



# INVESTMENT TEASER

# TURNER WRIGHT LIMITED



## COMPANY PROFILE

**Client Name:** Turner Wright Limited (TWL)

**Client Corporate Address:** 15, Adenekan Salako Close, Ogba, Lagos, Nigeria.

**Coverage Area:** Lagos 1, Lagos 2, West, West 1, West 2, East, North Central, Northwest, and Northeast. Currently, TWL has warehouses in Lagos, Jos, and Ogun state.

**Company mission:** To ensure the achievement of global food security by promoting products that support time-tested practices and innovative solutions in animal health and allied fields.

**Company vision:** To be the leader in animal health and allied fields by providing high quality products and solutions, innovatively meeting the needs of its market, and positively impacting the economy.

**Company objective:** To locally manufacture veterinary pharmaceuticals and feed premixes in Nigeria, and the surrounding West Africa.

**Nature of Business:** Animal Health and Nutrition

**Industry:** veterinary pharmaceuticals

**Years of Operation:** 25 years

**Legal status:** Incorporated as a Private Limited Company under the Corporate Affairs Commission (CAC) in 1997.

**Management Team:** The company has two board directors who have strategic oversight of the company and six key management team members who have a great depth of industry knowledge combined with years of experience in marketing, finance, and management

**Dr. Tunde Waheed Lawal** is the Managing Director of TWL. He has a Doctor of Veterinary Medicine (DVM) degree from Ahmadu Bello University (Nigeria) 1985 and a Master's in Business Administration (MBA) from Ambrose Alli University (Ekpoma, Edo State, Nigeria) 2000. He is also a fellow of the College of Veterinary Surgeons Nigeria (FCVSN) and a member of the Institute of Directors (MIoD). He has extensive sales experience from his time in May & Baker Nigeria Plc

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and Rhone Poulenc which has provided him with international exposure via the following European principals Merial SAS and Rhone Poulenc Animal Nutrition. His business brainchild - Turner Wright - became the sole agent and distributor of Merial SAS for Nigeria and Ghana in 2000.

**Mr. Samuel C. Organo** is the General Manager of Turner Wright. He has a Master in Economic Research and Corporate Planning from the University of Asia and the Pacific (Philippines) and a Bachelor of Science in Statistics from the University of the Philippines. He has extensive managerial experience (over 30 years) across industries, functions, and business formats in the Philippines and Nigeria.

**Fund arranger: PearlMutual Consulting Ltd.**



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## TRANSACTION SUMMARY

Amount	N600 million (\$1.4 million) - to be disbursed in three phases*
Type of financing	Debt
Use of proceeds	Construct a new factory to expand operations and working capital
Disbursement	Funds can be disbursed in three phases

\* Please see page 6 for more details



## EXECUTIVE SUMMARY

### **Brief History**

In response to the growing demand for poultry and livestock products during the nineties, Turner Wright Limited (“TWL” or “The Company”) was established as an importer and national distributor of veterinary pharmaceuticals and biologicals (vitamins, minerals, antibiotics, and feed premixes). Since then, TWL has become one of the top three companies in animal health and nutrition in Nigeria, and one of only two companies to venture into local manufacturing. In 2000, TWL began manufacturing antibiotic powders (Embazine Forte 30g and Embaceryl 100g) under a contract manufacturing scheme. In the same year, TWL collaborated with the Merial Group of France, to enhance the company’s technical knowledge and experience.

Over the past 2 decades, TWL’s has built a marketing reach that spans various regions across Nigeria. TWL’s ability to break bulk into small affordable sizes for smallholder farmers has not only become its distinctive competitive edge but has enabled it to produce the most patronized product by cash-strapped backyard poultry growers and cattle raisers. In 2020, despite the pandemic, TWL sold 400,000 30-g packs of Embazine Forte, its bestseller, benefiting tens of thousands of smallholder farmers.

### **Social Impact**

Since 2000, TWL has released twenty products for animal health and nutrients and the list is still growing. This has led to employment for several regular and casual workers over the years. TWL’s continued survival has also generated positive effects on the economic well-being of its local suppliers. From 2015 through 2020, TWL partnered with the UK Department for International Development (DFID), on the Market Development in Niger Delta Project (MADE 1). TWL was an instrumental part of a household poultry production program in South-South Nigeria. The project increased the income of 150,000 people in the Niger Delta, 50% of whom are women and youth, by effectively reducing poultry mortality. As part of this initiative, TWL also provided the community with access to vaccines, vaccination services, and poultry health drugs through Village- Level Dealers and Village Vaccinators.

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From 2016 to 2018, TWL also partnered with Global Alliance for the Livestock Veterinary Medicines (GALVMED) project. This is a Bill and Melinda Gates Foundation sponsored initiative aimed at establishing sustainable market structures for the control of poultry diseases and deworming of ruminants, and providing access to livestock vaccines, medicines, and diagnostics for resource-poor people in Northern Nigeria. TWL empowered grassroots retail distributors with equipment and skills for proper storage and handling of vaccines and other veterinary products for rural communities. The project also arranged for the training, equipping, and incentivizing of rural vaccinators to encourage routine vaccination and deworming in the villages.

TWL believes that its success is measured by the upliftment of the living conditions of the farming communities, the ultimate stewards of animal health and food security. The Farmer's Forum conducted in different regions in collaboration with TWL's distributors and key accounts, is a continuing outreach program meant to educate smallholder farmers and backyard poultry raisers with skills and knowledge in tackling the health and nutrition challenges of their flocks and herd, and in managing their smallholding farms. Through its regular Customer Forum, TWL has reached over 7,000 smallholder farmers since 2011. Topics that have been tackled included the following:



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## EXPANSION PLAN

TWL is currently operating at maximum capacity however the company plans to further strengthen its market lead in the veterinary pharmaceutical and nutrition industry by increasing the market presence of its products. To do so, TWL plans to increase plant capacity from 500 metric tons to 11,000 metric tons in 2026 by expanding their operating space to enhance product manufacturing. To that effect, Turner Wright Limited is requesting a total of **N600,000,000.00 (\$1.4 mil)** for the construction of a new factory and additional working capital. They expect to acquire fixed assets to an overall tune of N2.7 billion (\$6.5 mil) over a 5-years period and increase sales by ten times the present level of N1.6 billion (\$3.8 mil) in 2027.

### Phased expansion

Since the construction of the new factory will take place in stages, TWL does not require the total N600 million all at once at the beginning of the transaction. The remaining funds will cover working capital and additional expenses.

Phases	Activities	Funds required
1	Preliminary and general activities, excavation and earthworks, concrete works, blockworks, roofing, MEP installation, finishings, façade, ancillary building work, external works, dayworks and contingencies	N225,587,466.13 N10,000,000.00 (supervision fees)
2	Concrete works, MEP installation, finishings, façade, ancillary building work, external works, dayworks and contingencies costing	N165,000,115.00 N5,000,000.00 (supervision fees)
3	Concrete works, MEP installation, finishings, ancillary building work, dayworks and contingencies costing	N134,777,070.51
<b>Total funds required to build the factory across three phases</b>		<b>N540,364,651.64</b>

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L1297: TURNER WRIGHT LTD OGBA PLANT ALONG AWOSIKA CLOSE, BEHIND ADENIYI JONES AVENUE, IKEJA, LAGOS STATE INFRASTRUCTURE EXPANSION LINE AND ASSOCIATED WORKS					
S/N	ITEMS/ DESCRIPTION OF WORK	TOTAL QUANTITY	UNIT	RATE (=N= / unit)	AMOUNT (=N=)
page	<b>SUMMARY</b>				
1/12	PRELIMINARIES AND GENERAL ITEMS			1.97%	10,000,000.00
2/2	EXCAVATION AND EARTHWORKS			1.11%	5,624,870.88
2/3	CONCRETE WORKS			53.76%	273,305,128.92
2/4	BLOCKWORKS			1.84%	9,328,930.27
2/5	ROOFING			1.55%	7,858,234.32
2/6	MEP INSTALLATION			25.57%	130,000,000.00
2/7	FINISHINGS			9.18%	46,690,100.00
2/8	FAÇADE			1.42%	7,196,000.00
2/9	ANCILLIARY BUILDING			1.43%	7,246,437.44
2/10	EXTERNAL WORKS			1.18%	5,994,850.00
3/1	DAYWORKS AND CONTINGENCIES			1.01%	5,120,000.00
				N	508,364,651.64
	ADD SUPERVISION FEES				15,000,000.00
				N	540,364,651.64

## FORECASTED FINANCIALS

	Year 1 ('000)	Year 2 ('000)	Year 3 ('000)	Year 4 ('000)	Year 5 ('000)
<b>Total Revenue</b>	1,669,392	2,003,270	2,504,088	3,255,314	4,394,674
<b>Gross Profit</b>	558,998	781,837	1,038,368	1,349,879	1,727,065
<b>GPM (gross profit margin)</b>	33%	39%	41%	41%	39%
<b>Net Profit</b>	76,857	184,622	296,021	397,292	462,352

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## HISTORICAL FINANCIALS

	2021 (till Q3)	2020	2019	2018
<b>Total Assets</b>	<b>730,695,035.40</b>	634,846,316.61	369,785,122	399,688,824
<b>Total Revenue</b>	500,775,245.30	620,639,325.00	590,754,788	709,816,365
<b>Profit before Tax</b>	(7,706,629.98)	(1,930,903)	(26,949,928)	37,824,788
<b>EBITDA</b>	-	21,556,640	(8,448,572)	57,048,663

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