



# Beohemija d.o.o. Belgrade

## Producer of household cleaning products

Presentation to Perspective Investors

June 2020

## Beohemija d.o.o. Belgrade

### Overview

- Beohemija d.o.o. Belgrade is a producer of household cleaning products in Serbia, with brands which are present on the market for more than 20 years
- Beohemija is present in more than 15 countries in the world, of which 7 markets are covered through distribution networks organized with their local partners
- The company owns recognizable premium brand Duel and medium brand Spin, and became a domestic leader of household cleaning products in Serbia
  - The brand Duel has received an award “the Best from Serbia” in the category FMCG – chemicals, cosmetics, pharmaceuticals and other products, in 2019
- Brand Duel is currently positioned in Serbia as the 2<sup>nd</sup> ranked brand by market share (15,1%) on the softener market and as the 3<sup>rd</sup> ranked brand by market share (15,7%) on the detergent market, according to the Nielson research from June 2020
- Production facilities are comprising area of 14,423 m<sup>2</sup>, and consisting of three main production plants – for powder detergents, for liquid program, and for production of PET and PE packaging



## Beohemija d.o.o. Belgrade

### Overview

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- Annual sale of liquid program and powder detergents in 2019 amounted to 34,492 t
  - Liquid program amounted to 10,683 t, while powder detergents amounted to 23,808 t
- In the period 2018 – 2019, the company has achieved an average income in the amount of 23.7 m EUR and average EBITDA in the amount of 3.5 m EUR
- The owner of the company's 100% shares is the company Preston Holding
  - In April 2017, the company Preston Holding has acquired Beohemija
- From 2017 to 2019 the company shows an annual revenue growth of 23%
- Beohemija continues to invest into strengthening its market position on its core markets



## Location

### Overview

- Headquarters of the Company is located in Belgrade, while the production facilities are situated in Zrenjanin, in northern Serbia
- Zrenjanin is in close proximity to the Pan-European Corridor 10
  - Distance approx. 50 km
- Distance to the border crossings from Zrenjanin
  - Romania (Srpska Crnja) – 60 km
  - Hungary (Horgoš) – 127 km
  - Croatia (Batrovci) – 155 km
- Production facilities are very close to the largest FMCG markets in Serbia – Belgrade and Novi Sad

### Map



### Map



## Production Facility

### Overview



### Micro Location



- Production facility is located in the cadastral parcels 12941/1, 12941/4, 12941/5, 12941/3, 12952/1, 12952/2 cadastral municipality Zrenjanin 1
- Total area of the land amounts to 45,847 m<sup>2</sup>
- Total area of production facility buildings amounts to 14,423 m<sup>2</sup>
- Land as well as the facilities are in the ownership of the company Beohemija

## Production Capacities

### Production Capacities per Products Group

#### Production of Powder Detergents

Production capacity: 12,6 t/h

Employees engaged: 47

Number of SKU / with private label: 74 (Own brand 55; PL 19)

Factory area: **4,485 m<sup>2</sup>**

Production in 2019: **23,753 t**

#### Production of Liquid Program

Production capacity: 135 pcs/day

Employees engaged: 48

Number of SKU / with private label: 68 (Own brand 46; PL 22)

Factory area: **5,170 m<sup>2</sup>**

Production in 2019: **8,413,734 pcs**

#### Production of PE and PET packaging

Production capacity:

PET packaging – 66,000 bottles/7,5h

PE packaging – 7,125 bottles/7,5h

Employees engaged:

PET packaging – 8

PE packaging – 5

Production area: n.a

Production in 2019: **12,701,372 pcs**

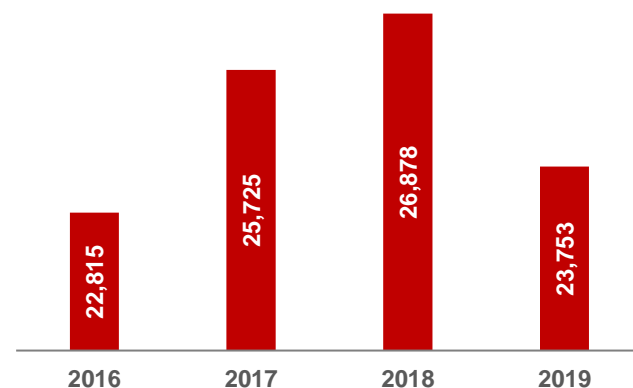
Note: Powder detergent production process is fully automatized and based on highly efficient, state of the art Japanese and Dutch technology

## Production of Powder Detergents

### Production Capacities

	Tank (pieces)	m <sup>3</sup>	Σm <sup>3</sup>
POWDERED RAW MATERIALS	4	300	1200
LIQUID RAW MATERIALS	1	60	60
	6	50	300
	2	20	40
	1	30	30
Total: 430			
RESERVOIRS FOR HALF PRODUCT	2	15	30
	2	6	12
Total: 42			
PACKAGING	name of the package	pcs/min	t/7.5h (3kg package)
	MPV-1	16	21,600
	MPV-2	16	21,600
	MPV-3	14	18,900
	MPV-4	16	21,600
	BETI	17.7	3,982
	Transshipment into bags		
	7.5 h		87,682 kg
	3 shifts 252 days		66,287 t
ENERGY	m <sup>3</sup>	kW/t	m <sup>3</sup>
GAS	9.08		
per ton of the products			
ELECTRICITY		44.88	
per ton of the product			
WATER			0.026
POWER OF BURNER		1800 kW	

### Production in 2016 – 2019 (in tones)



- During 2019, total of 23,753 tones of powder detergents where manufactured



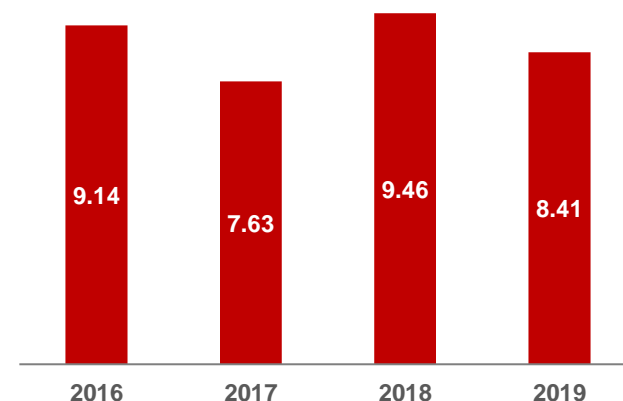


## Production of Liquid Program

### Production Capacities

	Tank (pcs)	m <sup>3</sup>	Σm <sup>3</sup>
LIQUID RAW MATERIALS	3	20	60
	1	50	50
	2	40	80
	5	30	150
	1	25	25
	Total: 365		
RESERVOIRS FOR HALF-PRODUCT	16	11	176
	4	8	32
	Total: 208		
DEMIWATER LIQUID RESERVOIRS	2	20	40
CURRENT PRODUCTION OF WATER			130
RECONSTRUCTION OF PRODUCTION			240
	MIX MACHINE /PCS	m <sup>3</sup>	Daily capacity
PRODUCTION	1	7	28
	1	9	36
	4	3.5	56
	1	3	9
	1	2	6
	Total: 135		
	Name of machine	pcs/h	pcs/7.5h
PACKAGING	MB-1/6000	3.7	27.75
	MB-2/3000	3	22.5
	AMSY-1/4000	2.5	18.75
	AMSY-2/2000	1.2	9
	A/1500	1.2	9
	PA-2/2500	200	1.5
	PA-4/1300	170	1.275
Σ kom/7h			89.775
ENERGY	m <sup>3</sup>	kW/t	m <sup>3</sup>
GAS / per ton of the product	9.83		
WATER			0.87x2
CAPACITY of CAULDRON	1850kg steam/h (1250+600 kg steam/h)		
NUMBER OF SKU / with private label/	68 Brand 46; PL 22		

### Production in 2016 – 2019 (in million pcs)



- During 2019, total of 8,413,734 pieces of liquid products where manufactured
- Total 10,683 tones of liquid program where manufactured and sold in 2019





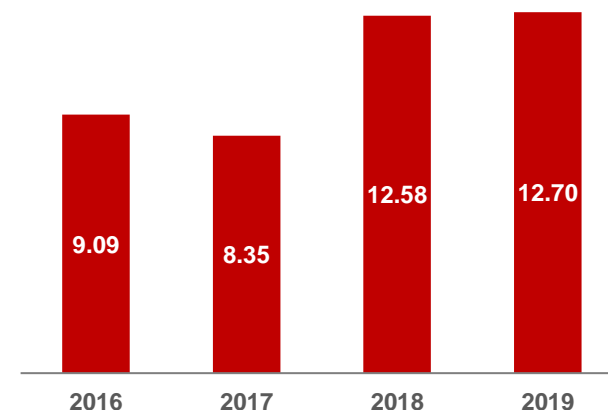
## Production of PET and PE Packaging

### Production Capacities

Production of PET packaging		
Machine	Bottle / h	Bottle / 7.5h
CARBO C.	2,000	15,000
KOSME 4L	5,000	37,500
KOSME 1000	600	4,500
KOSME 2000	1,200	9,000
Σ pcs/7.5h		66,000

Production of PE packaging		
Machine	Bottle / h	Bottle / 7.5h
PLASTBLOW	300	2,250
PLASTBLOW	300	2,250
AUTOMA	100	750
MAGIC	250	1,875
Σ pcs/7.5h		7,125

### Production in 2016 – 2019 (in million pcs)



- During 2019, total of 12,701,372 pieces of PET and PE packaging were manufactured



## Warehouse

### Production Capacities per Products Group

- Total warehouse area amounts to 7,370 m<sup>2</sup>

Warehouse	Powder	Liquid	Total
Warehouse for raw material	650	60	710
Warehouse for finished products	2,588	1,742	4,330
Warehouse for dangerous goods	100	30	130
Warehouse for package	200	540	740
<b>TOTAL</b>	<b>3,538</b>	<b>2,372</b>	<b>5,910</b>

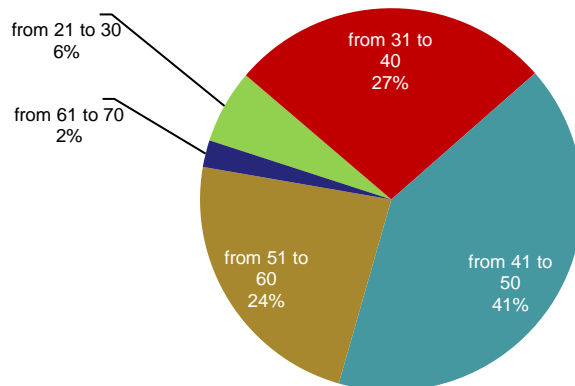
\* Number of euro pallets



## Employees

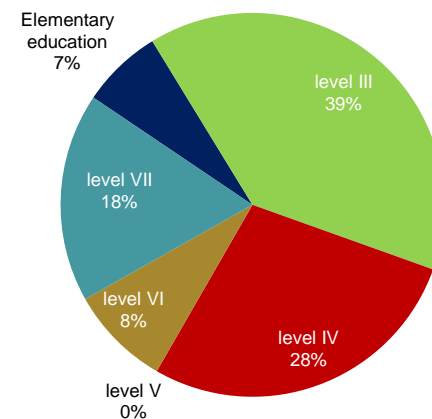
### Structure of Employees by Age

Age	No.of Employees
up to 20	0
from 21 to 30	11
from 31 to 40	48
from 41 to 50	72
from 51 to 60	41
from 61 to 70	4
<b>Total</b>	<b>176</b>



### Structure of Employees by Qualification Levels

Qualification Levels	No.of Employees
Elementary school	12
level III	69
level IV	49
level V	0
level VI	15
level VII	31
<b>Total</b>	<b>176</b>



## Products Portfolio

### Products by Segment

#### Premium Segment



Category	No. of SKU
Liquid detergent	4
Powder detergent	8
<b>Total premium</b>	<b>12</b>



#### Medium Segment



Category	No. of SKU
Powder detergent	36
Softeners	19
DWL	10
Master APC	3
Glass cleaner	4
<b>Total medium</b>	<b>72</b>



#### Economy segment



Category	No. of SKU
Powder detergent	9
DWL	5
DMN water	3
<b>Total economy</b>	<b>17</b>



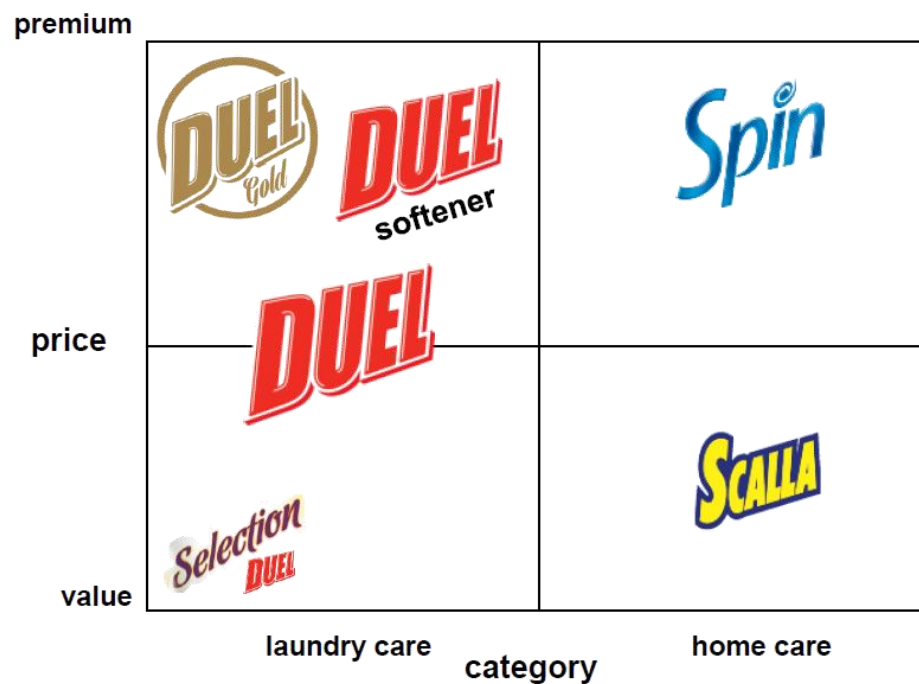
### Private Labels

- Beohemija is a private label producer for many retail chains in region (Delhaize, Metro, Voli, DTL etc)
- Private label portfolio includes main types of home care products, (laundry detergents, fabric softeners, hand dishwashing liquids, glass cleaners and floor cleaners)
- Three directions of cooperation:
  - Partly finished products** – company's formula and production, client's packaging and design,
  - Fully finished products** – the company provides formula, packaging with design (optional), and product manufacturing
  - Fully client-specific products** – formula and packaging provided by the client, while the assembly takes place in Beohemija plant



## Brand Positioning

### Overview



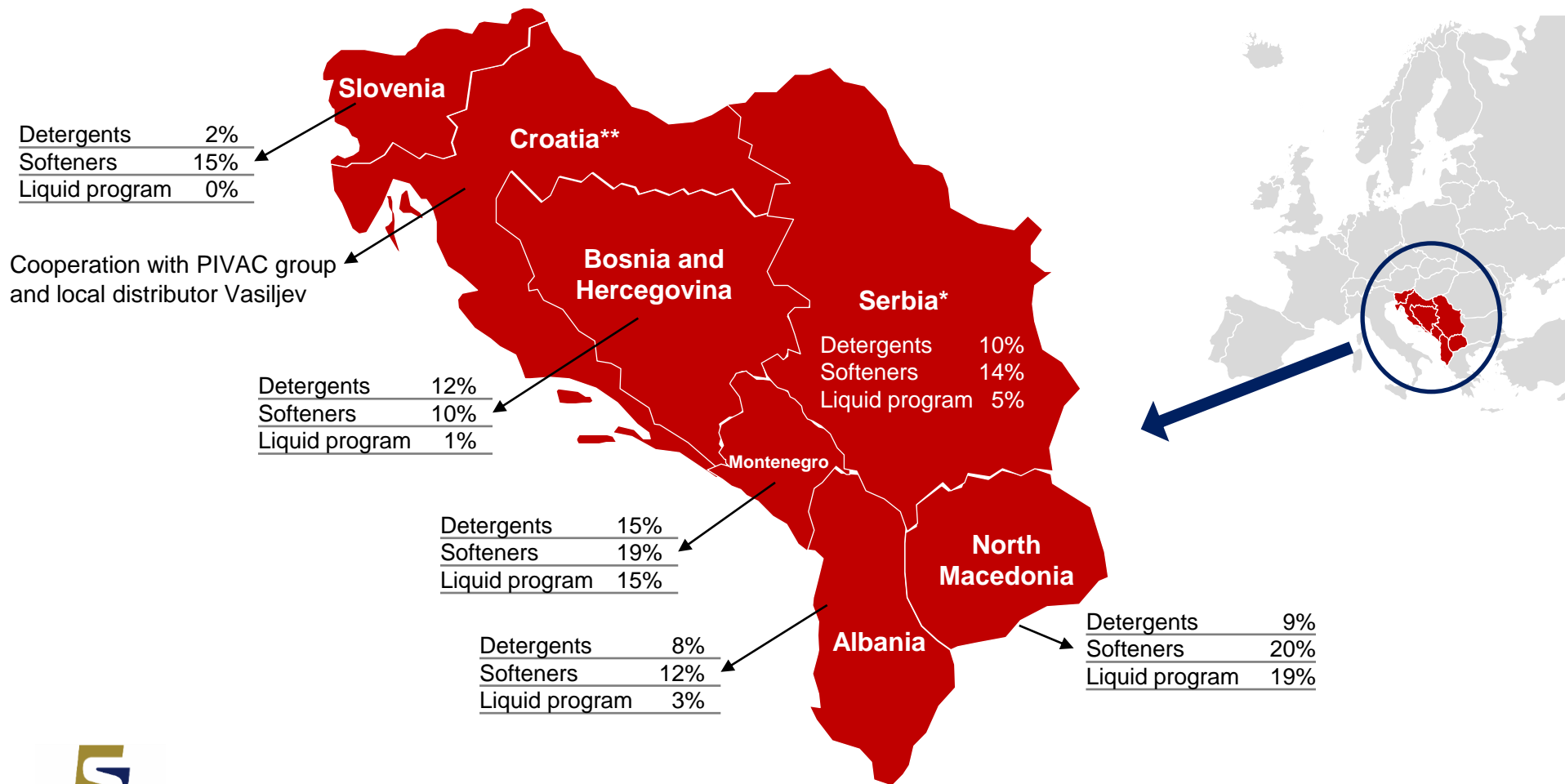
### The Best from Serbia

- In 2019 the brand Duel has received an award “the Best from Serbia” in the category *FMCG – chemicals, cosmetics, pharmaceuticals and other products*
- The award is awarded based on the achieved success and market recognition



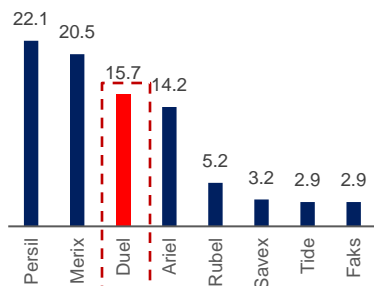
## Market Share in Serbia and Region

### Brand Presence in the Region

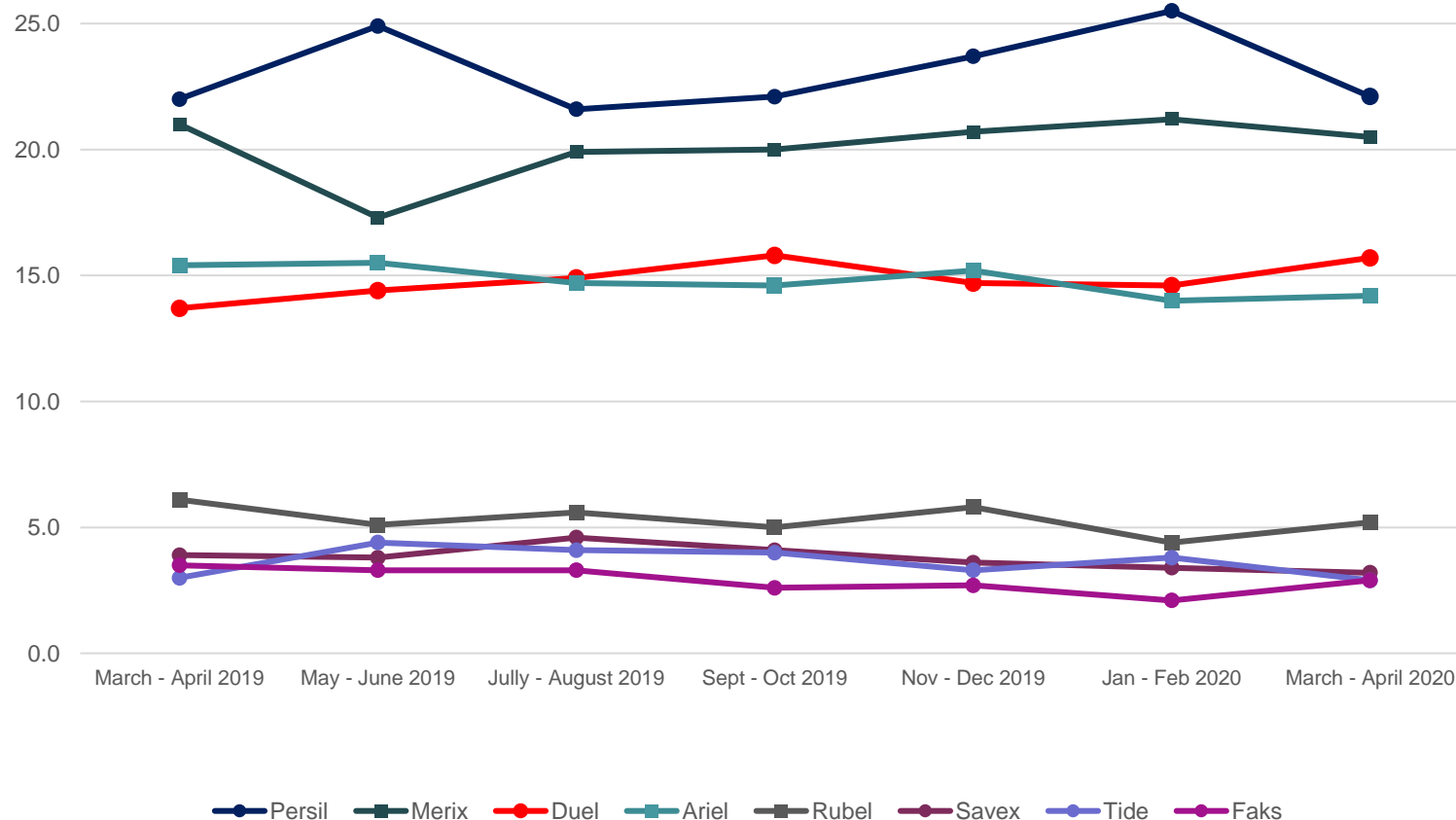


# Serbian Detergent Market

Nielsen Report from June 2020 / Volume Share

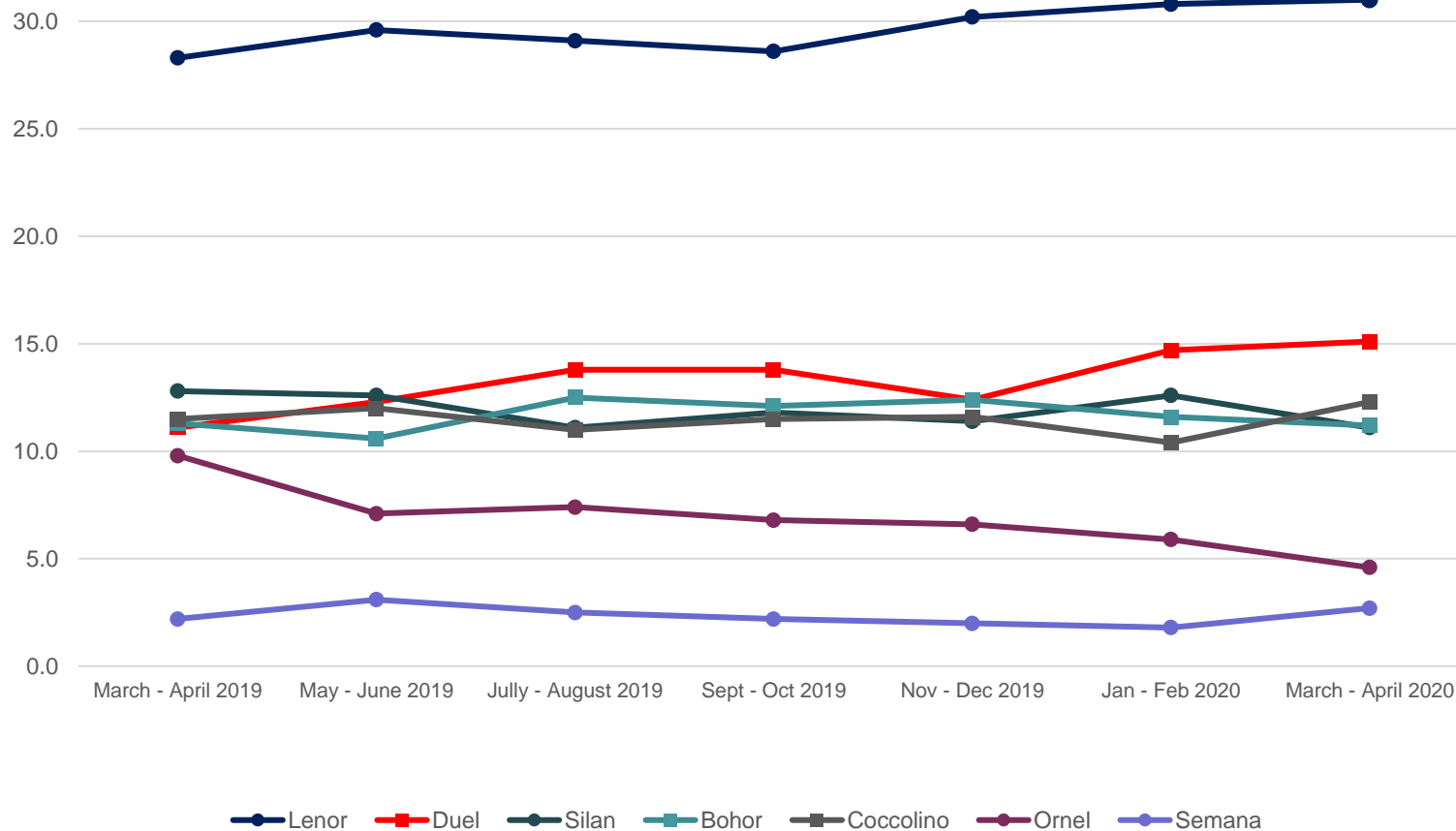


3<sup>rd</sup> ranked  
on the Serbian  
detergent  
market  
(market share  
of 15,7%)



## Serbian Softener Market

Nielsen Report from June 2020 / Volume Share





# Income Statement

Historical data from 2015 to 2019 (in EUR)

- Revenues in 2019 expressed slight decrease due to the tariff of 100% imposed by the Kosovo administration to all goods imported from Serbia
- The Company and its brands remain strongly positioned at all other key markets

	2017	2018	2019	2020 FC
<b>Operating Income</b>	<b>14,641,800</b>	<b>25,412,479</b>	<b>21,994,599</b>	<b>23,008,000</b>
Income from sale	14,641,800	25,412,479	21,994,514	23,000,000
Income from premiums, subventions, etc	0	0	0	0
Other operating income	0	0	85	8,000
<b>Operating Expenses</b>	<b>13,381,795</b>	<b>22,178,648</b>	<b>19,382,747</b>	<b>19,971,617</b>
Income from the own use of products	3,690	79,087	5,379	0
Increase of finished goods, work in progress	0	164,244	0	0
Decrease of finished goods, work in progress	225,300	0	30,010	10,666
COGS	96,686	323,415	81,614	0
Costs of material	9,994,918	17,153,131	14,917,194	15,130,000
Costs of salaries, fringe benefits and other personal expenses	889,173	1,603,608	1,521,255	1,559,000
Depreciation costs	286,073	578,972	484,120	486,000
Costs of fuel and energy	175,910	363,889	361,321	304,000
Costs of production services	680,982	1,817,837	1,683,490	780,951
Costs of long-term provisions	799	51,549	10,860	0
Non-production costs	1,035,644	529,578	298,262	1,701,000
<b>EBITDA</b>	<b>1,546,078</b>	<b>3,812,803</b>	<b>3,095,971</b>	<b>3,522,383</b>
<b>Operating profit (EBIT)</b>	<b>1,260,005</b>	<b>3,233,831</b>	<b>2,611,852</b>	<b>3,036,383</b>
Financial Incomes	1,217,510	286,831	304,456	0
Financial expenses	998,207	1,565,239	1,703,743	1,581,760
Other Income	162,608	249,528	178,645	75,000
Other Expenses	141,422	523,339	76,905	0
<b>Result before tax</b>	<b>1,500,494</b>	<b>1,681,612</b>	<b>1,314,304</b>	<b>1,529,623</b>
Income tax	-360,429	216,740	193,510	229,443
<b>Net profit</b>	<b>1,860,922</b>	<b>1,464,872</b>	<b>1,120,794</b>	<b>1,300,179</b>

## Balance Sheet

### Assets Overview / Historical data from 2015 to 2019 (in EUR)

Assets	2017	2018	2019
Non-Current Assets	26,362,605	26,042,027	25,727,009
Intangible property	17,092,140	17,160,293	17,246,175
Property, plant, equipment and natural assets	9,257,897	8,881,734	8,480,834
Long term financial placement	0	0	0
Long term receivables	12,568	0	0
Current Assets	7,507,113	7,942,579	7,105,061
Inventories	3,155,512	3,528,867	3,156,894
Receivables from sales	1,343,964	3,425,918	3,625,222
Other receivables	19,996	13,300	8,606
Short-term financial investments	607,735	0	0
Cash and cash equivalents	1,123,027	118,576	4,796
Value added tax (VAT)	1,211,435	704,389	128,384
Prepayments and accrued income	45,445	151,530	181,159
Deferred tax assets	632,990	564,256	532,158
<b>Total Assets</b>	<b>34,502,708</b>	<b>34,548,863</b>	<b>33,364,228</b>

## Balance Sheet

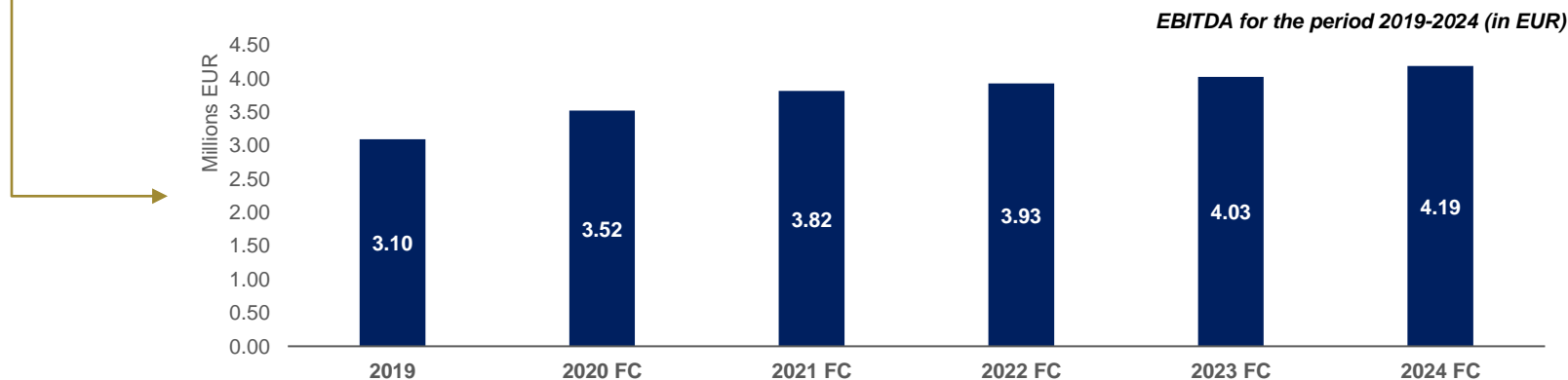
### Equity and Liabilities Overview / Historical data from 2015 to 2019 (in EUR)

	2017	2018	2019
Equity	1,795,106	1,459,077	2,606,588
Shareholders equity	42	42	43
Reserves	0	0	0
Effect of restatement of capital	0	0	0
Unrealized gains on securities	0	0	5,715
Unrealized losses on securities	0	10,948	0
Retained earnings	1,795,063	1,469,983	2,600,831
Loss	0	0	0
Long-term provisions and liabilities	28,830,819	25,808,429	21,159,076
Long-term provisions	819	65,291	55,896
Long-term liabilities	28,830,000	25,743,139	21,103,180
Current liabilities	3,876,783	7,281,356	9,598,564
Short-term liabilities	1,550,003	3,402,694	5,636,544
Liabilities from business operations	1,505,993	2,483,210	2,669,959
Other short-term liabilities	127,472	1,189,056	1,226,504
Liabilities for Value Added Tax	0	0	0
Liabilities for other taxes, contributions and other duties	682,841	145,497	28,692
Prepayments, deposits and bails	1,207	1,489	1,497
Accruals and deferred income	9,268	59,410	35,368
Deferred tax liabilities	0	0	0
<b>Total Capital and Liabilities</b>	<b>34,502,708</b>	<b>34,548,863</b>	<b>33,364,228</b>

## Forecasts

### Forecasted Financials for the Period 2020-2024

(in EUR)	2020 FC	2021 FC	2022 FC	2023 FC	2024 FC
<b>Operating Income</b>	<b>22,997,334</b>	<b>24,486,819</b>	<b>24,942,521</b>	<b>25,305,918</b>	<b>26,011,924</b>
Income from sale	23,000,000	24,600,000	25,100,000	25,500,000	26,270,000
Change in inventories	-10,666	-122,181	-166,479	-204,082	-268,076
Other operating incomes	8,000	9,000	9,000	10,000	10,000
<b>Operating Expenses</b>	<b>19,960,951</b>	<b>21,152,926</b>	<b>21,498,042</b>	<b>21,762,994</b>	<b>22,308,729</b>
Costs of material and energy	15,434,000	16,460,276	16,746,478	16,964,227	17,425,870
Costs of salaries, fringe benefits, etc	1,559,000	1,576,000	1,585,000	1,590,000	1,598,000
Depreciation costs	486,000	486,000	486,000	486,000	486,000
Other operating costs	2,481,951	2,630,649	2,680,563	2,722,766	2,798,860
<b>EBITDA</b>	<b>3,522,383</b>	<b>3,819,894</b>	<b>3,930,479</b>	<b>4,028,924</b>	<b>4,189,195</b>
<i>EBITDA margin</i>	<i>15%</i>	<i>16%</i>	<i>16%</i>	<i>16%</i>	<i>16%</i>
<b>EBIT</b>	<b>3,036,383</b>	<b>3,333,894</b>	<b>3,444,479</b>	<b>3,542,924</b>	<b>3,703,195</b>
Financial results	-1,581,760	-1,510,400	-1,416,400	-1,321,000	-1,233,000
Other resultus	75,000	79,999	81,403	82,474	84,732
<b>Net profit before tax</b>	<b>1,529,623</b>	<b>1,903,493</b>	<b>2,109,482</b>	<b>2,304,398</b>	<b>2,554,926</b>
Income tax	229,443	285,524	316,422	345,660	383,239
<b>Net profit</b>	<b>1,300,179</b>	<b>1,617,969</b>	<b>1,793,060</b>	<b>1,958,739</b>	<b>2,171,687</b>





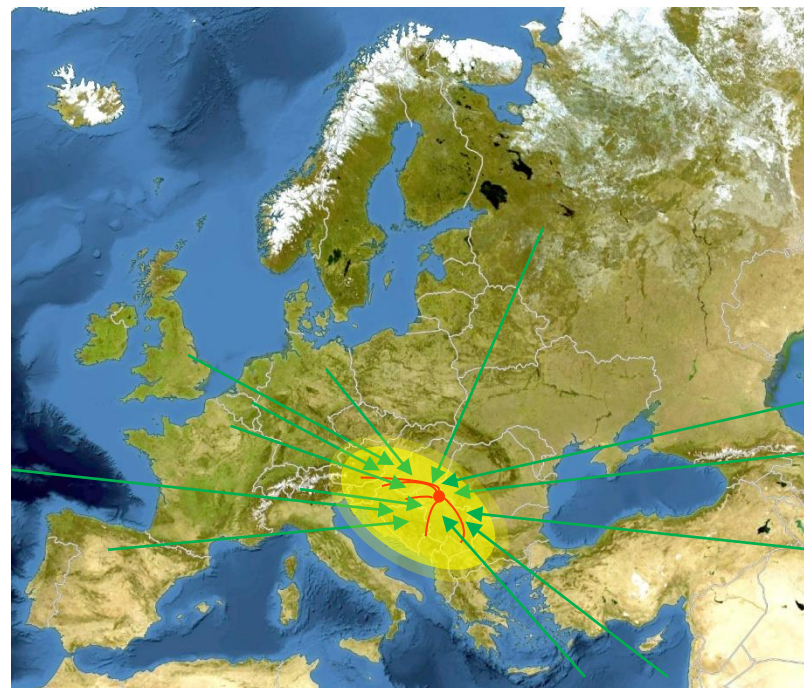
## About MD Solution

## MD Solution

### Overview

- **MD Solution** is a consulting company that offers a wide range of advisory services regarding mergers and acquisitions and other strategic projects, restructurings, capital structure, capital raising and corporate finance
- With partners that have strong local and regional expertise, MD Solution can provide creative solution to its clients with their unique needs
- MD Solution and it's partners organized, structured and successfully executed some of the most significant transactions in region, with important contribution to the development of financial and capital markets
- During many years of experience, they provided the best solutions to clients from many industries, including consumer goods, energy, financial services, real estate, and telecommunications.
- They have a large global network of business partners and can provide all the necessary support that the client needs in different areas
  - It has unique access to the largest institutional and private investors, banks and other international financial institutions

### Focal Markets



- Headquartered in Belgrade – Serbia, MD Solution is focused on the Western Balkans markets
  - MD Solution has unparalleled regional market knowledge and network enabling first access to prospective investment opportunities

## MD Solution – The Lead Team

### Partners

- **Contact:**  
MD Solution d.o.o. Belgrade  
Business Center  
Blvd Zorana Djindjica 144b  
Belgrade, Serbia

Tel.: + 381 11 3121 000  
E-mail: office@mdsolution.rs



- **Mlađan Dinkić, MBA**  
Senior Partner and CEO  
30 years of experience  
Key expertise:
  - Financing and banking
  - Transaction structuring
  - Mergers & Acquisitions
  - NPL restructuring & settlement
  - Investment advisory
  - Corporate bonds advisory
  - Restructuring
  - Strategy development and implementation
  - Policy making

During his career Mr. Dinkić served as the governor of the National Bank of Serbia (2000-2003), Minister of Finance (2004-2006), Deputy Prime Minister and Minister of Economy and Regional Development (2007-2011) and Minister of Finance and Economy (2012-2013) and Special Advisor to the Government and Deputy Chairman of Committee for Cooperation with UAE (2013-2014); Mr. Dinkić was the co-chairman of the Joint Intergovernmental Committee for Trade and Economic Cooperation between PR China and Serbia for almost 6 years, among other positions.



- **Dragijana Radonjic Petrovic, BAE**  
Founder and Senior Partner  
25 years of experience  
Key expertise:
  - Asset management
  - M&A and strategic advisory
  - Capital markets advisory
  - Private fund advisory

Mrs. Radonjic Petrovic previously founded and led M&V Investments, the largest and most successful brokerage company in Serbia (General Manager 1998-2006, Chairperson of the Board 2006-2010, 2013-); She held the office of the State Secretary in the Ministry of Economy and Regional Development in charge for Regional Development and Entrepreneurship Promotion (2010-2012); Also, she was Special Advisor to the Minister of Finance and Economy (2012-2013)

## MD Solution

### Executive team

- **Contact:**  
MD Solution d.o.o. Belgrade  
Business Centre  
Zorana Djindjica Blvd 144B  
Belgrade, Serbia

Tel.: + 381 11 3121 000  
E-mail: office@mdsolution.rs



- **Lazar Jovičić**  
*Managing Director*  
15 years of experience  
Key expertise:
  - Investment banking,
  - Financial and strategic advisory services in M&A,
  - Joint ventures and restructurings,
  - Corporate finance

Mr. Jovičić has unparalleled experience in investment banking, M&A and privatizations and restructurings in the region; In the period 2006 to 2014 he was executive and director at Citadel Financial Advisory; Mr. Jovičić has advised on M&A and JV transactions with more than € 4 bn in cumulative transaction value; Since 2014, he is Managing Director in MD Solution



- **Tamara Milojković**  
*Senior Associate*  
Key expertise:
  - Financial and data analysis,
  - Preparation of sales pitch presentation, business plans, industries
  - Sectors research and analysis

Mrs. Milojković has many years of experience in corporate finance and financial analysis; Prepared and conducted a number of financial analysis for companies in various sectors, including the financial sector; Since 2015, she is an Associate in MD Solution





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