



## **BUSINESS PLAN FOR AFRITRUST HOLDINGS LIMITED IN TANZANIA**

**Prepared By  
Afritrust Holdings Limited**

# BACKGROUND INFORMATION

Transport and logistics are a backbone of any economy, and are important in promoting other sectors including manufacturing, food security, and international trade.

In 2021, the global logistics market reached 8.4 trillion euros, and expected to grow to reach 13.7 trillion euros in 2027.

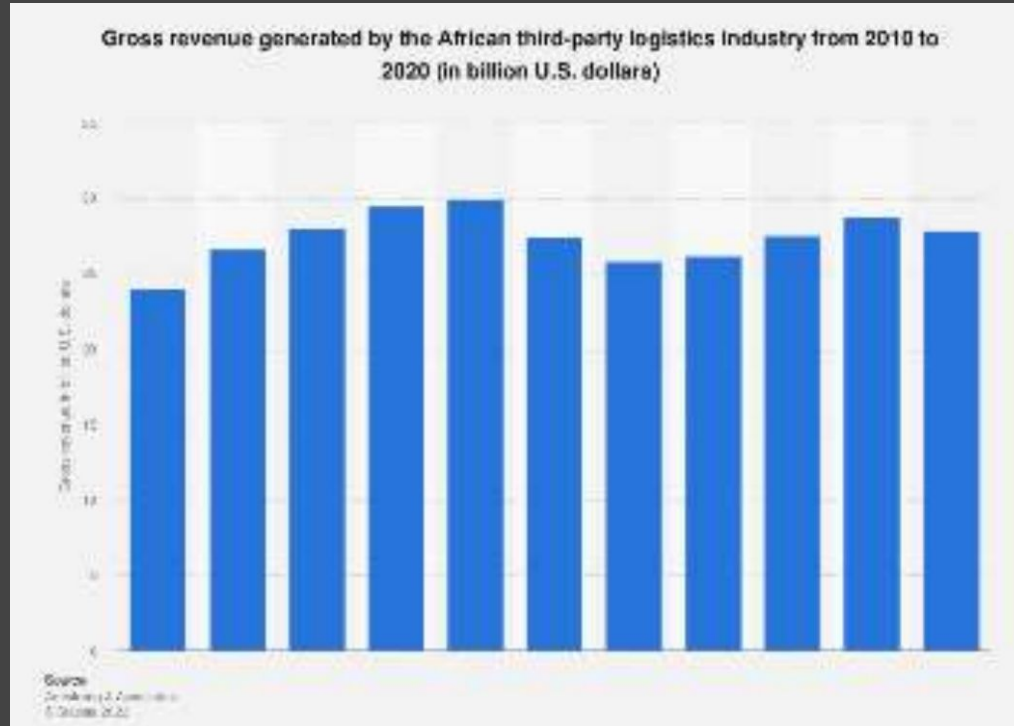
The logistics are an important costs for many companies, and globally, the total logistics costs reached \$9 trillion in 2021. In Tanzania, the logistics cost account for more than 50% of retail product price.

Logistics industry include procurement, transportation, storage and warehousing, customs, and distribution.

Logistics is still among the most fragmented sectors in Africa and requires smart companies to launch services which are customer-centric, resilient, and apply technology to simplify the entire supply chain management.

Afritrust Holdings Limited is setting up this logistics business to disrupt the \$170B industry across Africa, bring new solutions, improve customer experience, and grow revenue.

## THIRD PARTY LOGISTICS PROVIDERS (3PLs)



Logistics industry is dominated by 3PLs, who are either asset-based or asset-light companies.

They get contracts with cargo owners to offer all or some logistics services covering customers clearance and forwarding, warehousing, and transportation.

3PL companies in Africa made a total of \$27.9 billion in 2020.

This is the size of market opportunity for Afritrust Holdings Limited across Africa.

# ABOUT THE COMPANY

Afritrust Holdings Limited is part of Afritrust Group Limited, which has a business in the construction industry as well.

The group started in 2017, and has been growing through its construction division. Its shareholders and promoters are seasoned entrepreneurs and executives who have a long track record of business success.

Afritrust Holdings Limited is a new subsidiary in the group which plans to offer modern and world class third-party logistics services to both private and public sectors in Tanzania, and across East and Central Africa.

The company's key strategic objective is to build a Pan-African logistics and infrastructure services company that contribute to the promise of African socio-economic development.

The company plans to start with a fleet of five (5) trucks, but with ambition to grow to 35 trucks in the next five (5) years.

The company is currently based in Arusha, Tanzania.



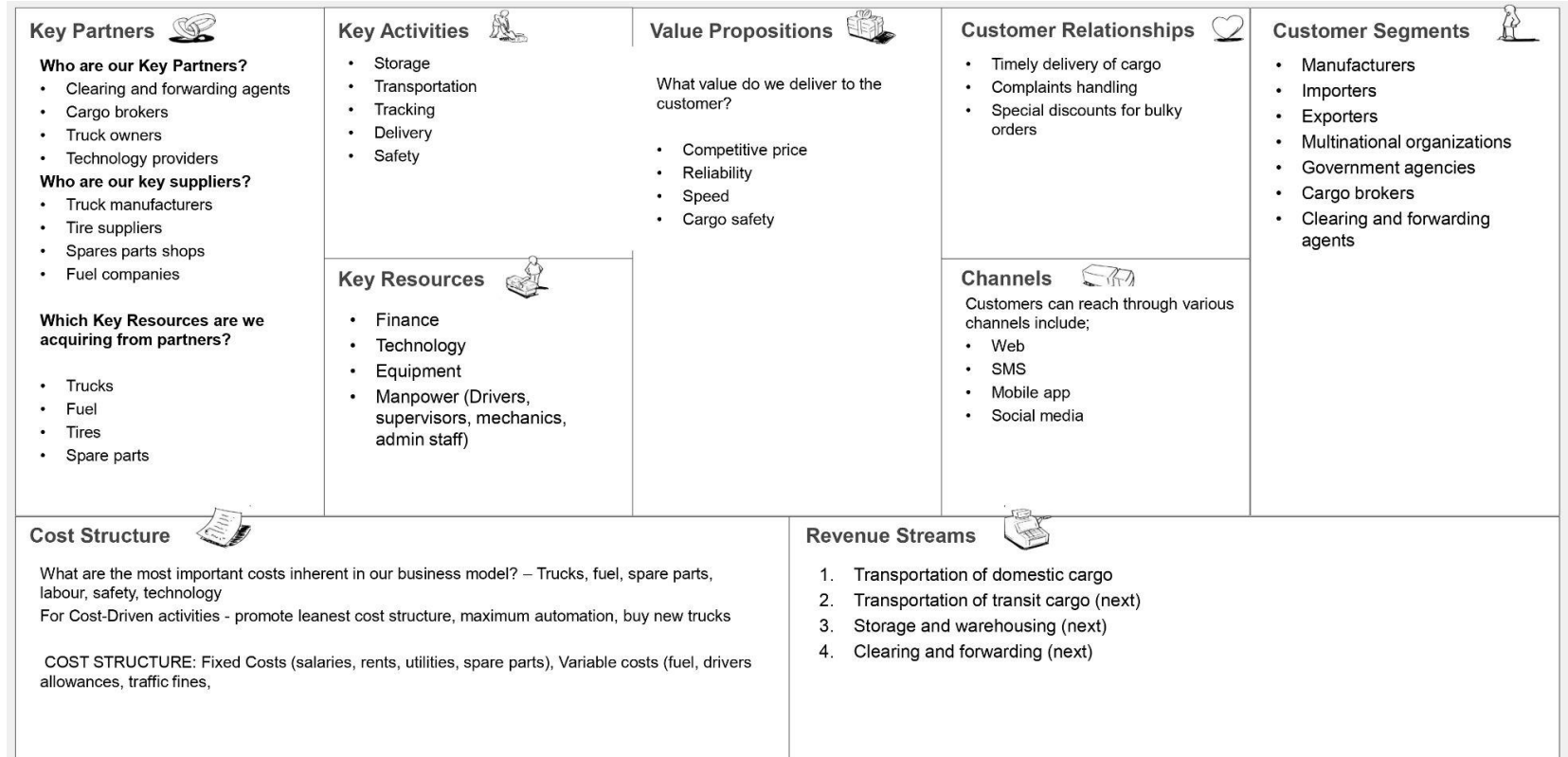
# GOALS & OBJECTIVES

- The company plans to operate a sizeable fleet of trucks in order to become reliable to its clients.
- The company's long-term goal is to expand its footprints to cover other major logistics markets in Africa.
- The company is committed to build a strong team of experts and professionals in logistics industry.
- The company will expand its offerings to include other logistics and cargo services in order to become a one-stop logistics solutions provider.

## SPECIFIC BUSINESS OBJECTIVES IN THE NEXT FIVE (5) YEARS

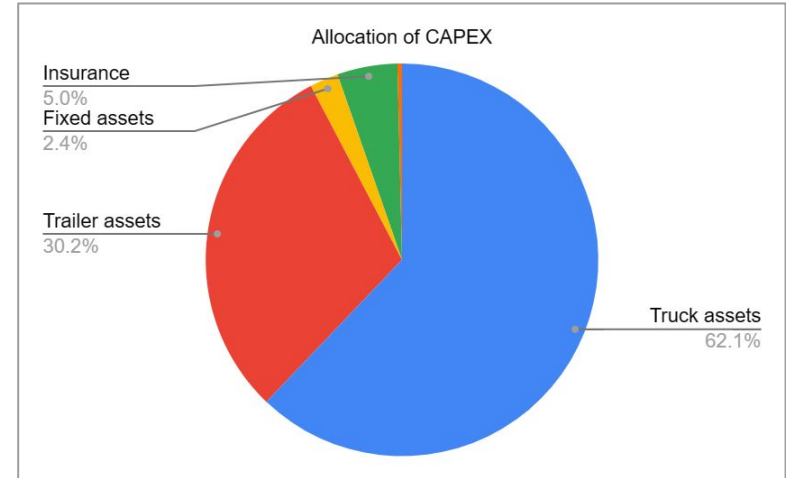
1. To generate a total revenue of TZS 634m in year one, growing to TZS 3.3B in year 5.
2. To grow a fleet of trucks from 5 to 35 in five years.
3. To open offices in the countries of DRC, Zambia, Kenya, Burundi, and Rwanda.
4. To become profitable in year two of operations.
5. To launch services in the areas of clearing and forwarding, warehousing, and supply chain solutions.

# BUSINESS MODEL CANVAS



## CAPEX LAYOUT

ITEM	INVESTMENT AMOUNT (TZS)	INVESTMENT AMOUNT (USD)
Truck assets	637,200,000.00	271,148.94
Trailer assets	309,400,000.00	131,659.57
Fixed assets	24,148,000.00	10,275.74
Insurance	50,912,350.00	21,664.83
Fleet management software	3,795,000.00	1,614.89
TOTAL	1,025,455,350.00	436,363.98



# COGS

	Y1	Y2	Y3	Y4	Y5
Cost per trip	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00	1,500,000.00
No. of trips per month	2	2	2	2	3
No of trucks	5	10	20	25	35
DIRECT COSTS	180,000,000.00	360,000,000.00	720,000,000.00	900,000,000.00	1,890,000,000.00

## SALES FORECAST

TRANSPORTATION	Y1	Y2	Y3	Y4	Y5
Price per trip	5,000,000	6,000,000	6,500,000	7,250,000	7,547,619
No. of trips per month	2	2	2	2	3
No. of trucks	5	10	20	25	35
TOTAL	600,000,000	1,440,000,000	3,120,000,000	4,350,000,000	9,510,000,000

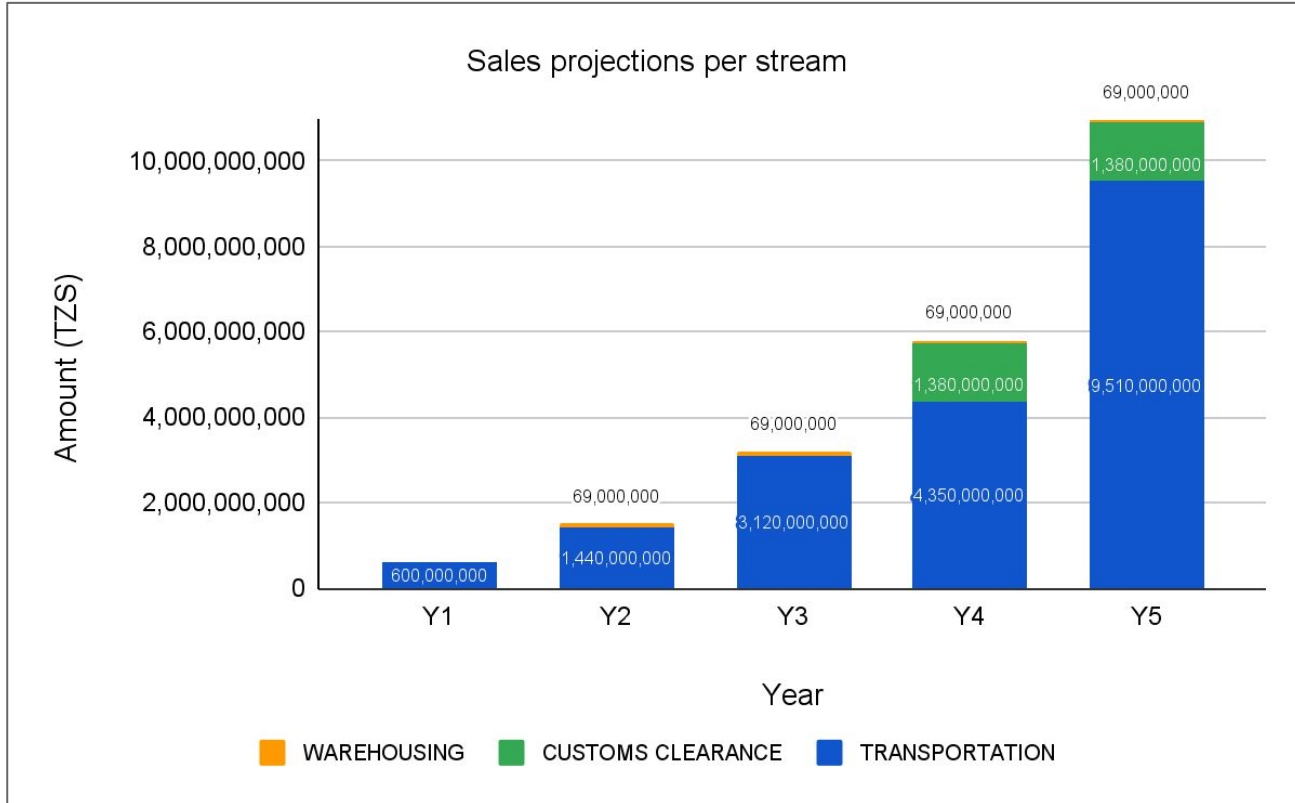
CUSTOMS CLEARANCE	Y1	Y2	Y3	Y4	Y5
No. of containers per month	-	-	-	100	100
Price per container (USD)	-	-	-	500	500
TOTAL (USD)	-	-	-	600,000	600,000
TOTAL (TZS)	-	-	-	1,380,000,000	1,380,000,000

WAREHOUSING	Y1	Y2	Y3	Y4	Y5
Rentable space	-	500	500	500	500
Rent per month (USD)	-	5	5	5	5
TOTAL (USD)	-	30,000	30,000	30,000	30,000
TOTAL (TZS)	-	69,000,000	69,000,000	69,000,000	69,000,000

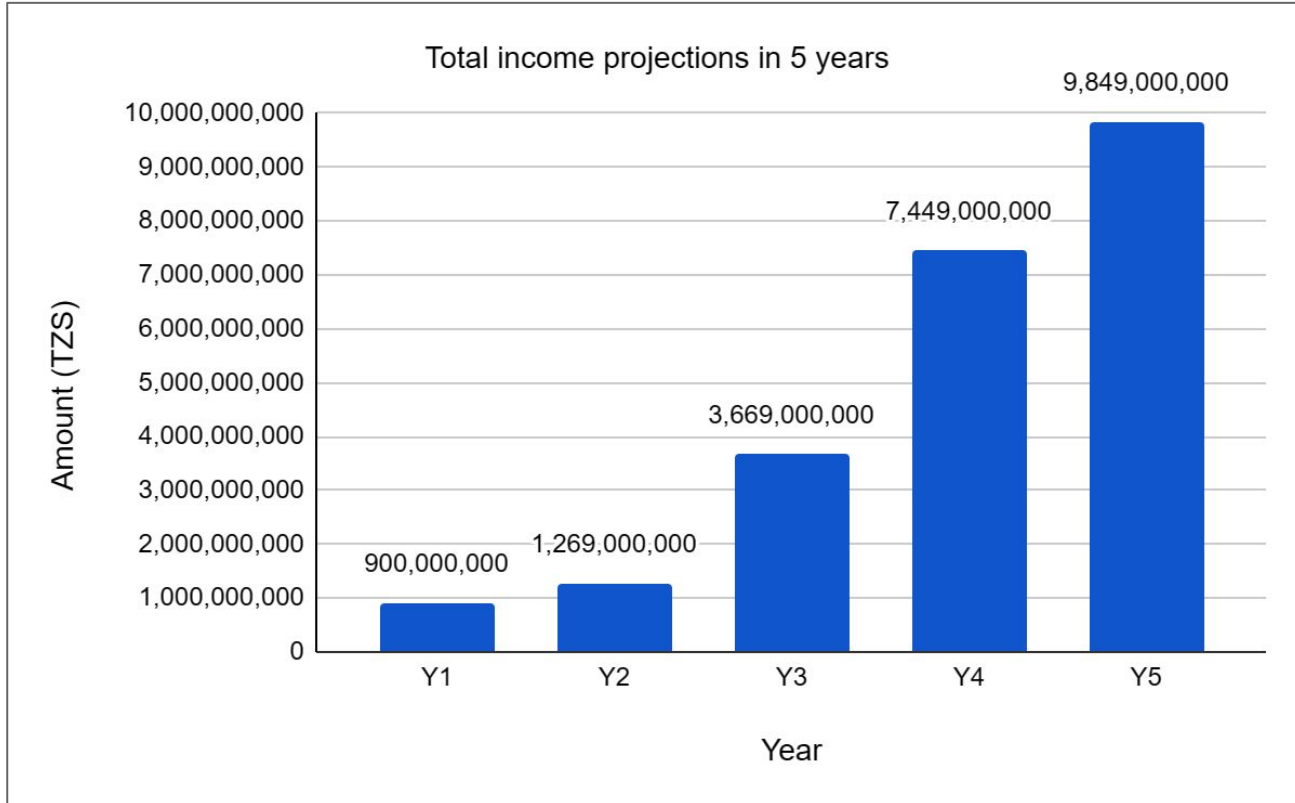
## SUMMARY

SALES	Y1	Y2	Y3	Y4	Y5
TRANSPORTATION	600,000,000	1,440,000,000	3,120,000,000	4,350,000,000	9,510,000,000
CUSTOMS CLEARANCE	-	-	-	1,380,000,000	1,380,000,000
WAREHOUSING	-	69,000,000	69,000,000	69,000,000	69,000,000
TOTAL INCOME (TZS)	600,000,000	1,509,000,000	3,189,000,000	5,799,000,000	10,959,000,000

## Sales projections per stream



Total income projections in 5 years



## PRO FORMA INCOME STATEMENT

	Y1	Y2	Y3	Y4	Y5
Revenue	600,000,000.00	1,440,000,000.00	3,120,000,000.00	4,350,000,000.00	9,510,000,000.00
Less					
Direct Cost	241,656,803.78	435,313,607.57	870,627,215.14	1,112,284,018.89	1,691,597,626.46
<b>Gross Profit</b>	<b>358,343,196.22</b>	<b>1,004,686,392.43</b>	<b>2,249,372,784.86</b>	<b>3,237,715,981.11</b>	<b>7,818,402,373.54</b>
Gross Margin	59.72	69.77	72.10	74.43	82.21
Overhead expenses	138,235,416.96	163,188,938.80	276,604,438.80	339,767,188.80	466,092,688.80
<b>EBITDA</b>	<b>220,107,779.26</b>	<b>841,497,453.63</b>	<b>1,972,768,346.06</b>	<b>2,897,948,792.31</b>	<b>7,352,309,684.74</b>
EBITDA Margin	36.68	58.44	63.23	66.62	77.31
Depreciation	251,922,100.00	494,609,100.00	979,983,100.00	1,222,670,100.00	1,708,044,100.00
<b>EBIT</b>	<b>(31,814,320.74)</b>	<b>346,888,353.63</b>	<b>992,785,246.06</b>	<b>1,675,278,692.31</b>	<b>5,644,265,584.74</b>
Interest on TL	72,945,937.96	59,830,130.30	5,056,050.92		
Interest on OD					
<b>EBT</b>	<b>(31,814,320.74)</b>	<b>346,888,353.63</b>	<b>992,785,246.06</b>	<b>1,675,278,692.31</b>	<b>5,644,265,584.74</b>
Corporate Tax (30%)	(9,544,296.22)	104,066,506.09	297,835,573.82	502,583,607.69	1,693,279,675.42
<b>Profit After Tax</b>	<b>(22,270,024.52)</b>	<b>242,821,847.54</b>	<b>694,949,672.24</b>	<b>1,172,695,084.62</b>	<b>3,950,985,909.32</b>
<b>NET PROFIT</b>	<b>(22,270,024.52)</b>	<b>242,821,847.54</b>	<b>694,949,672.24</b>	<b>1,172,695,084.62</b>	<b>3,950,985,909.32</b>
<b>Net Margin</b>	<b>-4</b>	<b>17</b>	<b>22</b>	<b>27</b>	<b>42</b>

## STATEMENT OF POSITION

	Y1	Y2	Y3	Y4	Y5
<b>Non Current Asset</b>					
Fixed assets	746,545,900.00	1,222,684,800.00	2,184,197,700.00	1,932,275,600.00	2,166,212,600.00
<b>TOTAL NON-CURRENT ASSETS</b>	<b>746,545,900.00</b>	<b>1,222,684,800.00</b>	<b>2,184,197,700.00</b>	<b>1,932,275,600.00</b>	<b>2,166,212,600.00</b>
<b>Current Assets</b>					
Receivables	258,714,441.04	335,847,470.45	369,432,217.50	480,261,882.75	792,432,106.54
Cash and Bank Balance	(87,112,929.04)	358,700,952.06	1,674,932,772.24	2,642,015,795.27	4,588,536,590.53
<b>Total Current Assets</b>	<b>171,601,512.00</b>	<b>694,548,422.51</b>	<b>2,044,364,989.74</b>	<b>3,122,277,678.02</b>	<b>5,380,968,697.07</b>
<b>TOTAL ASSETS</b>	<b>918,147,412.00</b>	<b>1,917,233,222.51</b>	<b>4,228,562,689.74</b>	<b>5,054,553,278.02</b>	<b>7,547,181,297.07</b>
<b>Current Liabilities</b>					
Account payables	429,752,303.96	1,297,577,945.67	3,379,781,215.22	3,861,858,193.40	3,576,195,387.75
<b>Total Current Liabilities</b>	<b>429,752,303.96</b>	<b>1,297,577,945.67</b>	<b>3,379,781,215.22</b>	<b>3,861,858,193.40</b>	<b>3,576,195,387.75</b>
<b>Financed by:</b>					
Equity	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00	20,000,000.00
Retained earnings	(22,270,024.52)	242,821,847.54	694,949,672.24	1,172,695,084.62	3,950,985,909.32
<b>Net Worth</b>	<b>(2,270,024.52)</b>	<b>262,821,847.54</b>	<b>714,949,672.24</b>	<b>1,192,695,084.62</b>	<b>3,970,985,909.32</b>
External Financing	490,665,132.56	356,833,429.30	133,831,802.3		
<b>EQUITY AND LIABILITIES</b>	<b>918,147,412.00</b>	<b>1,917,233,222.51</b>	<b>4,228,562,689.74</b>	<b>5,054,553,278.02</b>	<b>7,547,181,297.07</b>

## CASH FLOW STATEMENT

	Y1	Y2	Y3	Y4	Y5
Capital Inflow					
TOTAL FINANCING	1,005,748,000.00				
<b>Total Capital Inflow</b>	<b>1,005,748,000.00</b>				
Operating Inflow					
EBIT	(31,814,320.74)	346,888,353.63	992,785,246.06	1,307,859,278.95	5,644,265,584.74
Depreciation	251,922,100.00	494,609,100.00	979,983,100.00	1,726,514,300.00	1,708,044,100.00
<b>Total Operating Inflow</b>	<b>220,107,779.26</b>	<b>841,497,453.63</b>	<b>1,972,768,346.06</b>	<b>3,034,373,578.95</b>	<b>7,352,309,684.74</b>
<b>TOTAL INFLOW</b>	<b>1,225,855,779.26</b>	<b>841,497,453.63</b>	<b>1,972,768,346.06</b>	<b>3,034,373,578.95</b>	<b>7,352,309,684.74</b>
Capital Outflow					
Investment	1,005,748,000.00				
<b>Total Capital Outflow</b>	<b>1,005,748,000.00</b>				
OPERATING OUTFLOW					
Taxation	(9,544,296.22)	104,066,506.09	297,835,573.82	392,357,783.69	1,693,279,675.42
Loan Repayment	316,765,004.52	378,729,995.48			
<b>Total Operating Outflow</b>	<b>307,220,708.30</b>	<b>482,796,501.57</b>	<b>297,835,573.82</b>	<b>392,357,783.69</b>	<b>1,693,279,675.42</b>
<b>TOTAL OUTFLOW</b>	<b>1,312,968,708.30</b>	<b>482,796,501.57</b>	<b>297,835,573.82</b>	<b>392,357,783.69</b>	<b>1,693,279,675.42</b>
NET CASH FLOW	(87,112,929.04)	358,700,952.06	1,674,932,772.24	2,642,015,795.27	5,659,030,009.32
OPENING BALANCE	203,782.45	(86,909,146.59)	271,791,805	1,946,724,578	4,588,740,373
<b>CLOSING BALANCE</b>	<b>(86,909,146.59)</b>	<b>271,791,805.47</b>	<b>1,946,724,577.72</b>	<b>4,588,740,372.98</b>	<b>10,247,770,382.30</b>

## PROPOSED TERM LOAN REPAYMENT

<b>Loan Amount</b>	TZS 695,000,000.00
<b>Annual Interest Rate</b>	0.18%
<b>Loan Period in Years</b>	2
<b>Start Date of Loan</b>	5/14/2023

<b>Monthly Repayment</b>	TZS 34,721,963.30
<b>Number of Repayments</b>	24
<b>Total Interest</b>	137,832,119.18
<b>Total Cost of Loan</b>	833,327,119.20

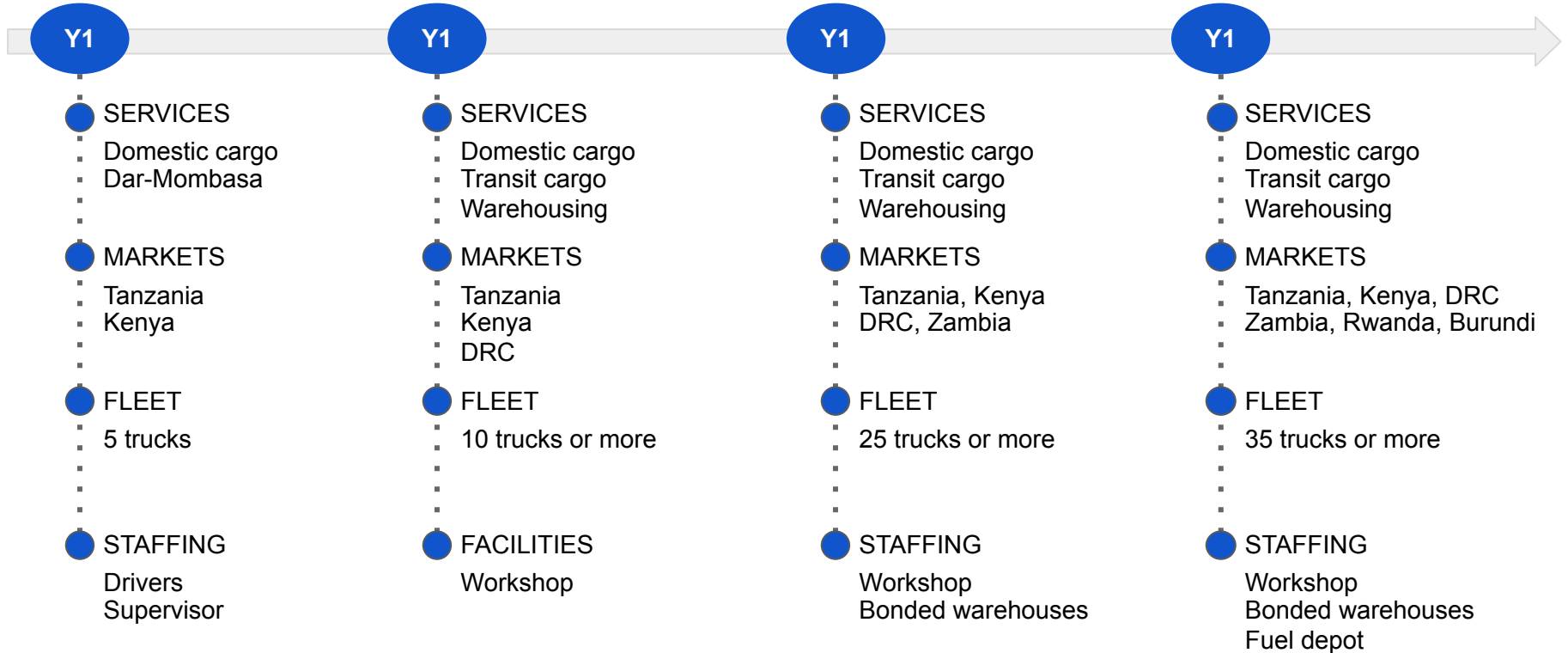
## Profitability Ratios

Gross profit margin	$\frac{\text{Gross profit}}{\text{Sales}}$	Gross Profit	Sales	59.72%
		358,343,196.22	600,000,000.00	

Gross profit margin	$\frac{\text{Operating Income}}{\text{Sales}}$	Operating Income	Sales	36.68%
		220,107,779.26	600,000,000.00	

Gross profit margin	$\frac{\text{Net Income}}{\text{Sales}}$	Net Income	Sales	-3.71%
		(22,270,024.52)	600,000,000.00	

# 4-YEAR GROWTH PLANS



# IMPLEMENTATION OF THE BUSINESS PLAN - 3 month Plan





# AFRITRUST HOLDINGS LIMITED

Prepared by

Afritrust Holdings Limited  
Boma Road, Arusha  
hello@afitrust.co.tz  
+255 756 774 797  
www.afitrustholdings.co.tz

## OUR SERVICES

Freight Transportation  
Heavy Equipment Rental  
Warehousing