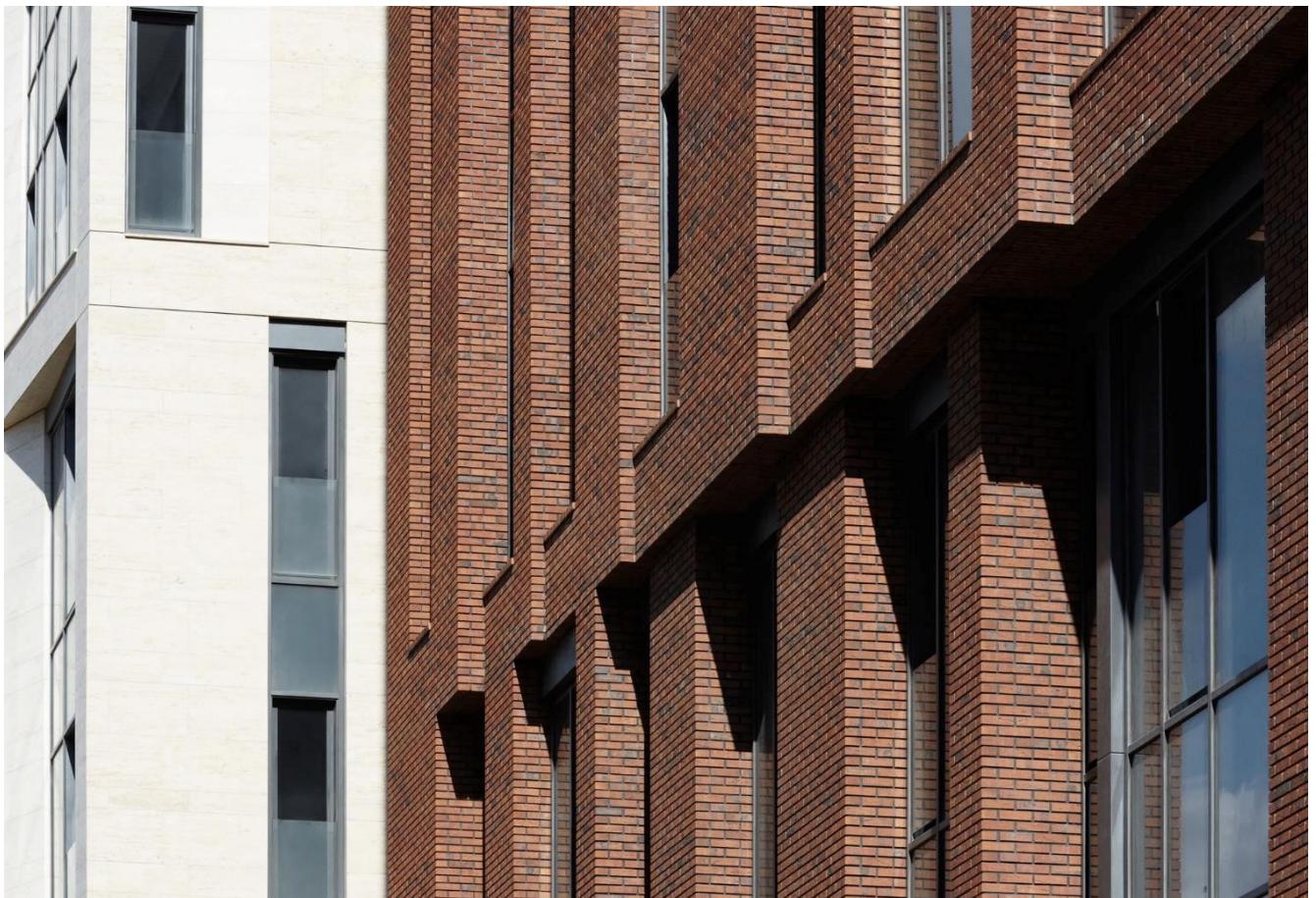




06
2023



BUSINESS - PLAN :

BUSINESS PLAN FOR THE PRODUCTION OF DECORATIVE TILES

PREPAIRED BY

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Methodological comments on the study

Introduction

This work is the development of a business plan for organizing the production of decorative tiles

Geography of the study: Kamashi District, Kashkadarya Region

The object and subject of the project

The object of the business plan is an investment project to organize the production of decorative tiles in the district of Kamashi, Kashkadarya region.

The subject of the business plan is the economic rationale for the effectiveness of investment in the organization of production of decorative tiles in the district of Kamashi, Kashkadarya region.

Project goals and objectives

The purpose of the business plan: to assess the feasibility of organizing the production of decorative tiles in the district of Kamashi, Kashkadarya region, as well as to determine the economic efficiency of investment in this project.

Objectives of the business plan:

- assessment of the volume, capacity and structure of the market;
- analysis of consumers and main competitors;
- assessment of trends and prospects for market development;
- justification of the amount of investment funds to implement the project;
- assessment of the economic efficiency of investments in the project.

Research Methodology

- Desk research: analysis of primary and secondary sources of information.
- Expert interviews with market participants.

Sources of information

- Customer Data.
- Financial calculations by analysts of Global Innovation Trade LLC.
- Information from the Statistics Agency of the Kashkadarya Region.
- Information from the State Tax Service of the Kashkadarya Region.
- Customs data.
- Data from other official and open sources of information.





1. Summary of the investment project

Name of the project: business plan for the organization of production of decorative tiles.

Project Objective: justification of the effectiveness of investment organization of the production of decorative tiles.

Project Location: Kamashi district. Kamashi district, Kashkadarya region.

The essence of the project: the project involves obtaining investment for the organization of production of decorative tiles in the Kamashi district, Kashkadarya region.

The timeline for project implementation is shown in the table below.

Table 1. Project implementation schedule

Project Stage	Beginning of work	Duration, days	End of job
Preliminary research, project concept formation, design, business planning	01.06.2024	182	30.11.2024
Approval of the project by the investor, obtaining a loan	01.12.2024	24	25.12.2024
Planned major construction and assembly jobs	01.01.2025	273	30.09.2025
Installation and commissioning of production equipment	01.10.2025	91	31.12.2025
Production of products	01.01.2026	1460	31.12.2029
Reaching design capacity	01.05.2026	1340	31.12.2029



Project financing

The project provides for the use of:

- Investment loan for construction and installation works in the amount of 24,826.9 thousand dollars, received in January 2024 at 14% per annum for a period of 60 months with deferred payments on the principal debt for 12 months;
- own funds for co-financing of investments in the amount of 1440 thousand dollars, including 360 thousand dollars. - funds invested in 2024 for the purchase and registration of land for the organization of production in the property; 1080 thousand dollars. - funds planned to pay for the work on the installation and installation of communications during the construction and installation works;
- own funds for current expenses in the amount of \$91.8 thousand.

The main estimated performance indicators of the project are presented in the table below.

Table 2. Indicators of investment efficiency

Investment performance indicators	Value
Net profit, thousand dollars.	29590,3
Net cash flow NPV, thousand dollars.	143,2
Internal rate of return IRR (months), %	11,4%
Profitability index PI, units.	1,01
Payback period PB, years	4,2
Discounted payback period DPB, years	4,98
Investments in the project, thousand dollars.	26358,7
Average return on sales for the project, %	42,7%
Discount rate, %	11,2%

With an investment of \$26,358.7 thousand in the project, the net profit at the end of the forecast period will be \$29,590.3 thousand. The investment in the project will pay for itself in 4 years and 3 months, and the discounted payback period is 4 years and 11 months.



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The net discounted income (NPV) of the project is 143.1 thousand dollars, and the internal rate of return (IRR) is 11.4 % , which is higher than the discount rate (11.2 %).

The value of the profitability index (PI) is 1.01. This means that for each dollar invested in the project, the investor will receive \$1.01.



2. The essence of the project

2.1. Description of the project and anticipated products



The project determines the feasibility and planned effectiveness of obtaining investment for the organization of production of decorative tiles in the Kamashi district, Kashkadarya region.

The idea of the project is to create a modern plant for the production of decorative tiles on the territory of Kashkadarya. The market of decorative tiles in Kashkadarya is occupied by other manufacturers from Andijan, Samarkand, Navaiai and Tashkent.

The project is inherently import-substituting. Currently, there are no plants in Kamashi that produce clinker products in the following range:



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- floor tiles are decorative;
- decorative steps and shaped elements to them;
- decorative facade tiles for mounting on the adhesive;
- decorative tiles for ventilated facades;
- decorative paving stone;
- brick decorative;
- decorative shingles.

Clinker products belong to the category of 100% environmentally friendly materials - made from natural components without any synthetic additives. For the production of decorative tiles is used a special refractory shale clay with a small amount of impurities, mixed with feldspar and quartz sand. The absence of salts and calcium carbonate in the raw mixture gives the clinker products a unique property - on its surface there is no "efflorescence", typical for other types of facade cladding and masonry materials. The variety of colors is achieved naturally, without the introduction of dyes or chemical additives, but only by mixing clay from different deposits and the use of complex firing regimes.

The project provides for the production of the following products:

- clinker face bricks;
- decorative tiles with a thickness of 6 mm;
- decorative tiles with a thickness of 10 mm;
- decorative tiles with a thickness of 22 mm.





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2.2. Features of the project organization

The reconstruction of the plant is scheduled to begin in 2024 and will be carried out in one stage.

The period of design, construction, installation and commissioning of the equipment - 12 months.

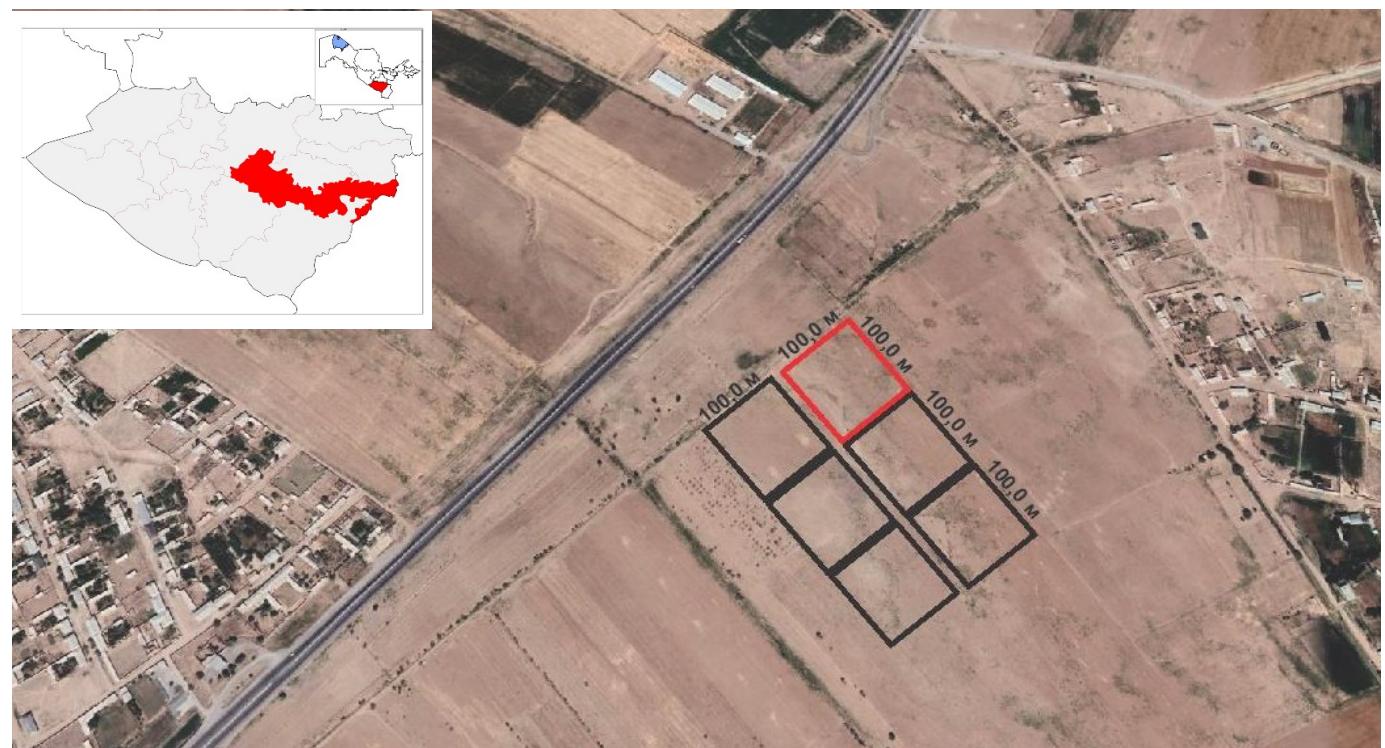
2.3. Information about project participants

The initiator of the project is not yet known.

2.4. Project Location

The project is planned to be located in the small district of Kashkadarya region, 10 kilometers from the center of the district.

Figure 1 . Project location





3. Marketing plan

Most of the clinker products in the market of Uzbekistan corresponds to the share of imports. These types of products are supplied from Europe (mainly Germany) and China.

But in our country, especially in our region, there is every opportunity to localize clinker products that are widely used in the construction industry.

Eight mines in Kamashi, Karshi, Kasan and Dekhkanabad districts of the region have **7,036.3 thousand tons of clay feedstock** (the main raw material for clinker products).

The demand for clinker products in the domestic market increases every year. Construction works are accelerated in different parts of the country. Only in Kashkadarya region in **2022-2026** it is planned to build **133.8 thousand new apartments**. So far, most of the demand is covered by imports.

Enterprise "Klinker House" is a leader among local manufacturers.

The extremely high demand and, at the same time, the significantly low competition show how high the level of importance and reliability of this project is.

As a result of the project it is possible to sell the produced clinker products not only to the domestic market, but also for export to **Central Asia, the Middle East and Eastern Europe**.





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Construction market

Construction and real estate market of Uzbekistan has a number of differences from other CIS countries: it is quite segmented and heterogeneous. Peculiarities of the construction industry are based on the peculiarities of the economy, geographical location and social development of the country.

General view and evaluation

In particular, residential construction activity in Uzbekistan is a major boost that has helped the entire industry recover from the lull caused by the 2020 pandemic, and commercial and industrial construction are also beginning to return to previous levels.

According to the State Statistics Committee, the growth rate of construction works in the first half of 2021 was 100.1%. The share of construction work performed by state-owned organizations - 4.1%, and the volume - almost 2 trillion soums.

Uzbek State Statistics Committee cites the data that in the first quarter of 2022 Uzbekistan showed an increase in construction work by 23.1% more than during the same period in 2021: in terms of money these works amounted to 2.1 billion dollars. Of course, the largest cities - Tashkent, Fergana (there is the largest number of construction companies and high demand) - showed the highest growth: 209,1 million dollars and 128,7 million dollars respectively. For comparison, the amounts of the past are ready for the volume of construction works:





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2021 - \$9.9 billion

2020 - \$8.1 billion

Analysts note that according to 2021, the growth rate of construction works reached 85.7% compared to 2020.

In addition, the real estate market is assessed as very promising: investors are actively entering Uzbekistan, while in Kazakhstan there is a monopoly of local developers and investors. In particular, many experts emphasize that the country is experiencing a construction boom

- This is evidenced by the figures for the production of building materials, as well as the number of spaces put into service. The future of construction management.

Due to high demand for construction materials, the number of construction companies and organizations in Uzbekistan will increase by 113.0% in 2021 compared to 2020. At the same time, the greatest growth is recorded in the construction of buildings and structures, and the highest growth rate is noted in the civil works. More than 12.5 thousand Uzbek enterprises produce 180 types of building materials. It is also important to emphasize that a couple of years ago 626 international standards on the quality and safety of building materials were approved and adopted.

As noted above, the largest number of construction organizations is located in Tashkent - 19.7% compared to the whole country. According to the data of 2021, Tashkent also has the largest share of construction works performed by large developers - 27.8% of the total volume of construction works in the region. However, non-large construction companies also had an increase of about 2.3% in 2021, with a share of 56.7% of the total volume, which means a construction growth rate of 104.5%.



Real estate market



Photo source: <https://nuz.uz/wp-content/uploads/2022/02/d3a80feace25849444502f6a984430cf.jpeg>

But of course, the tendency of building residential projects is observed in the regions, while the construction of apartments or business class offices is in Tashkent. The famous Tashkent-City mixed-use complex (Murad Building) is a flagship of the Uzbek development business, which consists of several ultra-smart buildings of different commercial purposes, and many believe that such a modern and ambitious project has motivated the implementation of such projects - because the project has been a real success. However, it is worth mentioning that the project was made possible by the participation of proven professional companies from abroad, as there are no norms and standards of SNIP in Uzbekistan for such modern structures, so the country's government simply allowed the Murad Building development company to build according to international standards, relying on foreign experience.

In general, we must understand that despite the growth dynamics of the construction industry, the market is still developing, so large developers carefully weigh the pros and cons before entering the Uzbek market.

In any case, the activity of the real estate market is only increasing, but so far at the expense of local businesses. In April 2022 the number of registered transactions of purchase and sale of non-movable property in Uzbekistan is 15.1% more than in March, and the growth compared to the same period of last year was 12.6% .

The government is trying to introduce mortgage injection programs, as well as to finance the digitalization of the industry as a whole, as well as to support investment programs



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The construction of residential buildings using green and energy-saving technologies.

And according to forecasts in the near future the population of Uzbekistan can reach 38 million people. The Ministry of Construction of Uzbekistan reported that last year the mortgage program built more than 1,000 high-rise buildings in the regions - about 45.5 thousand apartments.

Thus, the country has a draft strategy "Digital Uzbekistan - 2030" launched in 2020 and the New Uzbekistan Development Strategy for 2022-2026, which focuses on the global digitalization of the economy and society and the public sector.

For Uzbekistan, green technologies and energy-saving innovations are very interesting, because Uzbekistan is a developing country, with increasing annual population growth, but not a high standard of living in the regions. Therefore, the country has attractive mortgage programs, thanks to which 10 times more housing has been built than in previous years. In March 2022, the President's \$1.1 billion housing construction program was launched.

- It applies to all regions of the country and will support the construction of affordable housing.

However, it is too early to say that innovative technologies are widespread in the country - only a few large (and their few) developers can afford to apply them (in the design, mainly), but the demand for high-class housing with all the advantages of technology is low and concentrated in metropolitan areas.

The main problems in the construction of Uzbekistan



Construction is one of the main sectors of Uzbekistan's economy, which they have been trying to bring out of the shadows for several years. The main problem of the Uzbek construction market is still considered to be the weak digitalization of the industry, as well as the pronounced monopoly of large developers. These factors still affect the shadow business, and in general, insufficiently high level of construction quality and low transparency: only large developers are able to apply





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modern technology and premium construction materials, which determines the cost per square meter of housing.

The rest of the small businesses have only to work "gray" or use low quality materials, thereby reducing the cost - in order to compete in the market. However, this leads to the fact that the level of quality of construction in Uzbekistan is extremely low.



Potential competitors (local producers)

1. "BIL TASH LTD.

Manufacturer

Uzbekistan, City: Tashkent, District: Almazarskiy, 38 Kizgaldok St. (+998 (71) 227-XX-XX)

2. "MODERNA CERAMIC INDUSTRIES FERGANA S.R.O.

Manufacturer, plant

Uzbekistan, Fergana Region, Fergana City, 1 Eruglik St. (+998 (95) 400-XX-XX)

3. "TASHKENT KAFELLAR JV formerly

KERAMIKA ABSOLUT JV

Uzbekistan, City: Tashkent, District: Yakkasaray, 2nd Rustaveli Ave, 2 (+998 (71) 250-XX-XX)

4. "VITRA UZBEKISTAN TM

"KADIRI IMPEKS LTD LLC

Uzbekistan, City: Tashkent, District: Mirabadsky St., 2 Afrosiab St. (+998 (71) 252-XX-XX)





4. Organizational Plan

4.1. Personnel plan

The following structural subdivisions were formed in the staff schedule of the production enterprise:

1. Administrative, managerial and support staff.
2. Key production personnel.

In the calculation part of the business plan, a plan of payroll was formed based on the working conditions of the above-mentioned structural subdivisions.

The project will create at least 120 new jobs with a stable income and all social guarantees.

From the beginning of 2024, it is planned that some of the administrative, auxiliary production and commercial personnel will leave in order to solve the preparatory organizational issues of the project.

After the completion of construction and installation works, connection of communications and finishing of premises, delivery and installation of equipment, starting from November 2024, for the period of commissioning works with equipment the departure of the main production personnel is planned. From May 2025, after reaching full production capacity, it is planned to employ the whole number of personnel.

The average wage at the company in 2028 will be \$798.6 per month. The personnel plan and payroll are shown in the table below.

Table 3: Personnel plan and payroll

Indicators	Jan.24	Feb.24	Nov.24	Jan.25	fev.25	mar.25	Apr. 25	May.25	Jan.26	Jan.27	Jan.28
Number of employees, people.	20	20	30	35	35	40	50	120	120	120	120
Average salary, thousand dollars/person.	0,5	0,5	0,5	0,6	0,6	0,6	0,6	0,6	0,7	0,7	0,8
Average monthly salary, thousand dollars.	10,8	10,8	16,2	21,0	21,0	24,0	30,0	72,0	79,2	87,1	95,8
Payroll accruals, thousands of U.S. dollars.	3,3	3,3	5,0	6,5	6,5	7,4	9,3	22,2	24,5	26,9	29,6



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Indicators	Jan.24	Feb.24	Nov.24	Jan.25	fev.25	mar.25	Apr. 25	May.25	Jan.26	Jan.27	Jan.28
Fund payroll labor, thousand dollars.	14,1	14,1	21,2	27,5	27,5	31,4	39,3	94,2	103,7	114,0	125,4



4.2. Sources, forms and conditions of financing

The project provides for the use of:

- of funds of the investment credit for construction and installation works in the amount of 24826.92 thousand dollars;
- own funds for co-financing investments in the amount of \$1,440 thousand;
- own funds for current expenses in the amount of \$91.8 thousand.

Table 4: Sources and forms of project financing

Project financing	Unit.	Value
Project Investments	thousand dollars.	26358,72
Amount of credit	thousand dollars.	24826,92
Own funds	thousand dollars.	1531,8
Total share of investment credit	%	94%
Total share of own funds	%	6%

The investment loan in the amount of 24826.92 thousand dollars is planned to be received in January 2024 under the conditions presented in the table below.

Table 53. Terms of the investment loan

Indicators	Unit.	Value
Amount of credit	thousand dollars.	24826,92
Loan term	months.	60
Interest rate on the loan, per annum	%	14
Deferral of principal payments	months.	12





4.3. Project funding schedule

Receiving an investment loan for the organization of production of decorative tiles in the amount of 24826.92 thousand is planned for January 2024.

Investment of own funds in the amount of 1531.8 thousand dollars is planned for the entire investment phase of the project: from 2023 to September 2024.

The funding schedule for the project is shown in the table below.



Table 6. Schedule of project financing, thousand dollars.

No	Article expenditures	Cost, thousand dollars.	2024 year	Jan.24	Feb.24	mar.24	Apr.24	May.24	Jun.24	July 24	Aug. 24	sen.24	Oct. 24	Nov. 24	Dec. 24	Jan. 25	Feb. 25	March. 25	Apr. 25
1	Acquisition of fixed assets	360,0	360, 0																
2	Construction and installation work	3600,0		420,0	420,0	420,0	420,0	420,0	420,0	360,0	360,0	360,0							
3	Equipment	21226,9				14858, 8							6368,1						
4	Summarizing and communicatio n installation	1171,8		126,0	126,0	126,0	126,0	126,0	126,0	108,0	108,0	108,0				42,0	49,8		
	Total	26358,7	360, 0	546,0	546,0	15404, 8	546,0	546,0	546,0	468,0	468,0	6836,1				42,0	49,8		
	including but not limited to																		
	our own funds	1531,8	360, 0	126,0	126,0	126,0	126,0	126,0	126,0	108,0	108,0	108,0				42,0	49,8		
	borrowed funds	24826,9		420,0	420,0	15278,8	420,0	420,0	420,0	360,0	360,0	6728,1							

4.4. Scheme of interaction with counterparties

It is planned to produce products to order. Interaction with contractors is planned on a contractual basis.

The company initiator of the project plans to enter not only the Kamashino region, but also the inter-regional market.

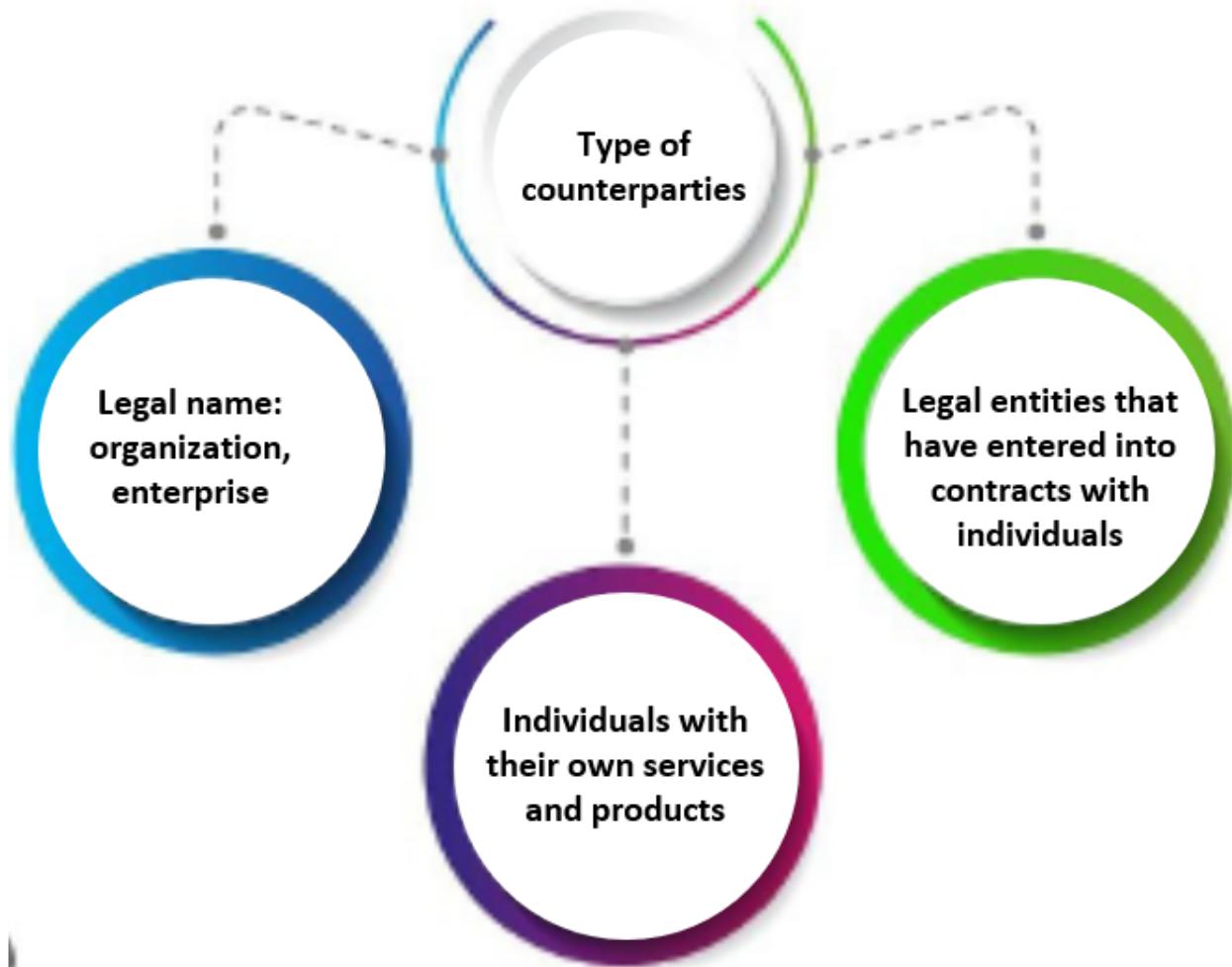




Table 7. List of potential clients

Client	Territory	Contact
"NASAF ELEKTROMONTAJ LTD.	Karshi	752237845
"QASHQADARYO. NEFT-GAZ QURILISH VA TA'MIRLASH" AO	Karshi	948490907
"ULKAN NASAF" LLC.	Karshi	919511900
"ZOOVETTA'MINOTXIZMAT" LTD.	Karshi	934221958
"219-SON MAXSUS QURILISH" LTD.	Karshi	752275471
"QARSHIIRMONTAJ" LTD.	Karshi	752280451
"SOMON-SAVDO" LTD.	Karshi	973100909
"QURILISH. TA'MIRLASH. MUNTAZAM FOYDA- LANISH" LTD.	Karshi	987762770
"MAXSUS O`RNATISH TUZATISH SOZLASH LTD.	Karshi	752254218
"RAVSHAN" PE	Karshi	909203115
"AL-SAID LLC	Karshi	972001951
"ALOQA-SERVIS	Karshi	987765784
"QARSHI QURILISH MONTAJ KOMPLEKTLASHTIRISH LTD.	Karshi	752254513
"T.B.E." LTD.	Karshi	982028515
"JASUR MALIK" HP	Karshi	973830318
"QASHQADARYOQURILISH LTD.	Karshi	912154419
"1-SON. MAXSUS MEXANIZATSİYALASHGAN KO'CHMA KOLONNASI" LTD.	Karshi	912212779



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Client	Territory	Contact
"NEFTEGAZSAVDO QURILISH VA TEMIR BETON ISH-LAB CHIQARISH" LLC	Karshi	916394510
"SHARIF XUSAYNIY" LTD.	Karshi	752234396
"DOSTON" PE	Karshi	906071474
"XUMOR" PE	Karshi	914520327
"XO'JALIK HISOBIDAGI TA'MIRLASH" HP	Karshi	985202004,916440091
"QASHQADARYO TIJORAT LLC	Karshi	752262953
"DAVR-L" PE	Karshi	903420602
"VILOYAT TA'MIR QURILISH" LTD.	Karshi	752253247
"SERVIS PEOPLES" LTD.	Karshi	752261860
"KAMERUN" PE	Karshi	752231830
"LOBAR-SH" PE	Karshi	904250012
"SATURN-A" LTD.	Karshi	904250135
"QURILISH SERVIS" LTD.	Karshi	752262329
"UMID-F" PE	Karshi	2224470
"BADAXSHON-B"	Karshi	912212955
"QURILISH VA TA`MINOT" LLC	Karshi	934247300
"REAL" PE	Karshi	752256788
"ELEKTROKOMPLEKS PE	Karshi	2447885
"HAT SERVICE" PE	Karshi	311-25





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Client	Territory	Contact
"SHARQ OSMONI" PRIVATE LTD.	Karshi	934283555
"QASHQADARYO. ISHLAB CHIQARISH QURILISH MONTAJ BOSHQARMASI" LLC	Karshi	935252026
"SANOAT MAXKOM" LTD.	Karshi	907337721
"SPARTAK" PE	Karshi	955059595
"QURILISHMASHSERVIS" LTD.	Karshi	995752199
"KTK QURILISH TA'MIRLASH" LLC	Karshi	914539968
"SAYYOR" PE	Karshi	939374299
"FUTURE IS OURS" LTD.	Karshi	993314188
"QASHQADARYO BEZAK LTD.	Karshi	906153935, 916387798
"SOHIBKIRON ASR."	Karshi	2231553
"QURILISH TEXNIK KORXONASI" LLC	Karshi	907164952
"GIDROMAXSUSTA'MIR" LTD.	Karshi	973113433
"SANOATSAVDOTA'MINOT" LTD.	Karshi	982757030
"FIRDAVS KAFOLAT SIFAT"	Karshi	919487788
"RAINBOW TECHNO SERVICE"	Karshi	2255500
"SHAROFAT NURJAHON" LTD.	Karshi	978010802
"SUVEREN-RNS"	Karshi	984750999
"USTO ISO" PE	Karshi	2293971



**BUSINESS PLAN FOR THE ORGANIZATION OF THE PRODUCTION OF
DECORATIVE TILES**

Client	Territory	Contact
"UPM-IMPORT" PRIVATE LTD.	Karshi	752213660
"ALRUT-BUILD" LTD.	Karshi	914620021
"1-SON KOMPLEKS LOYIHA QURILISH VA MONTAJ" PE	Karshi	972912122
"KUKABULOQ TOG`I" LLC	Karshi	995055738
"BINOKOR DIZAYN QURILISH" LTD.	Karshi	906168880
"PAYVAND TA'MIRLASH LTD.	Karshi	972051304
"DIYDOR ORZU TRANS YO'L QURILISH" LLC	Karshi	914575720
"ZHADAL DAVR KURILISH" PE	Karshi	2756088
"SHERJAXON-SHOD" PRIVATE ENTERPRISE	Karshi	912629588
"KASHKADARELECTROAVTOMATIKASERVIS PE	Karshi	
"TOJ MAHAL DUNYO YO`L-QURILISH" OOO	Karshi	934240124
"MUBORAK KAPITAL QURILISH MOLLARI LLC	Karshi	972948140
"GULRANG KOMPLEKS QURILISH VA TA'MIRLASH PE	Karshi	752212030
"LORDEN MAFTUNA" PRIVATE COMPANY	Karshi	2229262
"AZCHARDIL-FOTIR"	Karshi	974294437
"QURILISH KAPITAL TA'MIR MONTAJ" LLC	Karshi	904406446
"ELEKTR JIXOZ SOZLASH" LLC	Karshi	907337872
"MODERN MAX" LTD.	Karshi	912220351



**BUSINESS PLAN FOR THE ORGANIZATION OF THE PRODUCTION OF
DECORATIVE TILES**

Client	Territory	Contact
"ZOLATAYA HUT"	Karshi	609-68-00
"EVEREST -TRANS-QURILISH" LLC	Karshi	915178481
"QASHQADARYO IXTISOSLASHTIRILGAN KOMFORT" PE	Karshi	907160074
"NEFTEGAZSANOATKURILISHTRANS" PRIVATE COMPANY	Karshi	228-02-30
"FERUZBEK SIFAT QURILISH LTD."	Karshi	752211939
"QARSHI TEMIR YO'L SUV QUVIR TA'MIR" LLC	Karshi	752230039
"QOZONXONA TEMIR YO'L ISSIQLIK MANBAI LLC	Karshi	997706646
"A'ZAM KAPITAL TA`MIR QURILISH" PRIVATE COMPANY	Karshi	972001125
"SAMSPETS SANTEX STROY" LTD.	Karshi	934221754
"QARSHI MAXSUS SANOAT QURILISH TA`MIR" LTD.	Karshi	987765484
"BEK BINOKOR UMUMIY SERVIS" LTD.	Karshi	978012002
"NASAF PROFI SERVIS" LTD.	Karshi	955055858
"TRANSPORT QURILISH MEXANIZATSIYA" LLC	Karshi	973151102
"ORCHIN-ZARIN"	Karshi	919509396
"RAVON KAPITAL QURUVCHI SERVIS" LTD.	Karshi	955066964
"NASAF TEXNO QURILISH TA`MIR" LTD.	Karshi	972294532
"NORBUTA SAVDO"	Karshi	987777779
"NASAF ELEKTROMONTAJ" LTD.	Karshi	752237845



**BUSINESS PLAN FOR THE ORGANIZATION OF THE PRODUCTION OF
DECORATIVE TILES**

Client	Territory	Contact
"QASHQADARYO. NEFT-GAZ QURILISH VA TA`MIRLASH" AO	Karshi	948490907
"ULKAN NASAF" LLC.	Karshi	919511900
"ZOOVETTA'MINOTXIZMAT" LTD.	Karshi	934221958
"219-SON MAXSUS QURILISH" LTD.	Karshi	752275471
"QARSHIIRMONTAJ" LTD.	Karshi	752280451
"SOMON-SAVDO" LTD.	Karshi	973100909
"QURILISH. TA'MIRLASH. MUNTAZAM FOYDALANISH" LTD.	Karshi	987762770
"MAXSUS O'RNATISH TUZATISH SOZLASH" LTD.	Karshi	752254218
"556-XO'JALIKLARARO. IXTISOSLASHGAN MEXANIZATSİYALASHGAN KO'CHMA KOLONNA" OOO	Karshi	907210923
"RAVSHAN" PE	Karshi	909203115
"AL-SAID" LLC	Karshi	972001951
"ALOQA-SERVIS"	Karshi	987765784
"QARSHI QURILISH MONTAJ KOMPLEKTLASHTIRISH" LTD.	Karshi	752254513
"T.B.E." LTD.	Karshi	982028515
"JASUR MALIK" LLC	Karshi	973830318
"QASHQADARYOQURILISH" LTD.	Karshi	912154419

Source: data of the Project Initiator





BUSINESS PLAN FOR THE ORGANIZATION OF THE PRODUCTION OF DECORATIVE TILES

Table 8: Relative sales estimates in different markets

Marketplace	Sales estimate (€)
Kyrgyzstan	50.000 €
Tajikistan	50.000 €
Turkmenistan	150.000 €
Azerbaijan	150.000 €
Georgia	200.000 €
Armenia	50.000 €
Ukraine	500.000 €
Belarus	250.000 €
TOTAL:	1.400.000 €



5. Production plan

5.1. Description of buildings and premises

The production buildings and premises used in the production of decorative tiles will be fully compliant with all necessary requirements.



5.2. Calculating the cost of construction

The cost of construction and installation work is 4,680 thousand dollars. Calculation of the cost of construction and installation work is shown in the table below.

Table 9. Cost of construction and installation works

Cost category	Cost item	Investments, thous. dollars with VAT
	Construction of a production building	3600
Construction and installation work		
	Installation and installation of communications	1080
	Total construction and installation work	4680



5.3. Description of the technological process

The production of decorative tiles includes the following steps.

1. Dosage - clinker has a slightly different composition than other types of tiles. In addition, both the qualitative and quantitative composition of the raw materials varies.
2. Grinding - the more homogeneous the mixture of raw materials, the higher the quality of the product. Sometimes grinding alone consists of 3-5 stages.
3. Drying - it is necessary to remove excess moisture from the future product before pressing. Dehydration is carried out in spray dryers. Thus a homogeneous powder with a moisture content of 1 to 6% and a grain size of 0.24-0.34 mm is obtained.
4. Molding is performed in automated presses, most often hydraulic ones. The type of the future product and its dimensions are determined by the mold. The applied pressure varies from 15 to 50 MPa and depends on the moisture content of the powder and the expected density of the finished product. Clinker, for example, is sometimes intentionally made not thick, so that the facade tiles retain their insulating properties.
5. Pre-drying - different types of drying are used: Microwave drying, infrared waves, pulse drying, but they have a common goal: to remove the remaining moisture after molding. The final product should have a moisture content of not more than 0,1-0,3%. The drying time depends on the thickness of the tile and its purpose. So, facade tiles require 12 to 35 minutes, wall tiles for interior work - 9-10 minutes, floor tiles - up to 65 minutes.
6. Roasting - at this stage, the components of raw materials react chemically with each other to form a single material. The main process is liquid-phase sintering, for which feldspars, perlite, pegmatite, nepheline are added to the raw materials. They reduce the temperature of the liquid phase to 1,190-1,320 °C, because otherwise it would be much higher, and the process of obtaining ceramics would be more expensive.
7. Decorating - is carried out at different stages of production. For example, glazing is carried out before firing. Clinker is not glazed, its decorativeness depends on the ratio of clays in the initial composition and can be absorbed by pigmented mineral additives at the stage of making the press-powder.



5.4. Equipment description

The process line is a flow-conveyor line in which each complex is an independent unit and can be replaced if necessary. The equipment may vary slightly depending on the clinker production process.

The line consists of the following units:

- storage hoppers with dispensers;
- crushing and milling units: for crushing they install rollers, disintegrators, runners, for fine - ball mills;
- tower spray dryers for raw material dehydration - these machines are considered the best and allow you to get a really homogeneous press powder;
- Knee-arm or hydraulic forming presses. Hydraulic units are more powerful, but the compression speed is rather high, which increases the risk of air entering the semi-finished product. For this reason, mechanical presses continue to be used. The best results are shown by machines with the possibility of double-sided pressing;
- single-row dryers with mesh or roller conveyors for pre-drying before firing;
- tunnel kilns, up to 150 m long, in which firing is performed. Products are loaded into trolleys, which move through the kiln at a set speed;
- special machines for sorting and packing finished products.

The project includes the purchase and installation of two production lines.



5.5. Raw materials and components

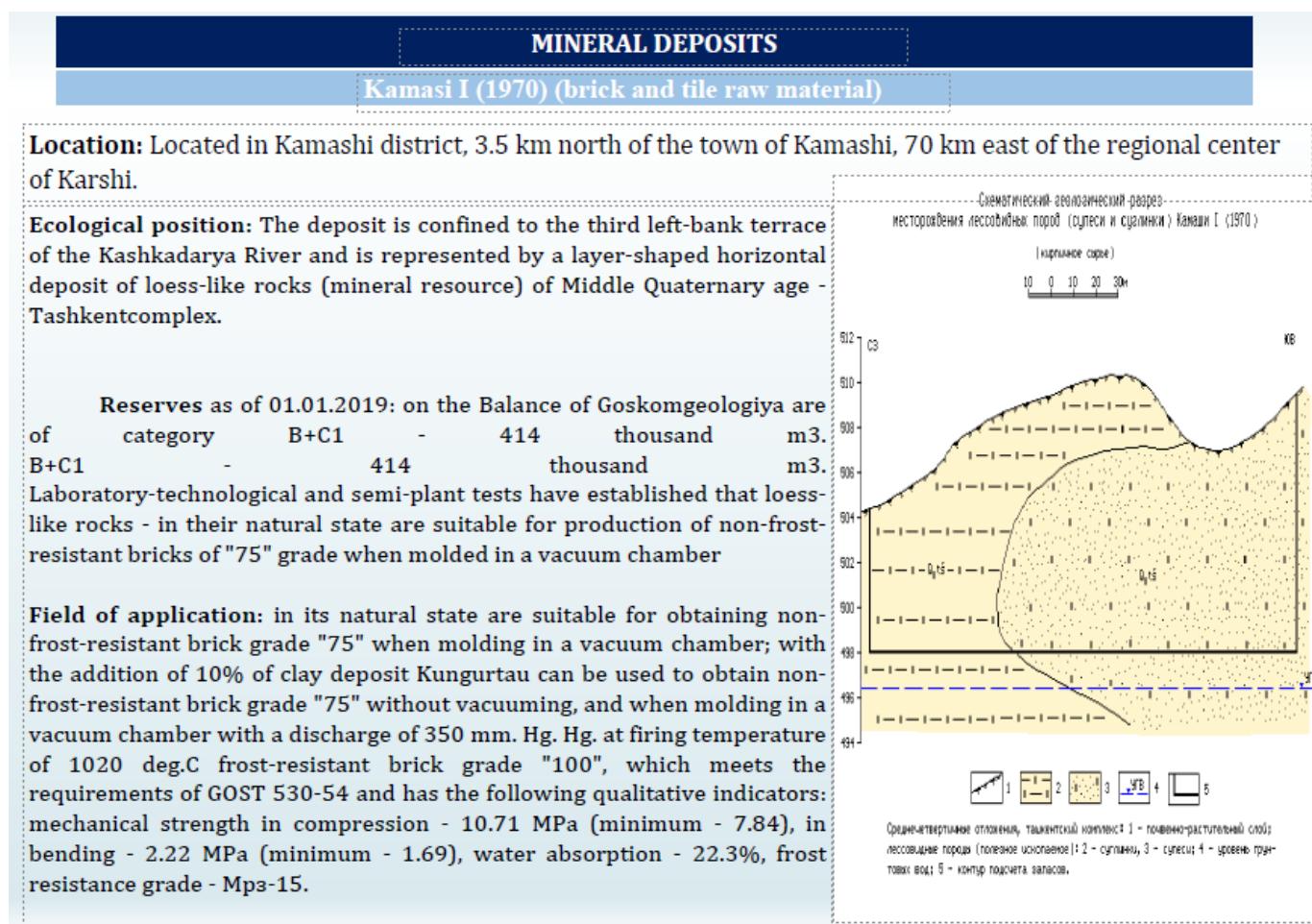
The basic material of the mixture is refractory clay. The lightly fusible ones used in brick making are not suitable because they sinter too quickly. Clay with a high alkali oxide content is considered the best.

Thinning components. Excessive plasticity of greasy clay is a disadvantage, and to reduce the fat content, fine silica sand is added to the raw material - no more than 20%. This is also the main structuring component of the future product.

To increase the density, finely ground chamotte or vitrified ash is added to the mixture.

Feldspars, chalk, dolomite, perlite, and materials of artificial origin such as glass and slag are added to reduce the sintering temperature. The volume of additional components may not exceed 8%. The substances are introduced in a finely ground state.

In addition, the composition may include surfactants, thinners, additives that regulate the mechanical properties of the mixture, and so on.



MINERAL DEPOSITS

Kamashinskoye II (1970)

Location: It is situated in Kamashi district, 3.5 km north-east of the town of Kamashi, 70 km east of the regional center of Karshi.

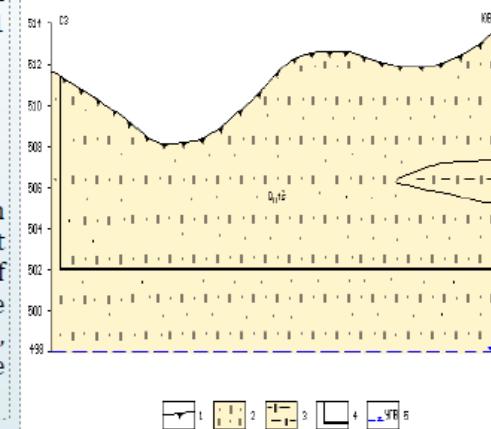
Geological position: The deposit is confined to the third left-bank terrace of the Kashkadarya River and is represented by a layer-shaped horizontal deposit of loess-like rocks (mineral) of Middle Quaternary age, Tashkent complex. The rocks are grayish-brown in color, with single inclusions of calcareous screeds, gypsum from 1 mm to 5 mm in size.

Reserves as of 01.01.2019: on the Balance of Goskomgeologiya are of B+C1 category -1816 thousand m³. B+C1 -1816 thousand m³.

Field of application: semi-plant tests have established that from the raw material in its natural state obtained non-frost-resistant brick grade "75" when vacuuming, which meets the requirements of GOST 530-54. Obtaining frost-resistant brick grade "100" is possible only by vacuuming and adding 10% plastic clay Kungurtau field, which is confirmed by factory tests on similar raw materials of the nearby Kamashi 1 field.

Схематический геологический разрез
Камашинского II (1970) месторождения лессовидных город (супеси и суглинки)
(карбонат, аллювиальное сырье)

12 0 12 24 36м



Среднечетвертичные отложения, ташкентский комплекс: 1 - почвенно-растительный слой, лессовидная порода (полевое исландское); 2 - супеси, 3 - суглины; 4 - контур подсчета запасов; 5 - уровень грунтовых вод.





5.6. Other technological issues

The composition of raw materials is calculated, or more precisely, determined experimentally based on the type of product - floor tiles, wall tiles, as well as indicators used for the manufacture of clay. The composition of the latter even in the area of the same deposit can be very different.



6. Financial plan

6.1. Initial data and assumptions

An eight-year planning horizon was adopted in the economic evaluation of the project.

Product Assumptions

For the calculations of this project, the indicator of average monthly production volume is used, taking into account the plans of the Project Initiator and the productivity of the equipment, the following volumes are planned to be produced annually:

- full-bodied clinker face brick - 200,000 sq. m;
- 6 mm thick clinker tiles - 500,000 sq. m;
- 10 mm thick clinker tiles - 1,000,000 sq. m;
- 22 mm thick clinker tiles - 300,000 sq. m.

Assumptions about investment costs

Investment costs are divided into four categories:

1. Acquisition of fixed assets.
2. Construction and installation work.
3. Equipment.
4. Bringing and installation of communications.

Assumption about the discount rate

The project adopted a discount rate of 11.2% per year. Below is the rationale for the calculation of this indicator.

Method of cumulative construction is based on summing up risk-free income rate and risk premiums for investing into the evaluated enterprise. The method takes into consideration all kinds of investment risks related both to the factors of common industry and economy, and to the specifics of the evaluated enterprise.

The calculations are made according to the formula:

$$r = r_b + \sum_{i=1}^n R_i$$

where r is the discount rate; r_b is the base (risk-free or least risky) rate; R_i is the premium for the i -type of risk; n is the number of risk premiums. Let us present below the calculation according to this methodology.



Table 10. Determination of the cost of equity

Constituents	%
The size of the risk-free rate*	6,83%
Amount of country risk adjustment	2,00%
Amount of industry risk adjustment	2,00%
Amount of other risk adjustment	3,00%
Cost of equity	13,83%

The discount rate is calculated taking into account the cost of equity for the project.

Table 41. Determining the discount rate

Constituents	%
Equity share	6
Share of borrowed capital	94
Income tax	20,0
Cost of equity (determined by the Initiator of the project independently)	13,8
Cost of borrowed capital	11,2
Total discount rate	11,2

Thus, the value of the discount rate in accordance with the expert calculation was 11.2% per annum.

Assumptions about revenue, profit and loss projections (P&L) and cash flow (CFP)

All of the above indicators were used to build revenue plans, profit and loss projections and cash flow.





6.2. Nomenclature and prices

The table below shows the range of products planned for production and their prices.

Table 52. Nomenclature and prices of products manufactured under the project

Prices for manufactured products	Unit.	Value by year			
		2024	2025	2026	2027
Full-bodied clinker face brick	dollars/piece.	0,4	0,5	0,5	0,5
6 mm thick clinker tiles	\$/sq.m.	5,4	5,8	5,8	6,3
Clinker tiles 10 mm thick	\$/sq.m.	7,8	8,4	8,4	9,1
Clinker tiles 22 mm thick	\$/sq.m.	11,4	12,3	12,3	13,3





6.3. Investment costs

The total amount of investment in the project is 26358.7 thousand dollars, including:

- for construction and installation works - \$4,680,000, including \$3,600,000 from the investment loan for the construction of the production building - \$1,080,000. - The funds of the investment credit for the construction of the production building, \$1,080 thous. - own funds of the project initiator for the installation and installation of communications;
- for the purchase of the land plot - the project initiator's own funds in the amount of \$360,000.
- for the purchase, delivery and installation of equipment - investment credit funds in the amount of 21226.9 thousand dollars.
- to cover current expenses - the project initiator's own funds in the amount of 91.8 thousand dollars.

6.4. Initial working capital requirement

The need for initial working capital will be covered by own funds of the project initiator in the amount of 91.8 thousand dollars, and in the future - from the income from the sale of products.



6.5. Tax deductions

In the project it is planned to apply the general system of taxation. The general tax regime (or, as it is often called, DST) refers to the tax payment regime established for organizations with various organizational and legal forms. Enterprises that use the general taxation system keep complete accounting records using all accounting accounts, as well as analytics and sub-accounts.

Tax rates, as well as parameters for calculating the amount of taxes to be paid, are shown in the table below.

Table 63. Tax environment of the project

Tax environment of the project	Value
Insurance premiums	30,9%
Property tax	2,2%
VAT on the formation of PPE	20,0%
VAT operating activities	20,0%
Income tax	20,0%

The amounts of tax deductions by year of the project are shown in the table below.

Table 74. Amounts of tax deductions for the project, thousand dollars, 2019-2024.

Type of tax/year	2024	2025	2026	2027	2028
VAT	0	2606,58	3423,36	3495,888	3643,572
Social contributions	77,544	271,812	384,42	422,856	465,144
Property tax	248,16	446,46	396,588	346,728	296,856
Income tax	0	862,596	1521,216	1724,964	1985,976
<i>TOTAL taxes for the customer's company</i>	325,704	4187,448	5725,584	5990,436	6391,548



6.6. Operating costs (fixed and variable)

Project fixed costs are costs that do not depend on changes in production volume. The key fixed costs of the project are presented in the table below.

Table 15. Fixed costs of the project, thousand dollars.

Cost item	Amount of expenses in 2028
Payroll of administrative and managerial personnel	361,2
Advertising costs, marketing activities	2,8
Accounting support	2,1
Other fixed costs, including administrative outsourcing (legal, intermediary services)	1,4
Total fixed costs	367,7

The variable costs of a project are the costs of raw materials, goods and materials necessary for the production of products, as well as the wages of production personnel.

Table 16. Variable costs of the project, thousand dollars.

Cost item	Amount in 2028, thousand dollars.
Operating personnel payroll	1144,1
Raw materials and energy	849,7
Other variable costs	1,4
TOTAL variable costs	1995,2



6.7. Cost calculation

The cost of production is the cost estimate of natural resources used in the production process, raw materials, materials, fixed assets, labor and other costs of its production and sale.

To calculate the cost of production, we used the data provided by the Initiator of the project on the consumption of raw materials, prices for raw materials and supplies, as well as other costs associated with the production of project products.

Consumption rates of raw materials for the production of products are shown in the table below.

Table 17. Consumption of raw materials and energy resources for the production of 1 sq. m.

Name of raw materials and energy resources	Unit.	Value
Clay	kg/sq. m	0,18
Optional components	kg/sq. m	0,24
Gas	cu. m/sq. m	4,55
Electricity	kWh/sq. m	0,39

The table below provides information on the prices of raw materials and energy resources.

Table 18. Prices for raw materials and energy resources

Prices for raw materials and energy resources, dollars per unit	Unit.	2021	2022	2023	2024
Gas	cubic meter	5,8	6,2	6,6	7,0
Electricity	kW	6,4	7,0	7,5	8,2
Clay	kg	0,2	0,2	0,2	0,3
Optional components	kg	0,9	1,0	1,1	1,3

Calculation of the cost of raw materials and energy resources in the production of DECORATIVE TILES is shown in the table below.





BUSINESS PLAN FOR THE ORGANIZATION OF THE PRODUCTION OF DECORATIVE TILES

Table 19. Raw material costs per 1 sq. m. of decorative tiles

Consumption of raw materials and energy resources for production	Unit.	Value by year			
		2024	2025	2026	2027
TOTAL consumption of raw materials per 1 sq. m. DECORATIVE TILES	\$/sq.m.	0,35	0,37	0,40	0,42

6.8. Sales Plan

Below is the production and sales plan for the project by month.

Table 20. Plan of production and sales, sq. m.

Product name/planning period	Jan.27	fev.27	mar.27	Apr.27	May.27ff
Full-bodied clinker bricks, pcs.	2000,0	2666,7	4000,0	5333,3	6666,7
6 mm thick clinker tiles	150,0	200,0	300,0	400,0	500,0
Clinker tiles 10 mm thick	300,0	400,0	600,0	800,0	1000,0
Clinker tiles 22 mm thick	90,0	120,0	180,0	240,0	300,0

Beginning in May 2021, the project will reach full production capacity. The power of the newsystem is not limited to the following.



6.9. Revenue Calculation

The revenues from the sale of the project products were calculated taking into account the prices for the range of products and the volume of their production.

Below is a forecast of revenues from the sale of products planned for production by years of the project.

Table 21. Revenue from product sales, 2024-2028.

Parameter/year	2024	2025	2026	2027	2028
Revenue, thousand dollars.	-	14106,9	17874,2	18285,8	19075,4





6.10. Forecast of profits and losses

The table below shows the calculation of profits and losses by years of the project. The calculation showed that the project becomes profitable from the second year of its implementation.

Table 22. Projected statement of financial results of the project, thousand dollars.

Income/expense item	2024	2025	2026	2027	2028
Revenue from sales	0,0	14106,9	17874,2	18285,8	19075,4
Direct costs	19,1	1001,2	1413,7	1533,3	1662,6
Margin income	-19,1	13105,6	16460,5	16752,6	17412,8
General business fixed costs	239,7	305,1	305,1	334,9	367,8
Taxes (other than income tax)	325,7	3324,9	4204,4	4265,5	4405,6
EBITDA	-584,6	9475,7	11951,1	12152,2	12639,5
EBITDA, % (to revenue) average	0%	67%	67%	66%	66%
Depreciation of fixed assets	2266,7	2266,7	2266,7	2266,7	2266,7
EBIT	-2851,2	7209,0	9684,4	9885,5	10372,8
Payment of interest on loans and borrowings	3270,9	2896,1	2078,4	1260,6	442,9
Profit (Loss) before taxation	-6122,1	4313,0	7606,1	8624,8	9929,9
Income tax	0,0	862,6	1521,2	1725,0	1986,0
Retained earnings	-3855,4	5717,1	8351,5	9166,5	10210,6
Return on sales	0%	41%	47%	50%	54%





6.11. Cash flow forecast

Cash flow projections by year are shown in the table below. Cash flow projections by month are shown in the Appendix.

Positive cash flow balance for the entire calculation period indicates the feasibility of the project.

Table 23. Projected statement of cash flows, thous.

Cash flow	Cycle 0	2024	2025	2026	2027	2028
INVESTMENT CASH FLOW (IPF)	-360,0	-25906,9	-91,8	0,0	0,0	0,0
OPERATING CASH FLOW (CFM)	0,0	1542,4	5712,4	8068,8	8859,9	9878,1
Income total	0,0	5397,8	14214,0	17874,2	18285,8	19075,4
Costs total	0,0	3855,4	8501,6	9805,4	9425,9	9197,4
FINANCIAL CASH FLOW (FDP)	360,0	25906,9	-6023,1	-6206,7	-6206,7	-6206,7
Own funds	360,0	1080,0	91,8	0,0	0,0	0,0
Loan proceeds	0,0	24826,9	0,0	0,0	0,0	0,0
Cash-flow total	0,0	1542,4	-402,6	1862,1	2653,2	3671,3
Cash-flow at the end of the period	0,0	1542,4	1139,8	3001,9	5655,1	9326,4
Net cash flow (NFC)	0,0	1542,4	-402,6	1862,1	2653,2	3671,3
NPD cumulative total	0,0	1542,4	1139,8	3001,9	5655,1	9326,4
Discounted NPD cumulative total	0,0	2349,7	1961,1	3391,2	5221,8	7524,0





6.12. Project efficiency analysis

6.12.1. Methodology for assessing the effectiveness of the project

Evaluation of investment projects is carried out according to the following main indicators:

1. Net present value, NPV.
2. Profitability index, PI.
3. Payback period, PBP.
4. Discounted Payback Period, DPBP.
5. Internal rate of return, IRR.

6.12.2. Project performance indicators

Performance indicators of an investment project allow you to determine the effectiveness of investment in a particular project. When analyzing the effectiveness of investment projects the following indicators are used:

- net discounted (discounted) income (cash flow);
- net present value, NPV;
- payback period (time), PBP;
- discounted payback period, DPBP;
- internal rate of return (profitability);
- investment rate of return, IRR (modified investment rate of return, MIRR);
- profitability index;
- profitability index;
- profitability index, PI.

6.12.3. Net present value (NPV)

Net discounted income (net present value, commonly abbreviated as NPV) - is the sum of discounted simultaneous differences between benefits and costs of a project. It is the sum of cash flows (receipts and payments) associated with operational and investment activities, discounted at the start of the investment.

Net discounted income NPV is calculated by the formula:

$$NPV = \sum_{t=0}^T \frac{C_{Ft}}{(1+i)^t},$$

where i is the discount rate;

C_{Ft} - net cash flow of period t;

T - the duration of the project in periods.

NPV calculation is a standard method of assessing the effectiveness of an investment project, which shows an estimate of the effect of the investment, reduced to the present time, taking into account different





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the time value of money. If the NPV is greater than 0, the investment is profitable, otherwise the investment is unprofitable.

With the help of NPV can also assess the relative effectiveness of alternative investments (with the same initial investment is more profitable project with the highest NPV).

Positive qualities of NPV:

- clear criteria for decision-making;
- consideration of the value of money over time (using the discount factor in the formulas).

Negative qualities NPV associated with the fact that this indicator does not take into account:

- risks;
- probability of event outcomes, since all cash flows and discount factor are predicted values.

The net discounted income of the presented project is **143.2 thousand dollars**.

6.12.4. Internal rate of return (IRR)

In the case of heterogeneous cash flows, as in this project, a corresponding analogue of IRR - the modified internal rate of return (MIRR) - can be applied.

The calculation algorithm involves several procedures. First of all, the total discounted value of all outflows and the total accrued value of all inflows are calculated, and both discounting and accrual are performed at the source price of project financing. The accrued value of inflows is called terminal value. Then the discount rate that equalizes the total present value of the outflows and the terminal value, which in this case is the MIRR, is determined. So, the general formula for calculation is as follows:

$$\sum_{t=0}^N \frac{OF_t}{(1+r)^t} = \frac{\sum_{t=0}^N IF_t(1+r)^{n-t}}{(1+MIRR)^n}$$

where OF_t is the cash outflow in the N-th period (in absolute value);

IF_t - cash inflow in the N-th period;

r is the cost of the source of funding for this project;

n is the duration of the project.

Note that the formula makes sense if the terminal value exceeds the sum of discounted outflows.

The internal rate of return of this project is **11.4%**, which is higher than the discount rate and not bad for projects of this kind.

6.12.5. Return on investment index (PI)

The profitability index (PI) is the discounted value of cash proceeds from the project (NPV) per unit of investment. It shows the relative profitability of the project.

The profitability index PI is calculated by the formula:





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$$PI = \frac{NPV}{Investments}$$

For an effective project, the PI must be greater than 1.

Discounted cost and investment return indices are greater than 1 if the NPV is positive for that stream.

The project's rate of return on investment is **1.01** units, which means that for each dollar invested, the investor will receive \$1.01.

6.12.6. Payback Period (PBP)

Payback period (PBP) - expected period of reimbursement of initial investments from net cash proceeds, i.e. the time for which income from operating activities of the enterprise exceeds costs of investment.

PBP payback period is calculated using the formula:

$$PBP = \frac{Investments}{ACF},$$

where Investments is the initial investment;

ACF - Annual CashFlow (average annual amount of net cash flow). The payback

period of the project is **4 years and 3 months**.

6.12.7. Discounted payback period

Discounted Payback Period (DPBP) - payback period (see above), but including discounting.

The discounted payback period DPBP is calculated by the formula:

$$DPBP = t_- - NPV_{(t_-)} / (NPV_{(t_+)} - NPV_{(t_-)}),$$

Where t_- and t_+ are the periods when negative and positive NPV were observed. The discounted payback period of the project is **4 years and 11 months**.

6.12.8. Other indicators

The average return on sales for the project is 42.7%.

The net cumulative profit of the project is 29590.3 thousand dollars.



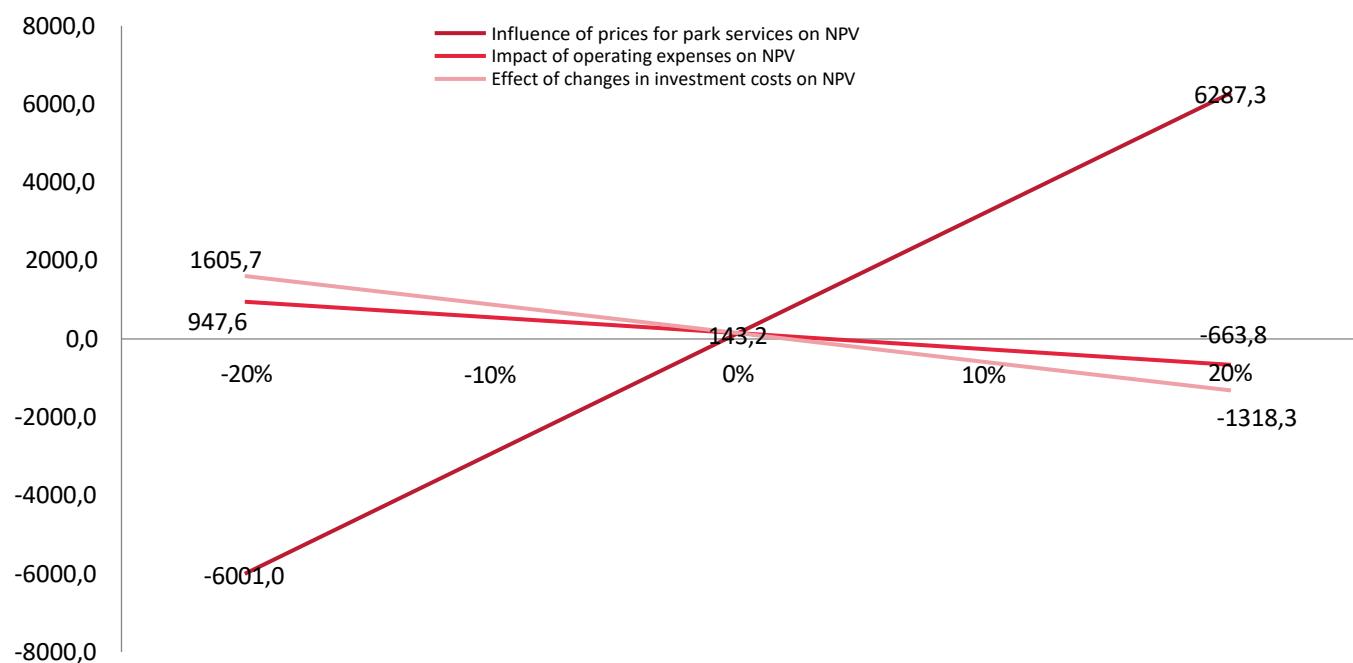


7. Risk analysis

7.1. Quantitative risk analysis

The figure below shows the sensitivity of the project to changes in its main parameters.

Figure 2. Sensitivity of the project, thousand dollars.



According to the results of the analysis, there is the greatest dependence of the project on the selling price of manufactured products. The impact of changes in the amount of investment costs and the value of operating costs on the efficiency of the project is insignificant.



7.2. Qualitative analysis of project risks

A qualitative analysis of the main risks of the project is presented in the table below

Table 24. Qualitative analysis of project risks

Risk	Probability and degree of danger. Manifestations of negative impact	Risk leveling tools
Production risks		
Failure of technological equipment	Probability: medium Degree of danger: high Impact: stoppage of production	Timely maintenance of equipment, availability of spare parts
Lack of qualified personnel, lack of competent technologists/engineers	Probability: medium Degree of danger: high Impact: disruption of the production cycle	Effective personnel policy, attractive motivation system
Disruption of deliveries to the consumer due to logistics problems	Probability: low Degree of danger: low Impact: decrease in sales	Optimization of the logistics chain
Market risks		
Dumping by competitors	Probability: low Degree of danger: high Impact: decrease in profit	Cost reduction
Financial risks		
Delayed payment from customers	Probability: low Degree of danger: low Impact: lack of working capital of the company	Tracking of payment schedule for delivered products, control of compliance with obligations
Shortage of working capital in the investment phase of the project	Probability: low Degree of danger: medium Impact: "freezing" the project	Planning of expenditures and cash flows in investment phase of the project

Sologres (Spain) is also a technical consultant for the project implementation, which will minimize the technological risks of the project

In general, we can say that the project does not have any critical risks.



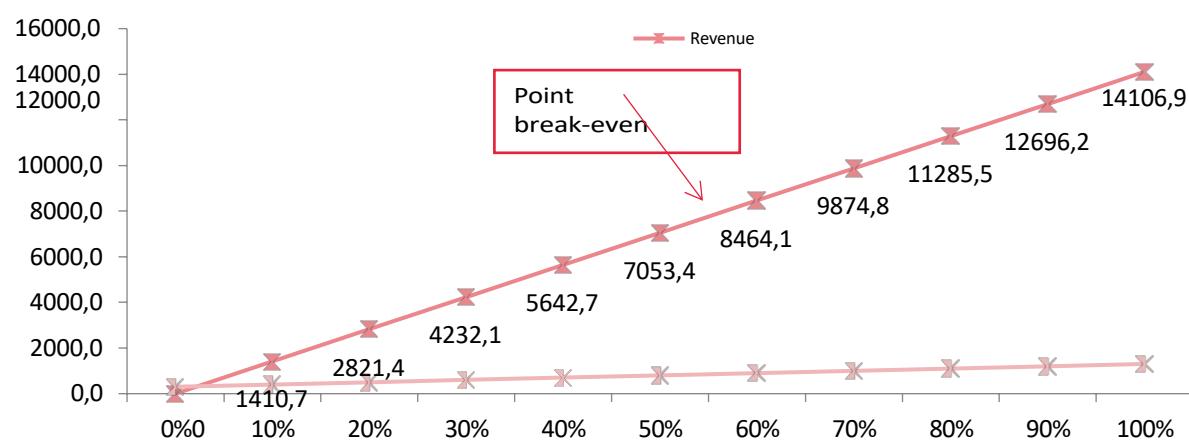
7.3. Breakeven point

The break-even point determines what the volume of sales should be in order for production to work break-even, to cover all its costs without making a profit. To calculate the break-even point, we have to divide the costs into two components:

1. Variable costs - increasing in proportion to the increase in production (volume of services).
2. Fixed costs - does not depend on the number of services rendered (goods sold) and whether the volume of operations is increasing or decreasing.

For this project, the break-even point graph will look as follows.

Figure 3: Break-even point chart, thousand dollars.



The break-even point is of great importance for the stability of the company and its solvency. Thus, the degree of excess of sales volumes over the break-even point determines the financial strength (margin of stability) of the company.

The graph shows that **not less than 328.4 thousand dollars** a year must be produced **in order to make a profit on sales** (about 2% of the planned volume of production).

Low break-even point value indicates a significant level of solvency of the enterprise and high level of its financial reliability.



8. Applications

8.1. Cash flow statement (by month)

Cash flow	Cycle 0	Jan.24	Feb.24	mar.24	Apr.24	May.24	Jun.24	July 24	Aug. 24	sen.24	Oct. 24	Nov.24	Dec. 24
INVESTMENT CASH FLOW (ICEF)	-360,0	-546,0	-546,0	-15404,8	-546,0	-546,0	-546,0	-468,0	-468,0	-6836,1			
Buildings and structures		546,0	546,0	546,0	546,0	546,0	546,0	468,0	468,0	468,0			
Equipment				14858,8						6368,1			
Current assets													
Other investments	360,0												
OPERATING CASH FLOW (OPF)	-74,7	-74,7	2392,5	-84,0	-84,0	-84,0	-115,0	-115,0	822,3	-301,0	-301,0	-438,9	
Income total													
Costs total	291,7	291,7	301,0	301,0	301,0	301,0	301,0	301,0	425,1	301,0	301,0	438,9	
Variable costs	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	0,1	7,2	10,7	
Fixed costs	14,7	14,7	21,7	21,7	21,7	21,7	21,7	21,7	21,7	21,7	14,7	21,7	
Payments of interest on borrowed funds	272,6	272,6	272,6	272,6	272,6	272,6	272,6	272,6	272,6	272,6	272,6	272,6	272,6
Accrued taxes and payments:	4,4	4,4	6,6	6,6	6,6	6,6	6,6	6,6	130,6	6,6	6,6	133,9	
VAT recoverable	217,0	217,0	2693,5	217,0	217,0	217,0	186,0	186,0	1247,4				
FINANCIAL CASH FLOW (FDP)	360,0	24952,9	126,0	126,0	126,0	126,0	126,0	108,0	108,0	108,0			

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Cash flow	Cycle 0	Jan.24	Feb.24	mar.24	Apr.24	May.24	Jun.24	July 24	Aug. 24	sen.24	Oct. 24	Nov.24	Dec. 24
Payment of the body of the debt													
Own funds	360,0	126,0	126,0	126,0	126,0	126,0	126,0	108,0	108,0	108,0			
Borrowed funds													
Net cash flow (NFC)		24826,9											
Cumulative NPD	24332,2	-494,7	-12886,4	-504,0	-504,0	-504,0	-475,0	-475,0	-5905,8	-301,0	-301,0	-438,9	
Cash balance at the beginning of the period	24332,2	23837,4	10951,1	10447,1	9943,1	9439,1	8964,1	8489,1	2583,3	2282,4	1981,4	1542,4	
Cash balance at the end of the period	24332,2	23837,4	10951,1	10447,1	9943,1	9439,1	8964,1	8489,1	2583,3	2282,4	1981,4		
Discounted NPD	24332,2	23837,4	10951,1	10447,1	9943,1	9439,1	8964,1	8489,1	2583,3	2282,4	1981,4	1542,4	
Discounted NPD cumulative total	24118,0	-486,1	-12549,1	-486,5	-482,2	-477,9	-446,5	-442,6	-5454,1	-275,5	-273,1	-394,8	

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Cash flow	Jan.25	fev.25	mar.25	Apr. 25	May.25	Jun 25	July 25	Aug. 25	sen.25	Oct. 25	Nov. 25	Dec. 25
INVESTMENT CASH FLOW (ICEF)			-42,0	-49,8								
Buildings and structures			42,0	49,8								
Equipment												
Current assets												
Other investments												
OPERATING CASH FLOW (OPF)	26,1	129,6	119,6	674,7	706,3	375,4	708,3	714,0	392,4	725,4	731,1	409,5
Income total	419,0	558,7	838,0	1117,4	1396,7	1396,7	1396,7	1396,7	1396,7	1396,7	1396,7	1396,7
Costs total	392,9	429,1	767,4	500,8	690,4	1021,3	688,4	682,7	1004,3	671,4	665,7	987,3
<i>Variable costs</i>	16,5	35,2	45,4	64,3	119,8	131,5	131,5	131,5	131,5	131,5	131,5	131,5
<i>Fixed costs</i>	11,6	10,4	10,0	10,6	21,7	21,7	21,7	21,7	21,7	21,7	21,7	21,7
Payments of interest on borrowed funds	272,6	266,9	261,2	255,5	249,9	244,2	238,5	232,8	227,1	221,5	215,8	210,1
Accrued taxes and payments:	92,2	116,6	450,8	170,4	299,0	623,9	296,7	296,7	623,9	296,7	296,7	623,9
VAT recoverable			49,0	58,1								
FINANCIAL CASH FLOW (FDP)	-517,2	-517,2	-433,2	-417,6	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2

BUSINESS PLAN FOR THE PRODUCTION OF DECORATIVE TILES

Payment of the body of the debt	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2
Own funds		42,0		49,8								
Borrowed funds		42,0		49,8								
Net cash flow (NCF)												
Cumulative NPD	-491,1	-387,7	-355,6	207,2	189,1	-141,8	191,1	196,8	-124,8	208,2	213,8	-107,8
Cash balance at the beginning of the period	1051,3	663,6	308,1	515,3	704,4	562,5	753,6	950,4	825,6	1033,8	1247,6	1139,8
Cash balance at the end of the period	1542,4	1051,3	663,6	308,1	515,3	704,4	562,5	753,6	950,4	825,6	1033,8	1247,6
Discounted NPD	1051,3	663,6	308,1	515,3	704,4	562,5	753,6	950,4	825,6	1033,8	1247,6	1139,8
Discounted NPD cumulative total	-437,8	-342,5	-311,4	179,9	162,7	-121,0	161,6	164,9	-103,7	171,4	174,5	-87,2

BUSINESS PLAN FOR THE PRODUCTION OF DECORATIVE TILES

Cash flow	Jan.26	Feb.26	mar.26	Apr.26	May.26	Jun 26	July 26.	Aug 26	sen.26	Oct. 26	Nov. 26	Dec. 26
INVESTMENT CASH FLOW (ICEF)												
Buildings and structures												
Equipment												
Current assets												
Other investments												
OPERATING CASH FLOW (OPF)												
Income total	801,0	806,7	332,9	818,0	823,7	349,9	835,1	840,7	367,0	852,1	857,8	384,0
Costs total	1489,5	1489,5	1489,5	1489,5	1489,5	1489,5	1489,5	1489,5	1489,5	1489,5	1489,5	1489,5
<i>Variable costs</i>	688,5	682,9	1156,6	671,5	665,8	1139,6	654,5	648,8	1122,6	637,4	631,8	1105,5
<i>Fixed costs</i>	141,4	141,4	141,4	141,4	141,4	141,4	141,4	141,4	141,4	141,4	141,4	141,4
Payments of interest on borrowed funds	25,4	25,4	25,4	25,4	25,4	25,4	25,4	25,4	25,4	25,4	25,4	25,4
Accrued taxes and payments:	204,4	198,7	193,1	187,4	181,7	176,0	170,4	164,7	159,0	153,3	147,6	142,0
VAT recoverable	317,3	317,3	796,8	317,3	317,3	796,8	317,3	317,3	796,8	317,3	317,3	796,8
FINANCIAL CASH FLOW (FDP)	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2

BUSINESS PLAN FOR THE PRODUCTION OF DECORATIVE TILES

Payment of the body of the debt	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2
Own funds												
Borrowed funds												
Net cash flow (NFC)												
Cumulative NPD	283,8	289,4	-184,3	300,8	306,5	-167,3	317,8	323,5	-150,3	334,9	340,5	-133,2
Cash balance at the beginning of the period	1423,6	1713,0	1528,7	1829,5	2136,0	1968,7	2286,5	2610,0	2459,7	2794,6	3135,1	3001,9
Cash balance at the end of the period	1139,8	1423,6	1713,0	1528,7	1829,5	2136,0	1968,7	2286,5	2610,0	2459,7	2794,6	3135,1
Discounted NPD	1423,6	1713,0	1528,7	1829,5	2136,0	1968,7	2286,5	2610,0	2459,7	2794,6	3135,1	3001,9
Discounted NPD cumulative total	227,5	230,0	-145,2	234,8	237,2	-128,3	241,6	243,8	-112,2	247,9	249,9	-96,9
Cash flow	Jan.27	fev.27	mar.27	Apr.27	May.27	Jun.27	July 27.	Aug. 27	sen.27	Oct. 27	Nov.27	Dec. 27
INVESTMENT CASH FLOW (ICF)												
Buildings and structures												
Equipment												
Current assets												
Other investments												
OPERATING CASH FLOW (OPF)	879,7	885,4	373,2	896,8	902,4	390,2	913,8	919,5	407,2	930,8	936,5	424,3

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Income total	1523,8	1523,8	1523,8	1523,8	1523,8	1523,8	1523,8	1523,8	1523,8	1523,8	1523,8	
Costs total	644,1	638,4	1150,7	627,0	621,4	1133,6	610,0	604,3	1116,6	593,0	587,3	1099,5
Variable costs	153,3	153,3	153,3	153,3	153,3	153,3	153,3	153,3	153,3	153,3	153,3	153,3
Fixed costs	27,9	27,9	27,9	27,9	27,9	27,9	27,9	27,9	27,9	27,9	27,9	27,9
Payments of interest on borrowed funds	136,3	130,6	124,9	119,2	113,6	107,9	102,2	96,5	90,9	85,2	79,5	73,8
Accrued taxes and payments:	326,6	326,6	844,5	326,6	326,6	844,5	326,6	326,6	844,5	326,6	326,6	844,5
VAT recoverable												
FINANCIAL CASH FLOW (FDP)	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2
Payment of the body of the debt	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2
Own funds												
Borrowed funds												
Net cash flow (NFC)												
Cumulative NPD	362,5	368,2	-144,1	379,5	385,2	-127,0	396,6	402,3	-110,0	413,6	419,3	-93,0
Cash balance at the beginning of the period	3364,4	3732,6	3588,6	3968,1	4353,3	4226,3	4622,9	5025,1	4915,1	5328,7	5748,0	5655,1



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Cash balance at the end of the period	3001,9	3364,4	3732,6	3588,6	3968,1	4353,3	4226,3	4622,9	5025,1	4915,1	5328,7	5748,0
Discounted NPD	3364,4	3732,6	3588,6	3968,1	4353,3	4226,3	4622,9	5025,1	4915,1	5328,7	5748,0	5655,1
Discounted NPD cumulative total	261,4	263,1	-102,0	266,5	268,1	-87,6	271,2	272,6	-73,9	275,4	276,7	-60,8
Cash flow												
	Jan.28	Feb.28	mar.28	Apr.28	May.28	Jun.28	July 28	Aug.28	sen.28	oct. 28	nov.28	dec.28
INVESTMENT CASH FLOW (ICEF)												
Buildings and structures												
Equipment												
Current assets												
Other investments												
OPERATING CASH FLOW (OPF)	982,2	987,9	422,8	999,2	1004,9	439,9	1016,2	1021,9	456,9	1033,3	1039,0	473,9
Income total	1589,6	1589,6	1589,6	1589,6	1589,6	1589,6	1589,6	1589,6	1589,6	1589,6	1589,6	1589,6
Costs total	607,4	601,8	1166,8	590,4	584,7	1149,8	573,4	567,7	1132,7	556,3	550,7	1115,7
Variable costs	166,3	166,3	166,3	166,3	166,3	166,3	166,3	166,3	166,3	166,3	166,3	166,3
Fixed costs	30,6	30,6	30,6	30,6	30,6	30,6	30,6	30,6	30,6	30,6	30,6	30,6



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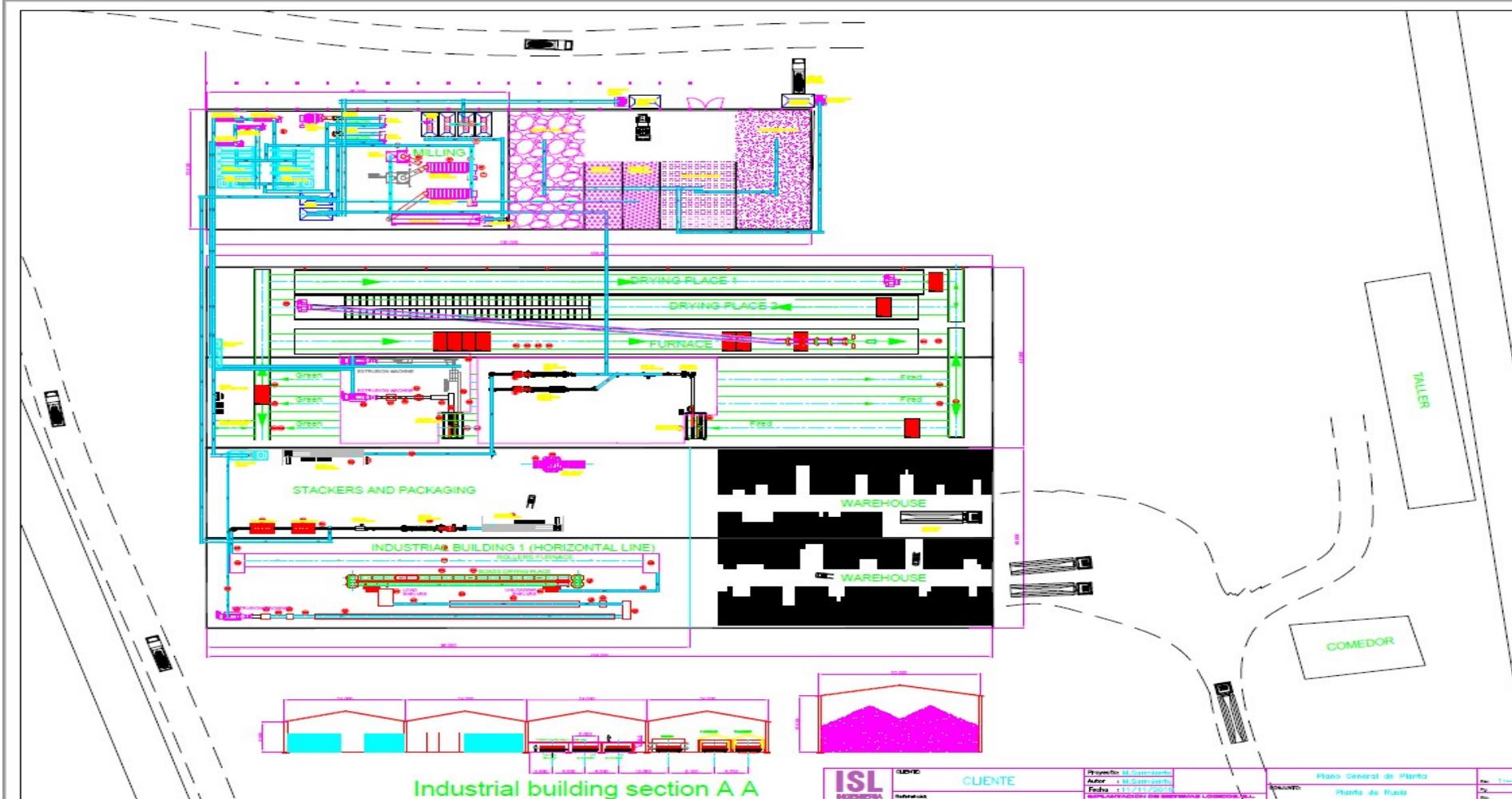
Payments of interest on borrowed funds	68,1	62,5	56,8	51,1	45,4	39,7	34,1	28,4	22,7	17,0	11,4	5,7
Accrued taxes and payments:	342,4	342,4	913,1	342,4	342,4	913,1	342,4	342,4	913,1	342,4	342,4	913,1
VAT recoverable												
FINANCIAL CASH FLOW (FDP)	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2	-517,2
Payment of the body of the debt	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2	517,2
Own funds												
Borrowed funds												
Net cash flow (NFC)												
Cumulative NPD	465,0	470,6	-94,4	482,0	487,7	-77,4	499,0	504,7	-60,3	516,0	521,7	-43,3
Cash balance at the beginning of the period	6120,0	6590,7	6496,2	6978,2	7465,9	7388,5	7887,5	8392,2	8331,9	8848,0	9369,7	9326,4
Cash balance at the end of the period	5655,1	6120,0	6590,7	6496,2	6978,2	7465,9	7388,5	7887,5	8392,2	8331,9	8848,0	9369,7
Discounted NPD	6120,0	6590,7	6496,2	6978,2	7465,9	7388,5	7887,5	8392,2	8331,9	8848,0	9369,7	9326,4
Discounted NPD cumulative total	301,5	302,5	-60,1	304,4	305,2	-48,0	306,9	307,6	-36,4	309,0	309,7	

8.2. Layout of buildings and equipment



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Figure 4: Layout of buildings and equipment





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ABOUT THE PROJECT EXECUTOR

This project was carried out by the research agency Global Innovation Trade Ltd. All our specialists have impressive experience in developing research and business plans, supported by in-depth knowledge in various spheres of economy and business, availability of a powerful information base. Since 2020 our analysts have completed more than 100 projects of market research, monitoring and business plans. More than 40 companies have become customers of individual research and buyers of our analytical reports.

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