



Celebi Tanzania, Wide Body Aircraft Equipments, Project 2023



Excutive Summary



Celebi Tanzania Aviation Services Ltd (CTAS) is a new company providing ground handling services to airlines at airports in Tanzania. The company was incorporated in 2019, with 65% share held by Celebi Hava Servisi of Instabul, Turkey. With its global footage in the aviation industry, Celebi Hava in partinership with CTAS had acquired a concession agreement with Tanzania Airports authority, to provide Airport Ground handling Services, starting with Julius Nyerere International Airport.

The Company has already invested 1Milion USD on a Narrow body Aircraft Equipments in the years 2021/2022. This created a gap in servicing Wide body aircrafts landing at JNIA due to the Lack of the said equipment and capabilities. This has further, gave a low competitive advantage from other Ground handlers already operates at JNIA which lead to low market penetration and low customer confidence.

It is this regards therefore, The CTAS Directors launched phase II Investment project named as a WIDE BODY AIRCRAFT GROUND HANDLING EQUIPMENT PROJECT. The project shall cost \$1.024million (United states dollar) for equipments to be imported from Turkey, India, German and Hungary. The importation is expected in early November to January 2024.

Through this investments, it will enable the growth for CTAS on its customer base, revenue and market share at large. There shall be 160 direct employment and many more indirect, via suppliers and service providers. The company shall be able to pay various taxes and Concession fees to the Airport Authority via t. Project benefits to be entailed in a separate page.

CTAS is requesting tax incentives from the Tanzania Investment Centre (TIC) to help reduce the upfront costs of its investment and make it more competitive in the ground handling market in its project under application.

CTAS will provides a wide range of ground handling and cargo services to airlines, including the following:-

- Passenger handling,
- Baggage handling,
- Cargo handling,
- Aircraft handling.
- Ancillary services, such as ticketing
- Lounge services, and VIP handling.
- General aviation,

CTAS has started operate at JNIA, its mission is to operates in airports throughout Tanzania, including Kilimanjaro International Airport, Zanzibar, Mwanza Airports and also partiner with other local a ground-handling companies to provide its services services to provise services to other airports in Tanzania in the future.

Project Details

Project name: Wide body Aircrafts
Ground Handling Equipments

Project owner: Celebi Tanzania
Aviation Services Limited

Project Time: Aug 23 - Marc 2024

Project Value: USD 1,012,124

Project Location: Julius Nyerere
International Airport

Project rationale and Benefits

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This project is expected to attract the following benefits:

- This investment at the JNIA will help to improve its Wide body Aircraft handling equipment capabilities hence uphold the government dream for the JNIA to be the Hub for East Africa by attracting more wide body Aircrafts/Airline operators.
- It will reduce the upfront costs in the Importations (Import Duties & Taxes)
- It will enable CTAS more competitive in the ground handling market. The investment will enable the market share to grow to 30% from 3% currently stand.
- It will create additional Jobs to Tanzanian - 160 staff expected to be employed in the project
- It will deliver additional revenue to Government Via _ Tanzania Airports Authority through conscesion charges , In this regards, a total of – TZS 786mil (for 2024 only) I expected to be paid to TAA.
- It will further generate additional revenue to the Government – through Taxes. The estimates is as follows
 - PAYE & SDL - TZS 912mil(In the year 2024 only)
 - City Service levies – TZS 135mil (for 2024)
 - More Corporate Taxes to Government in the next 5 years
- Other indirect employments and attracts further Foreign Direct Investors to Tanzania, due to incentives and good business environment available.

Details and Cost of Equipments



LIST OF EQUIPMENTS FOR THE PROJECT							
Equipment	Qty	Seller	Depart from	Purchase Cost	Freight Charges	Insurance	Total Cost _CIF
Pallet Dollies	11	CGHH	Turkey	\$ 7,846	\$ 28,460	\$ 162	\$ 36,468
Towbars	2	CGHH	Turkey	\$ 22,528	\$ 7,115	\$ 457	\$ 30,100
7T High loader	1	CGHH	Hungary	\$ 138,699	\$ 30,000	\$ 2,827	\$ 171,526
14T High loader	1	CGHH	Hungary	\$ 112,080	\$ 50,000	\$ 2,284	\$ 164,364
Pushback	1	3rd party	Germany	\$ 543,588	\$ 55,000	\$11,078	\$ 609,666
Pallet & Container Dollies	46	BR Power	India	\$ 107,444	\$ 22,127	\$ 2,190	\$ 131,761
TOTAL							\$ 1,012,124



Market analysis



Ground Handling Business (Tonnages & Revenue)

Market General Screening Assumptions

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- It is expected the annual growth on ground handling will be at 3.5% and Cargo at 9.4% (2024) respectively as per the published forecast.
- Competition – still stiff, 3 players on ground with almost same market size. With high risk of price cut to win customers.
- The possibility of Alliance Cargo warehouse acquisition and arrival of our widebody GSE gives more trust to customers and a good marketing tool to compete with current players with young GSE fleet.
- ISAGO certification has positioned us at the same level with others on IATA Accreditations ; and the only one at Julius Nyerere International Airport (JNIA)
- National Carrier (Air Tanzania) still enjoys government support on investment and have bright growth year by year; This is big potential to chase and partner with in the future.
- General Airport infrastructure is good and there is a plans to refurbishment of Terminal II to international standards.
- Tanzania inflation predictions seems to be stable at 4% (annum) on average.
- Tanzania Political environment is stable with general elections at 2025.

Assumptions – JNIA Market (Airlines lists) – Ground Handling.

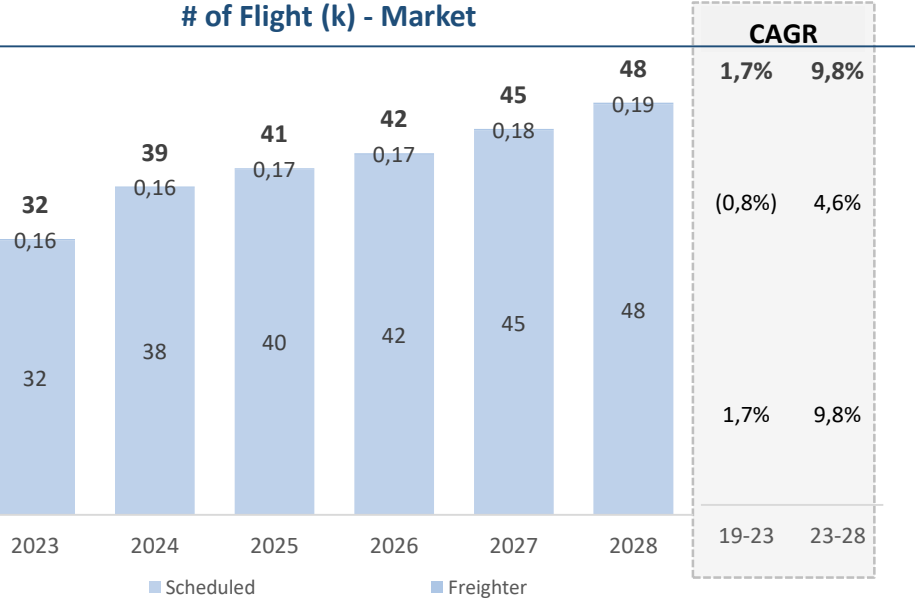
The Airlines landing and operates at JNIA consist of the following. These are the most scheduled flights and excludes Unscheduled and privates Jets.

No	Airline	No	Airline	No	Airline
01	Air Tanzania	10	Turkish Airlines	19	Air Austral
02	Precision Air	11	Oman Air	20	Kenya Airways
03	Coastal Aviation	12	Malawi Airlines	21	ZanAir
04	Ethiopian Airlines	13	Egypt Air	22	Flight Link
05	Qatar Airways	14	LAM	23	Air Excel
06	Emirates	15	Fly Dubai	24	Auric Air
07	Rwand air	16	Air Zimbabwe	25	Unity Air Zanzibar
08	KLM	17	Uganda Airlines	26	EwaAir (Seldom ops)
09	Saudia Airlines	18	Air France	27	Private Jets

Assumptions – JNIA Market Share Number of flights/Revenue growth – Ground Handling.



of Flight (k) - Market



Market share (Number of Airlines per GHA)

- ✓ SP - 56%
- ✓ NAS - 22%
- ✓ CEL - 03%
- ✓ SELF - 19%

- The market consist of 27 Airlines, both dom and International
- Cummulative annual growth rate to 2028 stands at 9.8%

sn	Airline	Handler
1	Air Tanzania	SP
2	Kenya Airways	SP
3	Uganda Airlines	SP
4	Ethiopian Airlines	SP
5	Qatar Airways	SP
6	Emirates	SP
7	Air Astra	SP

sn	Airline	Handler
8	Air Zimbabwe	SP
9	Turkish Airlines	SP
10	Oman Air	SP
11	Malawian	SP
12	Egypt Air	SP
13	EwarAir	SP
14	Saudia Airlines	SP

sn	Airline	Handler
15	Fly Dubai	Celebi
16	Auric Air	NAS
17	Flight Link	NAS
18	RwandAir	NAS
19	KLM and Air France	NAS
20	Coastal Aviation	NAS
21/ 24	Air Excel, ZanAir Precision Air, Unity Air	SELF

Assumptions – Celebi Target Market & Market share growth after the Project (Wide body)

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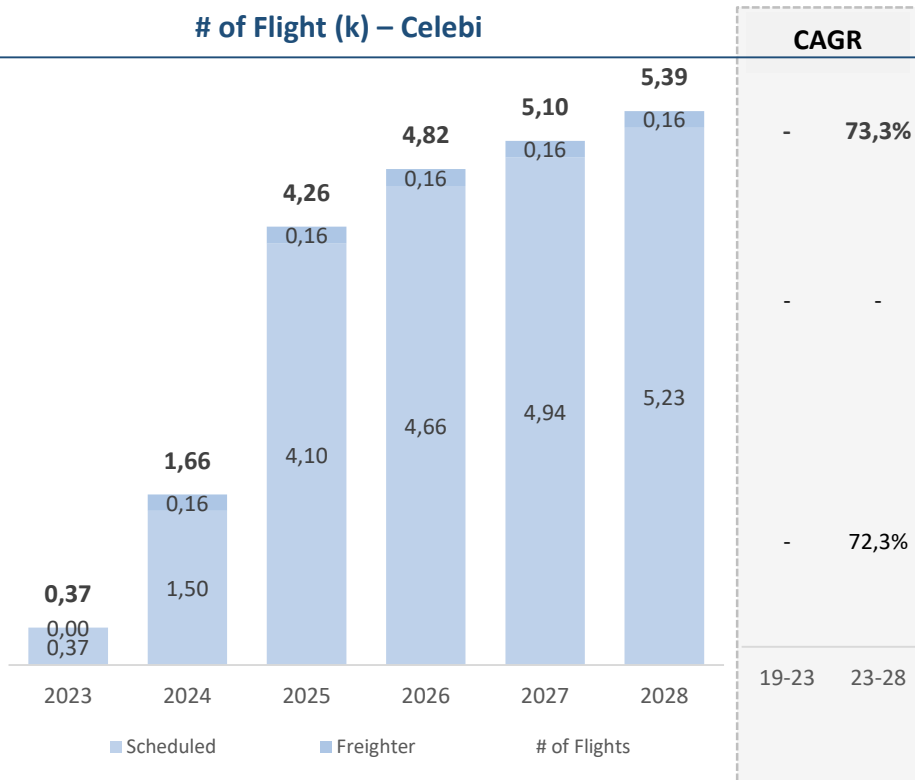
S/n	Airline	NoF	Expected Start Date
1	Fly Dubai	365	12/22
2	Turkish Airlines	365	01/24
3	Qatar Airways	520	04/25
4	KLM	365	04/24
5	Air France	78	04/24
6	Ethiopian Airlines	730	06/24
7	Private Jets	12	05/22
8	Butterfly Jet Tanzania Ltd	1,825	01/25

- Current Market share for Celebi Stand at 3% , with the Investmet planned, it will grow its market share by 30% by 2028 absolute numbers. (Airlines)

CTAS – Graphical Presentation of Number of Flights (Scheduled & Freighters)



of Flight (k) – Celebi

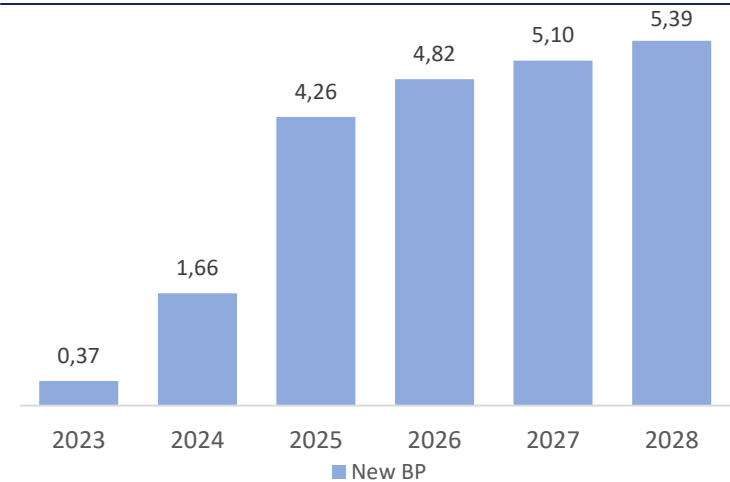


- There is significant growth in number of flights due to entry of Butterfly in the market with total number of flights 1875 pa.
- Compounded Average Growth Rates in 2028 stands at 73.3% (Number of flights)

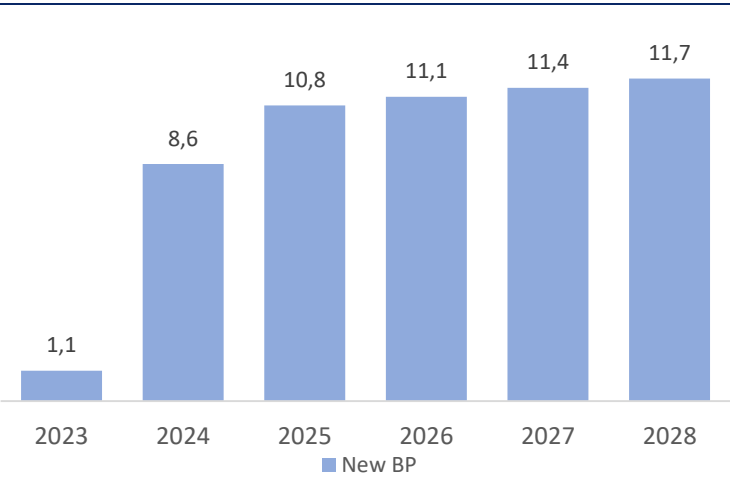
Celebi Tanzania – Overview on : NoF, Cargo Tonnages, Revenue & Earning assumptions – Graphs



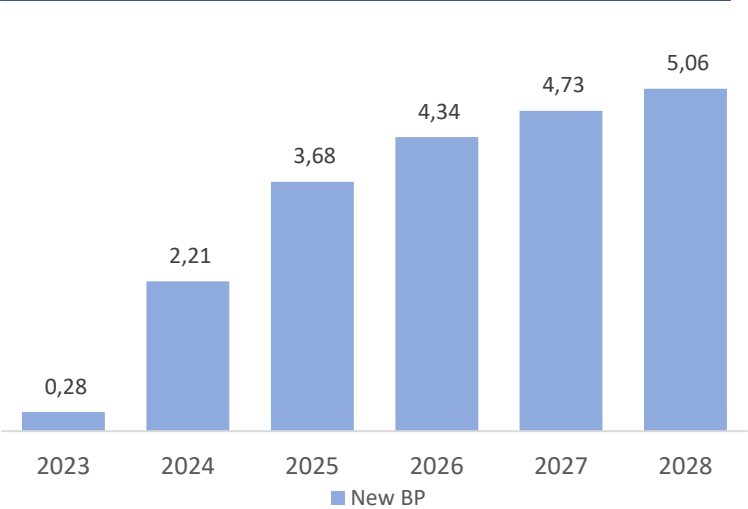
Number of Flights (k)



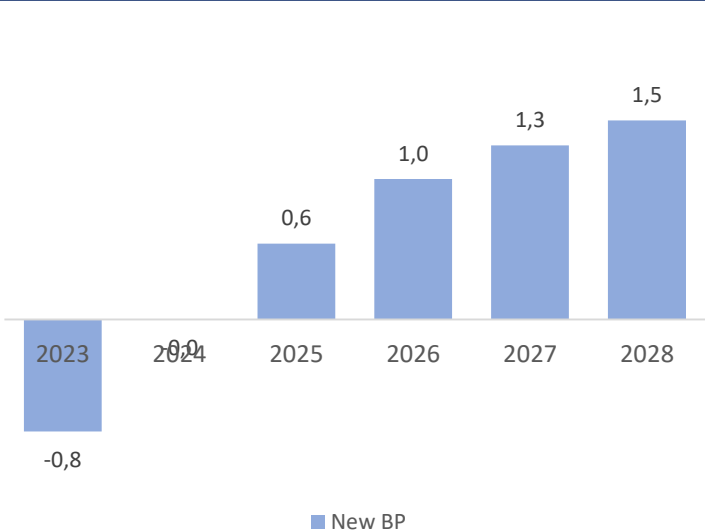
Cargo Volume (k)



Net Revenues (€mn)



EBITDA (€mn)



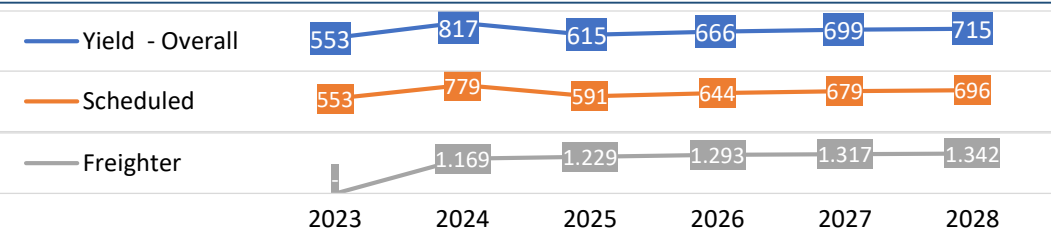
EBITDA Margin %



GH – Yield & Revenues



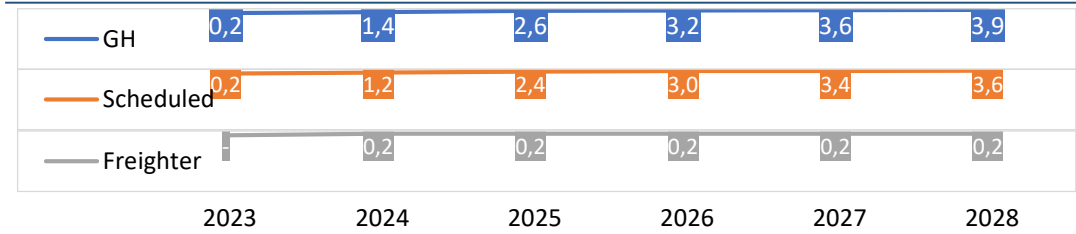
Yield - €



CAGR

-	5,3%
-	4,7%
-	-
19-23	23-28

Main GH Revenue by Segment- € mn



CAGR

-	78,6%
-	76,6%
-	-
19-23	23-28

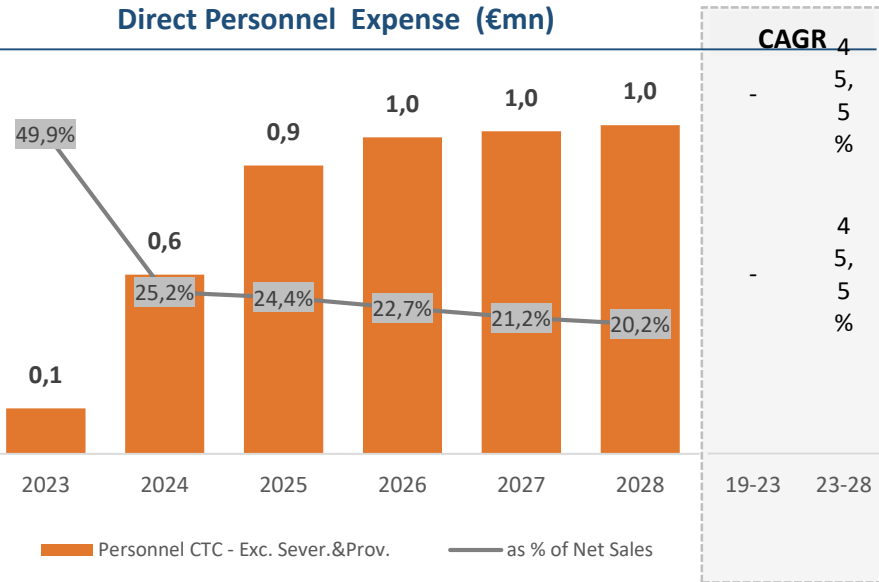
Yield sustainability plan:

- Ensuring on-time departure of the flight to avoid penalties that erodes revenue target.
- Continuous improvement on service delivery to all teams to ensure we retain the customers.
- Adherence to safety and Security standards all the time across the team to reduce big insurance liabilities.
- Cost Leadership to sustain on the yield levels achieved

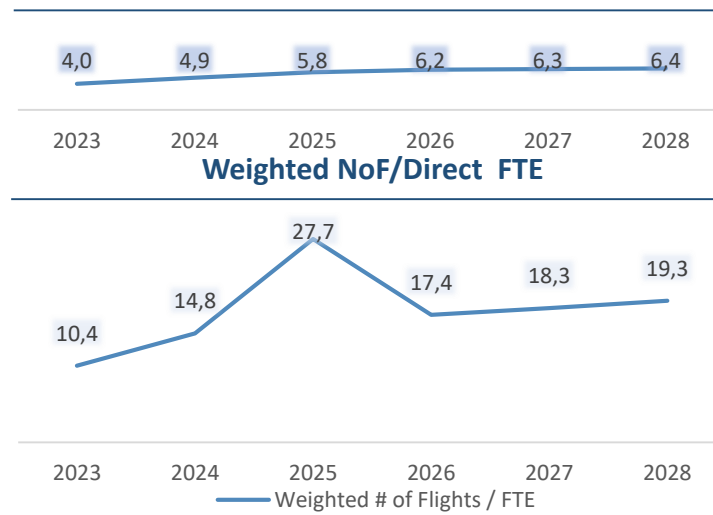
GH – Cost of Sales - Manpower



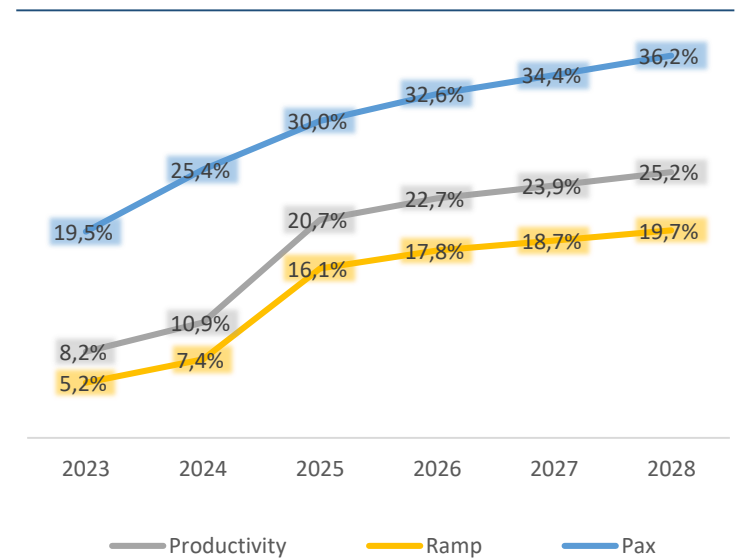
Direct Personnel Expense (€mn)



Direct Personnel Cost (€) / Direct FTE

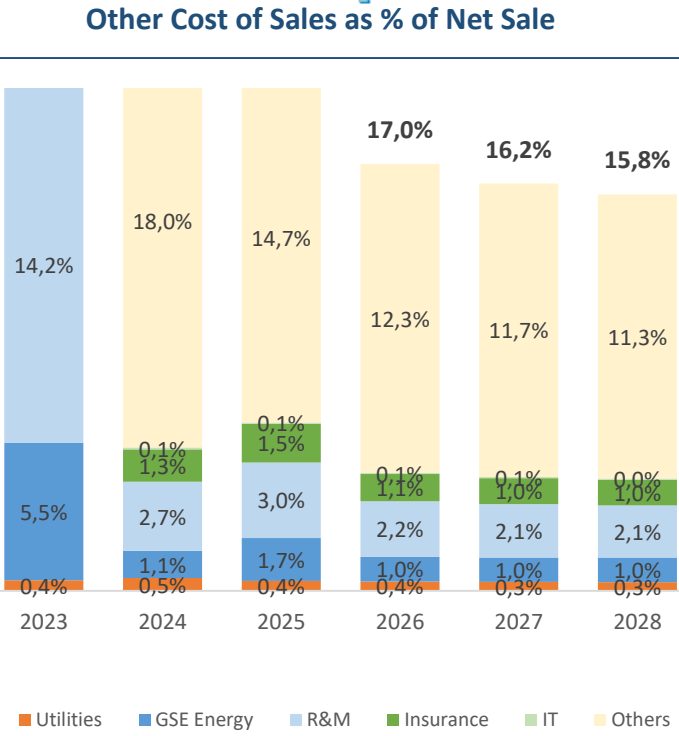
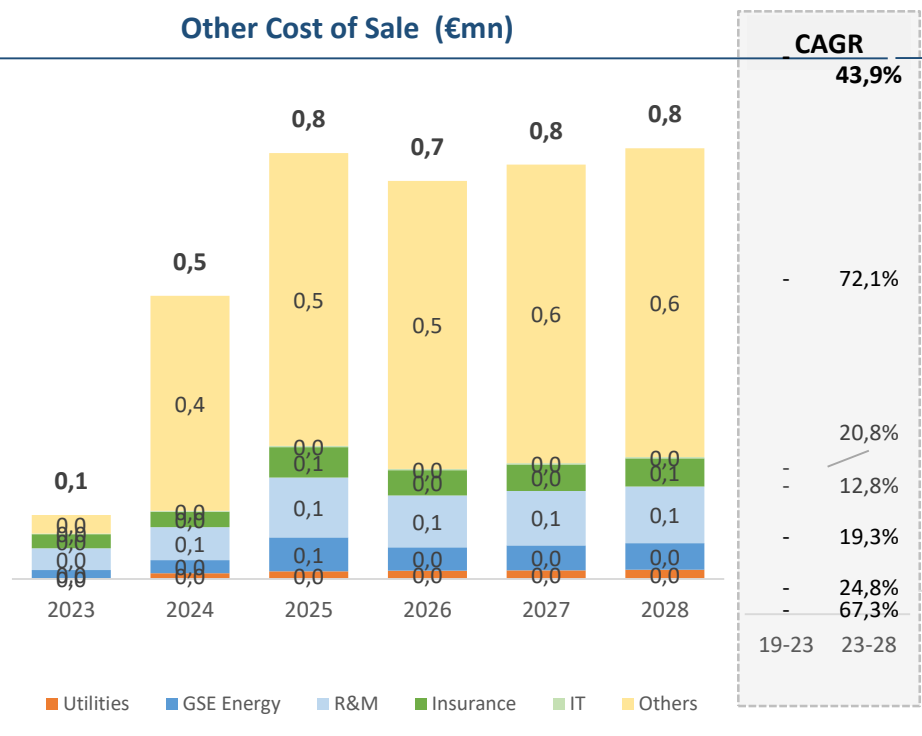
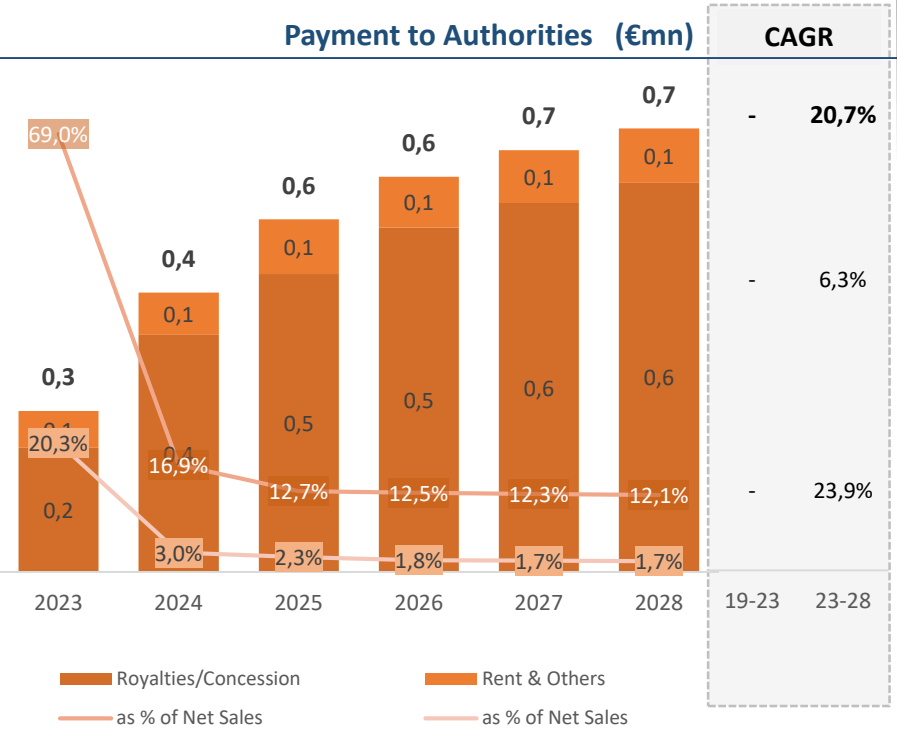


Manpower Productivity



- The hike in 2025 is a result of new carrier - ButterFly
- Operations staff CTC is Eur 300 on average per person
- Salary escalation is set at 4% (Tanzania Consumer Price Index)

Ground Handling – Cost of Sales exc. D&A



- Fixed Concession fee of € 170k p.a + 12% (on turnover) drives payment to Authority expense
- Other costs consists of: Motor Vehicle and GSE rentals; ICT charges at TB3
- Additional 188SQM for Operation offices impact the rental expenses increase

Ground Handling - Operational & Financial Snapshots (In Million Euros)

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Summary Figures - M EUR	Business Plan						CAGR	
	6+6 2023	2024	2025	2026	2027	2028	19-23	23-28
TASGH								
Operational								
# of Flights - Market (Contestable)	32.328	38.501	40.647	42.383	45.259	48.331	1,7%	8,4%
# of Flights	365	1.662	4.265	4.825	5.100	5.391	-	71,3%
# Personnel (FTE)	35	113	155	160	160	160	-	35,5%
Contestable M.Share - Flights	1,1%	4,3%	10,5%	11,4%	11,3%	11,2%	-	58,1%
Financial								
Revenues								
Ground Handling	0,2	1,4	2,6	3,2	3,6	3,9	-	80,4%
Net Revenue	0,2	1,4	2,6	3,2	3,6	3,9	-	80,4%
Cost of sales (-)								
Direct Personnel	(0,1)	(0,6)	(0,9)	(1,0)	(1,0)	(1,0)	-	48,6%
Payment to Authorities/Landlord	(0,3)	(0,4)	(0,6)	(0,6)	(0,7)	(0,7)	-	22,5%
Others	(0,1)	(0,5)	(0,8)	(0,7)	(0,7)	(0,8)	-	45,0%
Depr.&Amort.	(0,0)	(0,2)	(0,1)	(0,0)	(0,0)	(0,0)	-	(6,0%)
Gross Profit / (Loss)	(0,3)	(0,3)	0,4	0,9	1,1	1,4	-	(232,2%)
<i>% mrg.</i>	-166,0%	-21,2%	13,8%	26,8%	31,5%	35,1%	-	(173,3%)
Operating Profit / (Loss), gross	(0,9)	(1,0)	(0,3)	0,2	0,4	0,5	-	(189,8%)
<i>% mrg.</i>	-459,7%	-72,0%	-10,1%	4,7%	10,1%	14,1%	-	(149,8%)
EBITDA - Excl. Provisions	(1,0)	(0,87)	(0,2)	0,2	0,4	0,6	-	(189,8%)
<i>% mrg.</i>	-473,3%	-64,1%	-8,1%	6,0%	11,3%	14,5%	-	(149,8%)
CAPEX								
Tehnickal - Maintenance & Renewal	-	-	-	-	-	-	-	-
Tehnickal - Expansion	0,1	0,0	-	-	-	-	-	-
IT	-	0,1	0,0	0,0	-	-	-	-
Other	-	0,0	0,0	-	-	-	-	-
Depreciation	(0,0)	0,1	0,1	0,0	0,0	0,0	-	-

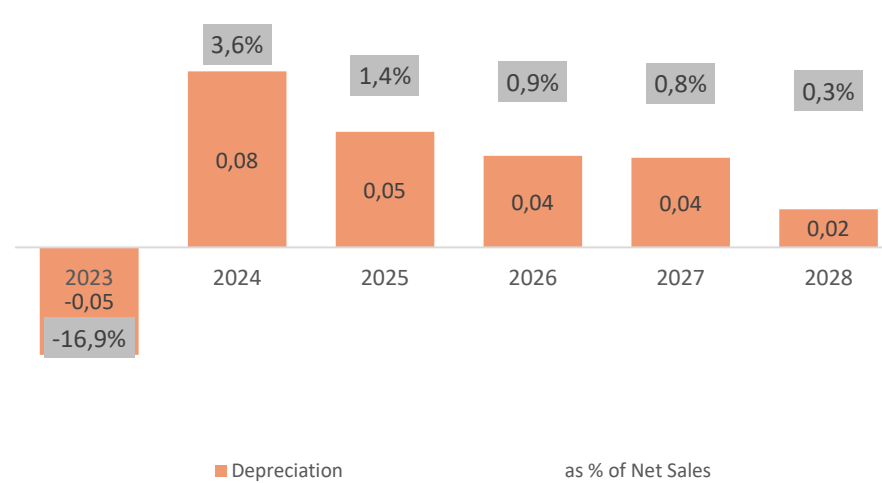
GH – Capex & Depreciation



Capex (€mn)

	2023	2024	2025	2026	2027	2028
as % of Net Sales	33,2%	4,9%	0,2%	0,1%	0,0%	0,0%
CAPEX	0,1	0,1	0,0	0,0	-	-
Technical - Maintenance & Renewal	-	-	-	-	-	-
Technical - Expansion	0,1	0,0	-	-	-	-
Construction	-	-	-	-	-	-
IT	-	0,1	0,0	0,0	-	-
Other	-	0,0	0,0	-	-	-

Depreciation (€ mn) and Depreciation/Net Sales %



- Technical (GSE) - € 15k for Fuel Tank In April 2024.
- IT Infrastructure - € 99k for (SAP & Laptops/Desktops)
- Workstations - € 10k for additional FTE and spaces



Cargo Business (Tonnages & Revenue)

Cargo– Target Market (as is)

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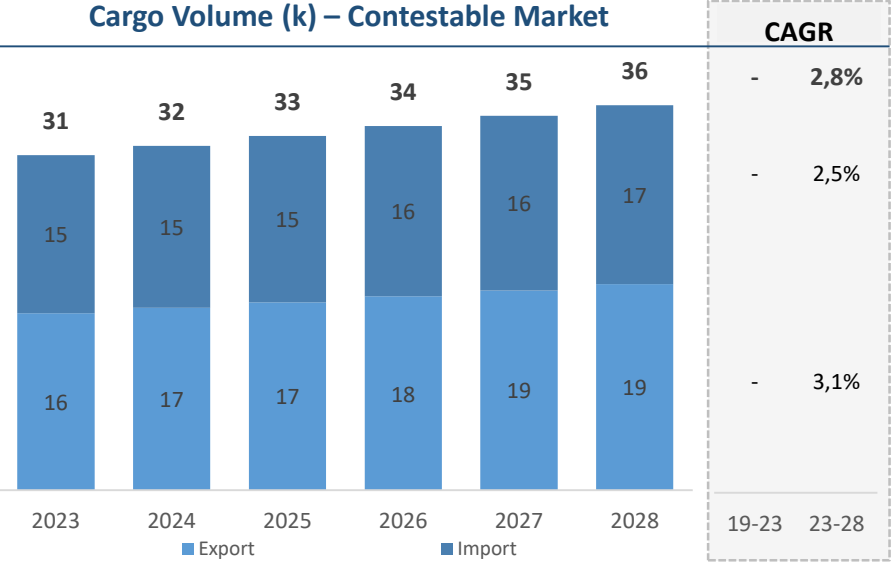


S.N	Airline	Annual Volume	5 YEARS	Expected Start Date
1	Turkish Airlines	4,270	21,350	01/2024
2	Fly Dubai	700	3,500	03/2022
3	Astral Aviation	720	3,600	01/2024
4	Ethiopian Airlines	3,650	18,250	06/2024
	Total	9,340	46,700	

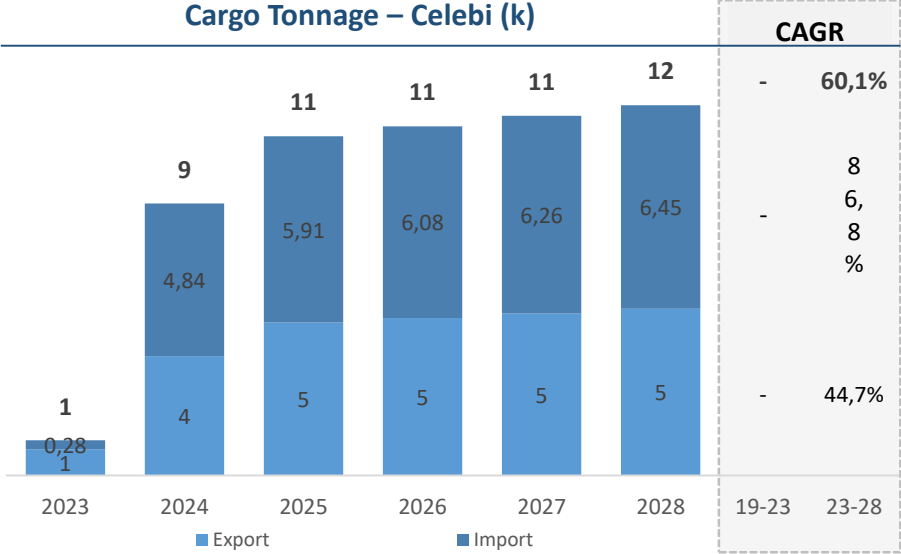
Cargo Total Market & Celebi target Cargo Tonnage (as Is)



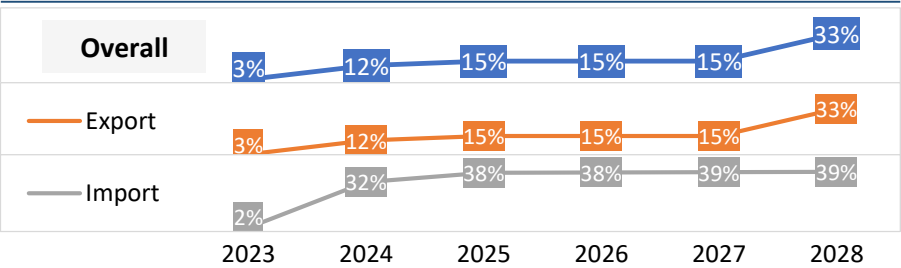
Cargo Volume (k) – Contestable Market



Cargo Tonnage – Celebi (k)



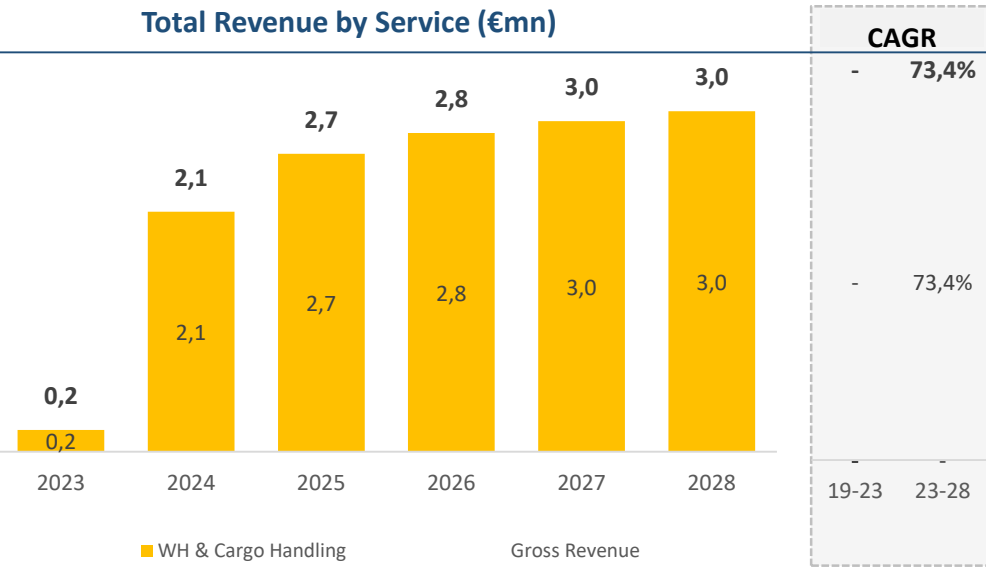
Weighted Market Share - Contestable



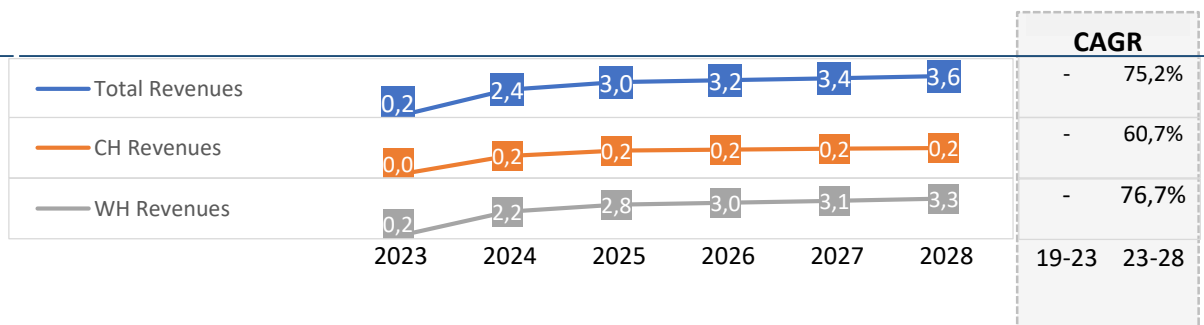
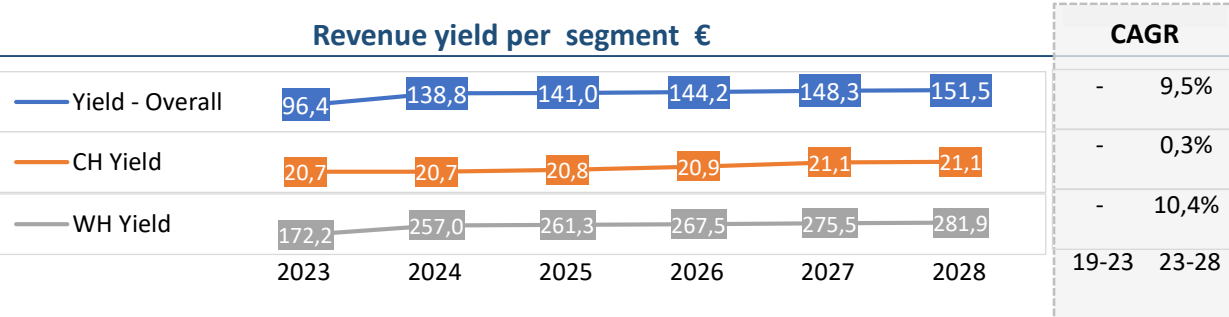
CGO - Yield & Revenues(as is)



Total Revenue by Service (€mn)



Revenue yield per segment €



CGO - Operational & Financial Snapshot(as is)

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Summary Figures - M EUR	Business Plan						CAGR	
	6+6 2023	2024	2025	2026	2027	2028	19-23	23-28
TASCGO								
Operational								
# Personnel (FTE)	-	-	-	-	-	-	-	-
Warehousing tonnage	1.116	8.629	10.759	11.076	11.403	11.739	-	60,1%
Cargo handling tonnage	1.116	8.629	10.759	11.076	11.403	11.739	-	60,1%
Financial								
Revenues								
WH & Cargo Handling	0,2	2,1	2,7	2,8	3,0	3,0	-	73,4%
Revenue Share with AFS/Contractor	(0,1)	(1,3)	(1,6)	(1,7)	(1,8)	(1,8)	-	74,8%
Net Revenue	0,1	0,9	1,1	1,1	1,2	1,2	-	71,3%
Cost of sales (-)								
Direct Personnel	-	-	-	-	-	-	-	-
Payment to Authorities/Landlord	-	-	-	-	-	-	-	-
Others	-	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	-	-
Depr.&Amort.	-	-	-	-	-	-	-	-
Gross Profit / (Loss)	0,1	0,8	1,0	1,1	1,1	1,2	-	70,2%
% mrg.	100,0%	96,2%	96,8%	96,9%	96,9%	96,9%	-	(0,6%)
Operating Profit / (Loss), gross	0,1	0,8	1,0	1,1	1,1	1,2	-	70,2%
% mrg.	100,0%	96,2%	96,8%	96,9%	96,9%	96,9%	-	(0,6%)
EBITDA - Excl. Provisions	0,1	0,8	1,0	1,1	1,1	1,2	-	80,4%
% mrg.	74,9%	92,8%	96,8%	96,9%	96,9%	96,9%	-	5,3%
CAPEX								
Tehnickal - Maintenance & Renewal	-	-	-	-	-	-	-	-
Tehnickal - Expansion	-	-	-	-	-	-	-	-
Construction	-	-	-	-	-	-	-	-
IT	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Depreciation	(0,0)	(0,0)	-	-	-	-	-	-

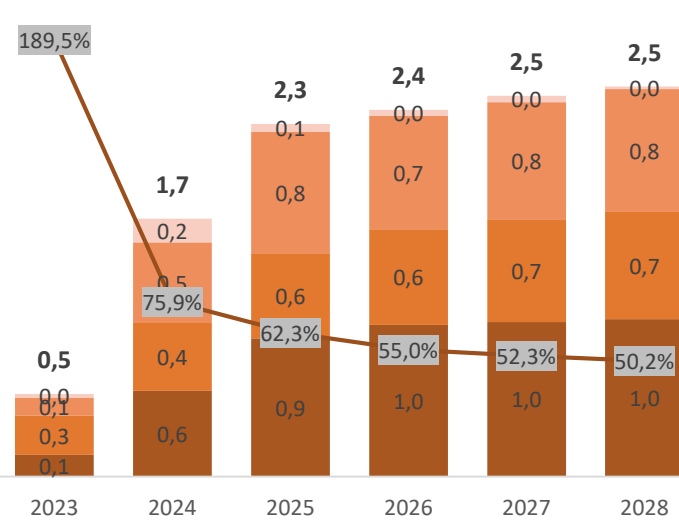


CTAS Combined

CTAS – CoS - EBITDA



Total Cost of Sales (€mn)

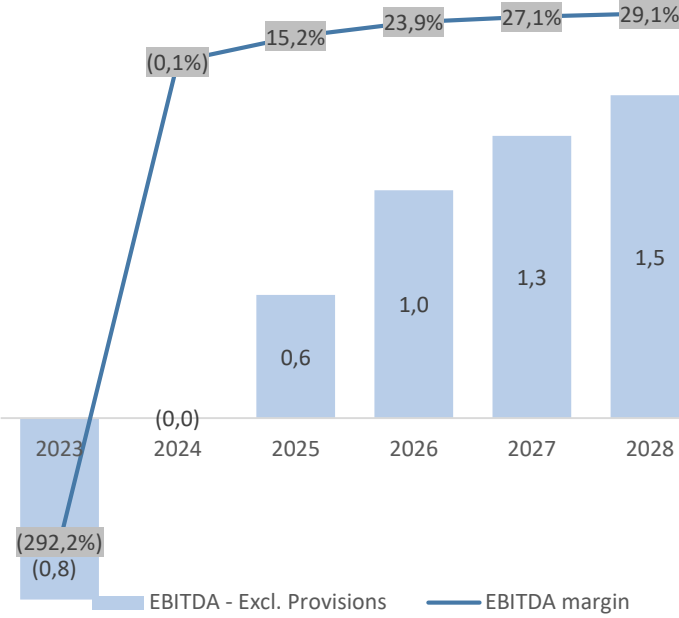


■ Depr.&Amort. ■ Others
■ Payment to Authorities/Landlord ■ Direct Personnel
■ Total CoS — as % of Net Sales

CAGR

(1
- 34,0%
- 6
- 3,
- 9
- 2
- 0,
- 7
- 4
- 5,
- 5
- %
19-23
23-28

EBITDA (€mn) & EBITDA Margin



CAGR

4
- 5,
- 5
- %
19-23
23-28

■ EBITDA - Excl. Provisions — EBITDA margin

CTAS - Operational & Profit & Loss in 5 Years

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Summary Figures - M EUR	Business Plan						CAGR	
	2023	2024	2025	2026	2027	2028	19-23	23-28
CTAS								
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# of Flights	365	1.662	4.265	4.825	5.100	5.391	-	71,3%
# Personnel (FTE)	40	121	165	170	170	170	-	33,6%
Contestable M.Share - Flights	1,1%	4,3%	10,5%	11,4%	11,3%	11,2%	-	58,1%
Warehousing tonnage	1.116	8.629	10.759	11.076	11.403	11.739	-	60,1%
Cargo handling tonnage	1.116	8.629	10.759	11.076	11.403	11.739	-	60,1%
Financial								
Revenues							-	-
GH	0,2	1,4	2,6	3,2	3,6	3,9	-	80,4%
WH & CH	0,2	2,1	2,7	2,8	3,0	3,0	-	73,4%
Net Revenue	0,3	2,2	3,7	4,3	4,7	5,1	605,9%	77,9%
Cost of sales (-)								
Direct Personnel	(0,1)	(0,6)	(0,9)	(1,0)	(1,0)	(1,0)	-	48,6%
Payment to Authorities/Landlord	(0,3)	(0,4)	(0,6)	(0,6)	(0,7)	(0,7)	-	22,5%
Others	(0,1)	(0,5)	(0,8)	(0,7)	(0,8)	(0,8)	-	46,4%
Depr.&Amort.	(0,0)	(0,15)	(0,1)	(0,0)	(0,0)	(0,0)	-	(6,0%)
Gross Profit / (Loss)	(0,3)	0,5	1,4	2,0	2,3	2,5	-	(258,3%)
% mrg.	-89,5%	24,1%	37,7%	45,0%	47,7%	49,8%	-	(188,9%)
Operating expenses (-)								
Ind. Personnel	(0,4)	(0,4)	(0,6)	(0,7)	(0,7)	(0,8)	-	14,3%
Group / Holding	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	(0,0)	-	4,4%
Others	(0,2)	(0,3)	(0,3)	(0,3)	(0,3)	(0,3)	-	8,0%
Operating Profit / (Loss), gross	(0,8)	(0,08)	0,5	1,0	1,2	1,5	-	(213,3%)
% mrg.	-275,2%	-3,6%	13,8%	22,9%	26,3%	28,8%	-	(163,6%)
Profit / (Loss)	(1,3)	(0,1)	0,4	0,6	0,8	1,2	-	(198,7%)
EBITDA - Excl. Provisions	(0,8)	(0,0)	0,6	1,0	1,3	1,5	-	(212,2%)
% mrg.	-292,2%	-0,1%	15,2%	23,9%	27,1%	29,1%	-	(163,0%)
CAPEX	0,1	0,1	0,0	0,0	-	-		
Tehnickal - Maintenance & Renewal	-	-	-	-	-	-		
Tehnickal - Expansion	0,1	0,00	-	-	-	-		
Construction	-	-	-	-	-	-		
IT	-	0,09	0,01	0,00	-	-		
Other	-	0,02	0,00	-	-	-		
Depreciation	(0,0)	0,1	0,1	0,0	0,0	0,0		




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