



Manufacturing of SPC floor covering

Annual capacity:

- Floor covering thickness 3.5 mm – 1,275 thousand sq. m
- Floor covering thickness 4.0 mm – 1,275 thousand sq. m
- Floor covering thickness 5.0 mm – 850 thousand sq. m
- Floor covering thickness 6.0 mm – 850 thousand sq. m

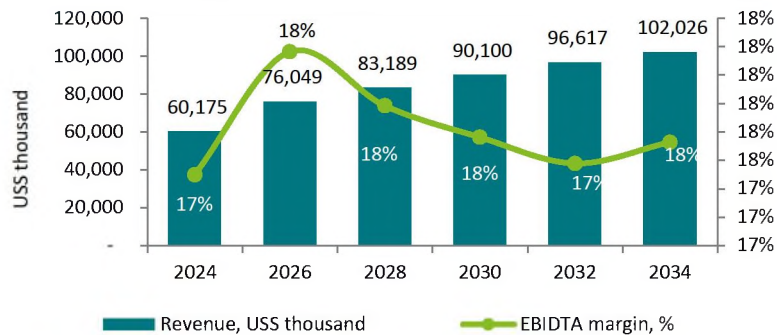
Domestic demand:

- Floor covering from PVC – over 22 million sq. m.

Project investment attractiveness :

Investment – 10,689 thousand USD
 Project NPV – 42,502 thousand USD
 IRR – 39.4%
 Payback period – 4.5 years

Project profitability



Project

This investment project envisages the construction of a SPC floor covering factory with a capacity of a 5 million sq. m/year. The factory will be built on a 4-hectare site.

The SPC (Stone Plastic Composite) flooring is an interlock high-density, calcium-polymer flooring that, with the development of technology, replaces other composite products of previous generations: HDF laminate and vinyl PVC tiles.

Company

Makwool LLP was created to implement the first SPC manufacturing project in Kazakhstan. The main activity of the company is wholesale of products made from concrete, cement, gypsum and similar materials.

Market

- According to Allied Market Global Industry Reports, the PVC flooring market was valued at US\$ 12 billion in 2019 and is projected to grow to US\$ 15 billion in 2027 with CAGR of 5.1%.
- The main demand for floor coverings made from PVC is covered by imported products sold through distributors. In 2020, Kazakhstan imported 15 million sq. m. CAGR of imports in 2016-2020 was 7%.

What is the project's attractiveness?

- **High quality products.** SPC floor coverings, in contrast to floor tiles, are more convenient for installation and cleaning. SPC coverings have increased water resistance and improved sound and thermal insulation properties.
- **Geographic location.** The project also has an advantageous economic location in terms of production capabilities and accessibility to the raw materials base: there are several large deposits of limestone (calcium carbonate) in Karaganda region.

Investment proposal

The Project requires investment of US\$ 10,689 thousand of which:

- 70% (US\$ 7,482.3 thousand) – debt financing subject to collateral;
- from 30% (US\$ 3,206.7 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 location

