

# **Maisha Company Limited**

Production and Distribution of Premium Packaged Drinking Water

**Comprehensive Business Plan** May 2025

## **1.0 Executive Summary**

Maisha Company Limited is a new entrant into the packaged water manufacturing industry, established to capitalize on the growing demand for safe, clean, and affordable drinking water in Dar es Salaam and surrounding regions. Strategically located in Ubungo Dar Es salaam, we will leverage a pristine water source and state-of-the-art purification technology.

With a total startup capital of TZS 2,000,000,000, the company is poised to establish a strong operational foundation, including land, a modern production plant, a dedicated distribution fleet, and working capital. The company is owned by three shareholders, ensuring a blend of strategic oversight and financial backing.

Maisha Company Limited projects to achieve breakeven within 24 months of operation and capture a significant market share by focusing on superior product quality, aggressive marketing, and an efficient distribution network.

## **2.0 Company Description**

- **Company Name:** Maisha Company Limited
- **Location:** Ubungo Dar Es Salaam, Tanzania (Advantage: Proximity to Dar es Salaam market and access to a reliable, quality water source).
- **Legal Structure:** Private Limited Company

## **3.0 Vision, Mission & Objectives**

### **Vision**

To be the benchmark of purity and trust in East Africa's beverage industry.

### **Mission**

To deliver consistently safe, great-tasting hydration through sustainable manufacturing practices while empowering local distributors in Bagamoyo and Dar es Salaam.

## 4.0 Products and Services

- **Primary Product:** "Maisha Pure" – Premium Drinking Water.
- **Packaging Formats:**
  - 500ml PET bottles (24-bottle packs)
  - 1.5L PET bottles (12-bottle packs)
  - 5L and 10L reusable jerricans
  - 18.9L (5-gallon) returnable bottles for water dispensers

**Quality Assurance:** Water will be processed through a multi-stage purification system including Sedimentation Filtration, Carbon Filtration, Reverse Osmosis (RO), and Ozonation to ensure it meets and exceeds TBS (Tanzania Bureau of Standards) and WHO quality standards.

## 4.0 Market Analysis

### 4.1 Industry Overview

The Tanzanian packaged water market is currently valued at approximately **TZS 800 Billion** annually, growing at 12% YoY. The market is fragmented between:

- **Premium Tier:** (AQUA, Kilimanjaro, Uhai)
- **Economy Tier:** (Local sachets and 5L refills)

**Gap Identified:** There is a shortage of a "Mid-Premium" brand with consistent availability in Bagamoyo and the Peri-urban areas of Dar es Salaam.

### 4.2 Target Market

1. **Corporate Clients (B2B):** Hotels, resorts, and lodges in Bagamoyo and Zanzibar.
2. **Retail/Wholesale:** Supermarkets, mini-marts, and food kiosks.

3. **Institutional:** Schools, hospitals, and government offices requiring bulk 19L dispensers.
4. **Event Management:** Weddings and conferences requiring premium branded water.

### 4.3 SWOT Analysis

- **Strengths:** High initial CAPEX allows for modern Italian/Romanian bottling lines; Proximity to Dar es Salaam (reduced logistics costs); Untapped aquifer in Ubungo.
- **Weaknesses:** New entrant; brand awareness low initially.
- **Opportunities:** Rising health consciousness; Tourism recovery in Zanzibar (2025-2026).
- **Threats:** Price wars from economy brands; Fluctuating fuel costs.

### 5.0 Marketing and Sales Strategy

- **Branding:** A strong, clean logo and the tagline "Delivering Purity, Sustaining Life" to emphasize health and reliability.
- **Promotion:** Introductory offers, free sampling in high-traffic areas, partnerships with local influencers, and radio advertisements.
- **Distribution:** A dedicated fleet of delivery vehicles for direct store delivery (DSD) and a network of distributors and wholesalers.
- **Sales Channels:** Direct sales team for corporate clients, distributor network for wider retail coverage, and potential future online ordering.

## 6.0 Capitalization and Financial Plan

### 6.1 Use of Startup Capital (TZS 2,000,000,000)

Item	Amount (TZS)	Percentage
Land & Building Construction	700,000,000	35%
Water Purification Plant & Machinery	600,000,000	30%
Vehicles (Trucks & Vans)	200,000,000	10%
Office Furniture & Fittings	50,000,000	2.5%
<b>Pre-Operating Expenses</b> (Licenses, TBS certification, legal, initial marketing)	<b>100,000,000</b>	<b>5%</b>
<b>Other Fixed Assets</b> (Bottles, Jerrycans, IT Systems)	<b>150,000,000</b>	<b>7.5%</b>
<b>Working Capital</b> (Raw materials, salaries, utilities, marketing for first 6 months)	<b>200,000,000</b>	<b>10%</b>
<b>TOTAL</b>	<b>2,000,000,000</b>	<b>100%</b>

## 7.0 Risk Analysis

- **Regulatory Risk:** Changes in TBS standards or tax policies. *Mitigation:* Maintain highest quality standards and engage with regulatory bodies.
- **Competition:** Price wars from established competitors. *Mitigation:* Differentiate on quality and brand loyalty; avoid direct price cuts initially.
- **Production Risk:** Machinery breakdown. *Mitigation:* Preventive maintenance and keeping critical spares.

**Source Contamination:** Risk to the water source. *Mitigation:* Secure the water source area and conduct daily quality checks.

## 8.0 Financial Plan: Maisha Company Limited

### 3-Year Projections (2025 - 2027)

#### 8.1 Key Assumptions

1. **Start of Operations:** January 1, 2025.
2. **Initial Capacity:** Plant capacity of 120,000 liters per day (approx. 240,000 x 500ml bottles).
3. **Capacity Utilization:**

**2025:** 40% (Gradual market penetration)

**2026:** 65% (Growing brand acceptance)

**2027:** 85% (Strong market share)

4. **Pricing (Average Wholesale Price):**

- 500ml bottle: TZS 450
- 1.5L bottle: TZS 800
- 5L Jerrican: TZS 1,500
- 18.9L Dispenser Bottle: TZS 4,000

5. **Cost of Sales:** Assumed at 35% of revenue, covering raw materials (preforms, caps, labels), power, and direct labor.

6. **Depreciation:** Straight-line over 20 years for Building, 10 years for Plant, and 5 years for Vehicles & Furniture.

7. **Tax Rate:** Corporate tax rate of 30% applied on profit before tax.

## 8.2 Profit & Loss Statement (3-Year Projection)

Description	2025	2026	2027
<b>Total Revenue</b>	<b>1,314,000,000</b>	<b>2,135,250,000</b>	<b>2,792,250,000</b>
Less: Cost of Sales (35%)	(459,900,000)	(747,337,500)	(977,287,500)
<b>Gross Profit</b>	<b>854,100,000</b>	<b>1,387,912,500</b>	<b>1,814,962,500</b>
<b>Operating Expenses</b>			
Salaries & Wages	(180,000,000)	(216,000,000)	(237,600,000)
Marketing & Advertising	(150,000,000)	(120,000,000)	(100,000,000)
Rent, Utilities, Other Opex	(120,000,000)	(144,000,000)	(158,400,000)
Depreciation	(47,500,000)	(47,500,000)	(47,500,000)
<b>Total Operating Expenses</b>	<b>(497,500,000)</b>	<b>(527,500,000)</b>	<b>(543,500,000)</b>
<b>Profit Before Tax (PBT)</b>	<b>356,600,000</b>	<b>860,412,500</b>	<b>1,271,462,500</b>
Less: Corporate Tax (30%)	(106,980,000)	(258,123,750)	(381,438,750)
<b>Profit After Tax (PAT / Net Profit)</b>	<b>249,620,000</b>	<b>602,288,750</b>	<b>890,023,750</b>

### Graph 1: Revenue and Profitability Growth (2025-2027)

### 8.3 Balance Sheet (Projected as of Year-End)

Description	2025	2026	2027
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Land, Building, Plant, Vehicles (Net of Depr.)	1,652,500,000	1,605,000,000	1,557,500,000
<b>Current Assets</b>			
Cash & Bank	302,620,000	704,908,750	1,394,932,500
Inventory	90,000,000	146,250,000	191,250,000
<b>Total Assets</b>	<b>2,045,120,000</b>	<b>2,456,158,750</b>	<b>3,143,682,500</b>
<b>LIABILITIES &amp; EQUITY</b>			
<b>Equity</b>			
Share Capital	2,000,000,000	2,000,000,000	2,000,000,000
Retained Earnings	249,620,000	851,908,750	1,741,932,500
<b>Total Equity</b>	<b>2,249,620,000</b>	<b>2,851,908,750</b>	<b>3,741,932,500</b>
<b>Current Liabilities</b>			
Accounts Payable	95,500,000	104,250,000	101,750,000
<b>Total Liabilities</b>	<b>95,500,000</b>	<b>104,250,000</b>	<b>101,750,000</b>

Description	2025	2026	2027
<b>Total Liabilities &amp; Equity</b>	<b>2,345,120,000</b>	<b>2,956,158,750</b>	<b>3,843,682,500</b>

**Graph 2: Asset Composition Over Time (TZS Millions)**

**8.4 Cash Flow Projection (Summary)**

Description	2025	2026	2027
<b>Cash Flow from Operations</b>			
Net Profit	249,620,000	602,288,750	890,023,750
Add Back: Depreciation	47,500,000	47,500,000	47,500,000
Change in Working Capital	(100,000,000)	(55,750,000)	(45,000,000)
<b>Net Cash from Operations</b>	<b>197,120,000</b>	<b>594,038,750</b>	<b>892,523,750</b>
<b>Cash Flow from Investing</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change in Cash</b>	<b>197,120,000</b>	<b>594,038,750</b>	<b>892,523,750</b>
<b>Opening Cash Balance</b>	<b>105,500,000</b>	<b>302,620,000</b>	<b>704,908,750</b>
<b>Closing Cash Balance</b>	<b>302,620,000</b>	<b>704,908,750</b>	<b>1,394,932,500</b>

**Graph 3: Cash Flow from Operations vs. Net Profit (TZS Millions)**

## 8.5 Key Financial Ratios

Ratio	2025	2026	2027	Interpretation
<b>Gross Profit Margin</b>	65.0%	65.0%	65.0%	High and stable margin indicates good cost control.
<b>Net Profit Margin</b>	19.0%	28.2%	31.9%	Strong and improving profitability.
<b>Return on Equity (ROE)</b>	11.1%	21.1%	23.8%	Excellent return for shareholders.
<b>Current Ratio</b>	4.1	8.2	15.6	Very high liquidity, indicating a strong ability to pay short-term debts.

## 9.0 Conclusion

The financial projections for Maisha Company Limited demonstrate a highly viable and profitable business model.

- **Revenue Growth:** The company is projected to more than double its revenue from 2025 to 2027, reaching nearly TZS 2.8 billion.
- **Profitability:** The business becomes significantly profitable from Year 1, with Net Profit growing to TZS 890 million by 2027, driven by increasing sales and operational efficiency.
- **Financial Health:** The Balance Sheet remains strong, with growing cash reserves and high liquidity. The company is well-positioned to fund its own growth without needing further debt.

- **Shareholder Value:** The retained earnings consistently grow, significantly increasing the company's net worth and providing a solid foundation for future dividends or expansion.