

Project summary

The Project envisages the production of textile floor coverings – textile carpets and floor coverings made of polypropylene fibre and used widely to cover floors in residential and non-residential premises. The Project is due to be implemented at the Almaty Industrial Zone in Almaty. The Project partner is the Saray Hali A.S. Holding, which is a Turkish carpet producer. The project will create 56 jobs.

Project Initiator:

Alimp SAMA Ltd LLP

Project location:

Republic of Kazakhstan, Almaty

Marketed products and project capacity:

Design capacity of 1 082 thousand m²/year is expected to be achieved from 2023.

- Textile carpets – 541 thousand m²/year (or 50%);
- Textile rags – 541 thousand m²/year (or 50%).

Consumer markets: Domestic market and the market of Russian Federation.

Suppliers of the equipment: Saray Hali A.S., Pankaj Tandon, Promet LLP

Investment attractiveness of the Project

Financial indicators	Results
Investment, US\$ thousand	8,860
Project NPV, US\$ thousand	14,140
IRR, %	27,6%
EBITDA margin, %	38,6%
Payback period, years	5,9
Discounted payback period, years	8,0

Investment structure



Construction and assembly work

36%

\$3.2 million



Machinery and equipment

22%

\$2 million



Transport

2%

\$0.2 million



Other

39%

\$3.5 million

Prerequisites for Project implementation

Demand for products.

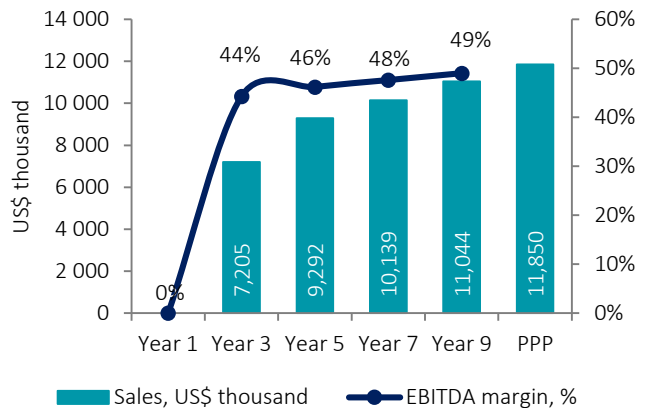
Carpet and floor covering production in Kazakhstan in 2015-2019 was between 2.3-3.0 million m² per year. As opposed to parquet and floor tiles, the demand for carpet is constant because it is fairly cheap and durable, which is especially relevant during declines periods of consumer purchasing power.

Lack of well-established production.

Kazakhstan has a limited number of carpet manufacturers. The main barriers for the development of carpet production enterprises in Kazakhstan are the unequal competitive conditions with other countries, especially with China and Turkey.

Extensive market distribution experience. Alimp SAMA Ltd has over 20 years of sales experience and its brand is well know among B2B and B2C consumers. The Initiator has its own trading premises in Almaty, which cover an area of 1,212.9 m², and a well-developed client base. Production will be in Almaty, the most densely populated and economically active city in Kazakhstan. The Almaty agglomeration has well-developed road transportation and logistics infrastructure, which is one of the defining factors influencing the Project's successful implementation.

Project Profitability

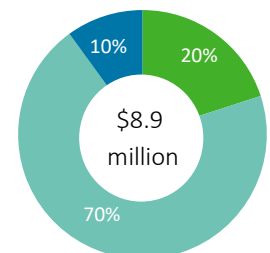


Financing structure

Initiator equity
20% (\$1.8 million)

Debt financing subject to collateral
70% (\$6.2 million)

Participation of the Investor
from 10% (\$0.9 million)



The proposed financing structure is indicative, the final financing and Project participation structures will be determined based on the results of negotiations with the Investor.