

	INVESTMENT PROPOSAL MTWARA SITE	March 2, 2023
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Subsidiary name: ORYX ENERGIES TANZANIA LIMITED

Name of project: MTWARA PLOT

Date of submission: 02 March 2023

Issuer: Alfred Ng'adi

PROJECT AUDIT TEAM:

Name	Position
Sidy BANE	East Africa Downstream Manager
Aregabi ABDERRAHMAN	Group B2C Business Line Manager
Gregoire CAMBRAY	Group Network Development Manager
Rachel GATOME	East Africa B2C Manager
August DOMINICK	East Africa Finance Manager
Kalpesh MEHTA	Managing Director
Imani MTAFYA	Finance Manager
Fredy MCHAU	Retail Manager
Kiandiko KASURE	Retail Development Manager
Charles BLANCHOT	Group B2C Financial Controller

Attached document:

- Profitability Analysis

AUDITOR:	Kiandiko Kasure
DATE OF AUDIT:	1 st February 2023

FINANCIAL SUMMARY

Type of project	Tick (√)
NTI	√
NTO	
KDR	
Branding	
Compliance / Major Maintenance	

Commitments		
Prepayment (xx Years)	-	kUSD
Purchase of the plot	63	kUSD
Construction & Equipment	460	kUSD
Other (fee / consultancy - expenses)		kUSD
Global	523	kUSD

Profitability		
IRR	13.65	%
NPV @ 12%	52	kUSD

Sales targets, yr 1		
Fuel sales / yr.	1'080	M3
Lubricant sales / yr.	3	MT

Exchange rate - BUDGET	1 USD = 2381.5 TZS (*Local Currency)
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Investment type *NTI: New To Industry (Construction) – NTO: New To ORYX (Take over)*
KDR: Knock Down Rebuilt

- NTI
 NTO
 KDR
 Branding
 Compliance
 Major maintenance

Real Estate:

- Lease of site
 Lease of Station
 Purchase of site
 Purchase of Station

Other

Please specify exclusions and inclusions in the lease arrangement:

Owner: CHENGUWILE A MALEKANYA

Occupation: Businessman

Past experience with ORYX: Wholesale Customer

Purchase amount: = TZS 150M

Land size (m2): 4,373

Basic information

Station name	MTWARA
City	MTWARA
GPS Coordinates	https://goo.gl/maps/9n4JCwFYHTpAWTHB6

Market elements / Macro

	Global Volume (m ³)	Number of Stations	Market Share	Representation	Efficiency Index	ATP (m3)
Global	1,690,153	1759	100%	100%	100%	80
Orxy Energies	141,503	55	8%	3%	268%	214
Total	231,203	100	14%	6%	241%	193
Puma	222,586	68	13%	4%	341%	273
GBP	141,431	47	8%	3%	313%	251
Lake Oil	117,362	104	7%	6%	117%	94
Oilcom	111,682	58	7%	3%	200%	160
Camel Oil	109,133	60	6%	3%	189%	152
Mt. Meru	75,982	66	4%	4%	120%	96
Engen	68,141	29	4%	2%	245%	196
Others	471,130	1172	28%	67%	42%	33

Data from year: 2020/2021

Classification

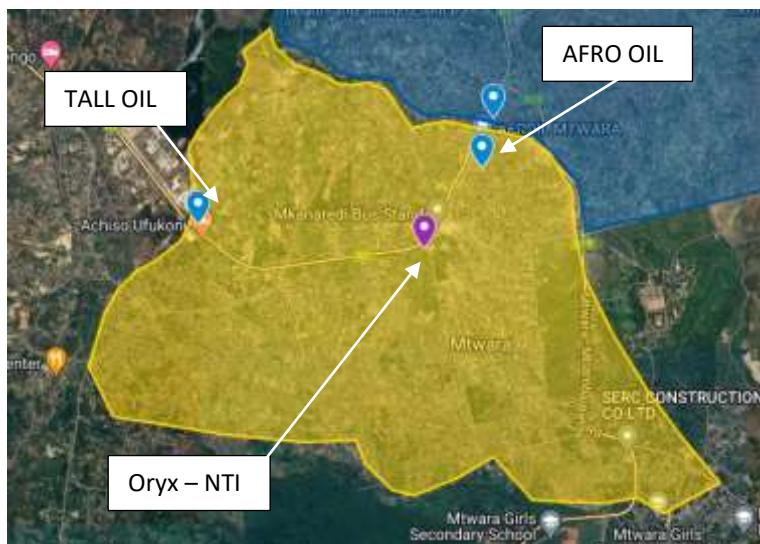
Please fill in the classification table below and justify

	Rate (1-10)	Comments
Visibility	10	Good visibility from distance over 250m from direct lane to the station
Accessibility	10	Site is easily accessible with frontage over 70m
Buying area	5	Fast growing zone & site very strategically located near bus stand.
Traffic flow	5	Traffic flow is good, site is located at major highway of Lindi – Mtwara road

Trade Area Analysis (TAA)

rebates of all competitors within the TAA

Please define trade area analysis – with position, names, volumes and



COMPETITION

NTI	Vol. (m ³ /mon)
TALL OIL	260
AFRO OIL	210
Global Volume	470

ATPS = 235 m³/month

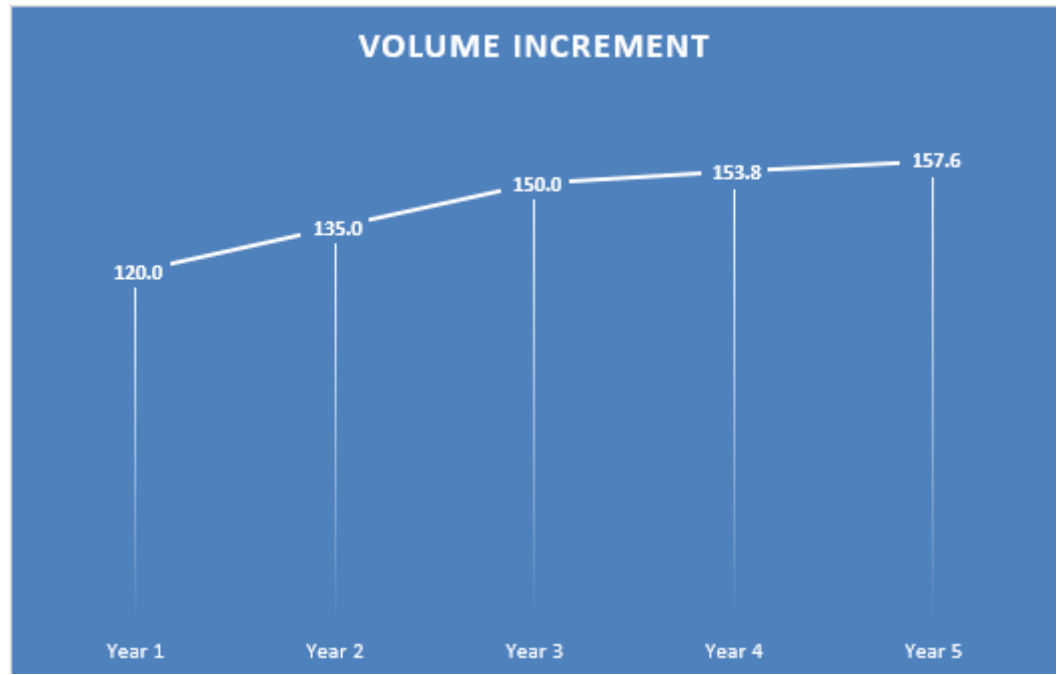
NATPS = 156 m³/month

Worst Case (90%*156)	141 m³/ mon
Average Case Scenario	156 m ³ /mon
Best Case (110%*156)	171 m ³ / mon



INVESTMENT PROPOSAL
MTWARA SITE

March 2, 2023



Network Fit

Please localize the station within the country and tick the correct fit in current network



- Strongly Fit
- Fit
- Neutral
- Cannibalizing
- Strongly cannibalizing

Description

Please give all details and advantages of this new project (competitive advantage gained, etc.)

The site/station will be a strategic addition to our network as it is located along Mtwara – Lindi highway servicing both local convenient customer as well as our fleet card customers who are currently fueling at partner TALL Petrol station.

- The site is located next to a bus stand which will provide great advantage of drawing high traffic toward our station.
- Our fleet gap in Mtwara is currently at 25m3 per month based on existing customers



- The station will provide great visibility and brand presence to locals of Mtwarra

Segment

Please tick the correct segment and justify below

Local Convenience	√
Commuter Transient	√
On The Move	√
Metropolitan	
Focal Point	
Other	

Type of management

CO DO

Company Owned Dealer Operated

Type of station

Level 1 (flagship) to level 4 (Filling Station) type of station and list all services included

Station Level 2 (Based on MINI investment Model station will have 2 Pump Islands & Mini Shop)



INVESTMENT PROPOSAL

MTWARA SITE

March 2, 2023

Lease / Ownership *If it is a lease give lease amount duration and currency. If a purchase given amount and currency.*

Site is on Purchase:

Asking Price 280'000'000 TSH + VAT.

Financing

Please specify mode of financing.

Mode of financing: 75% Debt / 25% Equity

Cash flow statement & DCF calculation	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Result before tax	0	18	45	54	56	58	75	77	80	82	85	94	97	100	103	106
Lease upfront payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cylinder Deposit	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation & Amortization	0	37	37	37	37	37	22	22	22	22	22	16	16	16	16	16
Corporate Tax	0	(5)	(13)	(16)	(17)	(17)	(23)	(23)	(24)	(25)	(25)	(28)	(29)	(30)	(31)	(32)
Operating cash flow	0	50	68	75	76	78	75	77	78	80	82	82	84	86	88	90
Interests and bank fees related to investment debt		(50)	(43)	(37)	(30)	(23)	(17)	(10)	(4)	0	0	0	0	0	0	0
Investment cash flow	0	(0)	25	38	46	54	58	66	75	80	82	82	84	86	88	90
Less Investment & Capex	(523)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Working Cap Variance	0	36	18	6	1	2	2	2	2	2	2	2	2	2	2	2
Divestment / terminal value based on EBV	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	64
Free cash flow including Exit value based on EBV	(523)	35	43	44	48	56	60	68	76	82	84	84	86	88	90	156
Bank debt principal related to investment	392	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of bank debt		(49)	(49)	(49)	(49)	(49)	(49)	(49)	(49)	0	0	0	0	0	0	0
Free cash flow to shareholder (Exit value = EBV)	(131)	(14)	(6)	(5)	(1)	7	11	19	27	82	84	84	86	88	90	156
Divestment / terminal value based on EBV & inflated Land	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	152
Free cash flow including Exit value based on EBV & inflated Land	(523)	35	43	44	48	56	60	68	76	82	84	84	86	88	90	244
Bank debt principal related to investment	392	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of bank debt		(49)	(49)	(49)	(49)	(49)	(49)	(49)	(49)	0	0	0	0	0	0	0
Free cash flow to shareholder (Exit value = EBV & inflated Land)	(131)	(14)	(6)	(5)	(1)	7	11	19	27	82	84	84	86	88	90	244
Divestment / terminal value based on x adjusted EBITDA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	792
Free cash flow including Exit value based on x adjusted EBITDA	(523)	35	43	44	48	56	60	68	76	82	84	84	86	88	90	884
Bank debt principal related to investment	392	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Repayment of bank debt		(49)	(49)	(49)	(49)	(49)	(49)	(49)	(49)	0	0	0	0	0	0	0
Free cash flow to shareholder (Exit value = x adjusted EBITDA)	(131)	(14)	(6)	(5)	(1)	7	11	19	27	82	84	84	86	88	90	884

ROE : IRR Free Cash Flow to shareholder (Exit value = EBV)	14.78%	% debt	50%
ROE : IRR Free Cash Flow to shareholder (Exit value = EBV & inflated Land)	15.52%	% equity	50%
ROE : IRR Free Cash Flow to shareholder (Exit value = x adjusted EBITDA)	19.37%		

Volumes

Give volumes per product (AGO/MSP/IK/Lub/LPG) per month in M3 with increment

Product	Volume / Weight	Annual increase
MSP	30 m ³ /month	2.5%
AGO	120 m ³ /month	2.5%
GPL	MT/month	0%
LUB	0.45 M3/month	2.5%

Price structure & discount

Give price structure margin & discount per product in USD/M3

DESCRIPTION	CODO MARGINS USD/M ³		
	MSP	AGO	IK
OMC Margins & Overheads	52	52	52
Retailers Margins	45	45	45
Dealer Margins	(30)	(30)	(30)
GROSS MARGIN	67	67	67
Discount	-	-	-
TOTAL (USD)	67	67	67

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Additional revenues *Give additional revenues (rental, shop revenues, service bay, etc.) in USD per month*

Additional revenue includes:

- **Dealer Rental: 1'000'000 TSH/month**
- **NFR (Truck Parking): 250'000 TSH/Month**
- **Wash & Service Bay: 300'000 TSH/Month**
- **ATM/s: 300'000 TSH/Month**
- **Kiosk: 250'000 TSH/Month**



INVESTMENT PROPOSAL

March 2, 2023

MTWARA SITE

CAPEX budget

	Initial investment
Purchase of Site	63
Land	63
Civil Works (Sales Building, Canopy, Driveways & Forecourt)	302
Consultancy (EIA, Soil Inv., Topo, Design)	23
Civils and Buildings	325
Fuel Systems (Tanks, Piping & Pumps)	61
Cylinders	0
Tanks and Pipes	61
Electrical Works	25
Genset & equipments	26
Signage	21
Equipments	73
Goodwill	0
TOTAL	523



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March 2, 2023

OPEX

List of OPEX included in the PA (inclusive of territory managers)

US\$000	1	2	3	4	5
Fixed Expenses					
Staff costs	0	0	0	0	0
Communication & IT	0	0	0	0	0
Marketing	(3)	(3)	(3)	(3)	(3)
Offices & General Expenses	(1)	(1)	(1)	(1)	(1)
Consulting & Other Professional Services	(1)	(3)	(4)	(4)	(4)
Lease of land, plant upfront payments	0	0	0	0	0
Lease of land, plant	0	0	0	0	0
Production Costs	(2)	(4)	(4)	(4)	(4)
Local Head Office	0	0	0	0	0
Start Up Costs	0	0	0	0	0
Termination Costs	0	0	0	0	0
Total Fixed Expenses	(8)	(12)	(12)	(12)	(12)
Others					
Cylinders deposit	0	0	0	0	0
Depreciation	(37)	(37)	(37)	(37)	(37)
Operating Profit	(2)	45	54	56	58

DCF IRR and NPV results from PA

		IRR SENSITIVITY						
		VOLUMES						
		-20%	-10%	-5%	0%	5%	10%	
CAPEX	-10%	10,86%	13,11%	14,21%	15,29%	16,35%	17,40%	
	-5%	10,19%	12,35%	13,40%	14,43%	15,45%	16,45%	
	0%	9,58%	11,65%	12,66%	13,65%	14,63%	15,59%	
	5%	9,02%	11,01%	11,98%	12,94%	13,88%	14,81%	
	10%	8,51%	10,43%	11,36%	12,28%	13,19%	14,09%	
	20%	7,61%	9,39%	10,27%	11,12%	11,97%	12,81%	

		NPV SENSITIVITY						
		VOLUMES						
		-20%	-10%	-5%	0%	5%	10%	
CAPEX	-10%	(31)	31	63	94	125	157	
	-5%	(53)	10	42	73	104	136	
	0%	(74)	(11)	20	52	83	115	
	5%	(95)	(32)	(1)	31	62	94	
	10%	(116)	(53)	(22)	10	41	72	
	20%	(158)	(95)	(64)	(32)	(1)	30	

		IRR SENSITIVITY						
		VOLUMES						
		-20%	-10%	-5%	0%	5%	10%	
FIXED EXPENSES	-10%	9,77%	11,83%	12,84%	13,83%	14,81%	15,77%	
	-5%	9,67%	11,74%	12,75%	13,74%	14,72%	15,68%	
	0%	9,58%	11,65%	12,66%	13,65%	14,63%	15,59%	
	5%	9,48%	11,56%	12,57%	13,56%	14,54%	15,51%	
	10%	9,38%	11,46%	12,48%	13,47%	14,45%	15,42%	
	20%	9,19%	11,28%	12,29%	13,29%	14,28%	15,25%	

		NPV SENSITIVITY						
		VOLUMES						
		-20%	-10%	-5%	0%	5%	10%	
FIXED EXPENSES	-10%	(68)	(5)	26	58	89	120	
	-5%	(71)	(8)	23	55	86	117	
	0%	(74)	(11)	20	52	83	115	
	5%	(77)	(14)	18	49	80	112	
	10%	(79)	(17)	15	46	78	109	
	20%	(85)	(22)	9	41	72	103	

Site Pictures:



Front View



Left View



Right View

SITE LAYOUT:

