

FAVEDA doo

Faveda doo, Sarajevo,
Bosnia and Herzegovina



<p>Project proposal: Company plans to build new business facility in order to bring together all business lines and expand the business.</p>
<p>Industrial sector – processing of medicinal plants and production of cosmetics and herbal medical products</p>
<p>Location - Sarajevo</p>
<p>Goal of the project: To invest BAM 300,000 into building of new business facility, whose impact will be reduction of production costs of 10% minimum, enhancement of storage space for raw material and finished goods could increase sales for 50%, increase employment for 50% and number of collectors of medicinal plants for 45%.</p>
<p>Return on investment: Cash flow and financial indicators show economic validity of this project where investment could be paid off in 6 years. Ratio Return on Assets shows that management utilized business assets for profit generation (RoA is stable at 0.1), and Liquidity Ratio over 1 shows the good shape of the company until 2024 that's the end of projection period (liquidity ratio in the range from 1.2 to 3.9).</p>
<p>Budget of planned investment Total investment value of BAM 353,000 will be financed by loan funds or by new investor (BAM 300,000) and by own funds (BAM 53,000). The funds will finance purchase of equipment (BAM 23,400), the purchase of plot of land (BAM 23,400), construction of business facility with supporting documentation and licenses (BAM 251,550) and working capital (BAM 54,650).</p>
<p>Expected cooperation with potential investor</p> <ul style="list-style-type: none"> • Financing the investment of BAM 300,000 • Assistance into expansion to the Middle East /Asia market • Model for return of investment will be agreed.
<p>INFORMATION ABOUT THE COMPANY</p> <p>Faveda doo was established in 1993 in Sarajevo by Mrs. Aida Zubčević who is the sole owner and production manager. Mrs. Aida is pharmacist by profession. This is family business where Mr. Fikret Zubčević, husband, manages technical aspect of the business, and sons Muamer and Vedad manage sales department. The company produce cosmetics and medical products out of medicinal plants. There are 8 employees. Registered capital of BAM 38,000. Faveda has been building its brand more than 20 years. Its traditional production of broad assortment of good quality finished products was enabled with good quality raw medicinal plants and with original receipts of Mrs. Aida. Along with custom sale, the company introduced Multilevel sales network and sales through Faveda web shop.</p>
<p>Business facility – Currently Faveda operates in business residential facility owned by Family Zubčević. They lack with production space as well as space to store raw materials and finished good.</p>
<p>Production sections and products 1. Production of teas and tea mixtures (50 dietary supplements, 40 tea mixtures)</p>

2. production of herbal extracts (17 extracts)
3. production of herbal syrups (9 products like: Immuno elixir, Syrup of fir needles, Detox Syrup)
4. production of creams and grease mixtures (17 products like Hemorrhoid cream, Benjina cream for baby dermatitis, cream for scars)
5. production of natural cosmetics (23 products like lotion, milk and cream for treatment and nourishing of skin and hair, like Lili cream, Lotion for hair growth, Oil for anti cellulite)
6. production of herbal oils (10 products, like St.John's wort Oil, Marigold Oil, etc)
7. production of herbal capsules (7 products like Slim&fit, Femalan etc)



Sales structure in 2017

Sale in country around 70%, export of 30%.

Export to Kosovo for more than 14 years , Turkey. Recently starting export to Montenegro, Serbia and Macedonia, but we are looking for partners and distributors.

Employment

There are 8 employees – four managers, three production workers and one salesman in herbal shop. This is family business and usually managers help in production if necessary. Implementation of new investment will add 2 new employees.

Buyers

DM sales chain (20% of sales in 2017), BioMedic (8%), export to Kosovo (20%), export to Turkey (5%), small buyers total (12%), sale in owned herbal shop in Sarajevo (35%).

Financial indicators (2017 god)

- Production costs - 52%,
- Administrative costs -13%,
- Bruto profit - 48%,
- Neto profit - 25%.
- Receivables Days on Hand -80 days
- Payables DoH - 133 days (mistake of an accountant, realistic is 60 days)
- Inventory DoH -190 days (new investment in w/c could build inventory to 220 days).
- Liquidity ratio – 1.2
- ROTA - 0.4

Contact info

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