



Polymer-coated rolled metal production

Annual capacity:

- rolled metal with polymer coating thickness 0.65 mm – 25,000 tonnes;
- rolled metal with polymer coating thickness 0.45 mm – 25,000 tonnes
- rolled metal with polymer coating thickness 0.3 mm – 10,000 tonnes.

Project investment attractiveness :

Investment – 13,668 US\$ thousand
 Project NPV – 20,349 US\$ thousand
 IRR – 30.2%
 Payback period – 6.3 years

Project

The Project envisages the construction of a zinc-coated rolled metal coating plant. The capacity of a plant is 60 thousand tonne/year. The Project is due to be realised on a 4-hectare site in special economic zone Saryarka, Karagandy region.

Polymer-coated rolled metal is cold-rolled steel with primer and polymer layers at its base.

Company

Karaganda PolymerMetall LLP was established for the implementation of the project. The main activity of the company is metal treatment and metal coating.

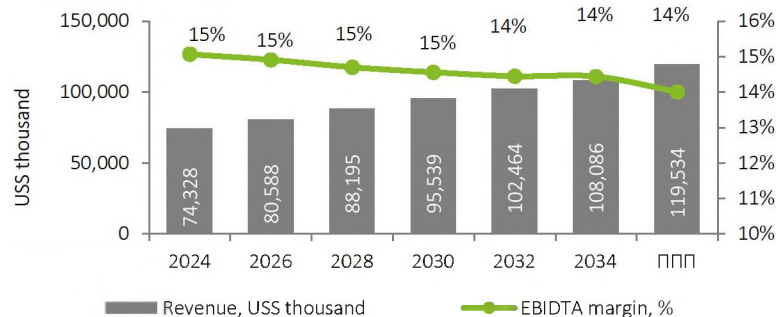
Market

- Polymer-coated rolled metal imports into Kazakhstan averaged 57 thousand tonnes in 2020. Imports in 2020 reached 64 thousand tonnes, of which 61% came from Russia.
- According to MarketLine, the Kazakhstan construction sector is due to grow to 21 billion USD by 2024. The positive trend in construction is the driver of the increase in demand for steel products, including polymer-coated rolled metal.

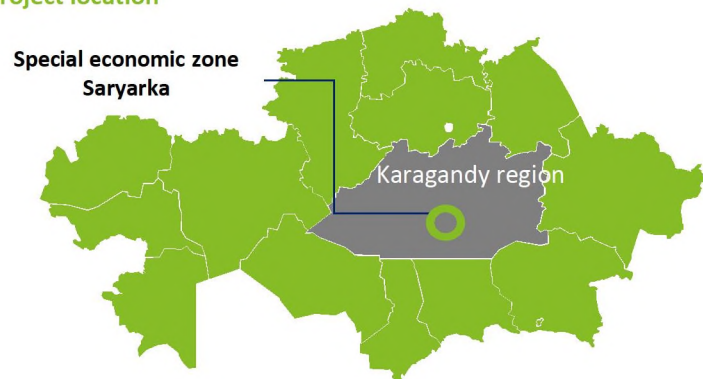
What is the project's attractiveness?

- **Import substitution.** Only one enterprise currently produces polymer rolled metal in Kazakhstan. The Project will help supply local construction and industrial sector enterprises with raw materials and reduce import dependence.
- **Geographical location.** The Project is well located from the perspective of production capability and raw materials base access (the zinc-coated rolled metal supplier is JSC ArcelorMittal Temirtau in Karaganda Oblast).
- **Increase in construction work volume.** Total construction and assembly work in Kazakhstan has grown 41% since 2016 to 4.9 trillion tenge in monetary terms. Further increases are expected against the backdrop of greater subsidy programmes. This should lead to increased demand for civil engineering product, including polymer-coated rolled metal.

Project profitability



Project location



Investment proposal

The Project requires investment of US\$ 13,668 thousand, of which:

- 70% (9,568 thousand USD) – debt financing subject to collateral;
- from 30% (4,100 thousand USD) – 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.