



Construction of a cement plant in Aktobe region

Commercial products

Cement - daily capacity of 3,600 tonnes
Cement clinker - daily capacity of 3,000 tonnes

Investment attractiveness of the project:

Investment – US\$ 119,415 thousand
Project NPV – US\$ 67,362 thousand
IRR – 23.0%
Payback period – 8.7 years

Project description

The present investment project plans to build a cement plant with a daily capacity of 3,600 tonnes and a cement clinker with a daily capacity of 3,000 tonnes in the Bayganinsky District of Aktobe Oblast. The Baiganinsky District Akimat has issued a decree whereby the initiator received, until 30 September 2029, land plots of 199.16 hectares, 98.54 hectares and 0.8742 hectares where it plans to extract chalk, clay and marl. The availability of raw materials in the immediate vicinity of the cement plant allows savings on transportation costs and overhead costs which contributes to higher production efficiency.

Company

The project initiator is Aktobe Cement LLP established in 2018.

Market

- The global cement market, estimated at 5 billion tonnes in 2020, is projected to reach 5.8 billion tonnes by 2027, with a CAGR of 2.2% over the 2020-2027 period.
- According to the Kazakhstan Statistics Committee, 10,809 thousand tonnes of Portland cement were produced in 2020. Average annual production growth rate for the period 2016-2020 reached 5.3%.

What is the attractiveness of the project?

- **Own raw material base** will allow reducing production costs and transportation costs.
- **Favorable production location.** The location of the plant makes it possible to take a foothold on the most attractive regional markets of western Kazakhstan and neighbouring cities of Russia.
- **Demand for building materials.** In 2020, the growth in the construction industry amounted to 11.2%, the area of commissioned housing increased by 16.8% compared to 2019.
- **Price differential.** In 2020, the difference between the average price of cement in the western regions of Kazakhstan and the southern regions of Russia is about KZT 200 per 50 kg. The difference with the average price for cement in Uzbekistan is about KZT 160 per 50 kg.

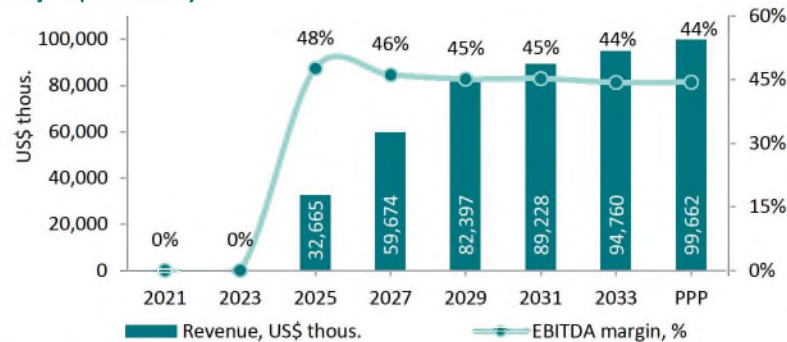
Investment proposal

The Project requires investment of US\$ 119,415 thousand, of which:

- 70% (US\$ 83,590.5 thousand) – debt financing subject to collateral;
- from 30% (US\$ 35,824.5 thousand) – investor participation.

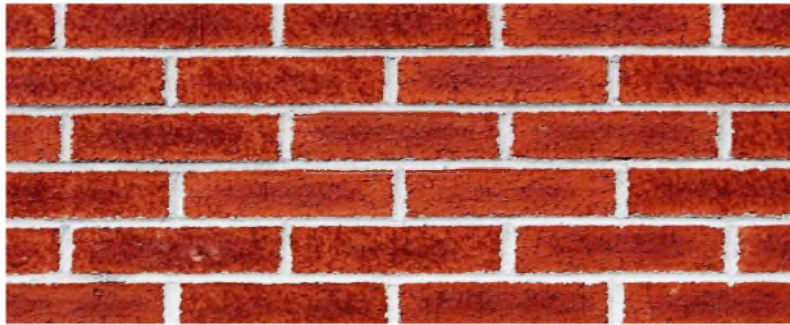
The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.

Project profitability



Location





Construction of a brick factory in North Kazakhstan Region

Commercial products

Annual production: 45 million units of ceramic brick of grade M-125

Investment attractiveness of the project:

Investment – US\$ 14,425 thousand

Project NPV – US\$ 3,976 thousand

IRR – 21.6%

Payback period – 6.5 years

Project description

This investment project envisages the construction of a ceramic brick factory with a capacity of 50 million units/year in Petropavlovsk, North Kazakhstan region. The factory will be built on a 27-hectare site in the city's industrial zone. It is expected that for the Project implementation the Mayor's Office of North Kazakhstan Region will allocate a clay deposit free of charge.

Company

KyzylZharTas LLP is a project company for the implementation of the brick factory construction project. The company is part of the Zaman Group. The group is represented by enterprises of the mining, metallurgical and machine-building industries, manufacturing enterprises, financial sector organizations and large breeding farms.

Market

- According to Fitch Solutions forecasts, the market size of the global construction industry is expected to reach US\$ 5,460 billion in 2022, of which 53.4% or US\$ 2,914 billion will go to emerging economies.
- According to MarketLine forecasts, the market size of the construction industry will amount to US\$ 21,623 million in 2024, increasing at CAGR of 6% for the period of 2021-2024.

What is the attractiveness of the project?

- **Availability of own raw material base and railway infrastructure** will reduce manufacturing costs, operating expenses and transportation costs, as well as ensure the proper quality of products. The Group has subsoil use rights to grade B3 brown coal at Sarykol deposit. The plant has a railway line from Ushkulun station to Sarykol station in Bayanaul district of Pavlodar region.
- **Stable demand for products.** There is a growing demand for products on the market driven by the development of the real estate market due to an increase in the supply of primary and secondary housing, implemented state programmes and an increase in the population welfare.

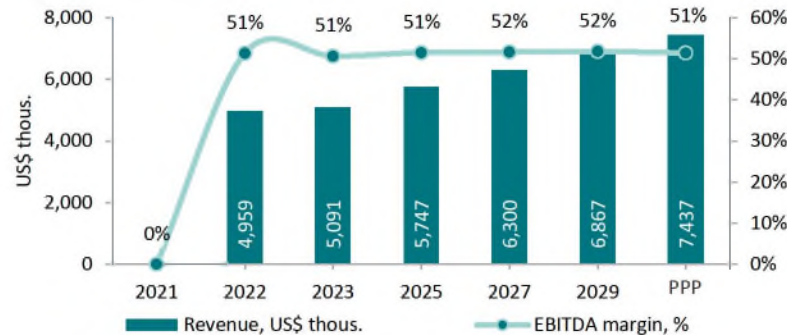
Investment proposal

The Project requires investment of US\$ 14,425 thousand, of which:

- 70% (US\$ 10,097 thousand) – debt financing subject to collateral;
- from 30% (US\$ 4,328 thousand) – Investor participation;

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.

Project profitability



Location

