



Africa Global Logistics

**At the heart
of Africa's
transformation**



Country Profile

Destination : Tanzania

14
SITES

286
STAFF



Our Subsidiaries
 Our Airport Agencies

MARITIME SOLUTIONS

1
Dry port
AMI

1
Shipping agency

SHIPPING SOLUTIONS

- Tramp services
- Regular line services
- Shipping hinterland services
- Handling services

PORTS SOLUTIONS

Zanzibar Multipurpose Terminal(ZMT)

877
Export Tons

31,527
Export Tons

163 610
Import TEU'S

CERTIFICATIONS

- ZMA
- Customs TRA License

810
Import Tons

163,610
Import Tons

18,710 SQM
Total Warehouse Space

LOGISTICS SOLUTIONS

1,498
Import Tons

7,543
Import TEU'S

43,304
Import Tons

3,823
Import TEUs

125,084
Import Tons

LOGISTIC EXPERTISES

- Mining
- Aerospace
- Aid & Relief
- Food & Beverages
- Industrial projects
- Oil & Gas
- Power technologies
- Telecom
- General cargo.

CERTIFICATIONS

- ISO 9001
- AEO
- TASAC
- ISO 14001
- IATA
- ISO 45001
- Customs
- Clearance license

1,144
Export Tons

1,025
Export TEU'S

15,999
Export Tons

1,515
Export TEUs

27,540
Export Tons

8,530 sqm
CFS /Commodity
warehouses

20,5000 sqm
Contract logistics
warehouses

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Agenda



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1 Executive Summary



The document outlines the proposal for constructing a storage/warehouse facility in Ubungo, Dar es Salaam



The project aims to enhance AGL Tanzania's logistics capabilities, particularly for the export of minerals and soft commodities.



The total investment for the project is estimated at €5.852 million, with a projected payback period of 17.76 years and an Internal Rate of Return (IRR) of 15.6%.



2 Key Objectives

Start of operations in Year 2



Construction of an 8,000 sqm indoor warehouse



16,000 sqm outdoor space for container storage, stuffing/destuffing, and parking.



Gross Margin of €88 million



EBITDA of €64 million over a 20-year period



3 Market Context

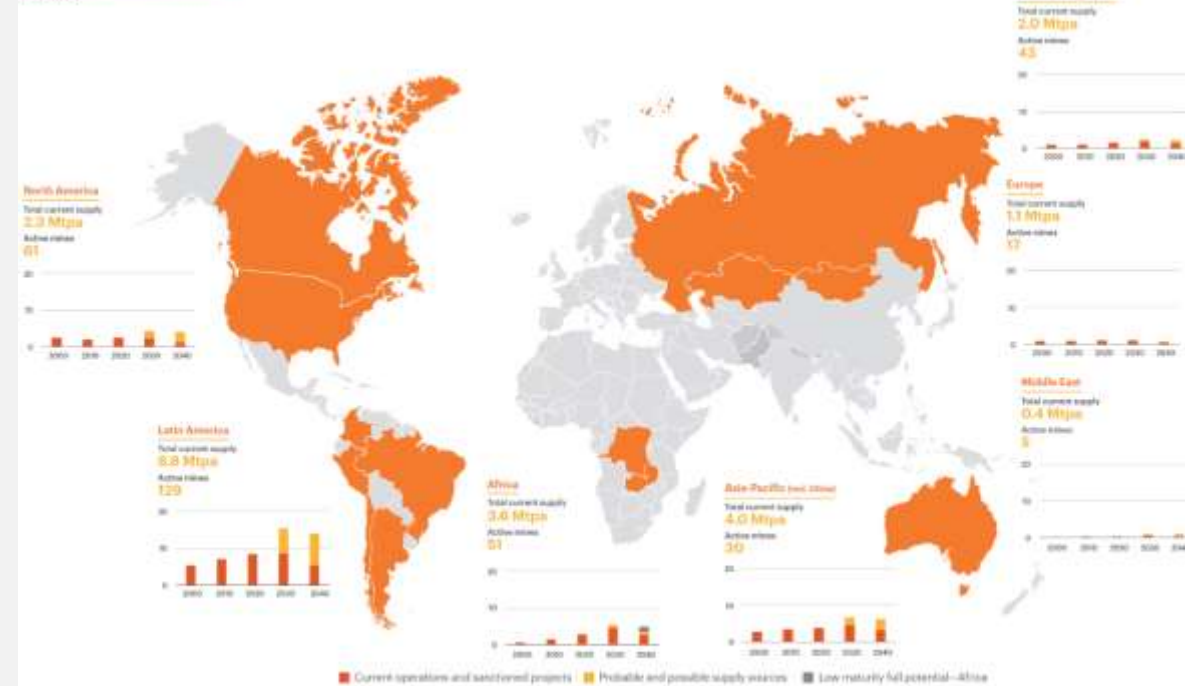
3.1 Global Demand for Minerals

- Increasing Demand:** Research indicates that the global demand for minerals will continue to outstrip supply well into the future, even beyond 2030. This is driven by the mining industry in the Democratic Republic of Congo (DRC) and Zambia, particularly in the Copperbelt region, which is actively increasing production capacity.
- Production Growth:** By 2030, it is anticipated that Copperbelt's copper consumption will have increased considerably. The world economy's recovery, the resurgence of Chinese manufacturers' demand, the surge in investments in green technology (such as electric vehicles and renewable energy), and artificial intelligence technologies are the primary forces behind these developments.

Where copper demand will come from



Where is future supply coming from?



Source: Wood Mackenzie Q1 2024

Note: Probable projects are those that are not considered sufficiently imminent and advanced to include in the base case. High maturity projects have low uncertainty with high development, and those in the base case.

3 Market Context

3.2 Dar es Salaam Port

- **Strategic Hub:** Dar es Salaam port in Tanzania is becoming a major logistical hub for the export of minerals from Zambia and the DRC. Minerals such as copper, nickel, cobalt, and manganese are key exports.
- **Container Export Traffic:** The port's container export traffic has been growing steadily over the past three years. Here are some key statistics:
 - 2020: 1,998,487 metric tons (MTs)
 - 2021: 2,173,120 MTs (9% increase from 2020)
 - 2022: 2,738,753 MTs (26% increase from 2021)
 - 2023: 3,222,107 MTs (16% increase from 2022)

3.3 Copper and Cobalt Market

- **Production Increase:** Production in the DRC is expected to rise by 250% from 2 million MT in 2022 to 5 million MT in 2030. Similar growth is anticipated in Zambia, where quantities are predicted to increase by 250% from 800,000 MT in 2022 to 2 million MT.
- **Foreign Direct Investments:** Significant foreign direct investments are backing this increase in volumes:
 - First Quantum Minerals: USD 2.2 billion
 - Barrick: USD 1.2 billion
 - Kamoia: USD 800 million

3 Market Context

3.4 Competitor Space and Market Dynamics

- **Warehouse Rent Increase:** The growing demand for mineral exports has led to an increase in warehouse rent throughout Dar es Salaam, causing a scarcity of sites. Acquiring a dedicated site for export has become a strategic necessity to remain competitive.
- **Current Volumes:** In 2023, 1,946,752 MTs of copper and cobalt crossed the Tunduma border and reached Dar es Salaam warehouses. Due to port congestion, 75% of this volume was shipped out of Dar es Salaam port, equivalent to 1,460,464 MTs.

3.5 Soft Commodities Market

- **Significant Volumes:** Soft commodities volumes are also significant and can be captured to reach full warehouse usage if necessary. The plan is to manage soft commodities from Year 2 until Year 8 while copper volumes grow over the years until reaching maximum capacity.

Agro Crops Calendar Seasonality

Commodity (kTons)	2022	2023	AGL 2023	MS
Cocoa	13	13	2.8	21.6%
Coffee	68	82	1.4	3.5%
Tea	35	38	7.5	19.7%
Cotton	70	90	0.7	0.2%
Tobacco	26	38	0	0.0%
Cashew Nuts	300	320	0	0.0%
Sisal	30	32	1.2	3.8%
Avocado	13	14	0	0.0%
Pulses	330	330	0	0.0%
Total	986	987	13.6	

- | | |
|------------------|----------------|
| Pulses: | Others: |
| Pigeon Peas | Cashew nuts |
| Chickpeas | Coffee |
| Compeas | Cocoa |
| Green Grams | Tea |
| Red Kidney Beans | Tobacco |
| Yellow Beans | Sisal |
| Soya Beans | Avocado |
| Peanuts | Cotton |



4 Financial Strategy

4.1 Construction & Equipment Investment

- The total investment for the project is estimated at €5.852 million, which includes:
 - €4.2 million for the construction of the Warehouse Facility.
 - €2.7 million for IT, equipment, weighbridge, generator, and security.

4.2 Land Acquisition

- The land purchase for the Ubungo site has already received approval under DAC No. 58950 for €6.774 million.
- The land acquisition will be funded through a shareholder loan.



**Total Investment of
€12.626**

4 Financial Strategy

4.3 Construction and Equipment Costs

- The construction and equipment costs will be financed via an **external loan**.

4.4 Financing Breakdown

- **Shareholder Loan:** A shareholder loan of €7.5 million will be used to facilitate the land acquisition. This loan will also reimburse the €1.5 million down payment, ensuring that AGL Tanzania's cash flow for ongoing operations remains unaffected.
- **Bank Loan:** Collaboration with banks such as Stanbic Bank, NMB, ABSA Bank, and Access Bank is planned to optimize debt with the business plan's EBITDA. The current business plan can support a maximum bank loan of €8 million, with structured progressive repayments following a grace period over five years.

- The average EBITDA to debt service ratio is projected at 1.5 throughout the repayment period.
- A bank loan of approximately €7 million at an interest rate of around 8% is recommended as part of a prudent strategy.

4.5 Payback Period and IRR

- The payback period for the investment is expected to be **17.01 years**
- The Internal Rate of Return (IRR) is projected to be **15.9%**

5 Business Plan Assumptions

5.1 Volume Assumptions

- **Copper Volumes & Warehouse Occupancy :**
 - The plan assumes that copper volumes will increase annually based on the following volume increase factors.
 - **Warehouse Indoor Occupancy:** The indoor warehouse occupancy is expected to progress gradually until reaching maximum capacity by Year 6.
 - **Outdoor Capacity:** The outdoor capacity is assumed to be fully utilized at 95% occupancy from Year 2 onwards
- **Other Minerals and Commodities:** The plan also includes assumptions for other minerals and soft commodities such as nickel concentrate, copper blisters, cocoa, coffee, tea, cotton, and sisal.

Year	Volume (Metric Tons)	Occupancy
Year 1	0	0%
Year 2	90,000	58%
Year 3	103,500	70%
Year 4	119,025	84%
Year 5	130,928	89%
Year 6	144,020	91%
Year 7	165,623	92%
Year 8	182,186	92%
Year 9	200,404	91%
Year 10	200,404	91%

5 Business Plan Assumptions

5.2 Cost and Price Assumptions

- **Cost Inflation:** The plan assumes an annual cost inflation rate of 3.5%.
- **Price Increase for Copper:** The price of copper is assumed to increase by 10% every five years.

5.4 Chosen Scenario

The chosen scenario is **Operations Start Year 2 including Transport**, which is considered the most realistic approach.

5.3 Projected Turnover

- The business plan considers different scenarios for the start of operations and includes the following key metrics over a 20-year period:

Values in KEur for 20 Years BP

BP SCENARIO -->>	Operations start Year 2 Excluding transport	Operations start Year 1 Excluding transport	Operations start Year 1 including transport	Operations start Year 2 including transport
TURNOVER	151,801	161,114	647,843	480,693
DISBURSEMENT	-62,873	-66,464	-533,323	-372,296
GROSS MARGIN	88,472	94,167	112,576	108,397
OPERATING COSTS	-38,235	-39,977	-39,977	-38,118
OPERATING INCOME	50,237	54,190	72,599	70,279
EBITDA	64,019	67,984	86,393	84,4196
Profitability on EBITDA	72%	72%	77%	78%
NET INCOME	29,440	32,480	45,474	43,801
Payback	17.76 years	13.27 years	16.5 years	17.01 years

6 Competitor Analysis

6.1 Market Dynamics

- **Strategic Hub:** Dar es Salaam port in Tanzania is becoming a major logistical hub for the export of minerals from Zambia and the Democratic Republic of Congo (DRC). Minerals such as copper, nickel, cobalt, and manganese are key exports.
- **Warehouse Rent Increase:** The growing demand for mineral exports has led to an increase in warehouse rent throughout Dar es Salaam, causing a scarcity of sites. Acquiring a dedicated site for export has become a strategic necessity to

6.2 Competitor Space

- **Current Volumes:** In 2023, 1,946,752 metric tons (MTs) of copper and cobalt crossed the Tunduma border and reached Dar es Salaam warehouses. Due to port congestion, 75% of this volume was shipped out of Dar es Salaam port, equivalent to 1,460,464 MTs.

AGL Tanzania's Current Volumes: AGL Tanzania handled 14,60 tons of copper and cobalt till the end of June 2024.

6.3 Competitor Strategies

- **Site Acquisition:** Competitors have quickly acquired the limited sites available for copper exports due to the macroeconomic dynamics and the increasing strategic importance of the corridor.
- **Operational Capacity:** Competitors are positioning themselves around the few facilities that are open for business, leveraging the strategic location of Dar es Salaam port.

6.4 Soft Commodities Market

- **Significant Volumes:** Soft commodities volumes are also significant and can be captured to reach full warehouse usage if necessary. The plan is to manage soft commodities from Year 2 until Year 8 while copper volumes grow over the years until reaching maximum capacity.

7 Project Timeline

7.1 Project Phases

1. **Land Acquisition:** The land purchase for the Ubungo site has already received approval. Sales agreement signed in January 2025.
2. **Construction Phase:** The construction of the storage facility, which includes an 8,000 sqm indoor warehouse and a 16,000 sqm outdoor space for container storage, stuffing/destuffing, and parking. The construction will start upon completion of title deed transfer after TIC and land registry validation.
3. **Equipment Installation:** Installation of IT systems, equipment, weighbridge, generator, and security measures. All will be sourced locally (except the reach stacker) 1 month before finishing the construction phase

7.2 Key Milestones

- **Start of Construction:** The construction phase is expected to begin shortly after the land acquisition is finalized. Expected to begin June 2025
- **Completion of Construction:** The construction of the warehouse and outdoor space is projected to be completed within the first year. Expected to be completed by March 2026
- **Start of Operations:** Operations are expected to start in the second year, without additional transport revenues. Expected to begin April 2026

8 Conclusion

The DAC- Warehouse Construction project is structured to achieve significant milestones within the first two years, including land acquisition, construction, equipment installation, and the start of operations.

This timeline aligns with the strategic goals of AGL Tanzania to enhance its logistics capabilities and secure a significant market share within five years.





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