



MARUNGU PLANTATION LTD

Harvesting Tomorrow's Solutions

COMPANY OVERVIEW

BACKGROUND

Marungu Plantation is an established sisal farm operating on 5,000 hectares of land. With decades of experience in sisal cultivation and processing, the company has built a reputation for producing high-quality sisal fiber. Currently, the plantation produces 130 tons of fiber monthly, with an 80:20 ratio of UG to SUG grade fiber.

Vision

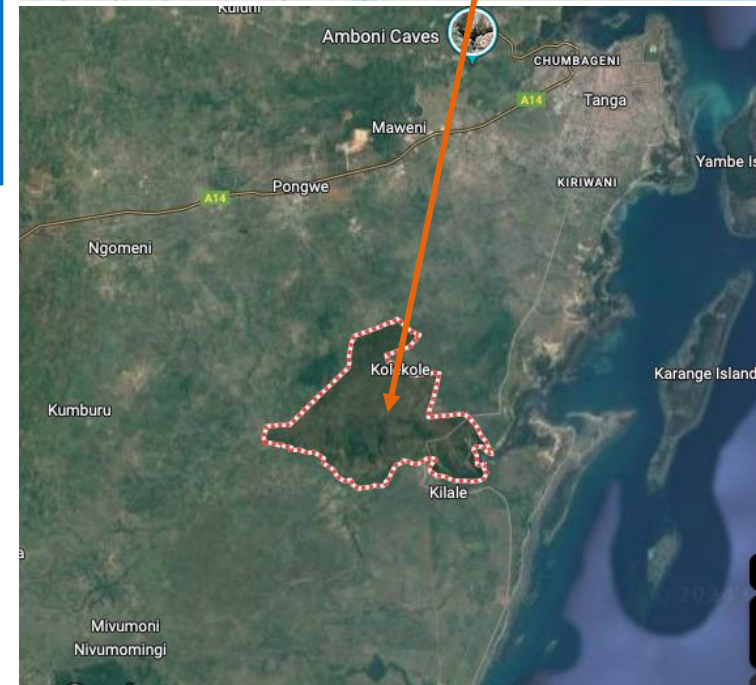
To become a leading sisal producer in the region, known for sustainable farming practices and high-quality fiber production.

Mission

To expand our production capacity to meet growing global demand for natural fibers while maintaining environmental sustainability and creating economic opportunities for local communities

INTRODUCTION

Location: Marungu - 19 km from Tanga City
Acquisition: The plantation was acquired in 2013
Plantation: 5000 hectares of cultivation land
Operations: Fiber production resumed in the 2nd quarter of 2024
Production: 125 – 200 tons of Fiber per month
Market: 100% export



SHAREHOLDERS

JUSTIN LAMBERT

JANETH LAMBERT

75%

25%



Sisal Fiber Production

Marunugu Energies

Marungu Hospitality Services

SHAREHOLDERS PROFILES

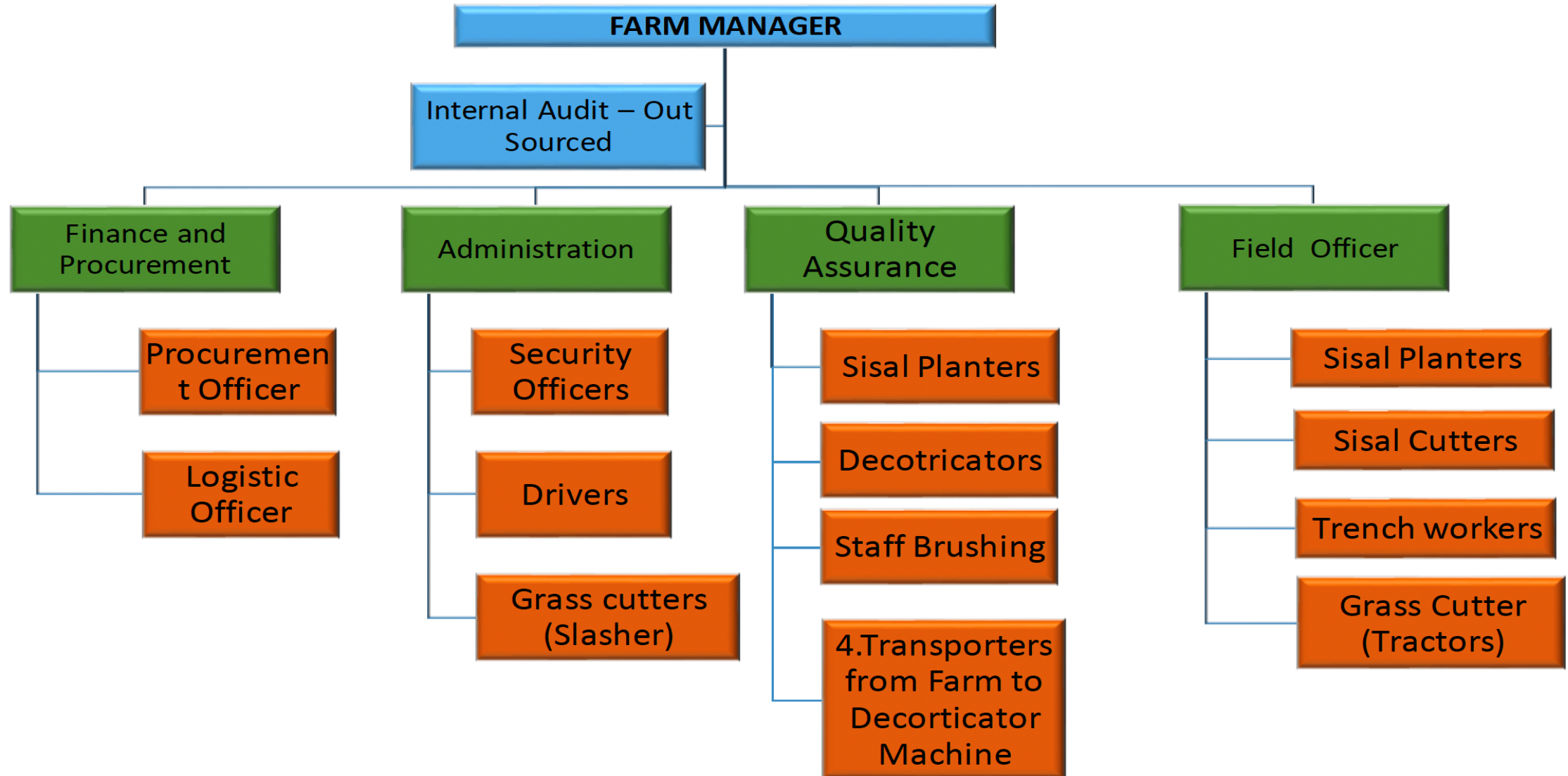
Mr. Justin Lambert

The Chief Executive Officer (CEO) of JUNACO Group of Companies. Justin Lambert holds a degree in Bachelor of Commerce (BCom) from the University of Botswana. He has also attended and completed various technical and expert training sessions on water treatment and Chlor-Alkali from institutions in Africa, EU and the USA. Mr. Lambert developed and successfully managed a number of business ventures in a variety of sectors. Initially, his work focused on exporting goods such as sea foods to high end markets in the region. He founded Junaco, a leading supplier of water treatment chemicals in East and Southern Africa, in 2000. He is the founder and owner of Marungu Plantation Ltd as well as Msufini T Ltd, a chloro-alkali manufacturing plant based in Mlandizi, Tanzania.

Ms. Janeth Lambert

Janeth Lambert is a distinguished finance professional and strategic leader who holds a Bachelor of Science in Actuarial Science with Distinction from Curtin University in Australia. She has also earned a Post-Graduate Certificate in Managerial Finance from the London School of Economics. Janeth honed her expertise as a Credit Risk Analyst at the Commonwealth Bank of Australia under Bankwest in Perth, Western Australia, where she led teams in developing policies that align with corporate risk appetites. She is currently serving as both as a Board Member and Member of the Senior Management team at JUNACO Group of Companies. At JUNACO, she has been instrumental in managing financial risks and driving strategic initiatives that significantly enhance profitability and stability. She also holds board positions at various boards like Msufini (T) Ltd, JUNACO (T) LTD, Clarkson Insurance Brokers Ltd

ORGANISATIONAL STRUCTURE



MANAGEMENT PROFILE

Farm Manager

The farm manager, **Mr Christopher Nyamwihura** is responsible for leading the development and execution of the plantations' long term strategy with a view to creating shareholder value. The Manager's leadership role also involves being ultimately responsible for all day-to-day management decisions. The Manager is responsible for making major corporate decisions, managing the overall operations and resources of a company.

Duties include:

- Staff management, supervises and coordinates activities of all the workers, assigns workers to duties
- Directs maintenance and repair of facilities and equipment at the farm

Finance and Procurement Department

The finance department will be responsible for all the day to day transactional accounting for the business. This will include the tracking of all transactions and the management of any government reporting. Internal audit is outsourced and is usually used for annual financial statements and returns. The finance department is also responsible for management of the organization's cash flow, payroll administration and ensuring there are enough funds available to meet the day to day payments.

WHAT IS SISAL?

Scientific name: *Agave sisalana*



- Sisal is a species of Agave native to southern Mexico but widely cultivated and naturalised in Africa, Brazil, China, and other tropical regions
- **Strength & Durability:** It is resistant to moisture, stretching, and wear, making it ideal for industrial and household applications
- **Eco-Friendly:** 100% biodegradable and a sustainable alternative to synthetic fibers
- **Fast-Growing Plant:** Sisal plants take about 3-5 years to mature and can be harvested for up to 10 years
- **Production Process:** Leaves are crushed, washed, and dried before fibers are combed and processed
- **Market Demand:** Used in agriculture, manufacturing, and interior design due to its natural aesthetic and durability
- **Byproducts:** Waste from sisal processing can be used for biofuel, animal feed, and paper production
- **Economic Importance:** A major export crop in countries like Tanzania, Kenya, and Brazil, supporting rural livelihoods

COMMON USES OF SISAL FIBER



Ropes



Carpets/Rugs



Yarn



Brushes



Bags



Ropes

PROCESSING PLANT DESCRIPTION



SISAL FIBER GRADES

Sisal fiber grades are distinguished by length, colour, and quality

Grade A (UG Quality)

| Length | Moisture | Impurity | Humidity | Diameter | Color |
|----------|----------|----------|----------|----------|--------------|
| 90-130cm | 7%-10% | 0%-2% | 10%-13% | 0.35mm | Creamy white |

Grade B (SSUG Quality)

| Length | Moisture | Impurity | Humidity | Diameter | Color |
|---------|----------|----------|----------|----------|-----------------|
| 60-90cm | 10%-14% | 4%-5% | 14%-15% | 0.35mm | Yellow to Brown |

BUCHA (TOW)

- Colour yellowish/brownish, humidity maximum 14%
- Presence of knots and a very high level of dust
- No specification for length applies to this grade

UG



SSUG



TOW



CURRENT OPERATIONS – MARUNGU PLANTATION

- Land Area: 5,000 hectares
- Current Production: 130 tons/month (1,560 tons annually)
- Product Mix:
 - 80% UG Grade (\$1,900/ton)
 - 15% SSUG Grade (\$1,700/ton)
 - 5% UF and TOW Grade (\$900/ton)

Current Annual Revenue: Approximately \$2.9 million

UG



SSUG



TOW



INFRASTRUCTURE & WORKFORCE

Marungu Plantation has a well-established operational infrastructure

Production Facilities:

- 2 existing decorticating machines
- Fiber brushing room
- Packaging house
- 2 fiber compressing machines
- 18,000 m² fiber drying facilities
- 3 warehouses totalling 6,000 m²

Equipment Fleet:

- 10 tractors
- 1 dozer machine

Buildings:

- Administration building with offices and boardrooms
- Permanent staff quarters

Workforce:

- 46 permanent employees
- 564 casual employees



THE ECONOMIC AND SOCIAL BENEFITS OF SISAL FARMING

Sisal farming in Tanzania provides significant economic benefits

| | |
|------------------------------------|---|
| Employment creation | Sisal farming is a major source of income and employment for a large portion of the rural population in Tanzania, particularly in areas where other agricultural options are limited |
| Export earnings | Tanzania is a leading producer of sisal fiber globally, allowing it to generate significant foreign exchange through exports of sisal products |
| Land utilisation | Sisal can be cultivated in semi-arid regions, effectively utilizing land that might not be suitable for other crops. The crop does not need any form of irrigation |
| Local manufacturing support | The sisal fiber produced is used by local industries to manufacture a variety of products like ropes, sacks, carpets, and twine, further boosting the economy |
| Infrastructure development | The establishment of sisal estates, such as Marungu, often leads to the development of essential infrastructure like roads, housing, schools, and clinics in surrounding areas, improving quality of life for local communities |
| Community empowerment | By providing employment opportunities, sisal farming can contribute to increased economic independence and empowerment within rural communities |
| Environmental benefits | Sisal plants have extensive root systems which can help prevent soil erosion and contribute to watershed management. |

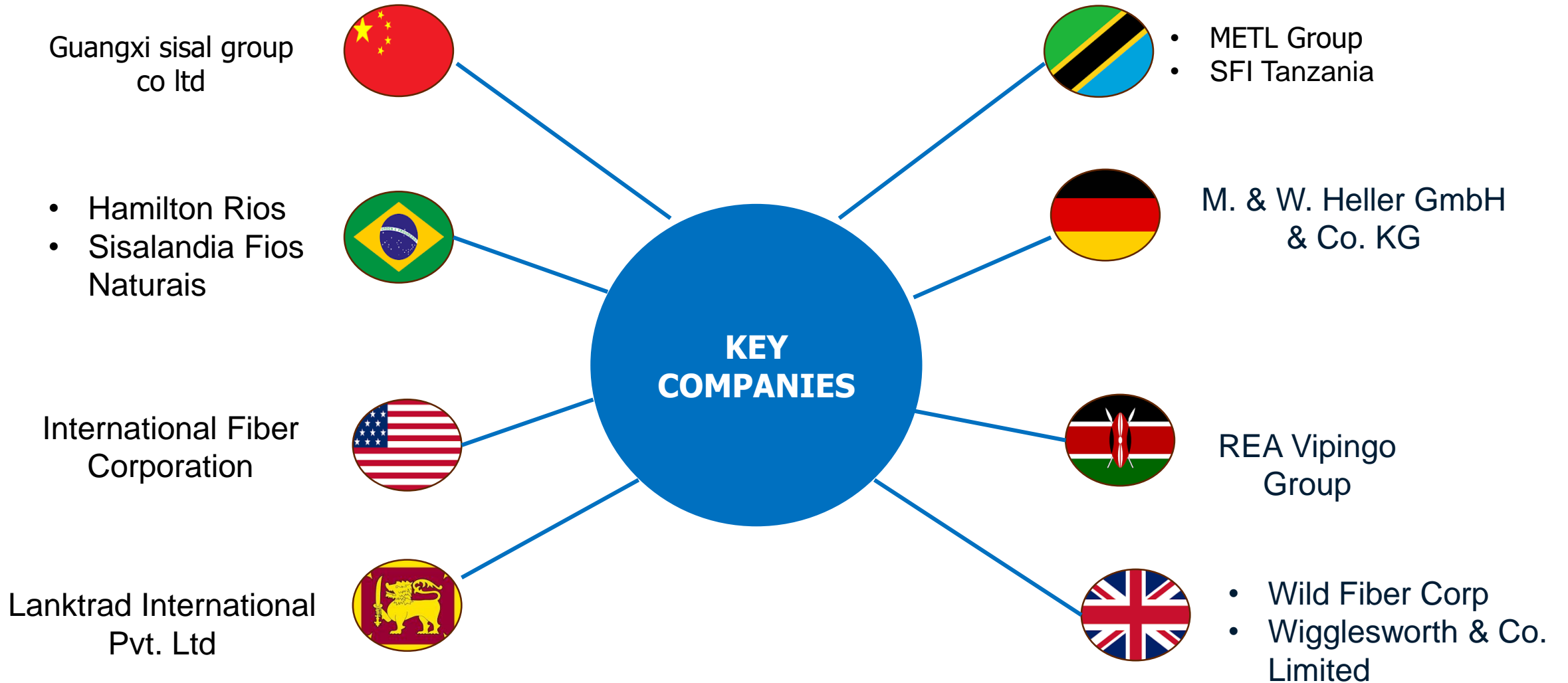
Tanzania's sisal industry employs over 100 000 individuals with its current total production estimated at 40 000 tons per year

MARKET ANALYSIS – GLOBAL SISAL MARKET

- The global sisal market has been experiencing steady growth due to increasing demand for sustainable, biodegradable natural fibers
- Applications include:
 - Agricultural twine and rope
 - Composite materials for the automotive industry
 - Construction reinforcement
 - Carpets and floor coverings
 - Paper production
 - Geotextiles and soil erosion control
- The market was valued at **\$1,352.46 million** in 2023 and is projected to grow at a **CAGR of 4,2%** from 2022 - 2032, driven by environmental concerns and the shift away from synthetic materials
- The market for sisal is additionally anticipated to expand due to consumers' growing awareness of eco-friendly products

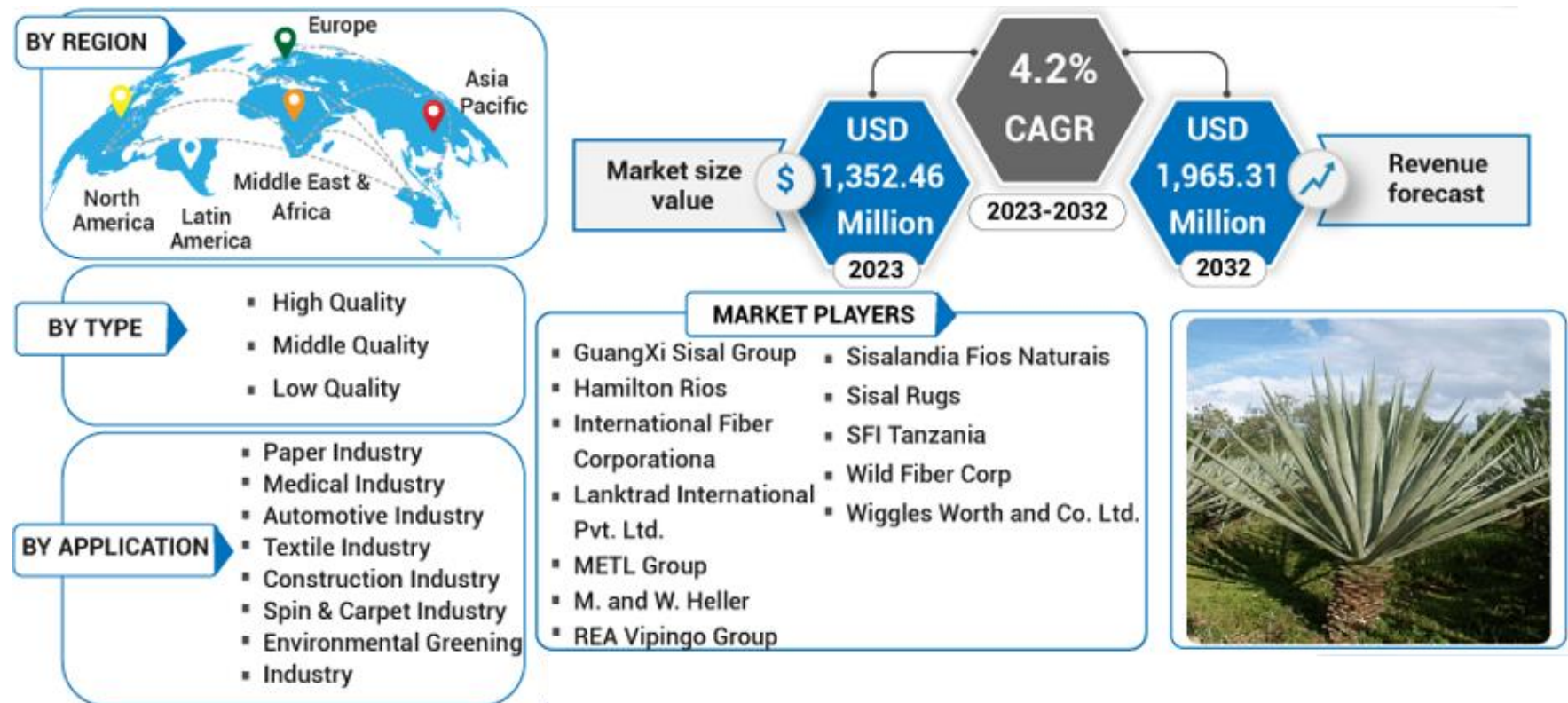


MARKET ANALYSIS – GLOBAL MARKET LEADERS



MARKET ANALYSIS – TAREGET MARKETS

- Europe: Growing demand for eco-friendly materials in automotive and construction
- North America: Increasing use in agricultural applications and eco-friendly consumer products
- Asia-Pacific: Rapidly expanding market for natural fibers in multiple industries
- Domestic Market: Local manufacturers of sisal products



MARKET ANALYSIS – COMPETITIVE LANDSCAPE

- Major competitors include sisal producers from Tanzania, Brazil, Kenya, and Madagascar
- While Brazil currently holds the top spot globally, Tanzania remains a significant producer of sisal fiber
- Tanga, Morogoro, Kilimanjaro, Coast, Lindi, and Mtwara are considered leading sisal growing areas in Tanzania
- The sisal fiber market in Tanzania is relatively concentrated, with a few large companies dominating production

Notable competitors include the following major players:

| Company | Location | Nature of Business |
|---|---|--|
| SFI Tanzania | Tanga | Fiber production |
| Katani Limited | Tanga | Fiber and Carperts production |
| Amboni Plantations Limited | Tanga | Fiber, tourism and hospitality |
| Mohamed Enterprises Limited (MeTL) | Morogoro, Tanga, Coast, Kilimanjaro & Lindi | 11 Sisal plantations, othe agriclutural products & manufacturing |
| L.M Investments Limited | Kilimanjaro | Sisal plantation |
| Rea Vipingo | Nairobi | Operates sisal plantations in Kenya and Tanzania |

MARKET ANALYSIS – COMPETITIVE ADVANTAGE

- Marungu Plantation's competitive advantages include:
 - Established operations with proven production capabilities
 - Superior soil conditions ideal for high-quality sisal cultivation
 - High-quality sisal fiber for export markets
 - Experienced management team with deep industry knowledge
 - Strategic location with access to transportation infrastructure and port
 - Extensive existing infrastructure that can support scaled operations
 - Long-term strategic relationship with current customers

MARKET ANALYSIS - CUSTOMERS

| Export | | | |
|------------------------------------|---|----------|---|
| Name of Client | Description | Location | Website |
| Espartos Santos, S.L | Established in 1960 and a key manufacturer of products made from esparto and sisal. | Spain | https://www.espartossantos.es/inicio-english/ |
| Rezk Mohamed Abdo Shinkar | International trader | Morocco | N/A |
| STE Izourane Materiaux Sael | Leading importer of sisal fiber from Tanzania | Morocco | N/A |
| MG. Partenariat | Import-Export business | Morocco | https://web.facebook.com/people/MG-Partenariat/ |

| Local | | | |
|-------------------------------|---|----------|---|
| Name of Client | Description | Location | Website |
| Green Leaf Company Ltd | Leading in the transformation of the sisal, coffee, and ginger industries | Tanzania | https://greenleaftz.com |
| Nanone Agrocare Ltd | Trading of sisal fibre both local and export market | Tanzania | https://www.nanona.co.tz/index.html |
| Harvest Agritech Ltd | Buying and selling Agriculture and Forest Products in Tanzania and exportation to other countries | Tanzania | https://harvestagritech.co.tz |
| Iddy Sultan | Export trader | Tanzania | N/A |
| Fibre & Cord | Export trader | Tanzania | N/A |
| Ramadhani Sultan | Export trader | Tanzania | N/A |
| Brighton Mfuko | Export trader | Tanzania | N/A |

EXPANSION PLAN

For the year 2025/26, Marungu intends to expand through Acquisition of Muheza Estate which will increase monthly production from 130 tons to 650 tons. Below is a summary of this acquisition.

| | |
|---|--|
| Production Capacity Enhancement | The expansion plan will increase monthly production from 130 tons to 650 tons |
| Muheza Estate Acquisition | Integration of Muheza Estate with its 130 tons monthly production Maintaining existing production systems while implementing operational improvements |
| Additional Processing Equipment | 2 new decortication machines, each capable of processing 10 tons per 8-hour shift Operating multiple shifts to maximize utilization, adding 390 tons of monthly capacity Integration with existing 2 decorticating machines |
| Transportation & Logistics Improvements | 2 new trucks (total cost \$230,000) to handle increased volume of fiber 4 new tractors (total cost \$271,120) to supplement existing fleet of 10 tractors Enhanced utilization of existing warehousing facilities |
| Workforce Expansion | Addition of approximately 150 casual employees to operate new decorticators Integration of Muheza Estate workforce Total workforce post-expansion: 46+ permanent employees and 714+ casual employees Implementation of training programs to ensure operational efficiency |
| Implementation Timeline | |
| Months 1-3 | Equipment procurement and Muheza Estate acquisition completion |
| Months 4-6 | Installation of new decortication machines and integration of Muheza operations |
| Months 7-9 | Scaling up operations at both facilities, hiring and training of additional workforce |
| Months 10-12 | Achievement of full production capacity of 650 tons/month |

CAPITAL EXPENDITURE REQUIREMENTS

| Item | Quantity | Purpose & Strategic Value | Total Cost |
|----------------------------------|----------|--|--------------------|
| Decortication Machines | 2 | <ul style="list-style-type: none"> These two additional machines will significantly increase fiber processing capacity by 390 tons per month Each machine can process 10 tons per 8-hour shift and will operate multiple shifts to maximize output These machines are essential for the production capacity increase from 130 to 650 tons monthly | \$760,000 |
| Trucks | 2 | <ul style="list-style-type: none"> Two new trucks at \$230,000 each will support the logistics of increased production volume Will handle transportation of raw materials and finished fiber products Critical for ensuring timely movement of increased production to markets | \$230,000 |
| Tractors | 4 | <ul style="list-style-type: none"> Four new tractors at \$271,210 each will supplement the existing fleet of 10 tractors Will support expanded agricultural operations across both properties Essential for field operations including planting, maintenance, and harvesting of sisal | \$271,120 |
| Muheza Estate Acquisition | 1 | <ul style="list-style-type: none"> Complete purchase of an established sisal farm with 130 tons monthly production capacity Immediate integration into Marungu operations for operational synergies Instantly doubles production capacity while acquiring valuable land, infrastructure, and workforce | \$3,000,000 |
| TOTAL CAPEX | | | \$4,261,120 |

SWOT ANALYSIS

STRENGTHS

- **Established Operations** - 5,000 hectares with proven production capabilities and 130 tons monthly output
- **Existing Infrastructure** - Substantial production facilities including 18,000 m² drying facilities and 6,000 m² warehouse space
- **Quality Production** - 80% of production is premium UG Grade fiber commanding highest market prices
- **Experienced Workforce** - 46 permanent employees and 564 casual workers with sisal production expertise
- **Strategic Acquisition Target** - Muheza Estate offers immediate production increase with established operations

WEAKNESSES

- **Capital Requirements** - Substantial upfront investment of \$5.3 million needed for expansion
- **Energy Dependency** - Production heavily reliant on fuel and electricity with projected increases from \$15,381 to \$46,143 monthly
- **Operational Complexity** - Managing expanded operations across multiple sites may create coordination challenges
- **Casual Labor Dependency** - Reliance on 714+ casual employees post-expansion may present workforce management issues
- **Integration Risks** - Difficulty in merging Muheza Estate operations

OPPORTUNITIES

- **Growing Global Market** - Increasing demand for sustainable, biodegradable natural fibers worldwide
- **Price Premium** - Environmental concerns driving premium pricing for natural alternatives to synthetic materials
- **Diversified Applications** - Expanding use cases in automotive, construction, agriculture, and eco-friendly consumer products
- **Value-Added Products** - Possibility to develop higher-margin processed sisal products beyond raw fiber
- **By-Product Utilization** - Potential revenue streams from sisal

THREATS

- **Market Price Volatility** - Fluctuations in global sisal prices could impact revenue projections
- **Weather and Climate Risks** - Drought, excessive rainfall, or extreme weather events could affect crop yields
- **Competition** - Other major producers in Tanzania, Brazil, Kenya, and Madagascar increasing capacity
- **Energy Cost Increases** - Rising fuel and electricity prices could impact operational costs
- **Currency Exchange Fluctuations** - International sales exposure

RISK ANALYSIS AND MITIGATION

| Risk Category | Specific Risks | Mitigation Strategy |
|--------------------|---|--|
| Market Risks | Price volatility, demand fluctuations | Long-term contracts with buyers, diversified customer base |
| Operational Risks | Equipment failure, production delays | Preventive maintenance, training, spare parts inventory |
| Agricultural Risks | Disease, extreme weather events | Crop diversification, excess production for the rainy season |
| Financial Risks | Exchange rate fluctuations, interest rate changes | Forward contracts, hedging strategies |
| Integration Risks | Challenges in merging Muheza Estate | Phased integration approach, retention of key personnel |
| Workforce Risks | Management of expanded workforce | Enhanced training programs, improved supervisory structures |
| Energy Costs | Fluctuations in fuel and electricity prices | Energy efficiency initiatives, consideration of renewable energy sources |

Detailed Financial Projections

Marungu Plantation Limited
Statement of Financial Position
USD 000

| | | Dec-24 | Dec-25 | Dec-26 | Dec-27 | Dec-28 | Dec-29 | Dec-30 |
|----------------------------------|---|--------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | | 12 months | 12 months | 12 months | 12 months | 12 months | 12 months | 12 months |
| Buildings | | 61 | 61 | 61 | 61 | 61 | 61 | 61 |
| Farm Estate | | 3 788 | 6 788 | 6 788 | 6 788 | 6 788 | 6 788 | 6 788 |
| Motor Vehicles | | 85 | 586 | 586 | 586 | 586 | 586 | 586 |
| Plant and Machinery | | 175 | 935 | 935 | 935 | 935 | 935 | 935 |
| Total Fixed Assets | 1 | 4 109 | 8 370 | 8 370 | 8 370 | 8 370 | 8 370 | 8 370 |
| Accumulated Depreciation | | 131 | 444 | 654 | 865 | 1 076 | 1 251 | 1 344 |
| Fixed Asset | | 3 978 | 7 926 | 7 716 | 7 505 | 7 294 | 7 120 | 7 026 |
| Tax | | 1 | - | - | - | - | - | - |
| Trade and Other Receivables | 2 | 305 | 1 095 | 1 729 | 2 074 | 2 420 | 2 766 | 3 111 |
| Inventory | 2 | 103 | 346 | 415 | 484 | 553 | 622 | 666 |
| Cash resources | 3 | 1 | 812 | 2 789 | 5 816 | 9 677 | 14 367 | 20 125 |
| Current Assets | | 409 | 2 252 | 4 933 | 8 374 | 12 650 | 17 755 | 23 902 |
| TOTAL ASSETS | | 4 387 | 10 178 | 12 648 | 15 879 | 19 945 | 24 874 | 30 928 |
| Creditors | 2 | 89 | 222 | 351 | 421 | 491 | 561 | 631 |
| Bank Overdraft | 3 | - | - | - | - | - | - | - |
| CURRENT LIABILITIES | | 89 | 222 | 351 | 421 | 491 | 561 | 631 |
| Farm Loan facility | 4 | | 2 701 | 2 237 | 1 755 | 1 253 | 730 | 186 |
| Capex Loan | 4 | | 441 | 348 | 249 | 146 | 37 | - |
| Vehicle Loan | 4 | | 669 | 527 | 378 | 222 | 57 | - |
| LONG TERM LIABILITIES | | - | 3 812 | 3 113 | 2 383 | 1 620 | 824 | 186 |
| OUTSIDE FUNDS | | 89 | 4 034 | 3 463 | 2 803 | 2 111 | 1 385 | 817 |
| Share Capital | | 1 538 | 1 538 | 1 538 | 1 538 | 1 538 | 1 538 | 1 538 |
| Junaco Deposits/Shareholder Loan | | 2 215 | 2 215 | 2 215 | 2 215 | 2 215 | 2 215 | 2 215 |
| Retained Income | | 545 | 2 392 | 5 432 | 9 323 | 14 080 | 19 736 | 26 358 |
| SHAREHOLDERS' FUNDS | | 4 298 | 6 145 | 9 185 | 13 076 | 17 833 | 23 489 | 30 111 |
| TOTAL FUNDS | | 4 387 | 10 178 | 12 648 | 15 879 | 19 945 | 24 874 | 30 928 |

Financial Projections

| Marungu Plantation Limited | | DRAFT AFS | FORECAST | | | | | |
|---------------------------------------|---|------------------|-----------------|---------------|---------------|---------------|---------------|---------------|
| | | Dec-24 | Dec-25 | Dec-26 | Dec-27 | Dec-28 | Dec-29 | Dec-30 |
| Statement of Profit & Loss | | | | | | | | |
| USD 000 | | | | | | | | |
| Sales | 1 | 1 107 | 8 880 | 14 021 | 16 825 | 19 629 | 22 433 | 25 237 |
| Cost of Sales | 2 | (580) | (2 664) | (4 206) | (5 047) | (5 889) | (6 730) | (7 571) |
| Gross Profit | 3 | 527 | 6 216 | 9 814 | 11 777 | 13 740 | 15 703 | 17 666 |
| Total Overheads | | 223 | 2 960 | 4 642 | 5 528 | 6 414 | 7 283 | 8 068 |
| Salaries and Wages | 4 | 48 | 888 | 1 402 | 1 682 | 1 963 | 2 243 | 2 524 |
| Admin Costs | | 131 | 402 | 635 | 762 | 888 | 1 015 | 1 142 |
| Production costs | | 44 | 1 515 | 2 392 | 2 870 | 3 348 | 3 827 | 4 305 |
| Depreciation | | | 155 | 214 | 214 | 214 | 197 | 97 |
| PROFIT BEFORE INTEREST | | 304 | 3 256 | 5 172 | 6 249 | 7 327 | 8 420 | 9 598 |
| Interest Expense | 7 | (5) | (433) | (580) | (484) | (371) | (239) | (97) |
| Profit Before Tax | | 299 | 2 823 | 4 592 | 5 766 | 6 956 | 8 182 | 9 501 |
| Tax | 8 | 58 | 977 | 1 552 | 1 875 | 2 198 | 2 526 | 2 879 |
| NET PROFIT | | 241 | 1 846 | 3 040 | 3 891 | 4 758 | 5 656 | 6 622 |
| RETAINED INCOME - start of year | | 304 | 545 | 2 392 | 5 432 | 9 323 | 14 080 | 19 736 |
| RETAINED INCOME - end of year | | 545 | 2 392 | 5 432 | 9 323 | 14 080 | 19 736 | 26 358 |

Financial Projections

Marungu Plantation Limited

Cash Waterfall Statement

USD 000

| | Dec-24 12 months | Dec-25 12 months | Dec-26 12 months | Dec-27 12 months | Dec-28 12 months | Dec-29 12 months | Dec-30 12 months |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Profit Before Interest and Tax | 304 | 3 256 | 5 172 | 6 249 | 7 327 | 8 420 | 9 598 |
| + Depreciation / Amortisation | | 313 | 211 | 214 | 214 | 169 | 97 |
| EBITDA incl Sundry Income | 304 | 3 569 | 5 383 | 6 463 | 7 540 | 8 589 | 9 695 |
| Working capital changes | 134 | (899) | (574) | (345) | (345) | (345) | (319) |
| +/- De / (In)crease in inventories | 63 | (243) | (69) | (69) | (69) | (69) | (44) |
| +/- De / (In)crease in trade and other receivables | 77 | (790) | (634) | (346) | (346) | (346) | (346) |
| +/- In / (De)crease in trade and other payables | (6) | 133 | 129 | 70 | 70 | 70 | 70 |
| Cash generated from operations | 439 | 2 670 | 4 809 | 6 118 | 7 196 | 8 245 | 9 376 |
| - Normal tax paid | (58) | (977) | (1 552) | (1 875) | (2 198) | (2 526) | (2 879) |
| - Addition (sustaining and new) to Fixed Assets (Capex) | | (4 261) | - | - | - | - | - |
| Directors Funds | | | | | | | |
| Cashflow Available for Debt Service | 380 | (2 568) | 3 257 | 4 244 | 4 998 | 5 719 | 6 496 |
| Senior Debt | | | | | | | |
| +/- Proceeds/(Repayment) of Loan | | 3 812 | (699) | (730) | (762) | (796) | (638) |
| - Interest paid | 5 | (433) | (580) | (484) | (371) | (239) | (97) |
| Cashflow Available for Mezzanine Debt | 385 | 811 | 1 978 | 3 030 | 3 864 | 4 684 | 5 761 |
| Mezzanine Debt | | | | | | | |
| Subordinated Loan | | | | | | | |
| Cashflow Available for Preference Shares | 385 | 811 | 1 978 | 3 030 | 3 864 | 4 684 | 5 761 |
| Preference Shares | | | | | | | |
| +/- Proceeds (Repayment) from Preference Shares | | | | | | | |
| - Cash Sweep to Preference Shares | | | | | | | |
| Cashflow Available after Debt before Equity | 385 | 811 | 1 978 | 3 030 | 3 864 | 4 684 | 5 761 |
| Other activities | | | | | | | |
| Cashflow Available for Equity | 385 | 811 | 1 978 | 3 030 | 3 864 | 4 684 | 5 761 |
| Equity | | | | | | | |
| + Proceeds from Stated Capital | | - | - | - | - | - | - |
| Net increase/(decrease) in cash and cash equivalents | 385 | 811 | 1 978 | 3 030 | 3 864 | 4 684 | 5 761 |
| **Cash and cash equivalents/bank at beginning | 50 | 0 | 811 | 2 789 | 5 819 | 9 683 | 14 367 |
| Cash and cash equivalents/bank at end of period | 0 | 811 | 2 789 | 5 819 | 9 683 | 14 367 | 20 128 |

Financial Projections

| RATIOS | Dec-24 | Dec-25 | Dec-26 | Dec-27 | Dec-28 | Dec-29 | Dec-30 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Turnover/Total Assets | 25% | 64% | 96% | 112% | 128% | 143% | 157% |
| Contribution/turnover | 48% | 70% | 70% | 70% | 70% | 70% | 70% |
| Return on Assets | 0% | 9% | 13% | 16% | 18% | 20% | 23% |
| Shareholders' Return | 0% | 31% | 40% | 35% | 31% | 27% | 25% |
| Net Profit as % of Sales | 21,8% | 20,8% | 21,7% | 23,1% | 24,2% | 25,2% | 26,2% |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| As a % of Sales | | | | | | | |
| Salaries and Wages | 4% | 10% | 10% | 10% | 10% | 10% | 10% |
| Admin Costs | 12% | 5% | 5% | 5% | 5% | 5% | 5% |
| Production costs | 4% | 17% | 17% | 17% | 17% | 17% | 17% |
| PROFIT BEFORE INTEREST | 28% | 37% | 37% | 37% | 37% | 38% | 38% |
| NET PROFIT | 22% | 21% | 22% | 23% | 24% | 25% | 26% |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| RATIOS | | | | | | | |
| Shareholders' Funds to Total Assets (%) | 98% | 60% | 73% | 82% | 89% | 94% | 97% |
| Interest bearing debt / Shareholders' (%) | | 37% | 25% | 15% | 8% | 3% | 1% |
| Current ratio (%) | 4,61 | 10,14 | 14,07 | 19,91 | 25,78 | 31,66 | 37,88 |
| Quick ratio (%) | 3,45 | 8,59 | 12,89 | 18,76 | 24,65 | 30,55 | 36,83 |
| | | | | | | | |
| | | | | | | | |
| Cashflow Ratios | | | | | | | |
| Debt Service Cover Ratio | | 0,76 | 2,55 | 3,50 | 4,41 | 5,53 | 8,8 |
| Interest Cover Ratio | | 6 | 8 | 13 | 19 | 35 | 97 |

Marungu is a profitable and successful agricultural venture. The proposed expansion will further increase its profitability. The business has been well supported by the shareholders so far as they have already invested significant capital to start the operation. It is now in its growth phase. The proposed debt finance will be positive for the business and assist it as it expands. All ratios are within norms and will likely meet the provided covenants. The expansion will result in an increase in revenue as more product will be exported, given the high expressed demand by the offtakes.

FUTURE DEVELOPME NT AT MARUNGU



EXPANSION OF PRODUCTION FACILITIES FOR SISAL BENEFICIATION

- 4 Decortication machines
- Sisal-based products manufacturing facility
- 3 Warehouses
- Dispensary
- Hospitality services
- Dispensary
- Fuel service station
- Retail center



PRODUCTION OF SISAL YARN

The most basic spinning product made from sisal fibers



- Fibers are fed into a spinning machine
- The fibers are twisted together
- Yarn is wound onto ribbons or spools
- Simple operation of equipment
- Low requirements for factory conditions

Used in textiles, ropes and craft projects



\$ 20,000 to \$ 300,000 USD



| | |
|-----------------------------|--|
| Rieter | Leading global supplier of spinning machinery (Switzerland) |
| Saurer | Saurer provides equipment for various types of yarn production (Switzerland) |
| Lakshmi Machine Works (LMW) | LMW manufactures spinning machinery and equipment that can be used for processing natural Fibers (India) |
| Spinnbau | Specializes in spinning technology and textile machinery (Germany) |
| Schlafhorst | Part of the Saurer Group, Schlafhorst is known for its spinning |

PRODUCTION OF TWINE



US\$3,400

[Shandong Haidai Intelligent Machinery Co., Ltd.](#)



- The fibers are carded to separate and align them into a continuous web or sliver
 - This step helps in ensuring uniformity in the fibers before spinning
- The carded fibers are drawn out and elongated to prepare them for spinning
 - This process helps in blending the fibers and achieving the desired thickness and strength
- The prepared fibers are then spun into yarn. This process involves twisting the fibers together to form a continuous strand of yarn
- The spun yarn is twisted to increase its strength and consistency
- The twisted yarn is then wound into twine
- The twine may be treated with chemicals or natural agents to enhance its durability, colour, or resistance to environmental factors

\$ 10,000 to \$ 150,000 USD

| | |
|--------------------------------------|--|
| Zhejiang Xincheng Machinery Co., Ltd | Based in China - offers a range of twine-making machinery |
| Jinsheng Machinery | Jinsheng produces machines for twine and rope manufacturing (China) |
| Mongolian Machines LLC | offers various textile machines, including those for twine production (Mangolia) |

PRODUCTION OF ROPE

- Same process as Twine
- Twisted yarns are combined and twisted together to form the final rope.
- Rope-making machines perform this task by braiding or twisting the yarns into the desired rope structure
- The rope can be produced in different thicknesses and lengths according to specifications
- The rope may be treated with chemicals or natural agents to enhance its durability, colour, or resistance to environmental factors



\$ 6,000 to \$ 200,000 USD



| | |
|---------------------------------------|--|
| Qingdao Huanlian Machinery Co., Ltd | Offers a range of rope-making machines and equipment suitable for sisal and other fibers |
| Saurer | Saurer provides equipment for various types of yarn production (Switzerland) |
| Shandong Rope Net Machinery Co., Ltd. | Specializes in manufacturing machinery for rope production (China) |
| Spinnbau | Specializes in spinning technology and textile machinery (Germany) |

PRODUCTION OF FELT

- Fibers are separated and loosened to make them easier to felt.
- They may be chopped or shredded into smaller pieces
- The fibers are laid out in layers to create a mat
- The layers are arranged in a crisscross pattern to enhance the density and strength of the felt
- The layered fibers are subjected to a felting process, which involves matting, compressing, and interlocking the fibers



- The felted mat is pressed to remove excess moisture and to consolidate the fibers



PRODUCTION OF PAPER

- Fibers are cleaned and sorted then are cut into smaller pieces or shredded to facilitate pulping.
- The fibers are mixed with water and sometimes chemical additives to break them down into a pulp The pulp is refined to improve its quality and consistency to achieve the desired fiber length and texture
- The refined pulp is spread onto a flat surface, such as a mesh screen or a paper machine conveyor. The wet sheets of pulp are pressed to remove excess water and to consolidate the fibers
- The pressed sheets are then dried
- The dried paper may be passed through a series of rollers (calendering) to smoothen its surface and achieve the desired thickness and finish
- The finished paper is cut into sheets, rolls, or other formats according to specifications



\$ 20,000 to \$ 500,000 USD

A4 Paper Machinery

Specializes in various paper-making machinery, including machines for producing specialty papers like sisal paper (India)

Kraft Paper Machine

Provides machinery for manufacturing kraft paper and other specialty papers (India)

Paper Machinery Corporation (PMC)

Offers a range of paper-making equipment, including machines for specialty and sustainable papers (Italy)

PRODUCTION OF CARPET

- The prepared sisal fibers are spun into yarn
- tufting machines are used to insert yarn into a backing material
- The yarn is tufted into a primary backing material, and a secondary backing is applied to add stability
- The edges of the carpet are bound or finished to prevent fraying and to give the carpet a clean appearance



\$ 20,000 to \$ 320,000 USD

| | |
|------------------------|--|
| Van De Wiele | Van De Wiele is a leading supplier of textile machinery, including weaving looms for producing high-quality carpets (Belgium) |
| Smet Textile Machinery | Specializes in the production of weaving machines and equipment for carpets (Belgium) |
| Rieter | Leading global supplier of spinning machinery (Switzerland) |
| Picanol | Provides weaving solutions including looms suitable for manufacturing carpets from various fibers (Belgium) |
| Dornier | Offers a range of weaving machines and technologies that can be used for producing carpets from sisal and other fibers (Germany) |
| Saurer | Provides machinery for spinning, weaving, and tufting (Switzerland) |



PRODUCTION OF SISAL JUTE SACKS

- **Fiber Extraction:** Sisal and jute fibers are harvested, cleaned, and dried.
- **Blending:** Fibers are blended to achieve the desired properties.
- **Spinning:** Blended fibers are spun into yarn.
- **Weaving:** Yarn is woven into fabric.
- **Cutting and Sewing:** Fabric is cut and sewn into sacks.
- **Finishing:** Sacks are inspected, treated, and labeled.
- **Packaging and Distribution:** Sacks are packaged and distributed.



\$ 30,000 to \$ 300,000 USD

| | |
|-------------------------|---|
| Van De Wiele | Advanced weaving looms suitable for fabric production, including jute and sisal (Belgium) |
| Smet Textile Machinery | Weaving looms and spinning machines for various fibers, including jute and sisal (Belgium) |
| Rieter | Leading global supplier of spinning machinery (Switzerland) |
| Suntech Machinery | Specializes in weaving machines and bag-making equipment for jute and sisal (China) |
| D&H Machinery Co., Ltd. | Provides a range of textile machinery, including equipment for jute and sisal bag manufacturing (China) |

PRODUCTION OF ABRASSIVE SANDER



WASTE WATER RECYCLING

Water consumption during decortication is 48 m³ per day

Installation of an Ultrafiltration/Reverse Osmosis & Water Harvesting System

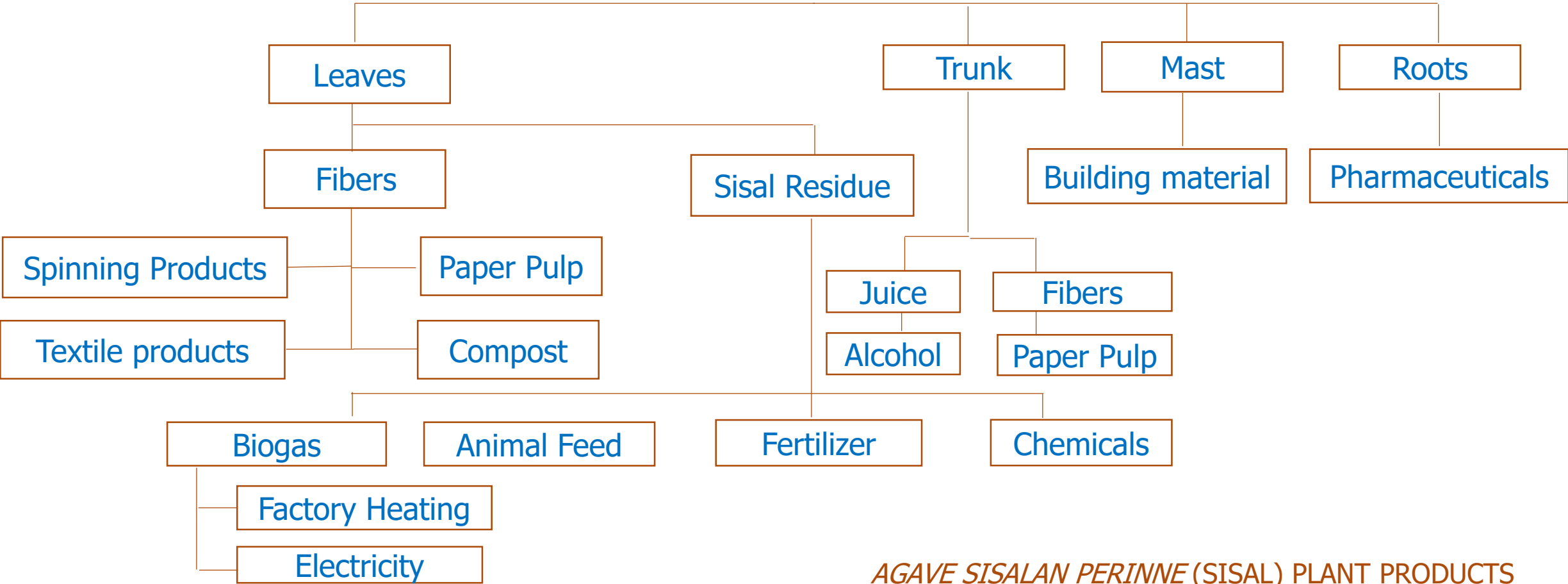
- **Water Conservation** – reduction of freshwater consumption
- **Cost saving** in the long run
- **Environmental impact** – reduction of suspended solids
- **Compliance** with water regulations
- **Operational efficiency** – no need for pumping from the river
- **Drought resistance** - reduce its dependency on freshwater sources
- **Reduced vulnerability** - maintain its operations and minimize disruptions during periods of water scarcity



SISAL WASTE BIOMASS

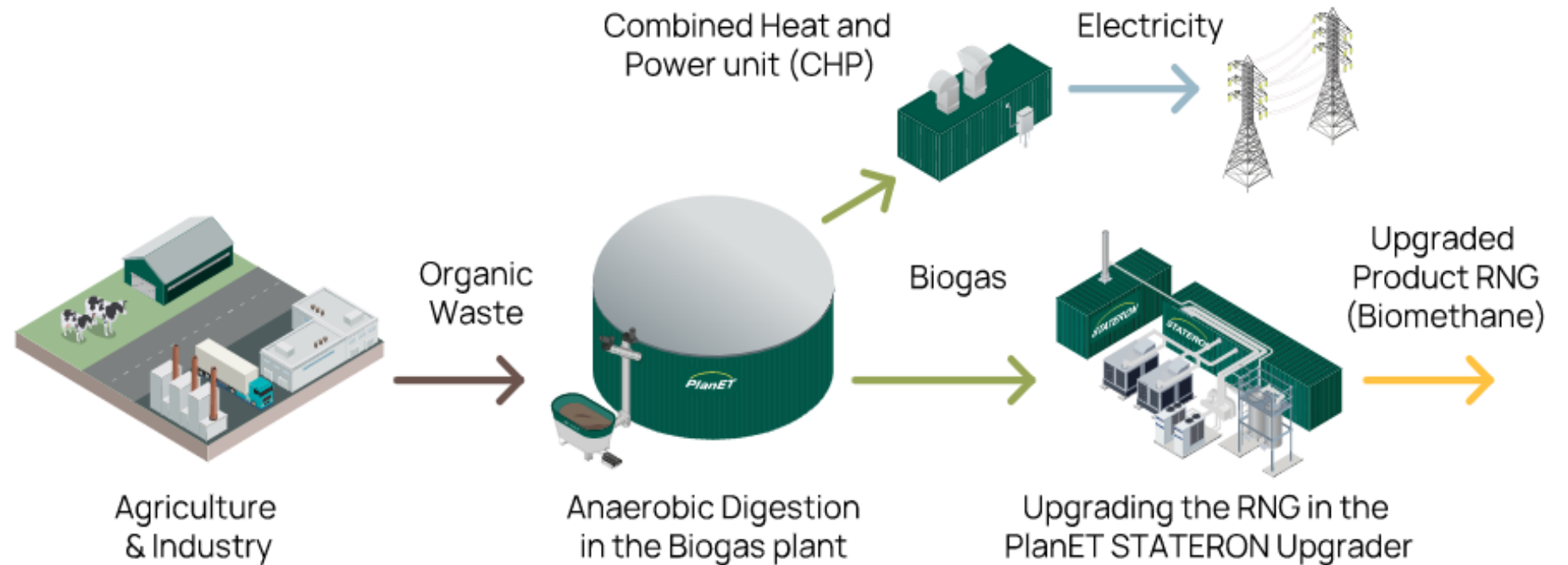


MARUNGU PLANTATION: "WHERE TRADITION MEETS INNOVATION"



AGAVE SISALAN PERINNE (SISAL) PLANT PRODUCTS

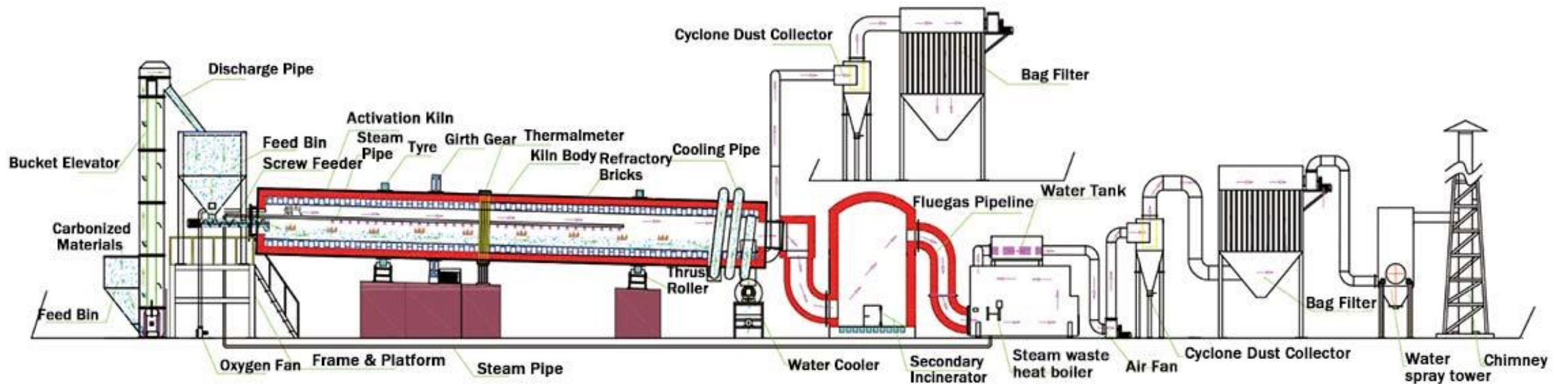
GENERATION OF POWER FROM WASTE BIOMASS



PRODUCTION OF ACTIVATED CARBON FROM WASTE BIOMASS



Agave sisalana biomass



PRODUCTION OF ANIMAL FEED

- **Soaking:** chopped biomass may be soaked to soften it, making it easier to process and enhancing its nutritional value
- **Drying:** Biomass is dried to reduce moisture and preserve the feed and prevent mold growth
- **Grinding:** Dry biomass is ground into a finer powder or meal.
Mixing: The ground biomass can be mixed with other feed ingredients to create a balanced animal feed
- **Nutrient Balancing:** The feed formulation is adjusted based on the nutritive needs of the target animals (e.g., cattle, poultry, or goats)
- **Pelletizing or Cubing:** The mixed feed can be processed into pellets or cub. Pelletizing involves compressing the feed mixture into small, uniform pellets, which are easier for animals to consume and digest.



PRODUCTION OF FERTILIZER

Sisal biomass (residues like leaf husks and other organic matter) can be transformed into organic fertilizers through several processes

Composting: Shredded biomass is mixed with other organic materials such as crop residues, manure, or green waste to create a compost mixture.

- **Mixing:** Combining sisal biomass with other compostable materials to ensure a balanced mix of carbon and nitrogen.
- **Aeration:** The compost mixture is aerated regularly to supply oxygen, which helps in the aerobic decomposition of organic matter.
- **Moisture Control:** Maintaining appropriate moisture levels is crucial for the composting process. The mixture should be moist but not overly wet.
- **Turning:** Periodic turning of the compost pile helps to mix the materials and speed up the decomposition process.

Over a period of weeks to months, microorganisms break down the organic matter in the compost pile, turning it into humus-rich compost. This process also generates heat, which helps to kill pathogens and weed seeds



SOLAR POWERED BRUSH ROOM





MARUNGU ENERGIES



MARUNGU HOSPITALITY SERVICES