



2022 Knauf Gypsum Tanzania Business Plan

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East Africa



Knauf Gypsum Tanzania Mkuranga II Business Plan

Why Further Investment in Tanzania



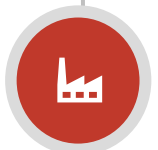
Tanzania is Neighboring 6 landlocked countries

Tanzania is bordering 6 landlocked green market countries i.e., Uganda, Rwanda, Burundi, DR Congo, Zambia and Malawi



Unsaturated Export Markets and Growing Regional Integration (EAC, SADC)

Export markets bordering Tanzania are unsaturated due to high logistics costs and duties from importing overseas



Only Tapered Edge Plasterboard Production Plant in East Africa

Knauf Tanzania is the only tapered edge plasterboard production plant withing East Africa



East Africa is the Only Region on the Continent to Have Avoided A Recession in 2020 (source: AfDB)

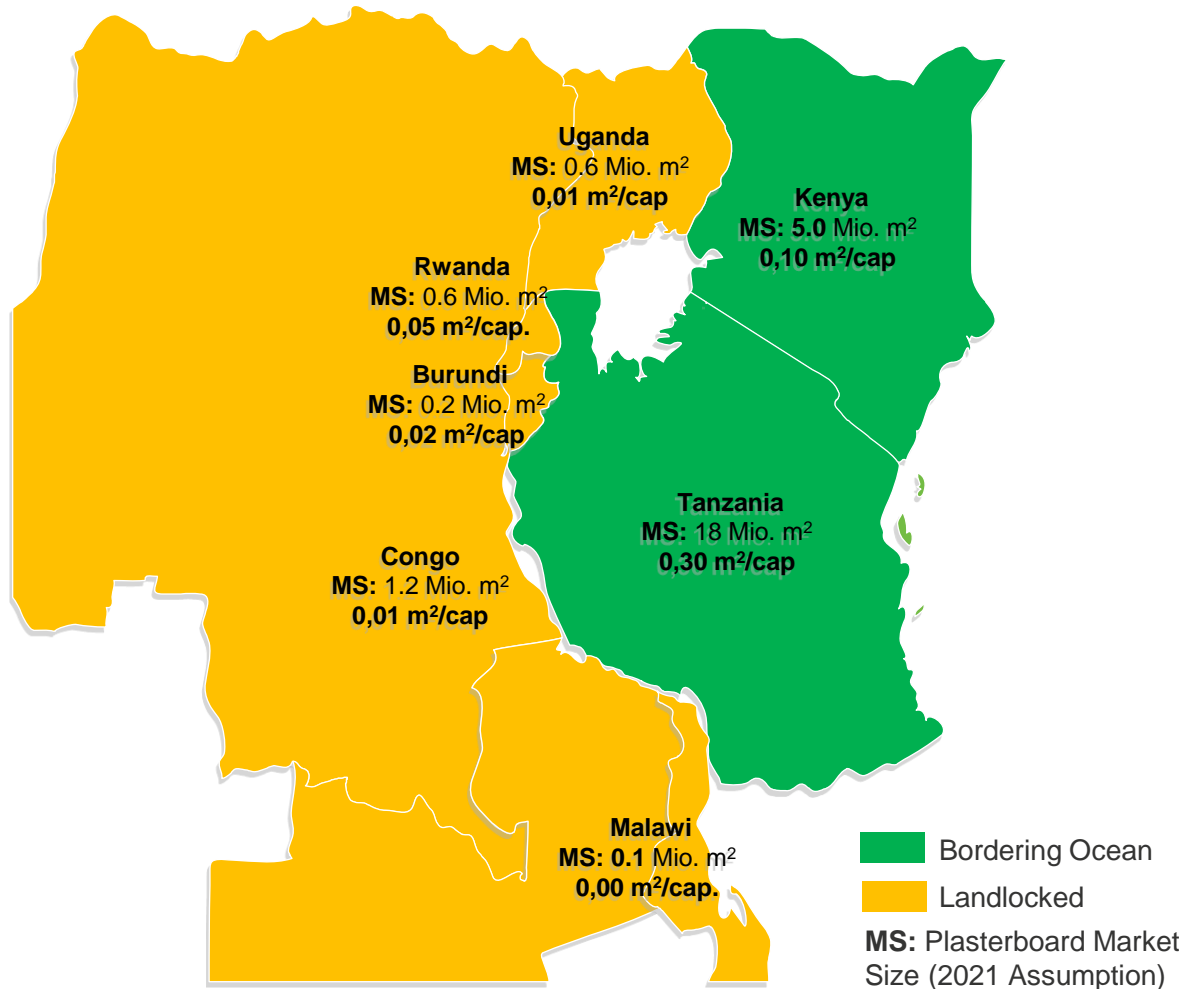
Due to agriculture, sustained public spending on large infrastructure projects, and increased regional economic integration



East Africa's +310m Population Forecast to See 25 Years of Stable, High Growth (source: NewAfrica Ltd)

East Africa has seen 5-6% economic growth since 2000, led by Tanzania and Rwanda at 7% pa (before Covid-19 impact)

Tanzania and Kenya are the Only Countries Neighboring Indian Ocean



Only Tanzania and Kenya are bordering Indian Ocean within Eastern Africa



Tanzania Port serves **Rwanda, Burundi, DR Congo, Zambia and Malawi**



Tanzania **informal markets** e.g., Kariakoo, supplies all retail products to DR Congo, Zambia and Malawi



Tanzania Ports Authority (TPA) is **implementing major projects** i.e., upgrading Port Berths 1-7 valued at **602 MEUR**



Dar es Salaam port is the **fourth largest port** on the African continent's Indian Ocean coastline after Durban, Mombasa and Maputo

Tanzania Plasterboard Market Developments Update

Government Projects are Boosting Local Plasterboard Demand



Change on Political Environment

New president, Samia Suluhu has changed government priorities from civil construction to housing construction



Preparation for 2025 General Election

Government is expected to increase spending to finish pending projects before 2025



Foreign Direct Investment to Tanzania Hit Record With 3.6 BEUR in 2021

This is 300% more than the 0.9 BEUR FDIs in 2020



Arab Development Bank to Lend Tanzania 2.6 BEUR for Development Projects

The Arab Development Bank (BADEA) has pledged to provide Tanzania with affordable loans and grant for the next five years



Tanzania's Parliament Speaker Resigned After Debt Fight With President

Tanzania secured nearly 524 MEUR from IMF for COVID-19 relief

Tanzania Investment Assumptions



BNBM Startup Challenges, BBG is Sold Out, Saint-Gobain is Having Industrial Challenges

BNBM will start at a 50% Capacity Utilization, BBG is Sold Out, Saint-Gobain (Lodhia) will not operate at full capacity



Knauf Plasterboard Sales Volume Assumption

Knauf Plasterboard Sales Volume, and Local Market growth assumption in 15% growth year-on-year



Export Market Sales Volume Growth to Increase Capacity Utilization

Key target to increase sales volume to Kenya (2nd best plasterboard market size in East Africa)



Construction Period is 3 years

It takes 3 years to build and connect the new line with existing line



6 weeks Stock before the Joining the New Line

To build up the stock for 6 weeks



Knauf to Lose Local Market Share Due to 100% Capacity Utilization

Knauf will start losing local market share in 2030

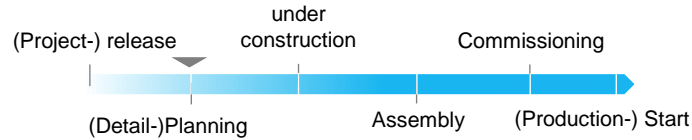
Project overview – Extension of Plasterboard Plant in Mkuranga, Tanzania

Project details

Area of responsibility	Mr. Akyildiz
Region	Africa
Country	Tanzania
Location	Mkuranga
Project Implementation	Knauf Engineering
Project management	Mr. Frey
Date	15.05.2023
Project status	Ongoing

Status Gate Reviews

A:	Feasibility Study Midway Review	✓
B:	Ready for Initialization	✓
C:	Project Setup Review	✓
D:	Design Freeze	✓
E:	Procurement Strategy Review	✓
F:	Ready for Execution	✓
G:	Ready for Commissioning	
H:	Project Completion Review	
J:	Local Plant Performance Review	
K:	Final Review and Lessons Learned	



Current Project Status

Project	Project Manager	Plant	Capacity	approved Budget in Mio.€
E.3652 Mkuranga II	Mr. Frey	Extension of plasterboard plant	+28 Mio. / 9mm	47,34 Mio. €

Source of Suplay

- Design & civil works of plant building & infrastructure **ADVENT CONSTRUCTION LIMITED**
- Design & development of equipment Knauf Engineering GMBH
- Supply of plasterboard line dryer including installation **Sanjin Bucher Emhart Glass**
- Supply of silo including installation **Quarry Mining LLC**
- Supply and installation of equipment for plasterboard take of area **Luxson Technologies**

Engineering



Key technical figures

Capacity	Plasterboard plant 12,5 mm	12 to 33 mn. m ² /a
	9mm	15 to 43 mn. m ² /a
	Property size	8,6 ha to 14,9 ha
	Storage area of the plasterboard	2.000.000m ² GBP

Operating figures independent of location	Investments	
	Plasterboard capacity 12,5 mm	33mn. m ² /a

Key business figures

Actual budget	47,34 mn. EUR
Actual value of delivery and services	
Commissioning	Jan-25
Shut down	Oct 24 - Dec 24
Production start	Mar-23

Mkuranga II Turnover and Financial Projection

Quantities & Turnover

In 1000 units	2023	2024	2025	2026	2027	2028	2029
Boards [T Square meters]	16,000	18,400	21,160	24,334	27,984	32,182	37,009
Plasters [T tonnes]	3	4	5	6	7	8	9
Profiles [T meters]	963	1,030	1,103	1,180	1,262	1,351	1,445

In 1.000 EUR	2023	2024	2025	2026	2027	2028	2029
Revenue Board	28,277	32,640	38,257	43,925	50,475	58,041	66,788
Revenue Plasters	638	765	902	1,052	1,229	1,441	1,695
Revenue Profiles	383	409	475	531	588	646	704
Revenue other merchandise	194	210	244	274	304	336	336
Total	29,492	34,024	39,877	45,782	52,597	60,464	69,523

Income Statement

In 1.000 EUR	2023	2024	2025	2026	2027	2028	2029
Revenue	29,492	34,024	39,877	45,782	52,597	60,464	69,523
EBITDA	5,397	7,485	10,622	13,442	16,706	20,419	24,799
EBITDA %	18%	22%	27%	29%	32%	34%	36%
Depreciation	3,778	3,892	6,817	6,896	6,977	7,060	7,144
Interest	175	2,755	2,860	2,860	2,405	1,845	1,005
Earning Before Tax	1,443	839	946	3,686	7,325	11,515	16,650
Tax (30%)	130	76	85	332	659	1,036	1,499
Net Profit	1,314	763	861	3,355	6,665	10,478	15,152
Gross Cashflow	3,418	4,559	8,549	11,048	13,776	17,499	21,521

Mkuranga II Financial Projection

Mkuranga II 25,0 Mm2/a Extension

Tanzania

no data input necessary



Display in 1000

Currency:

EUR

pre-tax

Euro

start of investment

start of production

Weighted Average Cost of Capital (WACC)

WACC

Conversion rate

2022:

Calculation of EVA:

EVA incl. Working Capital

total investment budget (nominal): +47,300 KEUR

Payback time Months Years

after start of investment: 104.5 8.71

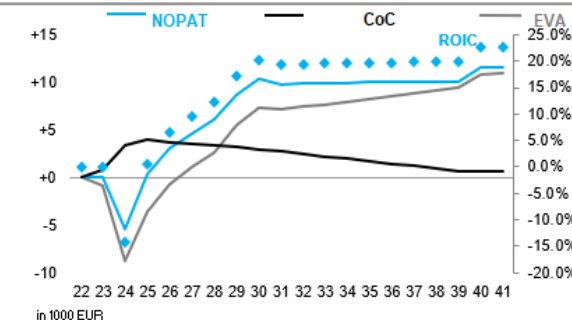
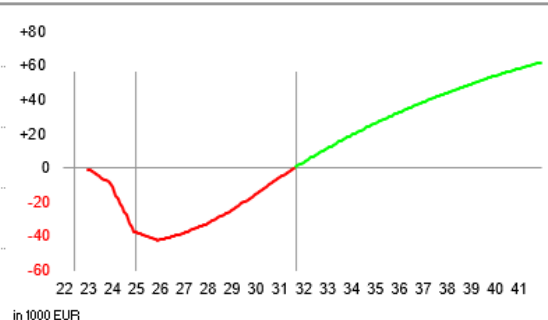
after start of production: 73.5 6.13

Return on investment Year 2037

154%

Net present of the investment +61,796

EVA discounted (WC inclusive) +27,273



Year	Months	Currency: EUR	Discount factor	Investive amount paid out		Operat. cash flow incl. change of working capital		Surplus of deposits		Capitalized pre-tax C	Payback time	EVA (post-tax) incl. Working Capital		ROIC
				Nominal a	Discounted	Nominal e	Discounted	Nominal (e - a)	Discounted Cash value (e-a) (1+ WACC) ⁿ			Nominal	Discounted	
2022	6-12	1.000	1.00000											#DIV/0!
2023	1-12	1.000	0.91912	-9,745	-8,957			-9,745	-8,957	-8,957	12.00	-858	-788	0%
2024	1-12	1.000	0.84478	-27,965	-23,624	-5,400	-4,562	-33,365	-28,186	-37,143	12.00	-8,718	-7,365	-14.3%
2025	1-12	1.000	0.77645	-9,590	-7,446	+2,649	+2,057	-6,941	-5,389	-42,532	12.00	-3,665	-2,845	+0.6%
2026	1-12	1.000	0.71365			+5,465	+3,900	+5,465	+3,900	-38,632	12.00	-638	-455	+6.4%
2027	1-12	1.000	0.65593			+8,653	+5,676	+8,653	+5,676	-32,957	12.00	+1,077	+707	+9.5%
2028	1-12	1.000	0.60287			+12,278	+7,402	+12,278	+7,402	-25,554	12.00	+2,698	+1,626	+12.2%
2029	1-12	1.000	0.55411			+16,556	+9,174	+16,556	+9,174	-16,381	12.00	+5,510	+3,053	+17.3%
2030	1-12	1.000	0.50929			+19,552	+9,958	+19,552	+9,958	-6,423	12.00	+7,354	+3,745	+20.3%
2031	1-12	1.000	0.46810			+19,311	+9,040	+19,311	+9,040	+2,617	8.52	+7,119	+3,332	+19.4%
2032	1-12	1.000	0.43024			+19,263	+8,288	+19,263	+8,288	+10,904		+7,420	+3,193	+19.5%
2033	1-12	1.000	0.39544			+19,347	+7,651	+19,347	+7,651	+18,555		+7,705	+3,047	+19.5%





Knauf East Africa 2022 Strategy

Our Mission

To be the leading plaster board and system brand in East Africa and to grow our profitability

A large, stylized logo of the word "KNAUF" in a bold, italicized, blue font. The letters are thick and slanted to the right.A smaller version of the "KNAUF" logo, located in the bottom right corner of the slide. It is in the same bold, italicized, blue font.

2022 Strategic Pillars

Knauf East Africa



Mission:
To be the leading plaster board and system brand in East Africa and to grow our profitability

1

Establish Leadership in Plasterboard Market by Increasing Local and Export market share (maintain local and grow export market share)

- › Business readiness for BNBM entry into the local and export market (volume impact and pricing challenges)

2

Volume Growth: Domestic by 10% and Export by 14%

- › Knauf boards growth (value substitution across all segments)
- › Maintain and grow the export markets

3

Profitability

- › Revenue growth to improve EBITDA

4

Increase Plaster products market share

- › Maintaining positioning as per applications
- › Develop broader offers

5

Customer claims close to zero

- › Ensuring +95% achievement on OTIFIC (On-Time, In-Full and Invoice-Correctly)

2022 Strategic Ambitions

Plasterboards Volume and Turnover (Double Elephant and Knauf Boards)

Double Elephant		Knauf Boards	
2021 FC 8.1 Mio. m² Sales Volume	2022 Budget 8.3 Mio. m² Sales Volume <i>(3% higher than 2021)</i>	2021 FC 1.8 Mio. m² Sales Volume	2022 Budget 2.7 Mio. m² Sales Volume <i>(45% higher than 2021)</i>
2021 FC 10.8 Mio. EURO Turnover	2022 Budget 11.7 Mio. EURO Turnover <i>(9% higher than 2021)</i>	2021 FC 3.2 Mio. EURO Turnover	2022 Budget 4.8 Mio. EURO Turnover <i>(51% higher than 2021)</i>
Distribution + Retail	Distribution + Retail	Premium + Projects	Premium + Projects

Commercial Strategy 2022 Overview – East Africa



Mission:
To be the leading plaster board and system brand in East Africa and to grow our profitability

1

Establish Leadership In Plasterboard Market

- › Business readiness for BNBM entry into the local and export market (volume impact and pricing challenges)
- › Knauf boards growth (value substitution across all segments)
- › Maintain and grow the export markets

2

Increase Plaster products market share

- › Maintaining positioning as per applications
- › Develop broader offers

3

Metal Profile

- › System Test for certification purposes for the Omega ceiling system
- › Test to be of 0.5mm with focus on the statics of the ceiling

4

Other Knauf Products

- › Ceiling Solution / Danoline / Insulation / Aquapanel



Establish Leadership In Plasterboard Market

Business readiness for BNBM entry into the local and export market (volume impact and pricing challenges)



Establish Leadership In Plasterboard Market

Knauf boards growth (value
substitution across all segments)

Volume Switching and Growth Across All Segments

Double Elephant to Knauf Boards

Converting Local customers from Double Elephant to Knauf Boards and acquiring new Knauf boards customers
The target is to double the volume of Knauf boards sold to key customers in 2022



Substituting Double Elephant to Knauf Boards on top Double Elephant customers

2022 target ratio between Double Elephant and Knauf Boards is 80:20



New value proposition to offer customers needs (2021 market research)

Variety, quality, innovation, international brand, price and aspiration

Growing Knauf Boards faster than Double Elephant

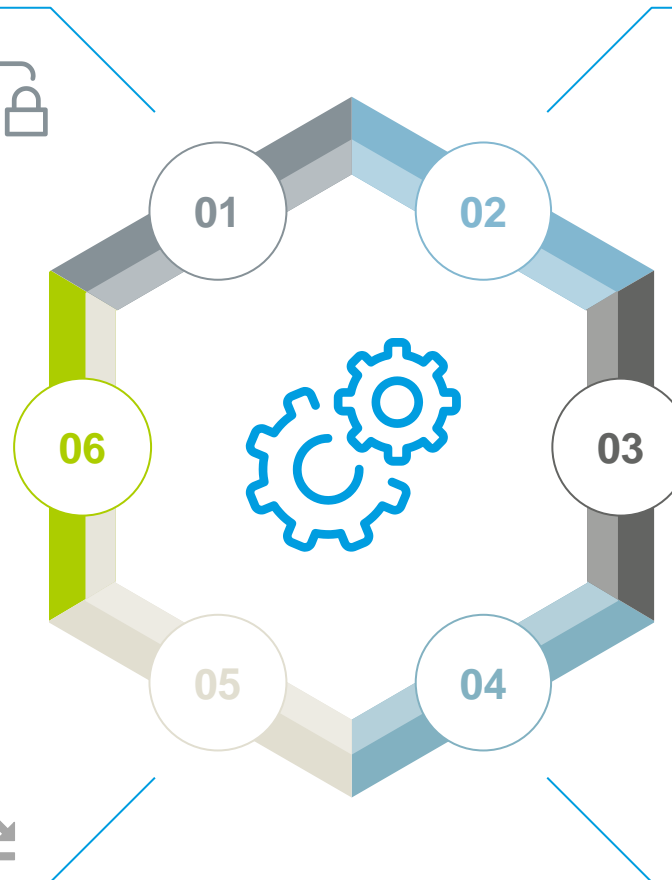
2022 Knauf boards volume target growth is 23%

Bundle Pricing for Knauf Boards and Double Elephant

Introducing bundle prices for switching between Double Elephant and Knauf Boards

Growing Double Elephant at a decreasing rate

2022 Double Elephant volume target growth is 9% vs 2021 growth of 61%



External Analysis

Customer Segmentation Overview (August 2021 Market Research)

Distributors

("I stock fast moving product that my customer prefer")

Key understandings:

- › Origin of the product does matter
- › Quality is not a priority
- › Focus on turnaround of brand
- › Prefer wide product range
- › Sell products in bundle
- › Stock what is preferred by Fundi
- › Sensitive on price to maximize profit
- › Prefer products which are certified by Tanzania Bureau of Standard (TBS) certification



Fundi

("Direct brands influence freedom of choice")

Key understandings:

- › Prefer Thailand boards due to;
 - Quality and easy of use
- › Prefer products which are certified by Tanzania Bureau of Standard (TBS)
- › Provide guidance on own experience
- › Customers buy what the Fundi recommends
- › Market demand on Moisture Resistant boards is increasing
- › Increase on product range demand
- › A consistent need to protect personal brand
- › Prefer to work with quality plasterboards for workmanship and reputation
- › Involved in products buying decisions of my customers
- › Check brand labels

"Key Decision Maker"

End Users

("No awareness on brands, follows Fundi's decision/advice")

Key understandings:

- › Prefer wide product range and sensitive to price
- › Local manufactured products are of low quality
- › Prefer quality products for durability and creativity/innovation
- › Follow advice/decision of Fundi
- › Plasterboards are the latest trend
- › Getting most information from Fundi
- › Buy from close shops (proximity), and prefer one stop shop
- › Prefer products which are certified by Tanzania Bureau of Standard (TBS) certification (most local produced products are not certified by TBS)

Project Managers

Key understandings:

- › Compare products
- › Prefer wide product range and are sensitive in pricing
- › Prefer gypsum products which are white
- › Prefer quality products for durability

Segmentation

Perceptions and Importance of Category

DISTRIBUTORS

- › Market is divided between imports and local produced
- › Perception of varying levels of quality
 - Import boards have superior quality
 - Locally produced boards have lower quality

- › Brand must be accepted by customers
 - Affordable
 - Quality products
- › Understanding the technical specification of the gypsum product is important
- › Availability of the brand preferred by my customers is key

PROJECT MANAGERS

- › Low brand differentiation
- › Product compared based on quality and price – not brands
- › Lack of knowledge that leads to price decision
- › Products from Europe not readily available and are perceived as expensive
- › Imported boards are perceived as high quality versus locally produced boards

- › Appearance of the product to give assurance of the quality
- › Brand variety required to use through a project

FUNDI

- › Satisfied with boards available especially imported boards
- › Locally produced boards are perceived as low-quality boards
- › Price and availability vary in different regions especially imported boards

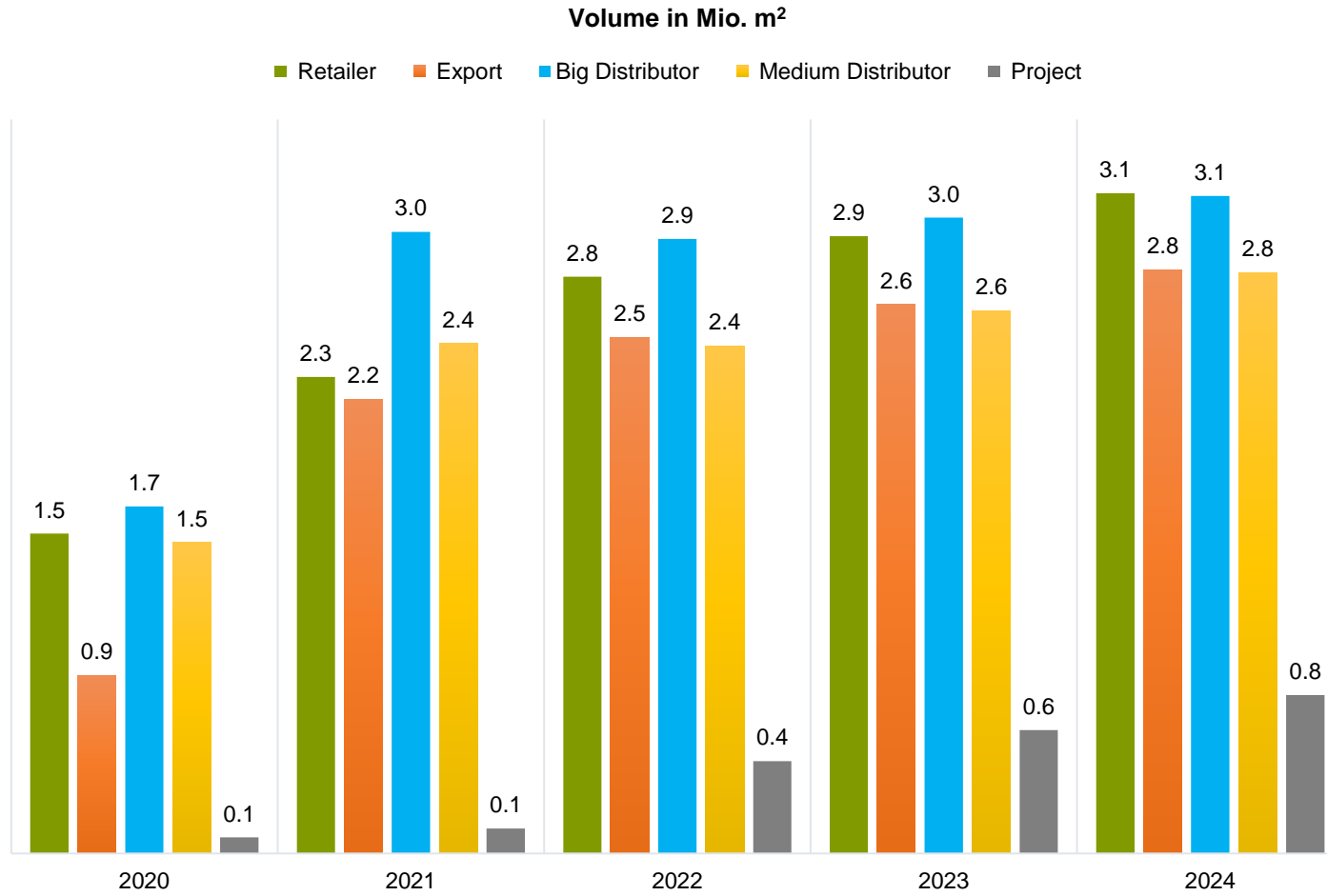
- › Origin of the product is important
- › Product characteristics that guarantees;
 - Good workmanship
 - Water resistant
- › Consistent quality

END USER

- › Wide range of products, quality and price are available
- › Local brands have inferior quality which means extra cost and effort
- › Purchase on the recommendation of Fundi

- › Quality
- › Durability
- › Ability to create new designs

Tanzania Segment Volume Growth Plan 2020 – 2024



2022 Ambition:

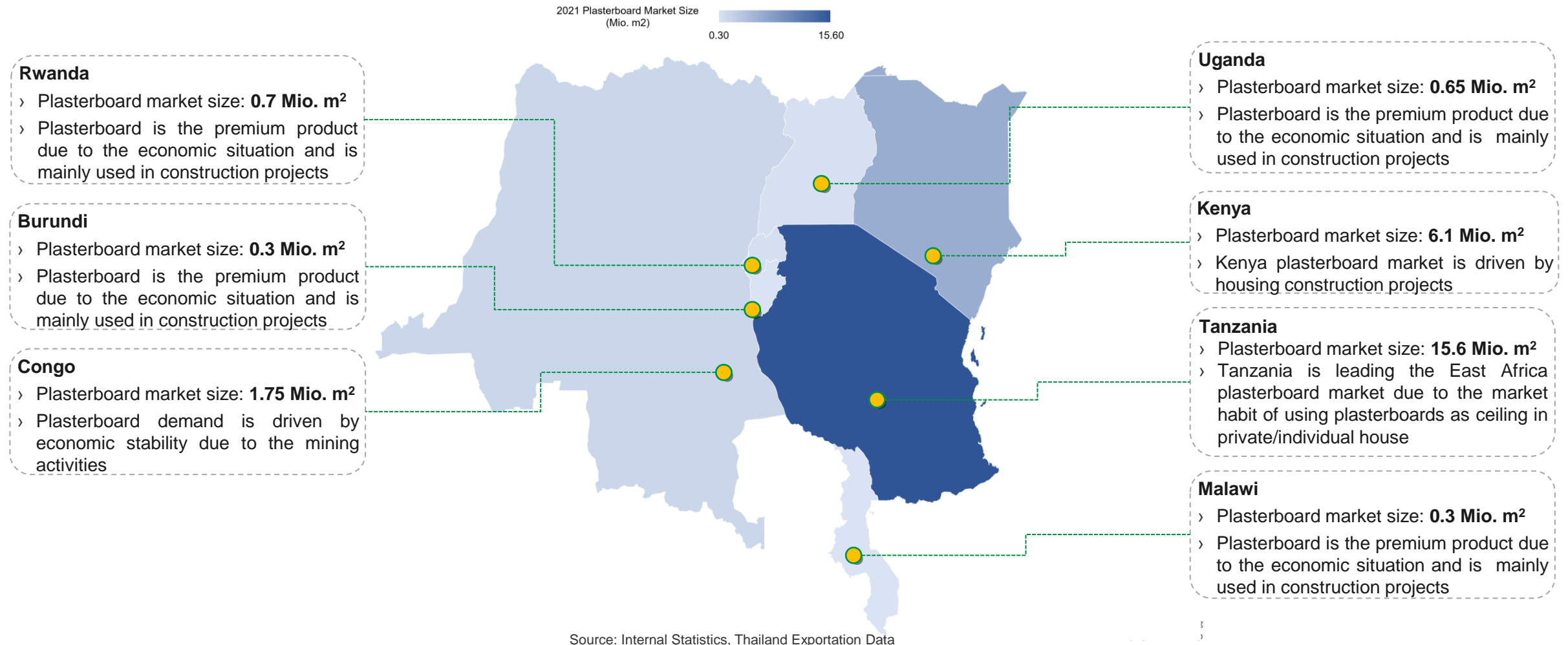
- › Increase customer base from **+206** to **+350** customer i.e., 10 new customers on average per month (regular buyers - buying more than once in a calendar year)
 - YTD August 2021 new customers are 163 i.e., 20 new customers on average per month
- › Increase distributors volume at a decreasing rate and increase export and retailers' segment at an increasing rate
 - Reducing power buyers and increasing premium segments)



Establish Leadership in Our Export Markets

Maintain and grow the export
markets

2021 East Africa Market Sizes Overview



Increase Plaster products market share from 3% to 5% i.e., 1.7k t to 2.7k T

Finish Bora (Knauf)

- › Interior Application.
- › Compete with setting type imported & locally produced products.
- › Positioning product according to application (skimming only).
- › Packaged in valve bag of 25kgs
- › Pricing at **EUR/T - 154**
- › Distribution 70% : Projects 30%

2k T

Joint Bora (Knauf)

- › Joint Filler.
- › New product in the market
- › To be produced in Tanzania after formulation.
- › Product positioning as single or dual-purpose application. (jointing or jointing & cornice sticking)
- › Packaged in valve bag of 25 kg
- › Pricing as **EUR / T**
Dual purpose: **196** | Single purpose: **184**

0.36k T

Rocket (Knauf)

- › Exterior Application .
- › Compete with Exterior putty & white cement products
- › Product re - formulation and rebranding to Knauf product.
- › Positioned as an exterior application only product.
- › Pricing as **EUR/T - 190**
- › Distribution 70% : Projects 30%

0.36k T

- › 2% market share growth in 2021 volume growth with a single product
- › Offer is not sufficient (Does not meet all user requirements)
- › Andika & Montania most popular in the market
- › Other product considerations; Cornice glue, cornice molding plaster

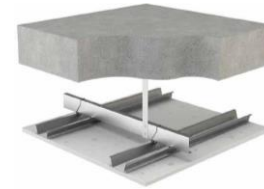
Interior Plaster Product Action for 2022

	White Skimming Plaster	Jointing	Sticking Cornices	Exterior
Preferred Market Product Offering	Thailand Setting (Montania, Gyproc & Saint Gobain)			White Cement / Dolomite X White cement mixed
Knauf Product Offering	Finish Bora	Joint Bora	Cornice solution	Rocket / Rocket Alternative
Characteristics of Knauf's Offering	<ul style="list-style-type: none"> Airdrying compound Positioned for a single purpose Priced above other local produced products USP: Ease of application(mixing, troweling, sanding & long open time) Weakness: Difficult to use as a multipurpose product Takes long to stick cornices Takes long to dry in joints Shrinkage in joints 	<ul style="list-style-type: none"> Setting / Airdrying Positioned for a single purpose Priced above Finish Bora USP: Low shrinkage in joints Fast setting/drying in joints Seamless joint with no crack Preferably white compound 	<ul style="list-style-type: none"> Positioned for a single purpose Ideally Level / low pricing compared to Finish Bora. USP: Very good at sticking cornices 	<ul style="list-style-type: none"> Fit for outdoor uses. Positioned as a single purpose product.. Priced Above Finish Bora. USP: Ease of application(mixing, troweling, sanding & long open time)
		Jointing & Cornice Sticking		



2022 Metal Profiles Strategy

Ceiling Systems Market Overview



	Timber	0.4mm Profile Profiles	0.5mm Ceiling Profiles
Characteristics			
Suppliers	Local Timber supplies	Marango DIY Import International	Omega Ceiling System
System Types	Single Level Draft	Two Level Omega System	Two Level Omega System
Protection	Locally treatment against termites is favored	Z30-Z45 Z40-Z60 Z50-Z60	Z100
Average Cost	2.7307 euro per m ²	3.81 euro per m ²	4.0911 euro per m ²
Market Shares	96% , 46mio. lm (Derived from 9mm market size)	2%, 1mio. lm	2%, 1mio. lm
Market perception:	<ul style="list-style-type: none"> › Favored by installers cause spacing. › Also favored because they can walk on the timber after installation. › Perceived to be cheaper than timber. › Most popular in residential projects due to cost & demand from › 90% of installers in a survey of 30 installers said they always use timber systems. 	<ul style="list-style-type: none"> › Generally accepted especially for decorative applications › Harder to install than 0.5mm profiles › Has failed in some construction sites. › Customers that purchase profiles tend to purchase boards from the same area as well › Used in medium to large projects 	<ul style="list-style-type: none"> › Preferred choice by top contractors › Easier to use › Technical backing & performance are widely accepted › Customers that purchase profiles tend to purchase boards from the same area as well

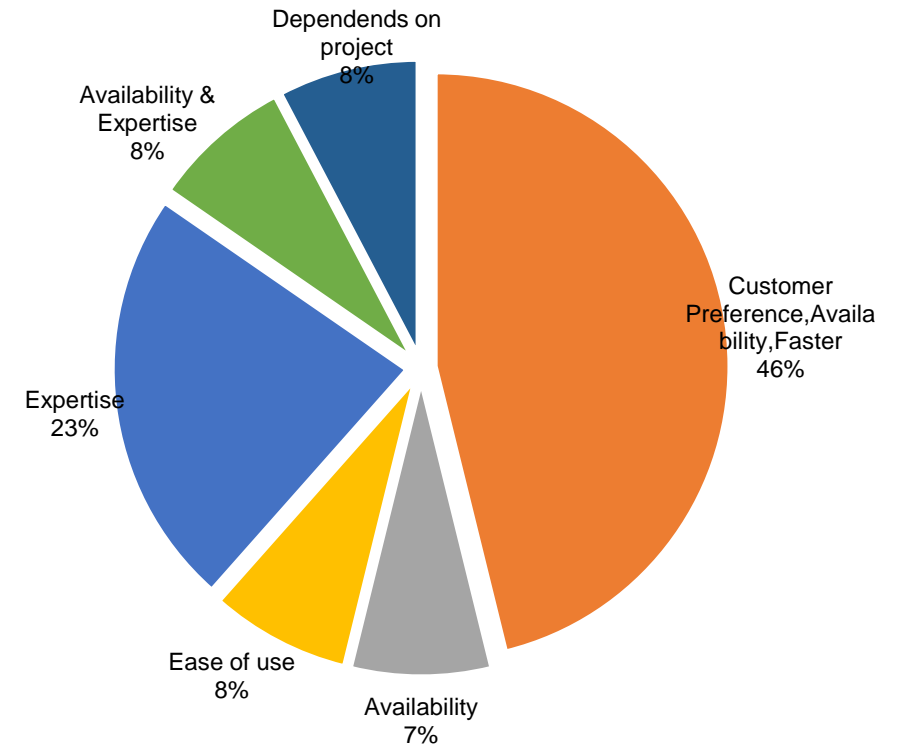
Market Preferences for Ceiling Application

In percentage, by how much do you use this system in your projects/sites

93%

- › The customers seem to be the key driving force to using timber.
- › According to the Fundis, this is because most projects are residential.
- › Cheaper cost timber makes it also a viable option
- › Also, the customers see timber used in many other sites, so they request for same blundering as well

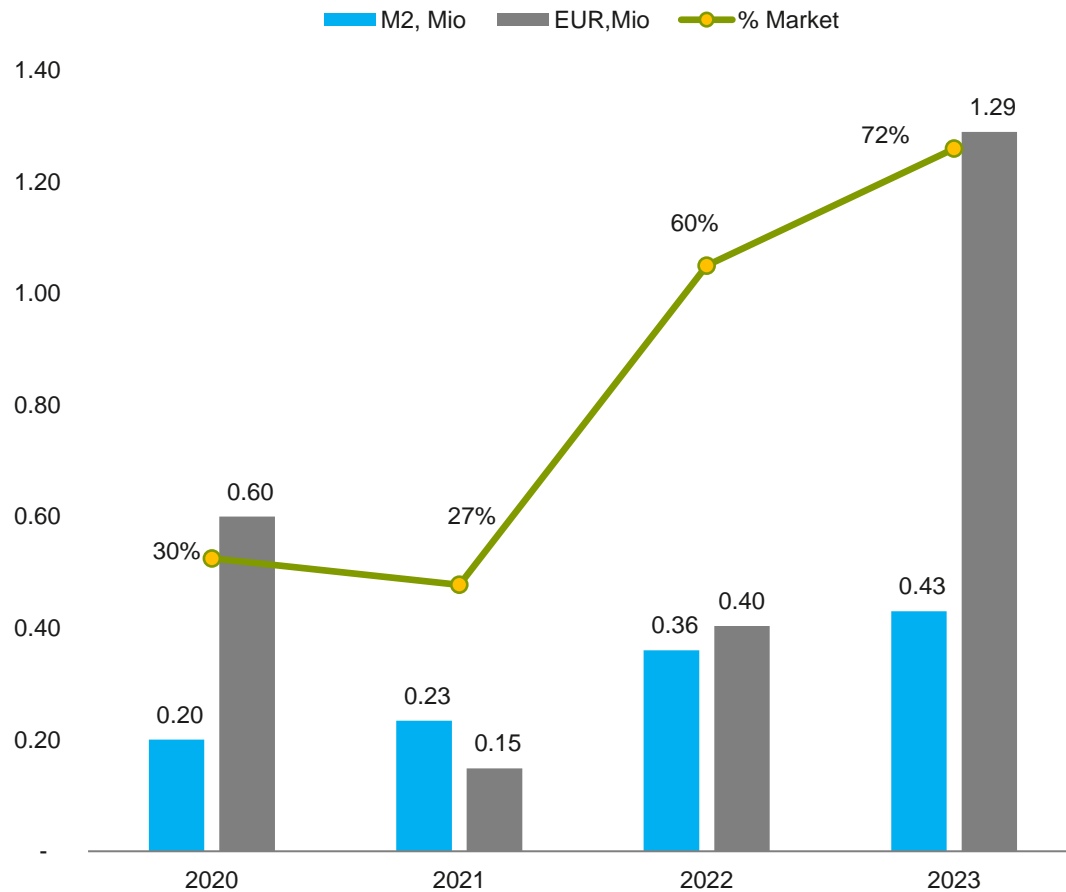
Why Timber is Used (Customer's Feedback)



Projects Strategy

Position Knauf as the System & Performance Oriented Manufacturer in East Africa

Plasterboard Project Market share Projection



Project Segmentation (Government Entities):

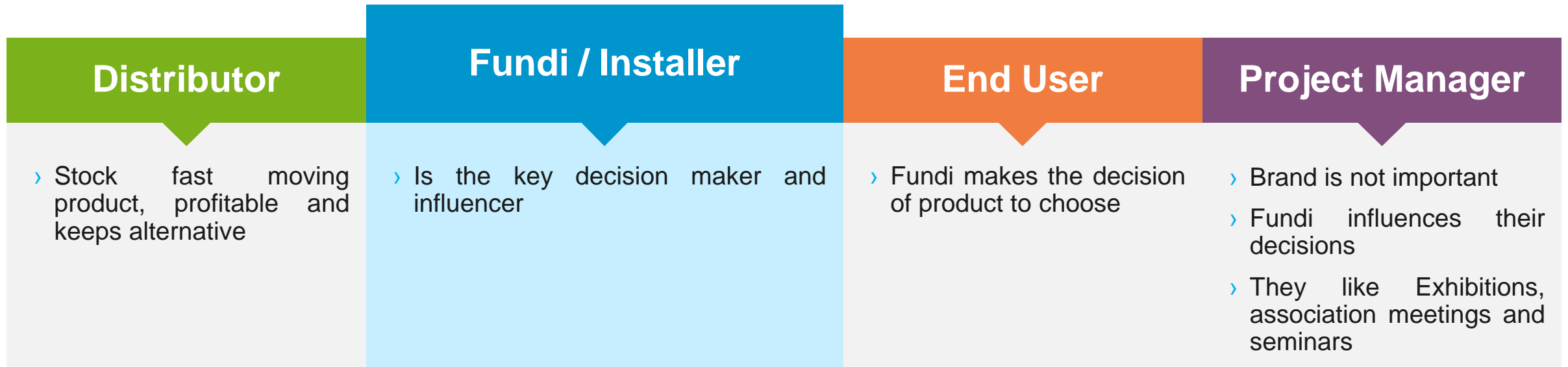
- › Bigger share of total project market TZ (approx. 57% projects share in TZ)
- › Key targets – Municipal & Town councils, Ministries, NHC, TANROADS, TBA
- › Housing schemes, hospitals, airports, offices
- › **Housing** – Government to build 30K units through NHC & Watumishi housing (approx. 3Mio m² / € 1.0Bio)

Actions:




- › Communicate the 'Locally produced – German quality' as local manufacturers are given priority in government projects
- › Promote Knauf Omega ceiling system in with 9mm Knauf board for ceiling applications
- › Quarterly regional visits for project mapping and meetings/presentations esp. Lake Zone, Central Zones & Zanzibar
- › Identifying and working with capable distributors to increase our reach in projects (Further Development of system sales distributors i.e ABM & Kamaka).
- › **Uganda, Rwanda, Burundi Congo:** Project Mapping for market development & Supply on project requirement basis.

Marketing Plan

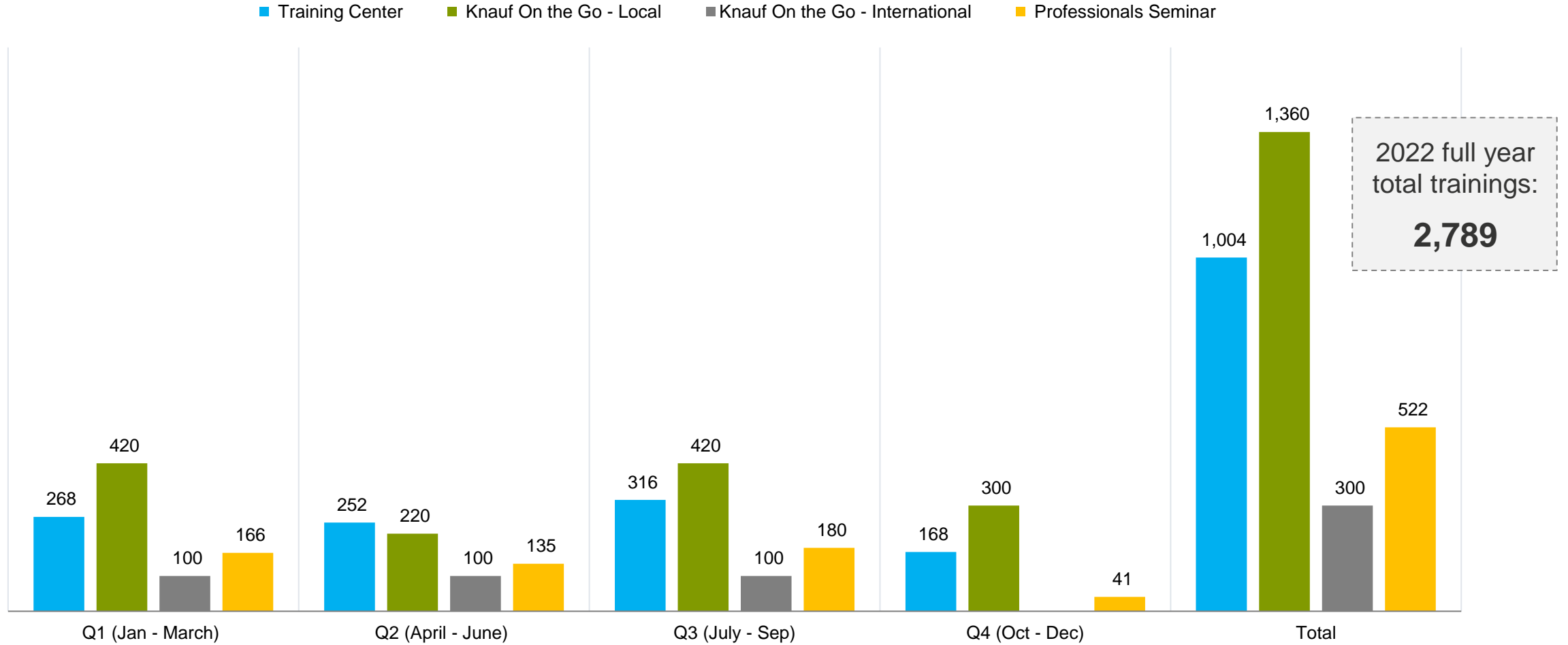
2021 Market Research and 2022 Strategic Direction



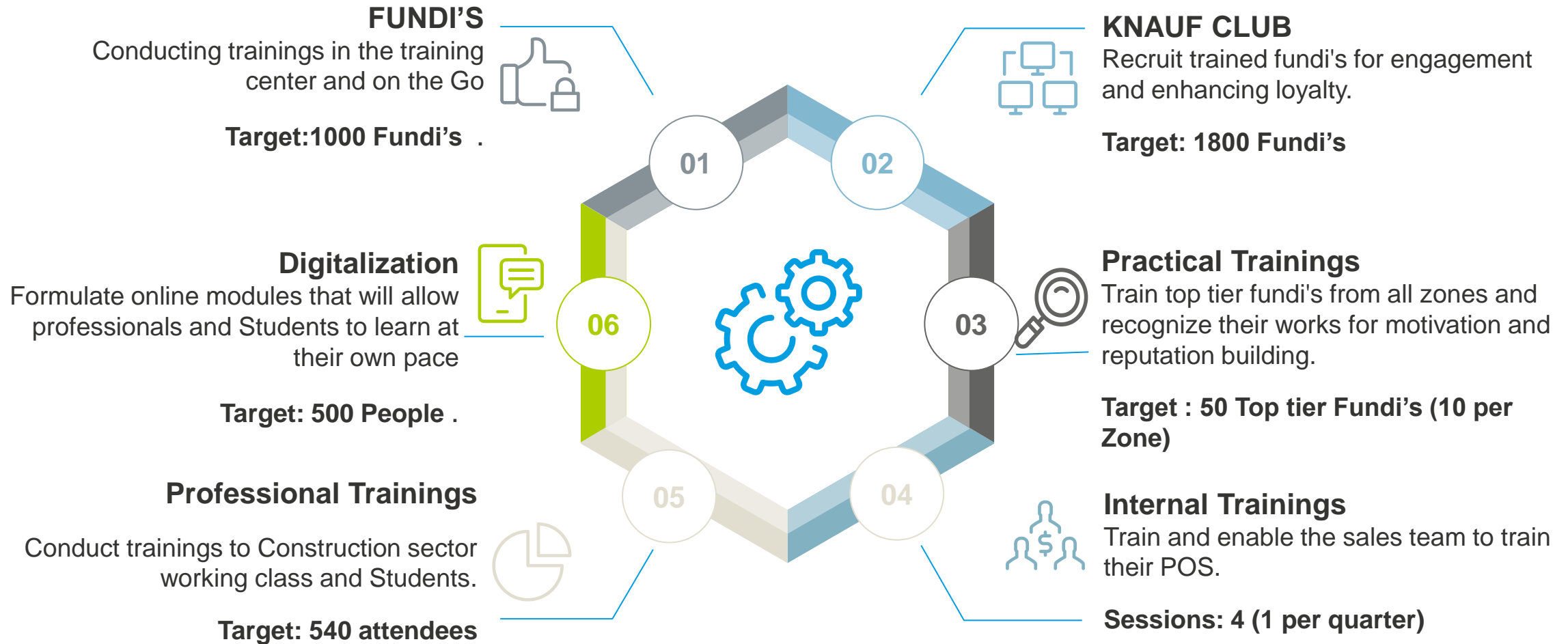
Strategy Direction

-  Workmanship, reputation, grow my business, variety, creativity and business manner
-  Training center, roadshows, van on the Go
-  Use distributors as a platform to communicate e.g., WhatsApp groups

Tanzania 2022 Quarterly Training Summary



Strategy 2022 Summary



Internal Trainings

Sales Team Trainings

Train Internal sales team on the products theoretically and practically so they can support distributors and conduct refresher trainings to the point-of-sale team. The aim is:

- › The sales team conducts all staff trainings for the distributors
- › Boosted confidence for the sales team when explaining the products.
- › To enable them to answer basic technical questions

Target

Conduct at least 1 trainings quarterly.



Staff Training

The plant team and the head quarters team to be trained on the products and how to properly explain the basics of our products

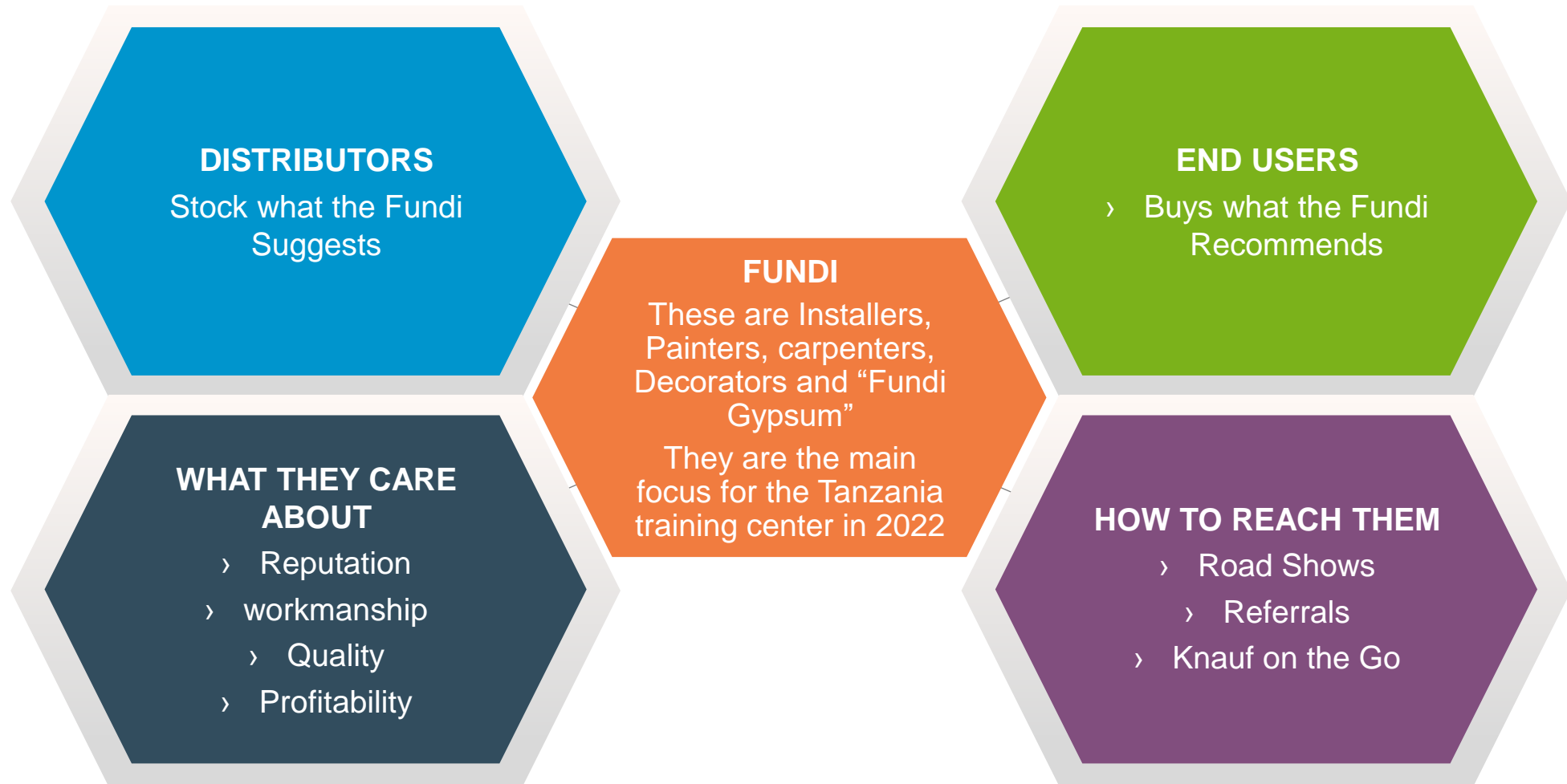
- › To have all Knauf Staff as brand ambassadors
- › To promote engagement using our products

TOPICS

- › Ceiling and partitioning basics
- › Plaster Basics
- › Metal profiles Basics

Knauf Fundi's

Fundi's are the Key Decision Makers and Market Drivers



Efforts for the Fundis

REPUTATION

(WHAT WILL KNAUF TZ DO FOR FUNDI'S?)

- › Assure them on the quality of Boards
- › Provide certificates after the trainings
- › Include Fundi's in the Knauf TZ website
- › Register and Provide ID's as Knauf Club members

QUALITY

(HOW WILL WE PROVE KNAUF PRODUCTS QUALITY?)

- › Do impromptu tests during the trainings
- › Have a Knauf TBS Certificate at our products POS
- › Use success Stories from the past (From Fundi's)
- › Use references of completed monumental projects using Knauf products (i.e PPF tower Mlimani)

WORKMANSHIP

- › Emphasize on the workability of the product
- › System selling (One stop shop concept)
- › Variety of products in our portfolio (i.e MR, FR boards, Connectors in Ceilings etc.)
- › Ease of availability due to local production.

Practical Trainings

Increase loyalty and establish Knauf trusted support team in every region. This will then boost the Fundi's reputation as they would be:

- › Be Listed in the Knauf Fundi part in the Website
- › Recognition for proper executed projects
- › Eligibility to participate in Club competitions and win rewards
- › Receive Knauf Toolkit and Knauf Fundi Uniform



AWARENESS

(WHAT DO THE FUNDI'S KNOW ABOUT KNAUF TZ?)

- › Train the fundi's on the origin of Knauf
- › Inform them on the variety of products we have
- › Keep close contact and promote engagement
- › How to identify Knauf products (Branding, tapered edges etc.)

MODULES

(WHAT ARE OUR TRAININGS ABOUT?)

- › Boards
- › Plasters
- › Metal Profiles
- Emphasis on our unique selling proposition

PROFITABILITY

(WHAT IS IN IT FOR THEM?)

- › Incentives and Reward systems for best performers
- › Recognition (Star ratings and Special Certificates)
- › Engagement in activities- Exposure to others
- › "Work on a special discount scheme with distributors"

Knauf Club



AIM

- › Engage with Fundi's from across Tanzania
- › Promote Awareness of Knauf products and Activities
- › Positioning of the Training Center



RECRUITMENT

- Members of the club will be obtained through
- › Existing Database
 - › Launch date attendees
 - › Referral's
 - › Fundi Associations



ACTIVITIES

- To promote engagement the following will be done:
- › Creation of WhatsApp groups for communication
 - › Annual installer gatherings
 - › Regular Scheduled trainings as communicated
 - › Fundi competitions (i.e., best Ceiling designers, Finishers)



TARGETS

- 2,000 Active Fundi's by December 31st 2022
- › 800- Dar es Salaam & Coast
 - › 300- Central Zone
 - › 200- North Zone
 - › 200- Southern Zone
- At-least 400 active members from international trainings
- › 200- Kenya
 - › 100- Uganda
 - › 100- Malawi, Rwanda & Congo

Training Professionals and Strengthening the Foundation

Training Professionals

These include

- › Architects (Project Managers)
- › Engineers
- › Quantity surveyors

Target

To train atleast 300 professionals in the construction sector

Collaborations

- › Architects and Quantity Surveyors Board
- › Engineers Registration Board
- › Contractors Registration Board

Advantage

- › Improve company credibility and promote brand awareness
- › Specification of our products in projects
- › System trainings to push system selling



Strengthening The Foundation

Training the technical students and University students in the construction sector. For long term results

Target

- › Vocational Education and Training Authority
- › University of Dar es Salaam
- › Ardhi University
- › Dar es Salaam Institute of Technology

Topics

- › Basics on Plasters, Boards and Metal Profiles
- › Moisture resistant boards and its concept
- › Sound and Fire resistant

Work on getting a long-term contract/ Memorandum Of Understanding with these institutions for sustainability.

Digitalization of the Training Center

Online Modules

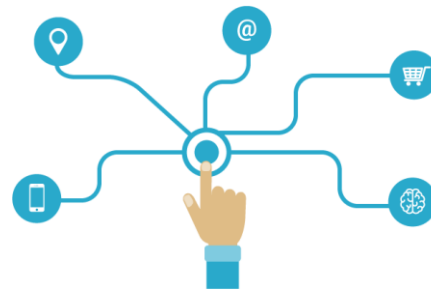
Targeted Audience

- › Professionals (i.e architects, engineers etc.)
- › Students
- › End Users

Topics of Seminars

- › Ceilings and Partitions
- › Metal Profiles
- › Plasters
- › Advanced Ceilings and Partitions
- › Fire and Acoustics in relation to Knauf gypsums

Note: Must include engagement QnA's



Advantages of Digitalization:

Overcoming geographical barriers

Time Saving

Flexibility on course time taking schedule

Can be revised

How to Videos

Targeted Audience

- › Fundi's
- › Professionals (i.e architects, engineers etc.)
- › Students
- › End Users

Types of Seminars

- › Ceilings and Partitions
- › Metal Profiles
- › Plasters
- › Advanced Ceilings and Partitions
- › Fire and Acoustics in relation to Knauf gypsums

Note

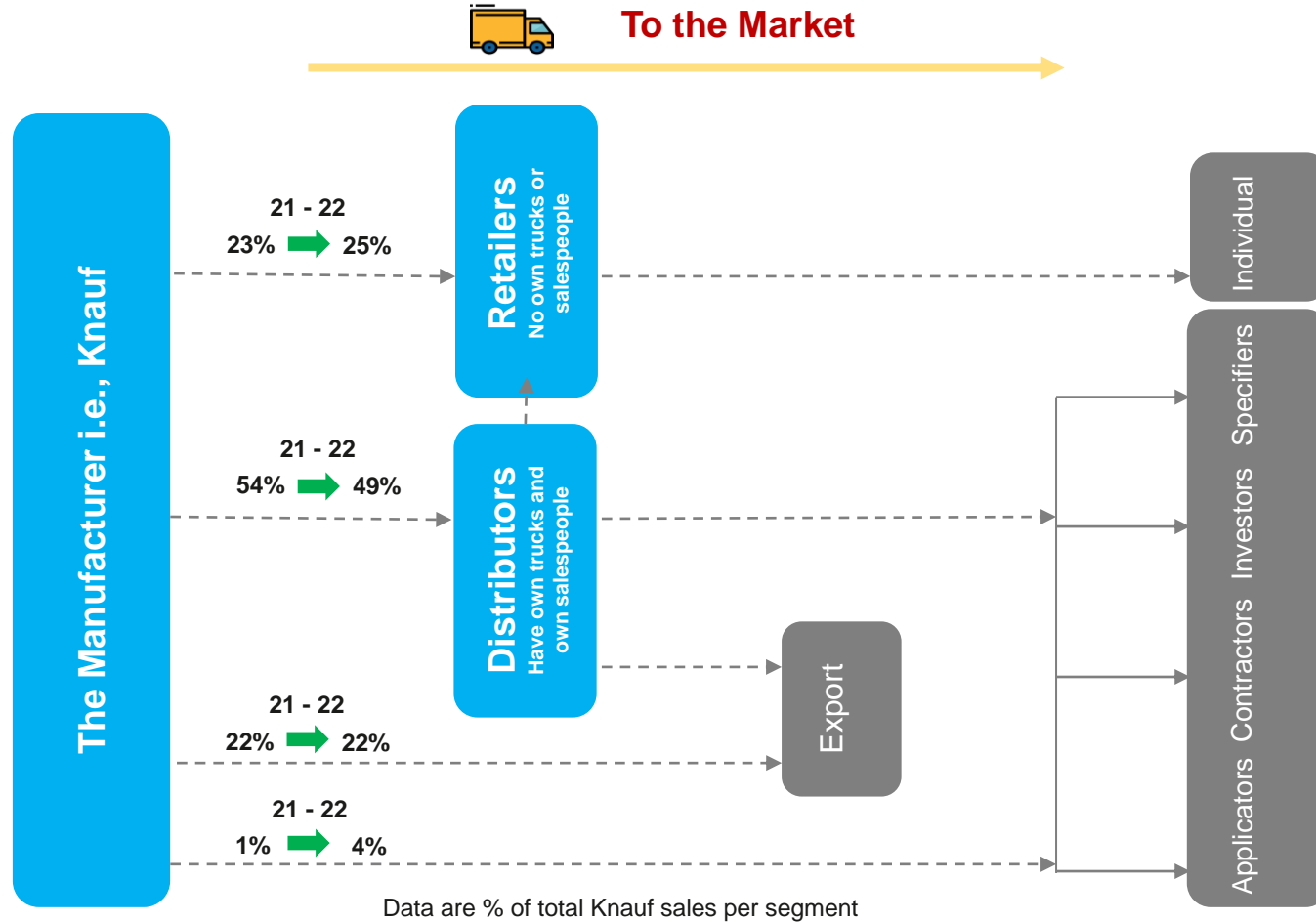
These will be short videos that can be shared on the company social media groups, and the training center YouTube channel.



Route to Market Strategy

2022 Route to Market and Distribution Strategy

Volume Distribution Plan



Retailer delivery:

- › **Source Transporters (Knauf have no liability).**
 - Knauf to source transporters and give indicative rates to the customer – customer pays the transporter.
- › **Third Party Transportation – Knauf Paying Transporters**
 - Knauf to source transporters through tender .
- › **Split Deliveries through own trucks and third-party transporters.**
 - Knauf to outsource transporters and use own trucks to deliver in split to small retailers in urban area.

Export delivery:

- › Landlocked countries have a high demand of road transportation through self collection or direct deliveries i.e., outsourced transportation.
- › Sea transport to South Africa, Nigeria, Kenya



Human Resources Strategy

Human Resources Update - Commercial



It takes +2 Months to Get Candidates that Fit Positions (takes 6 to 8 months for managerial positions)

- › In general recruitment of skilled and competent candidates in Tanzania may take more than two months to get candidates that fit professional positions. It takes longer time between 6 to 8 month for managerial positions because of the general gap in the skills or experience in managerial positions locally.
- › For all management positions currently at Knauf Tanzania, the recruitment process took almost a year to fill them while other mid-level commercial positions takes between 4 to 6 months of interviews before getting a perfect fit.



Commercial Manager / Director for an international companies in Tanzania is among the few critical positions

- › For Commercial manager / Director position it may take a year to get a perfect fit even through head hunting
- › Being a strategic position, majority of international companies in manufacturing industry use experts for this position



5 Open Positions in the Commercial Department

- › In Commercial Department, we currently have 5 open positions i.e., Commercial Manager, Technical Sales Manager, National Sales Manager and 2 Sales Representatives
- › Commercial manager has been open for 1.5 year while Technical sales Manager has been open for 9 months