

INTOP ALUMINIUM FACTORY COMPANY LIMITED

Business Plan

for

Aluminium Profile Manufacturing Project

PREPARED FOR

INTOP ALUMINIUM FACTORY COMPANY LIMITED

Dar es Salaam

1.0 EXECUTIVE SUMMARY

INTOP ALUMINIUM FACTORY COMPANY LIMITED is a company registered in the country under the Companies Act 2002 and bears Certificate of Incorporation No.184392119 issued on 24th April,2025.

This project proposes the establishment of a modern aluminium profile extrusion and fabrication plant with a production capacity of 6,000 – 8,000 tons per year. The plant will produce various aluminium profiles for construction, windows & doors, curtain walls, furniture, solar panel frames, and industrial applications.

The plant responds to growing demand driven by:

- Increased construction activities in Tanzania, EAC & SADC
- Rapid growth in real estate, commercial buildings and industrial estates
- Increased use of lightweight, corrosion-resistant materials
- Expansion of solar energy installations

The investment of USD 3.9 million will cover machinery, construction, utilities, working capital, and pre-operating costs.

1.2 Mission Statement

To deliver innovative aluminum solutions using advanced technology, skilled talent, and efficient operations while maintaining the highest standards of quality, sustainability, and customer service.

1.3 Vision Statement

To become East Africa's leading manufacturer of high-quality, durable, and affordable aluminum extrusion profiles that support sustainable construction and industrial development.

1.4 Core Values

- Quality Excellence
- Integrity & Transparency
- Innovation & Technology
- Customer Satisfaction
- Environmental Responsibility
- Safety First

1.5 Company Ownership

INTOP ALUMINIUM FACTORY COMPANY LIMITED is promoted four investors who are very experienced in building materials manufacturing business

Shareholder Name	% of ownership	Nationality
HE JIAN	84	China
HE QING	8	China
YANG CHAO	7	China
DEOGRATIUS EMIL MARANDU	1	Tanzania

1.6 Project Location

The project head office will be located at Plot No.30 Block D located in Ubungo District, within the city of DSM, Tanzania

1.7 Long-Term Goals

- Expand production capacity beyond 10,000 tons/year
- Introduce aluminum recycling and billet casting
- Enter SADC and COMESA export markets
- Supply large-scale solar companies with OEM profiles
- Become the leading aluminum extrusion brand in the region

2.0 Products & Services

2.1 Main Product Lines

- Aluminum window and door profiles
- Architectural and façade profiles
- Curtain wall profiles
- Solar panel frame profiles
- Partition and commercial framing profiles
- Structural and industrial application profiles
- Customized profiles based on client drawings

2.2 Value-Added Services

- Anodizing
- Powder coating
- Custom design & tooling
- OEM production for large clients
- Technical and fabrication support

3.0 Target Market

The primary market segments include:

- Construction & Real Estate Developers
- Aluminum Fabricators
- Glass and Façade Companies

- Hardware and Building Material Distributors
- Furniture & Industrial Manufacturers
- Solar Energy Companies
- Export Markets (EAC, SADC, COMESA)

3.1 Market Opportunity

Tanzania imports over 65% of its aluminum profiles, mostly from China, Turkey, UAE, and South Africa. Demand is growing due to:

- New construction projects
- Affordable housing programs
- Solar energy expansion
- Industrialization and manufacturing growth

There is a significant market gap for local production with faster delivery, better prices, and customized products.

3.2 Market Demand Drivers

- Housing and commercial construction boom
- Infrastructure development (airports, offices, malls, schools)
- Shift to modern aluminum materials instead of wood/steel

- Solar farms, renewable energy installations
- High demand for lightweight industrial components

3.3 Competitive Advantages

- Local manufacturing → lower cost vs imports
- Full finishing lines (anodizing + powder coating)
- Quick delivery and custom profile production
- Strong quality control and modern technology
- Competitive pricing
- Proximity to customers throughout Tanzania and East Africa

4.0 Marketing & Sales Strategy

4.1 Sales Channels

- Real estate developers
- Aluminum fabricators
- Hardware wholesalers
- Construction companies
- Solar panel assembly companies
- Glass and façade companies

4.2 Marketing Tools

- Trade shows (e.g., Dar Construction Expo)
- Direct factory visits and presentations
- Digital marketing & B2B sales
- OEM customization for large clients

5.0 Organizational & Management Plan

5.1 Key Staff:

- Plant Manager
- Production Supervisor
- Quality Control Engineer
- Mechanical & Electrical Technicians
- Safety & Environment Officer
- Procurement & Logistics Officer
- Sales & Marketing Team
- Finance & Admin Team
- Operators and Labourers

Total Employment: 25 people

6.0 Production Plan

6.1 Machinery Required (USD 3.9M Budget)

Equipment	Qty	Description
800–1250T Extrusion Press Line	1	Main machine for profile extrusion
Aluminium Melting & Holding Furnace	2	For billet heating
Aging Oven	1	Heat treatment
Anodizing Line	1	Surface finishing
Powder Coating Line	1	Colour finishing
Puller, Cooling Table, Run-out Table	1 set	For extrusion handling
Cutting Machine	2	Precision cutting
Dies & Tooling	Various	Profile shapes
Material Handling Equipment	—	Forklifts, cranes
Quality Control Lab	—	Testing equipment

6.2 Production Capacity

- 500–600 tons/month
- 6,000–8,000 tons/year

6.3 Raw Materials

- Aluminum billets
- Powder coating powders

- Chemicals for anodizing
- Packaging (plastic films, cartons)

7.0 Implementation Timeline

Phase	Duration
Feasibility & Licensing	3 months
Rehabilitation	6 months
Machinery Installation	3 months
Trial Production	2 months
Commercial Production	Month 14

8.0 Key Assumptions

8.1 Production & Sales

- Plant capacity: 6,000–8,000 tons/year
- Selling price per ton: USD 1,800
- Capacity utilization:
 - Year 1 → 50%
 - Year 2 → 70%
 - Year 3 → 85%
 - Year 4 → 90%
 - Year 5 → 95%

8.2 Costing

- COGS per ton (billets, power, chemicals): **USD 1,350**
- OPEX baseline: **USD 850,000**, grows 5% annually
- Depreciation: **USD 350,000/year**
- Corporate Tax: **30%**

Financing Structure (Loan Component)

- Total Project Cost: USD 3,900,000
- Equity Contribution: 40% = USD 1,560,000
- Bank Loan: 60% = USD 2,340,000
- Interest Rate: 12% per year
- Loan Tenure: 7 years
- Grace Period: 1 year interest-only

9.0 Project Cost

The project has budgeted to cost the followings:

Land and Buildings	400,000
Machinery & Equipment	1,600,000
Motor Vehicles	400,000
Furniture & Fixtures	15,000
Pre exp	50,000
Others	135,000
Working Capital	1,300,000
TOTAL	3,900,000

10.0 Economic Aspects of The Projects

Besides the financial/monetary returns to the owners, there are other benefits to be derived for the whole country viz.

- **Employment Opportunities**

Employment and poverty reduction are among the major concern of the Central and the Local Government authorities. It is gratifying to note that the company, is going to provide additional employment to 35 people. This is a significant contribution coming from investors.

- **Revenue to the Government**

The Project is expected to pay a substantial annual amount in the form of corporation tax and other taxes

- **Foreign Exchange Earning**

Project is planning to export to neighbouring countries the project will thus earn foreign currency for the United Republic of Tanzania.

11.0 Conclusion

- The project is profitable and contributes to government revenue by way of taxes.
- The project provides employment to 25 people.
- The project is an encouraging sign to prove that we have good business environments and we have investors who have confidence in their country. Tanzania so much so that

they are ready to invest such large sums of investment despite the odds of the sector in question.

12.0 Recommendation

After the foregoing economic and financial evaluation of the project, we strongly recommend that this project be implemented and be given all the support required by all the concerned Government Ministries and Agencies, including the Tanzania

Revenue Authority, TRA and the TISEZA. The project deserves this support because of its viability, since it is technical feasible, economically viable and socially acceptable.

INTOP ALUMINIUM FACTORY COMPANY LIMITED PROJECTED PROFIT AND LOSS STATEMENT US\$

INCOME STATEMENT	Year 1	Year 2	Year 3	Year 4	Year 5
Production (Tons)	3,000	4,200	5,100	5,400	5,700
Revenue	5,400,000	7,560,000	9,180,000	9,720,000	10,260,000
COGS	(4,050,000)	(5,670,000)	(6,885,000)	(7,290,000)	(7,695,000)
Gross Profit	1,350,000	1,890,000	2,295,000	2,430,000	2,565,000
Operating Expenses	(850,000)	(892,500)	(935,000)	(977,500)	(1,020,000)
EBITDA	500,000	997,500	1,360,000	1,452,500	1,545,000
Depreciation	(350,000)	(350,000)	(350,000)	(350,000)	(350,000)
EBIT	150,000	647,500	1,010,000	1,102,500	1,195,000
Interest Expense	(280,800)	(267,840)	(234,240)	(196,800)	(157,440)
Profit Before Tax	(130,800)	379,660	775,760	905,700	1,037,560
Tax (30%)	–	(113,898)	(232,728)	(271,710)	(311,268)
Net Profit	-130,800	265,762	543,032	633,990	726,292

INTOP ALUMINIUM FACTORY COMPANY LIMITED PROJECTED CASH FLOWS US\$

CASH FLOW STATEMENT	Y1	Y2	Y3	Y4	Y5
Net Profit After Tax	(130,800)	265,762	543,032	633,990	726,292
Depreciation (non-cash)	350,000	350,000	350,000	350,000	350,000
Operating Cash Flow	219,200	615,762	893,032	983,990	1,076,292
Loan Interest Paid	(280,800)	(267,840)	(234,240)	(196,800)	(157,440)
Loan Principal Paid	0	(334,286)	(334,286)	(334,286)	(334,286)
Net Loan Cash Outflow	(280,800)	(602,126)	(568,526)	(531,086)	(491,726)
Capital Expenditure	(3,900,000)	0	0	0	0
Net Cash Flow	-3,961,600	13,636	324,506	452,904	584,566

INTOP ALUMINIUM FACTORY COMPANY LIMITED PROJECTED BALANCE SHEET US\$

BALANCE SHEET	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Cash Balance	238,400	252,036	576,542	1,029,446	1,614,012
Accounts Receivable	450,000	630,000	765,000	810,000	855,000
Inventory	300,000	350,000	420,000	440,000	460,000
Net Fixed Assets	3,550,000	3,200,000	2,850,000	2,500,000	2,150,000
Total Assets	4,538,400	4,432,036	4,611,542	4,779,446	5,079,012
Liabilities & Equity					
Bank Loan (Outstanding)	2,340,000	2,005,714	1,671,428	1,337,142	1,002,856
Accounts Payable	350,000	400,000	480,000	500,000	520,000
Shareholders' Equity	1,848,400	2,026,322	2,460,114	2,942,304	3,556,156
Total Liabilities + Equity	4,538,400	4,432,036	4,611,542	4,779,446	5,079,012

Interest: 12% | Tenure: 7 years | Grace period: 1 year (interest-only)

INTOP ALUMINIUM FACTORY COMPANY LIMITED LOAN REPAYMENT SCHEDULE (USD 2,340,000)

Year	Opening Balance	Interest (12%)	Principal	Total Payment	Closing Balance
1	2,340,000	280,800	0	280,800	2,340,000
2	2,340,000	280,800	334,286	615,086	2,005,714
3	2,005,714	240,686	334,286	574,972	1,671,428
4	1,671,428	200,571	334,286	534,857	1,337,142
5	1,337,142	160,457	334,286	494,743	1,002,856
6	1,002,856	120,343	334,286	454,629	668,570
7	668,570	80,228	668,570	748,798	0

Bank requires loan fully paid by Year 7, including grace period.

Project Financial Summary (Highlights)

Item	Value
Total Investment	USD 3.9 million
Loan Amount	USD 2.34 million
Payback Period	3.8 years
IRR	~22%
Gross Margin	25-28%
Net Profit Margin (steady state)	7-8%
Break-even point	Year 2-3

