



# READY-MIX CONCRETE BUSINESS PLAN

## ABSTRACT

This business plan outlines Brightwave Construction Co. Ltd's strategic venture into the production and distribution of Ready-Mix Concrete (RMC) in Tanzania. Leveraging its established reputation in the construction industry, Brightwave aims to address the growing demand for high-quality, timely, and cost-effective concrete solutions driven by national infrastructure development and urban expansion.

The plan details the company's investment in state-of-the-art batching technology and logistics systems, supported by a robust market analysis and scalable production strategy. With financial projections indicating rapid revenue growth, strong profit margins, and an IRR exceeding 380%, the project demonstrates clear commercial viability.

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## Executive Summary

Brightwave Construction Co. Ltd, a seasoned player in Tanzania's construction sector, is launching a strategic venture into the production and distribution of Ready-Mix Concrete (RMC). This initiative arises from a recognized gap in the market for high-quality, timely concrete supply to meet growing infrastructure demands. Leveraging its proven track record in construction and its deep understanding of material requirements, Brightwave plans to establish a batching plant in Mikocheni/Tabata, complemented by essential logistics and quality-control equipment.

The business aims to begin with a production capacity of 90 cubic meters per day, scaling operations based on market uptake. Revenue is projected to grow from TZS 45.5 billion in 2026 to TZS 154.8 billion by 2036, supported by robust gross profit margins of 38% and minimal debt servicing risks. Feasibility metrics further confirm viability: an IRR of 384.1%, a payback period of 1 year, and an NPV of TZS 95.4 billion at a 25% discount rate.

Socially and economically, the RMC project promises wide-reaching impact—creating 70–100 jobs, fostering industrial linkages, supporting affordable housing, promoting gender inclusion, and ensuring environmental sustainability. With its solid financial foundation, experienced leadership, and strategic vision, Brightwave is positioned to become a dominant force in Tanzania's RMC market.

## Company Description

Brightwave Construction Co. Ltd is a Class ONE Building, Class Four Civil, and Class our Electrical contractor. The company has been operational since July 2012 and over the years the company has build expertise in construction activities ranging from pre-construction to building completion.

The company's success is hinged on the aggressive sub-contractor administration, accurate cost control, and low overhead. It employs only qualified subcontractors who share our goal of creating a quality cost-competitive project. Currently the company has a complement of 20 staff comprising of civil engineers, quantity surveyors, technicians and other office support staff.

## Shareholding and Management

The company shareholding is as presented below

Shareholder	No of Shares	% Holding
Sabry Abdallah Ahmed	700	70%
Amin Abdallah Ahmed	300	30%

The shareholders above are directly involved in the management of a business. Sabry is holding a position of Chief Executive Officer while Amin is the Operations Manager. Below is their brief Profile.

### **Sabry Abdallah Ahmed:**

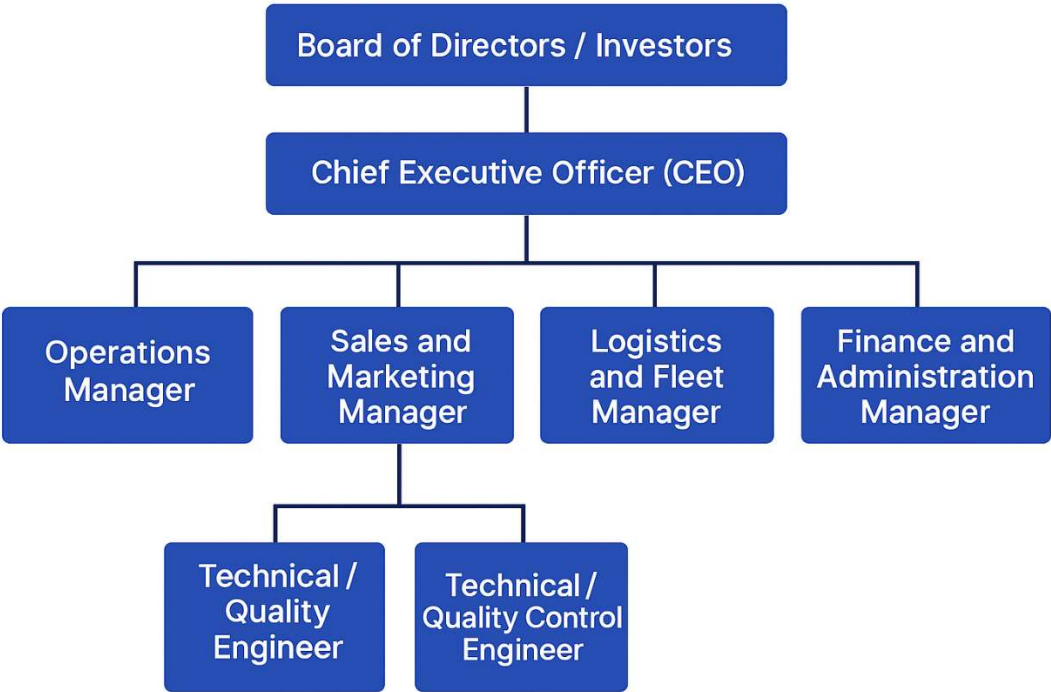
Eng. Sabry Abdallah Ahmed is a seasoned Civil Engineer with over 20 years of professional experience in the design, construction, and management of infrastructure and building projects across Turkey, Tanzania and Mozambique. A graduate of Middle East Technical University in Turkey with a BSc in Civil Engineering, he is a registered Professional Engineer with the Engineers Registration Board of Tanzania (PE 3404). Eng. Sabry is highly proficient in English, Turkish, and Swahili, and has also acquired working knowledge in Portuguese and Arabic, making him a versatile professional capable of working in multicultural environments.

Currently serving as CEO & Technical Director at Brightwave since 2012, Eng. Sabry has successfully overseen numerous multimillion-dollar projects, including oil terminals, petrol stations, bridges, water supply systems, and major road upgrades. His responsibilities span technical leadership, project planning, budgeting, contractor coordination, quality control, and client liaison. With a track record of delivering complex projects on time and within budget, he has earned a strong reputation for his technical expertise, managerial acumen, and commitment to engineering excellence. His profile offers investors and partners the confidence of seasoned leadership, practical experience, and a deep understanding of both local and regional infrastructure challenge.

### **Mr. Amin Abdallah Ahmed**

Mr. Amin Abdallah Ahmed is a results-driven business executive with extensive leadership experience in the construction and concrete sectors, spanning over a decade. He currently serves as Director at Brightwave Construction Co. Ltd, where he provides strategic oversight and leadership

across all divisions. His role includes setting long-term business objectives, managing board-level communications, identifying new market opportunities, and spearheading high-level negotiations. Mr. Amin's prior roles include General Manager at CAMEL Concrete Ltd (2014–2020), where he was instrumental in operationalizing concrete production activities and driving company growth. He also served as Business Development Manager at Skywards Construction (2011–2013), where he honed his commercial and operational acumen. He holds a BBA from DeMontfort University in the UK and a Higher National Diploma from South Wigston College, and he has supplemented his skills with certifications in Data Analytics, Logistics (CILT UK), and Agile methodologies



### Historical Financial Performance

The income statement showcases a solid and consistent financial trajectory over the four-year period. Revenue increased from TZS 11.99 billion in 2021 to TZS 16.86 billion in 2024—an impressive growth of over 40%, indicating strong market positioning and

demand for the company’s services. Gross profit followed suit, rising steadily to TZS 3.99 billion in 2024, with gross margins consistently above 20%, reflecting effective cost control and operational efficiency.

Net profit has also shown consistent growth, nearly doubling from TZS 1.34 billion in 2021 to TZS 2.33 billion in 2024. Administrative and operating expenses have been kept relatively low in relation to revenue, further boosting profitability. For a lender, this sustained growth in both revenue and profitability signals a well-managed and scalable business, with strong prospects for timely loan repayment.

### Historical Income Statements (TZS Million)

Year	2021	2022	2023	2024
Revenue (TZS 000,000)	11,989	13,678	12,954	16,863
Cost of Services	9,524	10,745	10,080	12,874
Gross Profit	2,465	2,933	2,874	3,989
Operating Expenses	9	10	10	25
Administrative Expenses	546	643	644	633
Profit Before Tax (TZS)	1,910	2,280	2,220	3,331
Income Tax (TZS)	573	684	666	1,000
Net Profit (TZS)	1,337	1,596	1,554	2,331

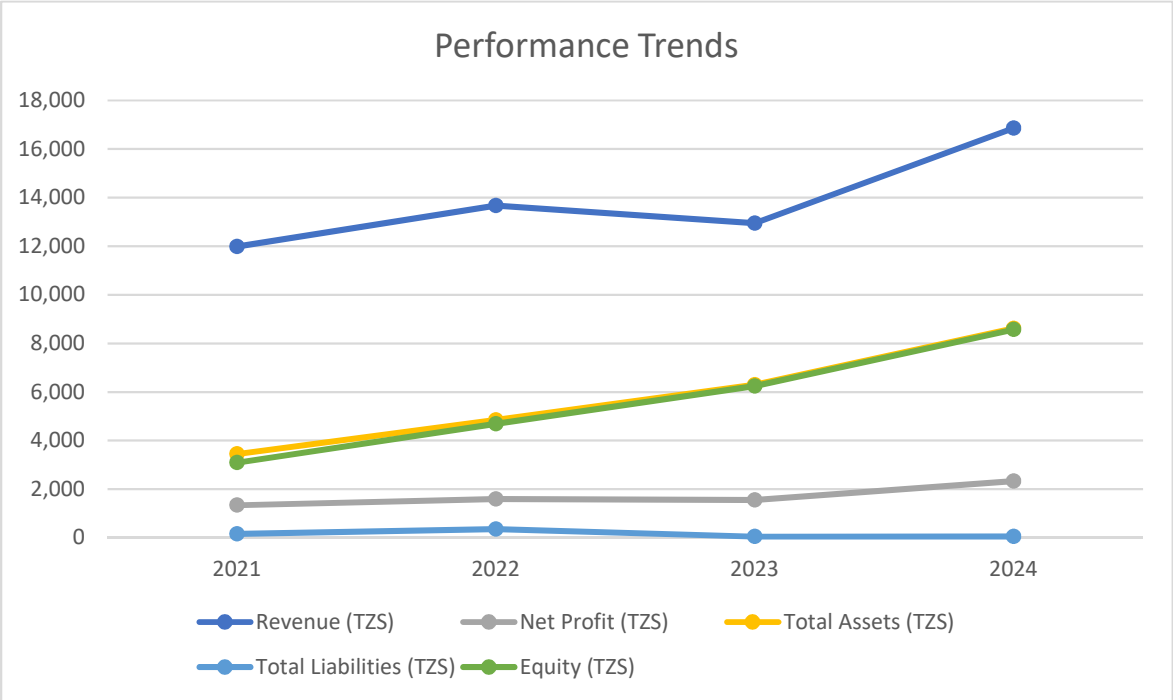
The balance sheet reflects excellent financial health and prudent capital management. Total assets have grown significantly from TZS 3.45 billion in 2021 to TZS 8.62 billion in 2024, underpinned by increasing equity and minimal liability growth. Equity has nearly tripled in four years, suggesting that profits are being retained and reinvested to strengthen the business.

What would be particularly appealing to lenders is the extremely low debt-to-equity ratio—just 0.01 in 2024—indicating minimal reliance on borrowed capital. This gives the company substantial capacity to absorb new debt without compromising solvency. The return on assets (ROA) has remained strong (over 27% in 2024), showcasing efficient use of resources to generate profits.

The company’s improving net profit margin (rising to 13.8% in 2024) demonstrates growing cost efficiency and profitability per unit of sales. These indicators collectively make a compelling case for the company’s creditworthiness, offering lenders a low-risk opportunity with high repayment assurance.

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Revenue (TZS)	11,989	13,678	12,954	16,863
Gross Profit (TZS)	2,465	2,933	2,874	3,989
Net Profit (TZS)	1,337	1,596	1,554	2,331
Total Assets (TZS)	3,445	4,844	6,295	8,617
Total Liabilities (TZS)	158	354	47	54
Equity (TZS)	3,091	4,686	6,241	8,572
Net Profit Margin (%)	11.2%	11.7%	12.0%	13.8%
Return on Assets (ROA) (%)	38.8%	32.9%	24.7%	27.1%
Debt to Equity Ratio	0.05	0.08	0.01	0.01

### Financial Performance Trends



### Project Description

Brightwave Construction Co. Limited (BCCL) has seen an opportunity in the market whereby the construction projects of different magnitude are struggling getting readily available concrete of high quality. BCCL being a construction company in itself has a first information on the available and quality of ready-mix concrete in the market and has been able to see the gaps and knows how to cover that gap. With that knowledge in hand BCCL has decided to establish a wing of its business to produce and supply ready mix concrete to the market.

BCCL plans to install batching plant at Mikocheni/Tabata, where it will be producing ready mix concrete. Apart from batching plant, BCCL will also invest in truck mounted concrete pumps, water chillers and other equipment necessary for production, quality maintenance and timely distribution of concrete.

## Mission Statement

To deliver superior quality, eco-friendly, and cost-efficient ready-mix concrete solutions that empower construction projects and foster long-term customer relationships.

## Industry Overview

Operating within the construction materials sector, the business addresses the growing need for reliable, high-quality ready-mix concrete. The industry is projected to grow at an annual rate of 7.9% between 2024 and 2028, driven by increasing infrastructure investments and housing demands.

## Business Goals

- Become a preferred supplier for major construction firms in the region.
- Develop sustainable products to align with industry trends and regulatory requirements.

## Market Analysis

Tanzania's construction industry is experiencing significant growth, creating a favorable environment for the ready-mix concrete (RMC) market. In 2021, the construction sector contributed 13.8% to the nation's GDP, with an annual growth rate of 4.3%

This upward trend is expected to continue, with projections indicating a 5.8% real-term growth in 2024, supported by investments in residential, transport, and energy sectors

The Tanzanian government is actively investing in infrastructure development, including transportation networks, energy projects, and residential housing. For instance, the Tanzania Water Investment Program (TanWIP) aims to invest TZS 35.1 trillion (\$13.5 billion) to enhance clean drinking water infrastructure by 2030

Such initiatives are expected to drive the demand for construction materials, particularly ready-mix concrete.

The RMC market in Tanzania is poised for growth, aligning with the global trend where the market is expected to grow at a CAGR of 8.7% from 2023 to 2028

The increasing preference for ready-mix concrete over traditional on-site mixing methods is due to its advantages in quality control, efficiency, and reduced labor costs. Additionally, the expansion of the cement industry, which is projected to reach a market size of \$1.33 billion by 2024, underscores the growing demand for concrete products in the country

In summary, the robust growth of Tanzania's construction industry, bolstered by substantial government investments and a favorable economic climate, presents a promising opportunity for the ready-mix concrete market. Companies operating in this sector can anticipate increased demand, driven by ongoing and upcoming infrastructure projects across the nation.

### Industry Trends

The ready-mix concrete market is experiencing steady growth due to:

- **Infrastructure Development:** Increased government spending on roads, bridges, and public facilities.
- **Urbanization:** Rising demand for housing in urban areas.
- **Sustainability:** A shift towards environmentally friendly building materials.
- **Technology:** Innovations in batching processes that improve product consistency and efficiency.

### Target Market Segmentation

1. **Residential Construction:** Developers and individual builders.
2. **Commercial Construction:** Malls, office complexes, and industrial projects.
3. **Infrastructure Projects:** Government-funded initiatives such as highways and bridges.

### Competitive Landscape

The ready-mix concrete (RMC) market in Tanzania is dominated by a mix of large established players, medium-sized local companies, and smaller-scale providers. These competitors operate within both the urban construction hotspots (like Dar es Salaam, Arusha, and Mwanza) and regions with significant infrastructure projects.

The market features established players offering competitive pricing and efficient delivery. Key strategies to compete include:

- Differentiating through superior service and customized product offerings.
- Targeting underserved regions.
- Building strong relationships with contractors and developers.

Further, analysis of the competitive land scape can be analyzed by looking at the key players against their installed capacities as compared to the market demand.

## Investment in Land and Machinery

BCCL will need to make the following investment in land and equipment in order to be able to produce and distribute ready mix concrete to its clients.

CAPITAL EXPENDITURE	INVESTMENT
Civil Works, Engineering, Office	37,000,000
Batching Plant	450,000,000
10 CuM capacity In-Transit Mixer Trucks	900,000,000
Weigh Bridge	65,000,000
Wheel Loader	240,000,000
Truck Mounted Pump (XCMG -47M)	470,000,000
Truck Mounted Pump (XCMG -37M)	340,000,000
Water Chiller RECOM Model CC1100 - 100T/24HR	65,000,000
Truck Mounted Pump (XCMG - 47M)	400,000,000
Water Well	15,000,000
Generator (250 KvA)	10,000,000
Security Systems	20,000,000
<b>Total Capex</b>	<b><u>3,012,000,000</u></b>

**Analysis:** The initial investment focuses on acquiring essential land and equipment to ensure operational efficiency and scalability. The batching plant represents the largest cost, highlighting its critical role in production.

### Logistics

- Strategically located facilities to ensure efficient delivery.
- Fleet management systems to optimize routes and reduce costs.

### Financial Plan

BCCL needs to make investment of TZS 3Billion shillings in equipment and machinery. In addition, the company requires an addition of TZS 750Million to fund working capital. The company needs to borrow the sum of TZS 3Billion with repayment period of 36 months. The borrowed funds will be used to acquired equipment while they are planning to cover working capital from their internal funds and other existing arrangements.

## Financial Projections

In order to assess viability of the project BCCL ran detailed financial projects. These projections were created based on the following assumptions.

- The company will invest in installed capacity of 90cbm per day, with maximum achievable production of 90% which translate to 404,000 cbm per year. The projected production and sales volume of about 45% in the first year growing to 75% capacity in the 7th year of operations. These volumes will translate to lowest volume of 180,000cbm in the first year and largest volume of 380,000cbm in year 7.
- The price and quantity sold depends mainly on the concrete grade as determined by market demand and direct production cost of each concrete grade. The industry identifies Grade 20, Grade 25 and Grade 30 as the most utilized grades of the concrete but the highest demand is with grade 25. For the purpose of these projections, we assumed that 70% of the Bccl RMC sales are on concrete Grade 70%.
- RMC price inflation factor of 5%p.a has been used.
- Borrowing rate of 20% is used on Loan of TZS 3Billion for acquisition of equipment and machinery.

## Projected Income Statement

Below is projected income statement indicating annual revenue and profitability arising from the project.

<b>Year</b>	<b>Total Revenue (TZS MILLION)</b>	<b>Production Costs (TZS MILLION)</b>	<b>Operating Expenses (TZS MILLION)</b>	<b>PROFIT BEFORE TAX (TZS MILLION)</b>
2026	45,490	28,249	2,379	14,862
2027	73,181	45,445	2,443	25,293
2028	76,840	47,717	641	28,482
2029	95,351	59,213	674	35,464
2030	100,119	62,174	711	37,234
2031	105,125	65,282	751	39,091
2032	127,363	79,092	795	47,475
2033	133,731	83,047	530	50,154
2034	140,417	87,199	572	52,646
2035	147,438	91,559	618	55,261
2036	154,810	96,137	667	58,006

Given assumptions discussed are projected to give rise to the revenues and profit before tax before summarized in the table above.

Further analysis of these, numbers indicate that the business will give rise to a gross profit margin about 38% and Operating profit margin of about 37%. Debt service ratio will be go as high as 28times indicating that the level of borrowing that the project is going for is negligible.

## Financial Feasibility

We have run feasibility analysis of the project using NPV, IRR and Payback period. The outcome of these tests are Net Present Value of TZS95.4Billion with Cashflows discounted at 25%p.a. The project IRR is 384.1% and project payback period is 1 year.

With these numbers, there is no doubt the project is financially viable.

## Social and Economic Benefits

### Economic Benefits

#### a) Employment Creation

- **Direct Jobs:** RMC will create permanent jobs for plant operators, technicians, drivers, sales staff, and administrative personnel.
- **Indirect Jobs:** Opportunities will be created across the supply chain (e.g., raw material suppliers, maintenance service providers, transport contractors).
- **Estimated Employment:** Over 70–100 direct and indirect jobs within the first two years.

#### b) Infrastructure Development

- The availability of high-quality, timely concrete supply will accelerate public and private infrastructure projects.
- Enhances construction quality, reduces delays, and promotes cost-efficiency in roadworks, bridges, commercial buildings, and housing schemes.

#### c) GDP Contribution

- The company contributes to national income via taxes, licensing fees, and VAT collections.
- Boosts local manufacturing and reduces reliance on imported construction materials or on-site mixing, supporting the "Buy Tanzania, Build Tanzania" initiative.

#### **d) Industrial Linkages**

- Stimulates demand in upstream industries such as cement, aggregates, sand mining, fuel, and mechanical services.
- Encourages the growth of local suppliers of spare parts and maintenance services.

#### **e) Technology Transfer**

- Adoption of automated batching systems, concrete mix design software, and logistics tracking will introduce new technology and skills to the local workforce.
- Promotes knowledge exchange and technical training for Tanzanian professionals and engineers.

### Social Benefits

#### **a) Urbanization and Housing**

- By supplying ready mix concrete to housing developers, the project facilitates faster and better-quality construction of affordable housing.
- Supports national efforts in addressing the urban housing deficit.

#### **b) Health and Safety Improvements**

- Off-site concrete mixing reduces dust, noise, and occupational hazards at construction sites.
- Promotes cleaner and safer urban construction environments, especially in densely populated areas.

#### **c) Skills Development**

- RMC will implement ongoing training for its technical and operational staff.
- Upskills youth in concrete technology, mechanical maintenance, batching operations, and quality control.

#### **d) Women and Youth Empowerment**

- Opportunities in administration, logistics coordination, quality control, and environmental monitoring can be structured to empower women and young professionals.

#### **e) Environmental Sustainability**

- The project will incorporate efficient water recycling, dust suppression, and waste management systems.
- Reduces the carbon footprint of construction by improving batching accuracy and minimizing wastage.

## Conclusion

The RMC business initiative by Brightwave Construction Co. Ltd is both a timely and strategically sound investment. It capitalizes on existing market demand, governmental infrastructure initiatives, and the company's established operational strengths. The financial projections are not only optimistic but grounded in realistic production assumptions and proven business competencies.

From economic feasibility to social contributions, the project aligns well with Tanzania's industrial and developmental goals. With an exceptional return profile and short payback period, the venture demonstrates clear commercial viability and potential for sustained growth. Therefore, this business plan offers a compelling case for investor support and stakeholder collaboration in transforming the construction materials landscape in Tanzania.