.3	144.8	111	132.2	25.4%
	<b>Eastern Africa</b>						
Number of Projects	43	71	139	182	118	102	22.1%
Value (USD billion)	27.4	32.6	87.1	146.5	77.7	60.6	11.6%
	<b>Southern Africa</b>						
Number of Projects	85	93	103	92	102	106	22.9%
Value (USD billion)	93.5	89.7	125.4	118.3	124.5	147.7	28.4%
	<b>Central Africa</b>						
Number of Projects	24	20	26	16	18	15	3.3%
Value (USD billion)	7.0	9.8	26.9	6.5	6.4	7.4	1.4%
	<b>Western Africa</b>						
Number of Projects	92	79	105	75	76	153	33.1%
Value (USD billion)	119.8	98.3	82.8	80.9	79.0	172.8	33.2%

Source: Africa Construction Trends, 2021

## Construction Projects - Africa

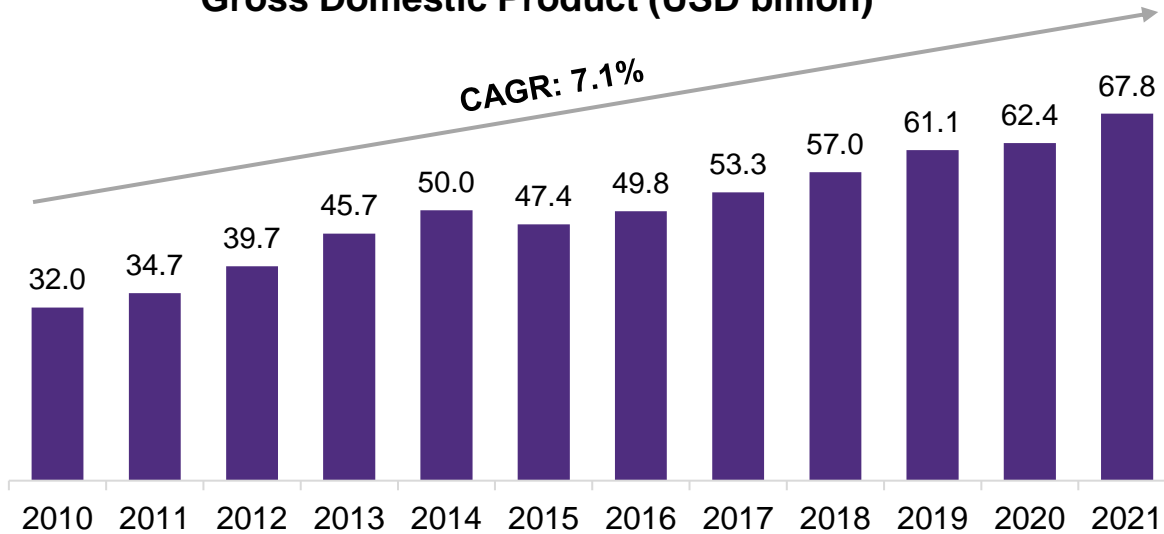


## Top Five Countries in Africa for Construction



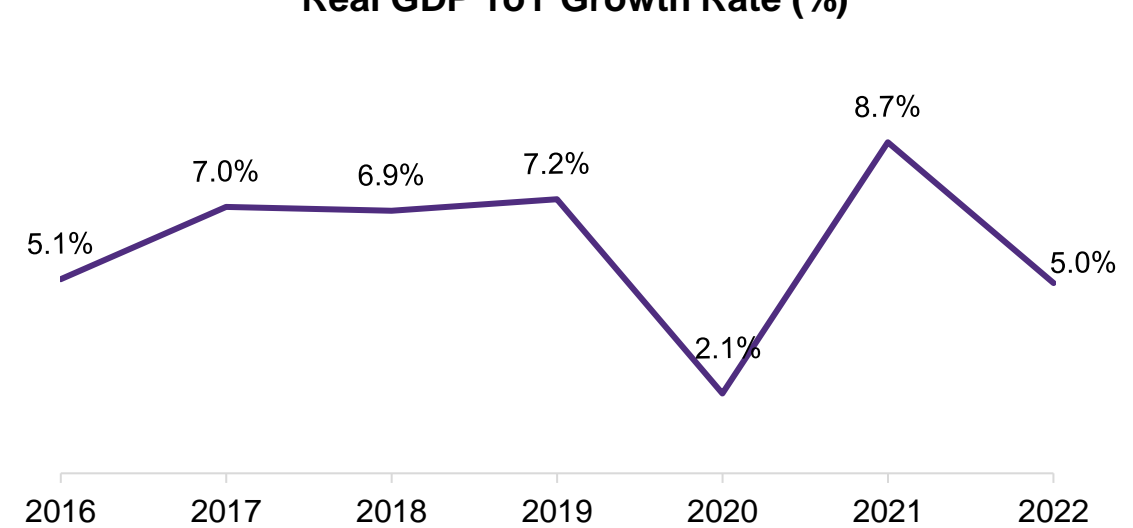
Construction projects have been on a steady rise for the past few years in most of the regions in value and in number. The total projects in value and in number increased by 31% and 20% respectively between 2020 and 2021 with the continent witnessing several projects breaking ground in certain parts

### Gross Domestic Product (USD billion)



Source: World Bank

### Real GDP YoY Growth Rate (%)



Source: World Bank

- Tanzania's GDP grew at a CAGR of 7.1% to reach USD 67.8 billion in 2021 from USD 32.0 billion in 2010. The main drivers of GDP growth in Tanzania have been the following sectors: Construction, Trade and Repair, Agriculture, Manufacturing, Information and Communication, Transport & Storage and Mining
- **World Bank estimates that Tanzania's GDP will grow by 5.6% in 2023.** The major drivers of this growth would be the construction, transport, and logistics sectors due to the increasing number of projects and investment in these sectors. The mining sector would also be a driver of growth due to the recent tax incentives given by the government to special economic zones

**Overall, the favorable economic outlook in Tanzania translates to good growth opportunities for ALAF that it can explore by augmenting its in house capabilities to meet the growing demand for finished steel products in Tanzania and in various parts of Eastern Africa**

## Sectoral Contribution To GDP

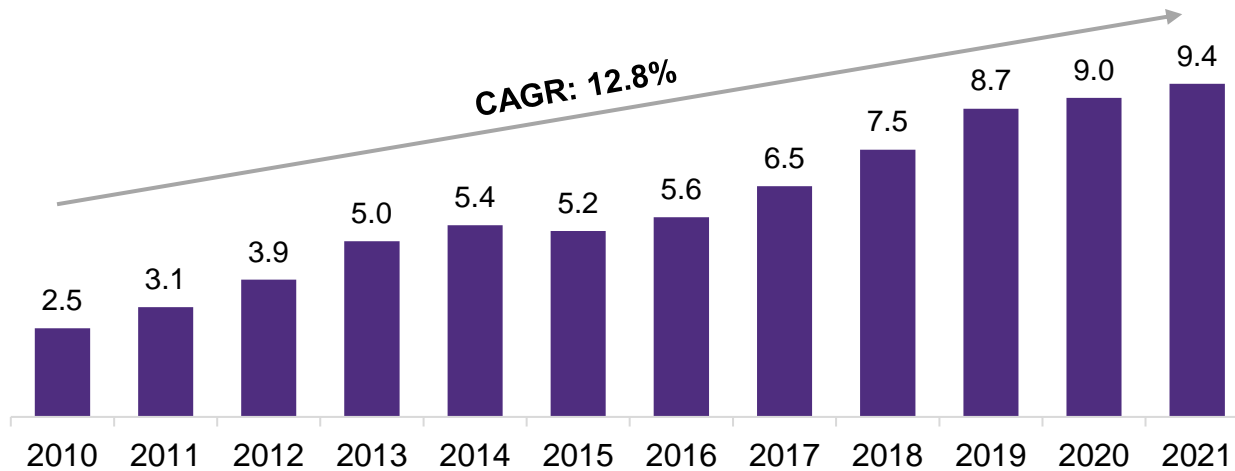
Sector	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Agriculture	29.9%	29.4%	26.6%	26.8%	25.8%	26.7%	27.4%	28.8%	27.9%	26.6%	26.4%	26.1%
Construction	7.8%	9.0%	9.7%	10.9%	10.8%	11.1%	11.3%	12.2%	13.1%	14.2%	14.1%	13.8%
Trade and Repairs	10.1%	10.6%	10.3%	9.7%	9.7%	9.3%	9.1%	9.1%	9.1%	8.8%	8.6%	8.7%
Manufacturing	6.9%	7.6%	9.4%	9.1%	9.1%	7.9%	7.8%	7.7%	8.1%	8.5%	8.3%	7.8%
Information & Communication	2.6%	2.4%	2.1%	2.0%	1.9%	1.8%	1.6%	1.5%	1.5%	1.5%	1.5%	1.5%
Transport and Storage	5.8%	5.2%	6.0%	7.2%	7.5%	7.3%	7.0%	6.7%	6.5%	6.9%	7.4%	7.1%
Mining	4.1%	5.1%	4.9%	4.3%	3.8%	4.3%	4.9%	4.4%	5.1%	5.2%	6.6%	7.2%
Others	32.8%	30.7%	30.9%	30.1%	31.4%	31.6%	30.9%	29.7%	28.5%	28.3%	27.1%	27.8%

Source: Tanzania Economic Survey

- ~72.0% of Tanzania's GDP is from the sectors shown in the table above
- Construction and manufacturing formed ~22% of the GDP in 2021, just behind agriculture

**The contribution of construction increased from 7.8% in 2010 to 13.8% in 2021. This is directly attributable to the increase in urbanization levels in Tanzania in the past decade which has led to an increase in construction activity**

**Construction Sector GDP (USD billion)**



Source: Tanzania Economic Survey

- The construction sector GDP grew at a CAGR of 12.8 % from USD 2.5 billion in 2010 to USD 9.4 billion in 2021. This was primarily driven by the increasing levels of urbanization and industrialization during this period
- In 2013 and 2014, there was a boom in the construction sector driven by increased investments for the construction of residential and commercial buildings and infrastructure projects
- Since 2015, growth has been rising steadily and the trend is expected to continue due to high levels of investment in the sector and the growing levels of urbanization and industrialization in Tanzania

## Drivers

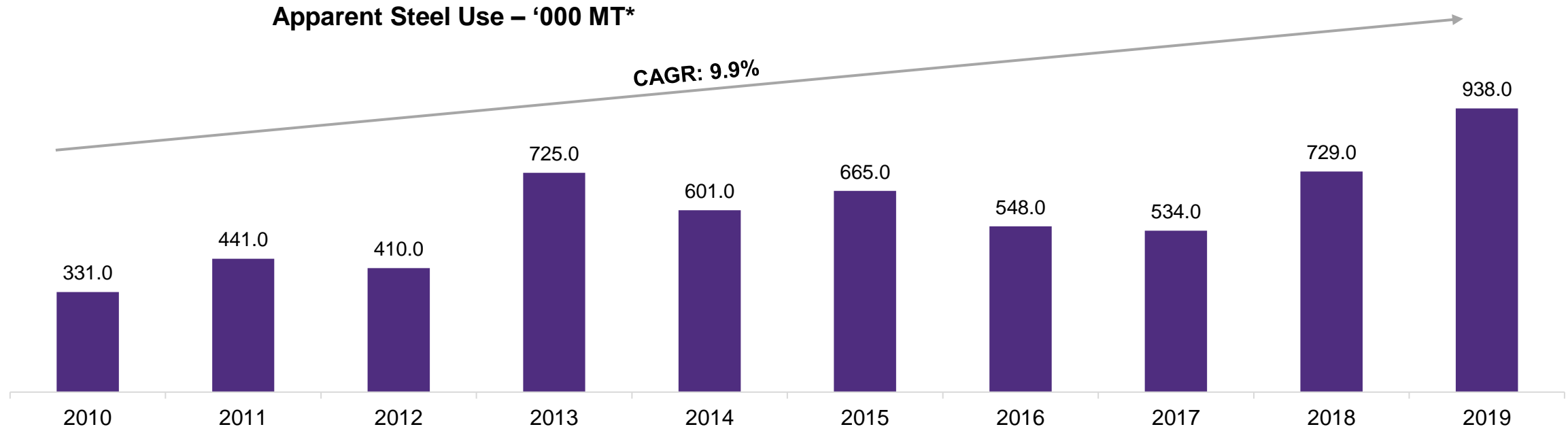
- Micro-financing and housing mortgage, coupled with rapid urbanization and a growth in the population, has stimulated the rapid growth of the construction sector
- Inflow of Infrastructure Development loans
- National and Regional development policies (Tanzania Development Vision 2025)

## Risks

- Land acquisition related bottlenecks
- Shortage of skilled labor
- Inadequate capacity of local contractors and consultants
- Inefficient procurement systems

**Growth in the construction and infrastructure has driven the demand for steel in the country. Going forward, this trend is expected to continue due to increasing levels of urbanization that will lead to further increase in demand for housing and other public infrastructure. The growing construction sector revalidates the potential of the roofing market, which ALAF can leverage to grow its revenues and margins**

## Apparent Steel Use – '000 MT\*



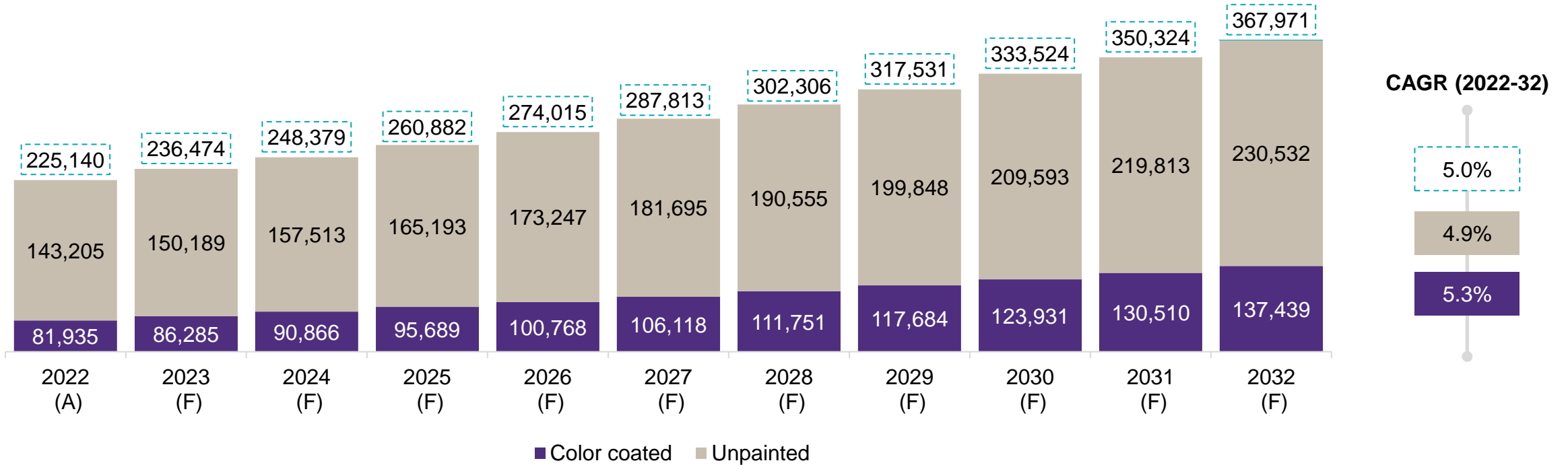
\*Data available till 2019

Source: World Steel Association, Steel Statistical Yearbook 2020

- Apparent Steel Use (Finished steel products) witnessed a significant increase from 2010-2019
- In 2012, Tanzania's ASU witnessed a 7.5% decline, which can be attributed to a slowdown in the due to lack of investments in the sector in 2012. In 2013 and 2019, ASU witnessed a YoY growth of 77.0% and 28.7% due to a significant growth in the construction sector

**Going forward, the ASU is expected to continue to grow given the favorable economic outlook of Tanzania which will be driven by the growth of the construction and infrastructure sectors**

## Tanzania Steel Roofing Market (Tonnes) - Projected

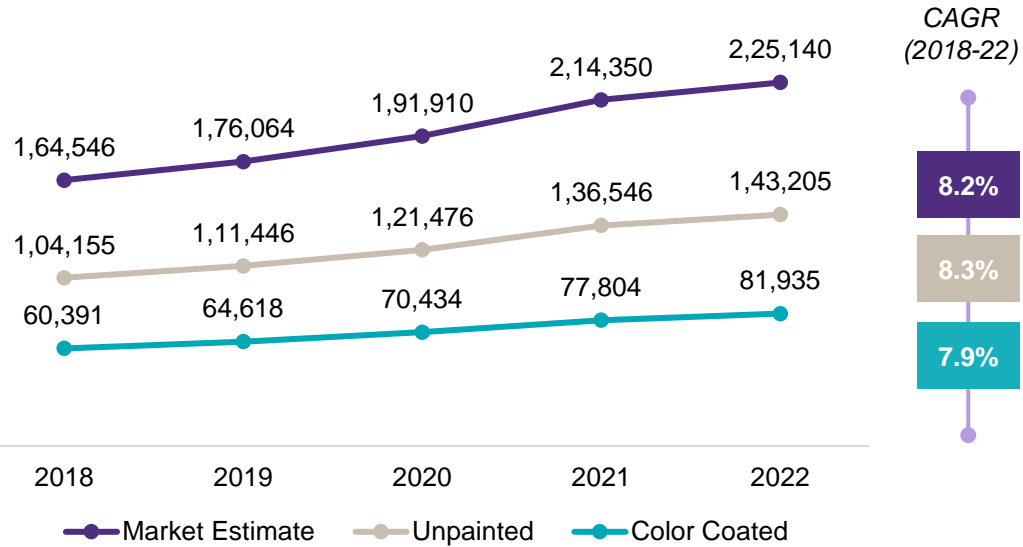


Source: IPSOS Analysis

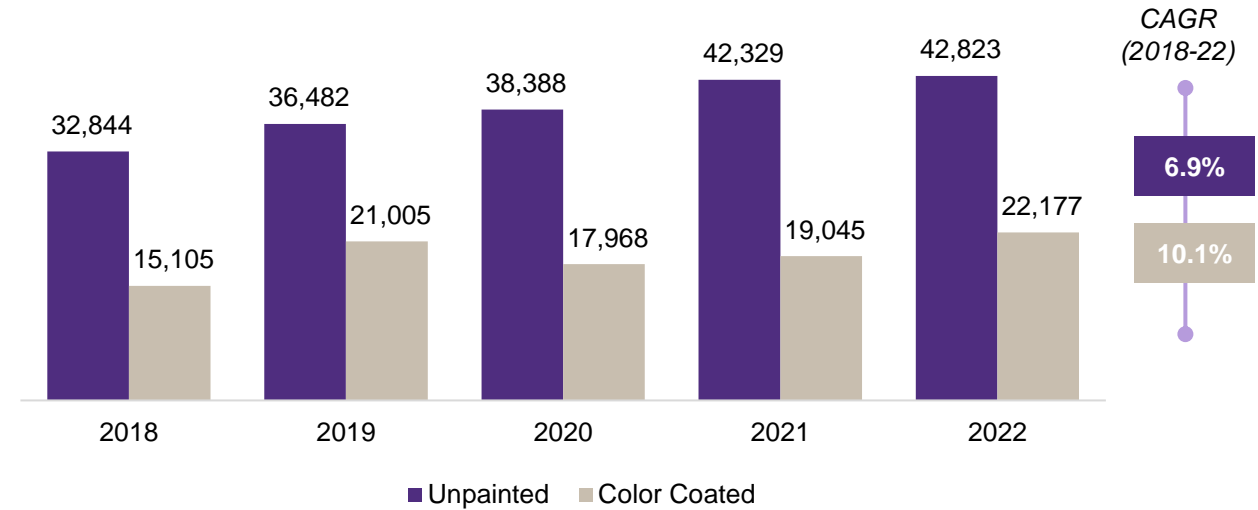
- The market for color coated roofing sheets in Tanzania is expected to grow by a CAGR of 5.3% from 81,935 tonnes in 2022 to 137,439 tonnes in 2032
- The market for unpainted sheets in Tanzania is expected to grow by a CAGR of 4.9% from 143,205 tonnes in 2022 to 230,532 tonnes in 2032

**The faster growth rate (5.3%) of color coated segment as compared to the unpainted (4.9%) indicates a promising growth story for ALAF to increase its market share**

### Total Roofing Market (Unpainted + Color Coated) - MT



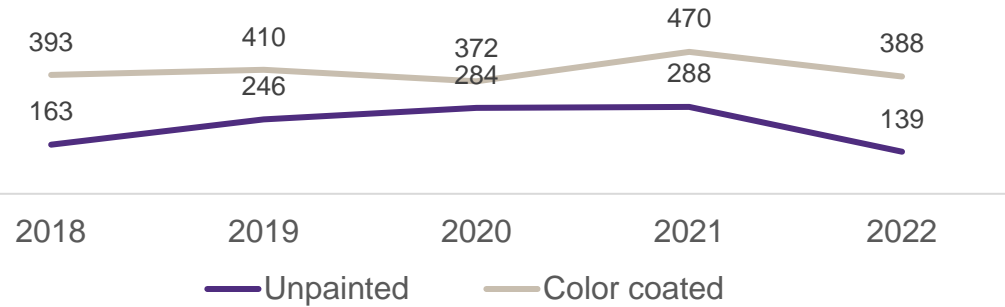
### ALAF's Sales Split – Unpainted & Color Coated - MT



- ❖ The demand for color coated sheets has been consistent with a share of 36% of the total roofing market between 2018-22. However, due to changing consumer preferences, the roofing market in Tanzania is expected to witness a shift from unpainted to color coated sheets in future
- ❖ Historically, ALAF has derived majority of its sales from unpainted roofing sheets and has been a market leader with a share ranging 30%-33% across the years. But margins in the unpainted roofing sheets market have been on a decline due to entry of a large number of players. On the other hand, the color market offers a better margin

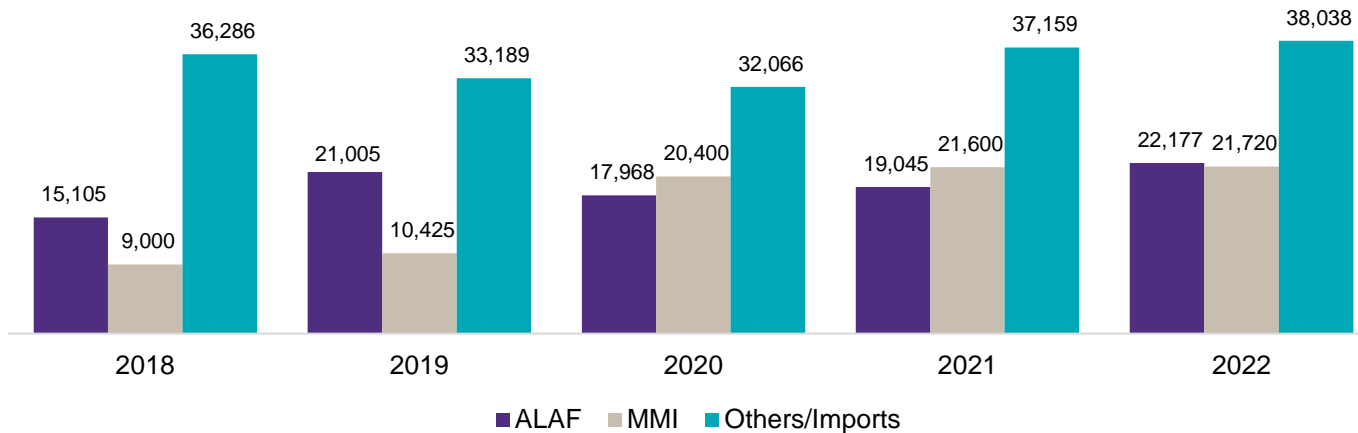
**The roofing market in Tanzania has shown a shift towards color coated roofing sheets from unpainted and the trend is expected to continue**

## Contribution/MT of unpainted and color coated - USD



- Due to entry of a large number of players in unpainted segment, the contribution margins have decreased drastically from 163/MT in 2018 to 139/MT in 2022
- Whereas margins are significantly higher in the color coated segment
- Cheaper Chinese imports take up the bulk of the high margin coated market and it is difficult to compete on price without compromising on quality

## Market shares of key players – Color Coated



Market Shares	2018	2019	2020	2021	2022
<b>ALAF</b>	25.0%	32.5%	25.5%	24.5%	27.1%
<b>MMI</b>	14.9%	16.1%	29.0%	27.8%	26.5%
<b>Others/Imports</b>	60.1%	51.4%	45.5%	47.8%	46.4%

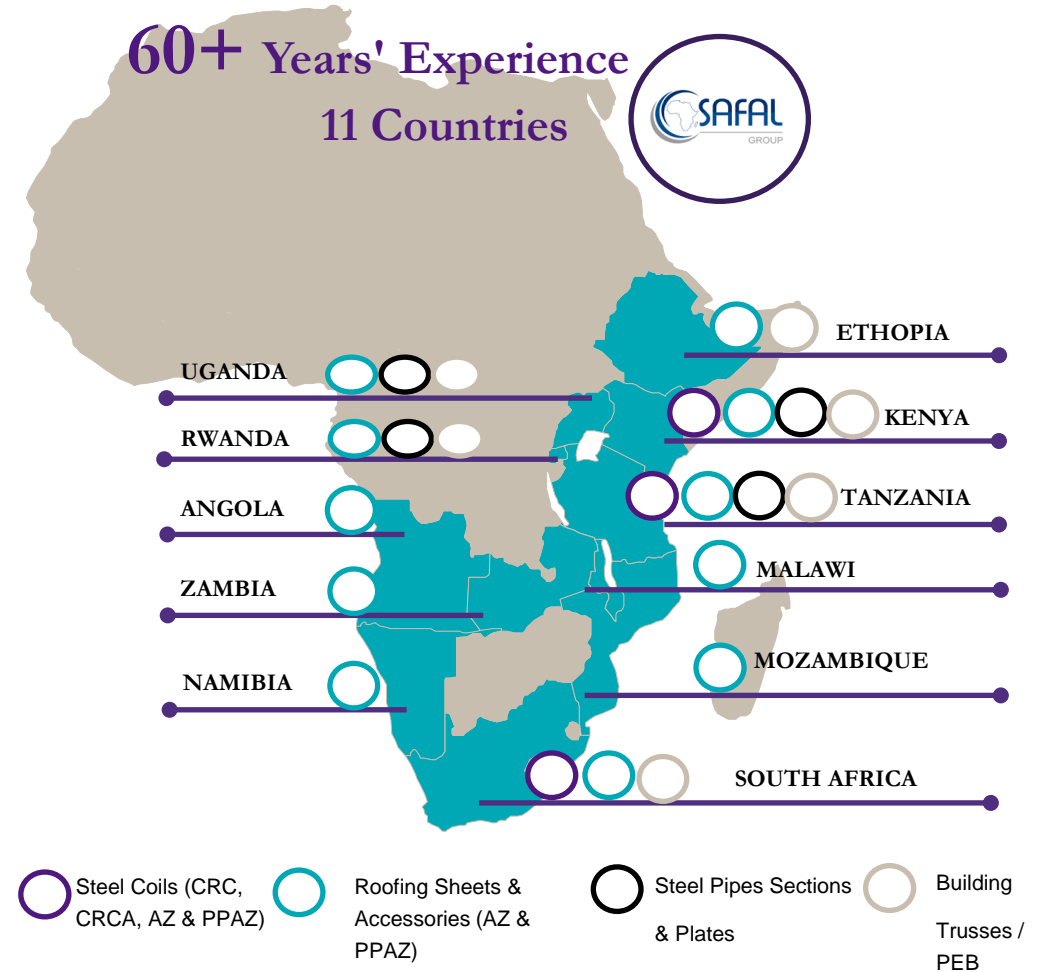
**ALAF, with its state-of-the-art manufacturing facility and service centers in five major cities and a strong dealer network currently commands a 27.1% share in the color coated market in Tanzania and further has an opportunity to grab an increased share in the regional color coated market from import players by setting up a CCL. The associated reduction in costs will make it more competitive while retaining the same superior quality**

# Projects details and rationale

- ❖ ALAF (formerly called Aluminum Africa Limited) is a leading building solutions provider in Tanzania
- ❖ The company is a subsidiary of Safal Investments (Mauritius) Limited and is part of the Safal Group of Companies
- ❖ The company was established in October 1960 with an initial objective of developing the 'Aluminium and Steel Industrial Complex' in Tanzania
- ❖ In 2010, the company started manufacturing Aluminium-Zinc coated steel roofing sheets that offers a much longer service life than traditional zinc coated ("Galvanized") steel
- ❖ ALAF Limited started a steel tube mill in Tanzania in 1971 and was the first company to introduce deformed bars in customized sizes in 2012 and customized Z-Purlins in 2013
- ❖ Today ALAF Limited offers Cold-Rolled Steel Coils; Aluminium-Zinc coated Coils, AZ Roofing Sheets & Accessories; Color Coated Steel Roofing Sheets & Accessories; Pipes, Tubes, Sections & Plates; Structural Steel; Cold Formed galvanized Pre-engineered Buildings, Light Weight Steel Trusses etc

Coated Steel – CR Steel Coils, AZ Steel Coils & standard-length roofing Sheets.

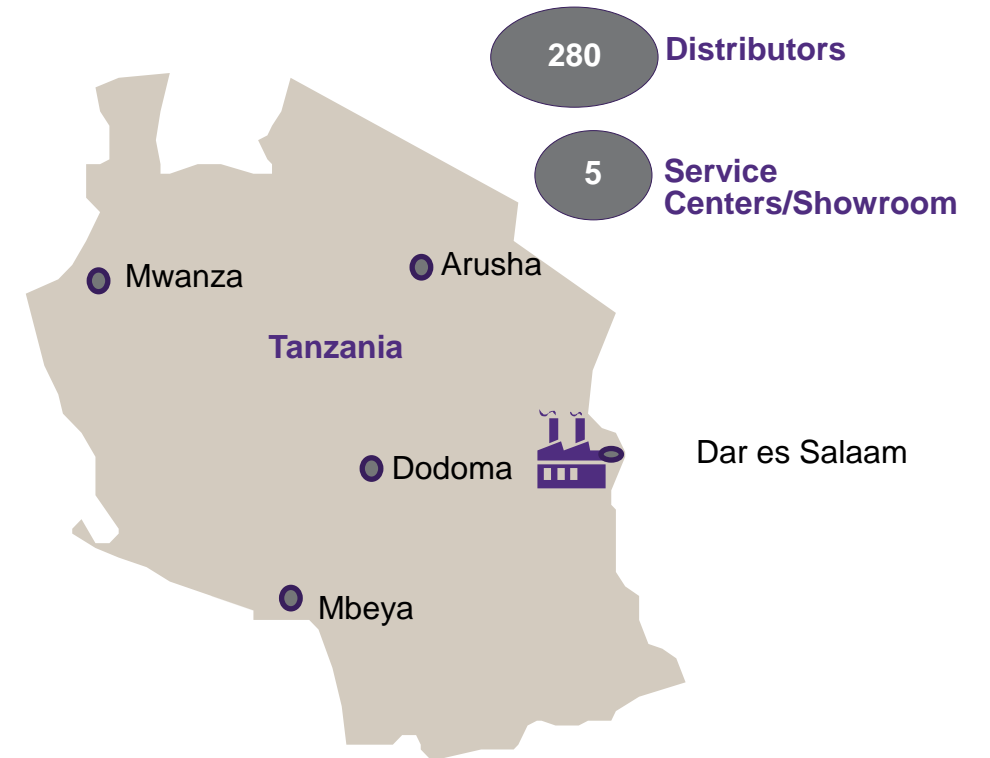
Building Solutions - AZ coated profiled sheets, CC profiled sheets, Stone Coated Roofing tiles, Roofing Accessories, Pipes Sections & Plates, Cold Formed galvanized Pre-engineered Buildings, Light Weight Steel Trusses, Structural Steel Product



# Overview of existing facilities

Facility	Plot Area (Sq. M)	Built-up Area (Sq. M)	Products	Machines
<b>Factories</b>				
Dar Es Salaam	192,790	63,967	CRC, Metal Coated, Profiled Sheets, Pipes & Plates	CRM 4-Hi, MCL, Roll Formers, Tube Mill, Shearing Machine
<b>Service Centers</b>				
Arusha	2,250	236	Profiled Sheets	Roll Formers
Mwanza	3,252	1,138	Profiled Sheets	Roll Formers
Mbeya	5,783	1,441	Profiled Sheets	Roll Formers
Dodoma	6.077	1,391	Profiled Sheets	Roll Formers

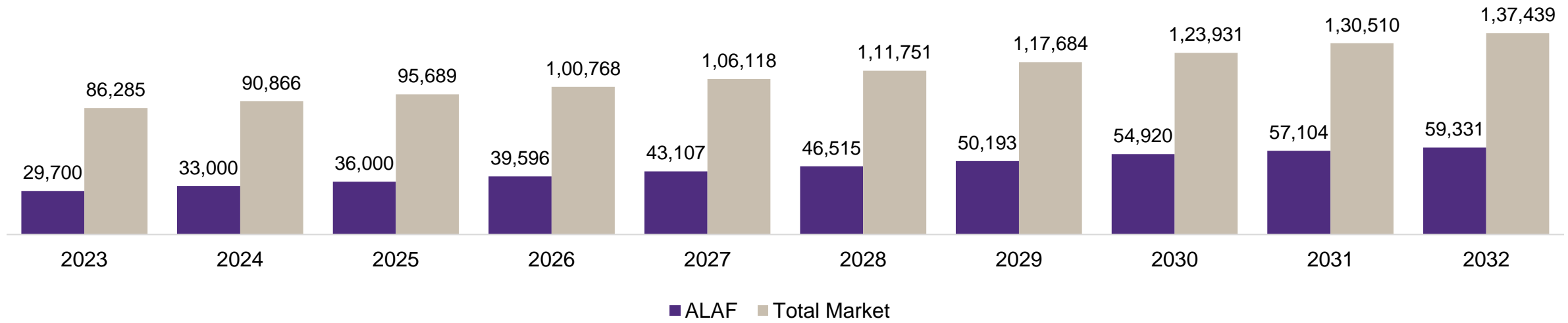
## Overview of Facilities: Alaf Coated Steel & Alaf Building Solutions



**ALAF has a current capacity for cold rolling mill of 100,000 MT per annum. It has a metal coating capacity of 100,000 MT per annum**

# Opportunity for ALAF in Color Coated market

**Color Coated Market (Tonnes) - Projected**



Market Share	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>ALAF</b>	34.4%	36.3%	37.6%	39.3%	40.6%	41.6%	42.7%	44.3%	43.8%	43.2%

**ALAF, given its brand equity and strong leadership position in the unpainted market, has an opportunity to cement its leadership position in the color coated market and increase its market share to 43.2% in the next 10 years**

<b>Sponsor</b>	<b>ALAF Limited</b>
<b>Project Description</b>	Commissioning of New Color Coating Line
<b>Product Facilities</b>	Manufacture of Color Coated steel coils using Aluminium Zinc Coated Steel Coils produced by the inhouse Metal Coating Line, which are further processed into profiled sheets
<b>Product Applications</b>	Mainly Residential, Commercial & Industrial Roofing
<b>Production Capacity</b>	73,000 MT/ Annum
<b>Commissioning Date</b>	January 2025
<b>Investment Required</b>	USD 22.7 million
<b>Gestation period</b>	2.0 years
<b>Payback Period</b>	3 years 11 months (Including commissioning period of 2 years)
<b>IRR%</b>	40.6%



Parameter	Line Specification
<b>Type</b>	Continuous straight line
<b>Line Speed</b>	80 MPM – Max
<b>Coaters</b>	Prime top and bottom, finish top and bottom
<b>Ovens</b>	CNG fired with RTO

- In view of the projected demand of color coated roofing sheets in Tanzania as well as neighboring countries, ALAF proposes to install a color coated line with a nominal capacity of 73,000 MT per annum

Item	USD million
Land and land development	0.7
Civil & Structural Works	2.9
Main plant and machinery	14.6
Auxiliary equipment	1.3
Other expenses	0.5
Contingencies	0.6
<b>Project cost excluding interest</b>	<b>20.6</b>
Interest during construction	2.2
<b>TOTAL INVESTMENT</b>	<b>22.7</b>

## 1. Land and land development:

Land and land development are projected to cost USD 0.7 million

## 2. Civil & structural works:

Total cost of 2.9 million includes profiling bay, finished goods store, CCL equipment foundation, control rooms, coater rooms, paint store, production offices, internal roads

## 3. Main plant & machinery:

Total cost of USD 14.6 million includes terminal equipment, freight, installation, local fabrication, manpower cost, consumables, spares

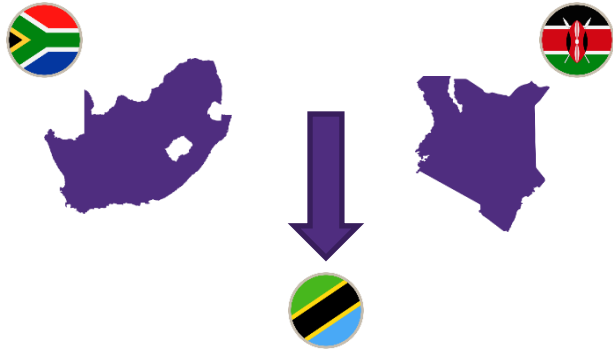
## 4. Auxiliary equipment:

Total cost of USD 1.3 million includes weighbridges, transformer, LT & HT switch gears, Compressor, Crane, Cooling Tower, pumps, transfer trolleys, lifting equipment

# Project timeline

Milestone	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	Oct-24	Nov-24	Dec-24	Jan-25
Signing of contract with equipment supplier & placing order	█														
Final equipment review/Sign off Design		█													
Appoint contractor-Building design-Tender			█												
Order of factory building				█											
Tender & appoint - Civil contractor				█	█										
Final funding based on Feasibility				█											
Balance Equipment ordering					█										
Site civil work commencement					█										
Factory building and site work						█	█	█	█						
Equipment supply								█	█	█					
Line equipment installation											█	█			
Cold commissioning													█		
Hot commissioning														█	
Full commission-FAT															█

## Current ALAF CC sourcing:



Current freight cost is USD 120/MT

## ALAF CC sourcing – with CCL

**With the installation of the line, ALAF will be able to save USD 37 million in freight costs over a period of 10 years**



**Apart from the freight savings, ALAF will also gain additional margins from in-house manufacturing amounting to USD 45.2 million over a period of 10 years**

- The color coated market offers better margins to ALAF than unpainted. With the market expected to reach a size of ~106,000 MT by 2027 and ~137,000 by 2032, there is an opportunity to capture a major share of this market
- Currently, among the competitors, only MMI manufactures color coated roofing sheets locally with a maximum capacity of 35,000 MT per annum. Chinese imports, which currently constitute ~46% share in the market, are of inferior quality catering to the lower end of the market
- By setting up a CCL, ALAF can capture share from the import players by enabling it to service customers faster and at a competitive price
- ALAF currently sources color coated coils from Kenya and South Africa. This sourcing structure entails an average additional freight cost of USD 120/MT from Kenya and South Africa making it less price competitive
- Producing locally can improve the color margins on account of freight cost and manufacturing margin saving, enabling it to compete better on price while retaining the same superior quality

# ...provides strong value proposition for ALAF to set up a CCL

## CC sales volume and freight savings

Parameter	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Sales Volume	36,000	39,596	43,107	46,515	46,219	45,146	40,631	39,020
Freight savings – USD million	4.0	4.4	4.7	5.1	5.1	5.0	4.5	4.3

Savings of USD 37 million in 10 years

## Manufacturing margin

USD million	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Manufacturing contribution	6.1	6.3	6.5	6.5	6.0	5.4	4.5	3.9

Manufacturing margins of USD 45.2 million in 10 years

In the next 10 years, with the savings in freight costs (USD 37 million) and contribution from in-house manufacturing (USD 45.2 million), the additional contribution for ALAF comes out to be USD 82.2 million for ALAF. The savings will thus offset the investment costs on setting up the CCL

- ALAF's sales of color coated roofing sheets in the next five years is expected to be at an average of ~ 8% per annum. It is expected that in 2025 the total sale of color coated roofing sheet shall be ~36,000 MT. ALAF has to maintain its leadership position in the residential and commercial sector and also needs to differentiate itself via a **'First Mover'**
- ALAF's strategy is to convert the current aluminium zinc coated roofing sheets (unpainted) market to a much better, long lasting and higher margin color coated roofing sheets market and to provide market other building products using color coated/painted steel sheets



- The growth in ALAF's color coated steel products clearly demonstrates that Tanzanians prefer to have color coated steel roofing sheets on the roof of their houses to differentiate themselves from others and to have better social indicator and also to show that **"Tanzanians Love Color"**



- **Without increased color coated steel products capacity, ALAF shall have limited opportunity** to drive the market towards higher value products and to expand profitable color coated steel products range e.g., roller shutters, texture/wood grain manufactured products, ceiling panels, cool room panels, etc.



**Technical capability and marketing & distribution channels exists within ALAF to fast-track conversion of unpainted market to color coated steel products market, and to continuously grow and expand higher margin color coated steel products. With the commissioning of new CCL, ALAF shall thus be well placed to capitalize on this increase in growth with its expanded capacity and product portfolio**

## 1 Steel Demand

- The Apparent Steel Use (Finished steel products) witnessed a significant increase from 2010-2019, growing at a CAGR of 9.9% during the period. Installation of the line provides an incentive to capture the increasing demand by providing a cost effective while retaining the same superior quality

## 2 Growth of Construction in Tanzania

- Outlook remains positive with the GDP from construction sector in Tanzania having grown at CAGR of 12.8% between 2010 and 2021. Further, the investments in infrastructure, such as the construction of railways, roads, LNG projects and the Government's aim to provide affordable housing to low-income citizens are expected to propel the construction sector growth at an AAGR of 7% during the period 2023-26

## 3 Competitive Advantage

- Installation of the line will enable the ALAF to capture an increased share of the color coated roofing market by enabling it to be more price competitive. The color coated market in Tanzania is expected to grow from roughly 82,000 MT per annum in 2022 to 137,000 MT per annum in 2032 (as per IPSOS analysis). Currently, only MMI has local color coating facility, however, Lodhia Steel is putting up a color coating line with 75,000 MT per annum capacity

## 4 Cost Advantage

- ALAF's demand of ~20,000 MT (in 2022) was sourced from South Africa and Kenya but this sourcing entails average additional freight cost of USD 120/MT making it less price competitive. Installation of the line will provide a definite advantage to ALAF in terms of cost saving and better margins and will help in capturing a better market share. With the installation of the line, ALAF will be able to save USD 37 million in freight costs over a period of 10 years

## 5 Improved Profitability

- With the savings in freight costs (USD 37 million) and contribution from in-house manufacturing (USD 45.2 million), the additional contribution comes out to be USD 82.2 million in the next 10 years. The savings will thus offset the investment costs

**Project cost excluding interest**

**USD 20.6 million**

**Interest during construction**

**USD 2.2 million**

**Total project cost**

**USD 22.7 million**

**Loans required**

**USD 20.6 million**

Loan in USD

USD 14.6 million

Loan in TSH

USD 6.0 million

**Loans repayment period**

**7 years** including 2 years of moratorium period

# Financial Snapshot

USD million	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
TOTAL Sales Volume - Tonnes	127,772	149,371	127,263	128,647	129,652	137,365	145,157	153,660	159,349	165,012
Net Turnover	157.5	187.4	166.3	169.1	171.7	180.7	189.4	198.9	204.8	210.7
Raw Materials	108.3	133.1	99.4	100.2	101.9	108.1	114.2	120.8	125.2	129.9
Coating Metals	13.2	16.6	16.7	16.3	15.9	16.8	17.7	18.8	19.4	20.0
Others Materials	0.3	0.4	4.3	4.6	4.9	5.3	5.7	6.3	6.5	6.8
Other Variable Costs	6.7	8.3	9.2	9.2	9.1	9.7	10.2	10.8	11.1	11.4
(+)/Dec/(-)Inc in stock	4.1	(0.9)	(1.4)	(0.6)	(0.9)	(0.9)	(0.9)	(1.0)	(0.8)	(0.8)
<b>Contribution</b>	<b>24.9</b>	<b>30.0</b>	<b>38.1</b>	<b>39.5</b>	<b>40.6</b>	<b>41.7</b>	<b>42.5</b>	<b>43.3</b>	<b>43.4</b>	<b>43.5</b>
Manufacturing HR Costs	3.5	3.5	4.4	4.6	4.7	4.8	4.9	5.1	5.2	5.3
Manufacturing Fixed Costs	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.2
Manufacturing Depreciation	2.7	2.6	4.1	4.0	3.9	3.8	3.7	3.6	3.5	3.4
<b>Gross Margin</b>	<b>17.7</b>	<b>22.9</b>	<b>28.6</b>	<b>30.0</b>	<b>31.1</b>	<b>32.1</b>	<b>32.8</b>	<b>33.6</b>	<b>33.6</b>	<b>33.6</b>
Administration HR Costs	3.9	4.0	4.0	4.1	4.2	4.3	4.4	4.5	4.7	4.8
Administration Costs	2.8	2.9	2.9	2.9	3.0	3.1	3.2	3.3	3.3	3.4
<b>Total Administration</b>	<b>6.8</b>	<b>6.8</b>	<b>6.9</b>	<b>7.0</b>	<b>7.2</b>	<b>7.4</b>	<b>7.6</b>	<b>7.8</b>	<b>8.0</b>	<b>8.2</b>
Selling & Distribution HR Cost	1.7	1.7	1.9	2.0	2.0	2.1	2.1	2.2	2.2	2.3
Selling & Distribution	1.4	1.4	1.7	1.7	1.7	1.8	1.8	1.9	1.9	2.0
Depreciation ( Admin, Selling & Dist)	1.1	0.5	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0
Interest & Financial	1.3	1.1	2.2	1.5	1.1	0.8	0.5	0.4	0.4	0.4
Hedging / Exchange Realized (+) Loss/(-) Gain	1.9	2.4	2.1	3.1	3.2	2.9	3.0	2.4	2.4	2.5
<b>Total Expenses</b>	<b>14.2</b>	<b>14.0</b>	<b>14.9</b>	<b>15.5</b>	<b>15.5</b>	<b>15.0</b>	<b>15.1</b>	<b>14.7</b>	<b>15.1</b>	<b>15.4</b>
<b>EBITDA</b>	<b>10.5</b>	<b>15.5</b>	<b>22.3</b>	<b>23.3</b>	<b>24.0</b>	<b>24.6</b>	<b>24.9</b>	<b>25.3</b>	<b>24.9</b>	<b>24.5</b>
EBIT	6.7	12.4	17.9	19.1	20.0	20.7	21.2	21.6	21.4	21.0
Cash Profit	7.3	12.0	18.0	18.6	19.6	20.9	21.5	22.4	22.1	21.6
<b>Profit Before Tax</b>	<b>3.5</b>	<b>8.8</b>	<b>13.6</b>	<b>14.5</b>	<b>15.6</b>	<b>17.0</b>	<b>17.8</b>	<b>18.8</b>	<b>18.5</b>	<b>18.1</b>
Current Tax	1.1	2.7	4.1	4.3	4.7	5.1	5.3	5.6	5.6	5.4
<b>Profit after Tax</b>	<b>2.5</b>	<b>6.2</b>	<b>9.5</b>	<b>10.1</b>	<b>10.9</b>	<b>11.9</b>	<b>12.4</b>	<b>13.2</b>	<b>13.0</b>	<b>12.7</b>

# Consolidated Balance Sheet

USD million	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
<b>Shareholders Funds</b>	<b>44.8</b>	<b>46.8</b>	<b>49.6</b>	<b>50.8</b>	<b>53.0</b>	<b>55.3</b>	<b>58.4</b>	<b>60.2</b>	<b>62.2</b>	<b>64.2</b>
Share Capital	5.8	5.6	5.4	5.2	4.9	4.7	4.4	4.2	4.0	3.8
Proposed Dividend	2.9	5.6	6.8	6.4	7.4	7.0	8.9	8.4	8.0	7.6
Capital Reserves	22.9	22.2	21.6	20.5	19.5	18.5	17.6	16.7	15.9	15.1
Revenue Reserves	13.2	13.4	15.8	18.7	21.3	25.2	27.5	30.9	34.3	37.7
<b>Non-Current liabilities</b>	<b>23.8</b>	<b>30.2</b>	<b>25.4</b>	<b>20.5</b>	<b>16.0</b>	<b>11.9</b>	<b>8.1</b>	<b>7.7</b>	<b>7.3</b>	<b>7.0</b>
Deferred Tax	8.4	8.2	7.9	7.5	7.2	6.8	6.5	6.1	5.8	5.6
Long term loans	13.2	19.9	15.5	11.0	7.0	3.3	-	-	-	-
Retirement Benefit Obligation	2.1	2.1	2.0	1.9	1.8	1.7	1.6	1.6	1.5	1.4
<b>Current liabilities</b>	<b>55.6</b>	<b>65.4</b>	<b>51.9</b>	<b>52.3</b>	<b>53.1</b>	<b>45.8</b>	<b>48.2</b>	<b>39.2</b>	<b>40.4</b>	<b>41.8</b>
Bank Overdraft	9.1	6.7	-	-	-	-	-	-	-	-
Foreign Creditors	43.9	55.8	48.3	48.9	49.7	42.2	44.6	35.4	36.5	37.8
Local Creditors	1.7	2.1	2.7	2.6	2.6	2.8	2.9	3.1	3.2	3.3
Provisions	0.9	0.9	0.9	0.8	0.8	0.8	0.7	0.7	0.7	0.6
<b>Total Liabilities</b>	<b>124.1</b>	<b>142.5</b>	<b>126.9</b>	<b>123.6</b>	<b>122.2</b>	<b>113.0</b>	<b>114.7</b>	<b>107.2</b>	<b>110.0</b>	<b>113.0</b>
<b>Non-Current Assets</b>	<b>61.4</b>	<b>66.5</b>	<b>61.7</b>	<b>56.0</b>	<b>50.7</b>	<b>45.9</b>	<b>41.4</b>	<b>37.2</b>	<b>33.3</b>	<b>29.7</b>
Net Fixed Assets	43.5	39.1	61.3	55.6	50.3	45.5	41.0	36.8	33.0	29.4
Capital WIP/ Capital Advance	17.7	27.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
ROU Assets	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
<b>Current Assets</b>	<b>62.7</b>	<b>76.0</b>	<b>65.2</b>	<b>67.6</b>	<b>71.5</b>	<b>67.1</b>	<b>73.3</b>	<b>70.0</b>	<b>76.7</b>	<b>83.2</b>
Stocks	37.0	42.0	40.9	40.9	42.0	43.4	44.9	46.6	47.5	48.5
Trade Debtors - Local	12.0	13.4	14.4	15.3	16.3	17.1	17.9	18.8	19.4	19.9
Trade Debtors - Export	7.8	11.8	3.6	1.8	-	-	-	-	-	-
Claims, Deposits & Prepayments	4.3	4.2	4.0	3.8	3.7	3.5	3.3	3.1	3.0	2.8
VAT receivable	1.6	4.6	2.2	-	-	-	-	-	-	-
Cash and Bank Balances	0.0	0.0	0.1	5.8	9.5	3.1	7.2	1.4	6.8	12.0
<b>Total Assets</b>	<b>124.1</b>	<b>142.5</b>	<b>126.9</b>	<b>123.6</b>	<b>122.2</b>	<b>113.0</b>	<b>114.7</b>	<b>107.2</b>	<b>110.0</b>	<b>113.0</b>

# Consolidated Cash Flow Statement

USD million	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Profit before tax	3.5	8.8	13.6	14.5	15.6	17.0	17.8	18.8	18.5	18.1
Depreciation	3.8	3.1	4.3	4.2	4.0	3.8	3.7	3.6	3.5	3.5
Interest Expense	1.3	1.1	2.2	1.5	1.1	0.8	0.5	0.4	0.4	0.4
Dividend	-	(2.8)	(5.4)	(6.4)	(6.1)	(7.0)	(6.6)	(8.4)	(8.0)	(7.6)
Tax Paid	(1.1)	(2.7)	(4.1)	(4.3)	(4.7)	(5.1)	(5.3)	(5.6)	(5.6)	(5.4)
<b>Operating Profit Before Working Capital Changes</b>	<b>7.6</b>	<b>7.6</b>	<b>10.6</b>	<b>9.3</b>	<b>9.9</b>	<b>9.6</b>	<b>10.0</b>	<b>8.8</b>	<b>8.9</b>	<b>8.9</b>
Net Inventory	4.2	(6.1)	(0.1)	(2.0)	(3.2)	(3.5)	(3.6)	(3.9)	(3.3)	(3.4)
Trade Receivables	(8.2)	(5.9)	6.5	(0.1)	0.0	(1.6)	(1.7)	(1.8)	(1.5)	(1.5)
Trade Payables	7.8	17.4	0.4	4.0	1.3	(6.8)	2.6	(8.8)	0.9	2.7
Claims deposits and other liabilities	(1.1)	(6.7)	(3.3)	1.1	2.1	2.1	2.1	2.2	2.2	0.6
<b>Working Capital Changes</b>	<b>2.6</b>	<b>(1.4)</b>	<b>3.4</b>	<b>3.0</b>	<b>0.3</b>	<b>(9.9)</b>	<b>(0.6)</b>	<b>(12.3)</b>	<b>(1.6)</b>	<b>(1.5)</b>
<b>Cash flow from operating activities</b>	<b>10.2</b>	<b>6.3</b>	<b>14.1</b>	<b>12.3</b>	<b>10.2</b>	<b>(0.3)</b>	<b>9.5</b>	<b>(3.5)</b>	<b>7.3</b>	<b>7.4</b>
Purchase of Fixed Assets	(17.8)	(10.1)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)	(1.5)
<b>Cash flow from investing activities</b>	<b>(17.8)</b>	<b>(10.1)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>(1.5)</b>
Loan raised	13.2	7.1	-	-	-	-	-	-	-	-
Loan repayment	(0.6)	-	(3.9)	(3.7)	(3.5)	(3.3)	(3.2)	-	-	-
Interest expense	(1.3)	(1.1)	(2.2)	(1.5)	(1.1)	(0.8)	(0.5)	(0.4)	(0.4)	(0.4)
<b>Cash flow from financing activities</b>	<b>11.2</b>	<b>6.0</b>	<b>(6.0)</b>	<b>(5.2)</b>	<b>(4.6)</b>	<b>(4.1)</b>	<b>(3.7)</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.4)</b>
Cash & Cash equivalents - Opening balance	(12.7)	(9.1)	(6.9)	(0.4)	5.3	9.4	3.4	7.7	2.3	7.7
Cash generated during the year	3.7	2.2	6.5	5.7	4.1	-6.0	4.3	-5.4	5.4	5.5
<b>Cash &amp; Cash equivalents - Closing balance</b>	<b>(9.1)</b>	<b>(6.9)</b>	<b>(0.4)</b>	<b>5.3</b>	<b>9.4</b>	<b>3.4</b>	<b>7.7</b>	<b>2.3</b>	<b>7.7</b>	<b>13.2</b>

# Thank You