

Meat and Sausage Production

This company wants to produce halal sausage and meat products. The manufacturing process is guaranteed to run according to the Halal regulations and the company is to conquer the Muslim market within the DACH region, France and Benelux.

1. *The current situation:*

Within the European single market, there is a great demand for meat and sausage products made from Halal. In particular, sucuk, turkish sausage and salami made of beef and chicken meat, in pieces or in slices, are in demand. Due to the loose Halal certification, however, no actual Halal production can be guaranteed at the moment. Here, the company wants to influence. A verifiable halal production is to be guaranteed and established on the market. The strict adherence to and control of the Halal regulations is guaranteed and taken over by the company.

2. *The market and the business model:*

The relevant target group in the DACH region, France and the Benelux countries has an order of magnitude of currently 18 million Muslims. Since all these potential customers cannot be reached directly, wholesalers and retailers, with or without branch network, are to be supplied. An existing customer base of 11 wholesalers and about 100 retailers would like to have the sausage and meat products in their own name as a "private label". Unused meat left over after separation from the bones will be resold.

The Muslim consumer attaches great importance to transparent processes and transparent production, which is currently not guaranteed for many producers. In particular, from the point of view that not all of them actually comply with the Halal rules on the production of meat and sausage products. The Halal certification currently does not guarantee actual Halal production since there are no controls after the award. A certificate can be purchased for several thousand euros. This "loose" certification will expire in five years at the latest and companies will only be able to get re-certified if they really produce according to Halal rules. The company wants to use this very gap and produce halal. This will be ensured by constant controls and transparency.

3. *Profitability and amortization:*

The company has been producing smaller quantities of Halal meat and sausage products for Turkish clubs for 15 years. Many of the buyers are members of these clubs. The existing customer base has declared by letter of intent to accept a meat and sausage quantity of 200 tons per month.

The existence of many halal butchers and the 18 million Muslims make it easy to figure out that the concept will work.

4. Which competitors are there?

There are several halal meat producers on the market that supply EDEKA and REWE. However, Halal production cannot be guaranteed for these goods because the manufacturers do not have a controlled certificate. The meat and sausage products are therefore more likely to be bought by non-Muslims. The Muslim end customer attaches importance to an actual Halal product.

5. Which financing is needed?

There are two different financing models based on calculations of € 2 million and € 8 million. On the one hand, the investment of € 2 million could guarantee the purchase of two machines - Roto Coarse and Roto Meat, all packaging materials, wages, rental costs, refrigerated trucks, etc. The profit before tax would then amount to around 540K € per year.

On the other hand, an investment of € 8 million could result in the purchase of a suitable property, including all machines, etc. For this model, pre-tax profit was € 1.6 million in the first year and € 3.7 million in the second and third years.

6. What vision does the company have?

In the long term, the company wants to increase its production to around 600-800 tons of Halal meat per month and expand its customer base. Markets in the UK and the Middle East are to be expanded.

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