

MANUFACTURING AFRICA



Manufacturing Africa aims to reduce poverty in Africa by attracting £1.2 billion of foreign direct investment into manufacturing and creating 90,000 jobs over 7 years (2019-2026). The programme is funded by the UK government through the Foreign, Commonwealth & Development Office (FCDO)



Manufacturer of Building Materials from Plastic Waste Secures Funding

Kubik, Inc. ("Kubik") is a USA-incorporated company that deals in converting plastic waste into affordable building materials for public and commercial use. Kubik uses hard to recycle plastics to manufacture building materials with a lower carbon footprint than equivalent cement-based materials.

Some of the materials produced by Kubik are rubber bricks, beams, and connectors designed to interlock and avoid the need for additional substances like cement.

The company works with prospective clients to design the buildings they need and produce the required materials to make a complete ground-level building. Kubik can also make partitions and walls of multi-story buildings. Common use cases for the products include schools, clinics, warehouses, toilets, affordable housing units and storage warehouses.

Kubik was founded in 2021 with the aim of establishing several factories in Africa for sustainable building materials. The company launched its operations in Ethiopia where it has leased a shed in the **Adama industrial Park** in Ethiopia. The factory has the capacity to process up to 45 tons of plastic waste per day.



Kubik has won the
Global Start-up Award
for two years in a row

THE CHALLENGE

- Kubik's vision is to expand into new markets over 3-5 years, operating from headquarters in Kenya, and optimize the supply chain. Kubik also wants to productize their technology and license it to building material companies.
- They are targeting the creation of 10,000 jobs by formalizing processes and directly sourcing materials from collectors rather than aggregators, reducing inequality in current supply chains.

To achieve this, the company is looking to raise

\$5 million

to fund capital expenditure and operating costs in the short term and **\$15 million** in the long run.

Urbanization of African cities has created demand for real estate. Rising costs of building materials limit the ability of the real estate sector to meet this demand.

MA SUPPORT

Our support to Kubik delivered:



a) Financial model and pitch deck review: We reviewed existing financial model and pitching materials and provided inputs to better tailor them to potential investors' needs.



b) Business case review and improvement : MA's business case review included a high-level analysis of plastic waste collection cost assumptions, against the effort required to collect non-PET plastic waste materials and expectation for remuneration by collectors and aggregators. In addition, we established the case for recycling plastic waste versus burning the waste for its calorific value (i.e., as a source of energy) along with cost comparisons for other alternative energy sources.



c) Investor mapping for outreach : We reviewed the list of investors identified by Kubik, identified, and mapped additional investors that are suitable for outreach.



d) Sustainability strategy : Our team assessed the environmental and social risks of Kubik's manufacturing operations, recommended mitigation measures to improve ESG risk standing and developed sustainability KPIs over the next few years.



IMPACT



Kubik has successfully raised **\$3.4 million** of seed money from several impact, foundations and early-stage investors.



Kubik is expecting the arrival of machinery and start of operations before the end of 2023. Recruitment and training of local staff is also on-going. At full capacity, the factory situated in Adama Industrial Park will directly employ 170 people (55% of whom will be women).



Kubik will support livelihoods of waste collectors in its supply chain i.e., 2,500 waste collectors in the first year growing to 10,000 waste collectors in the 10th year.

QUOTE FROM THE COMPANY REPRESENTATIVE



It has been helpful to get the extra capacity for our investor readiness and having time to think through our sustainability strategy. Having an MA resource come in to help with the supply chain has been very valuable too.

- Kidus Asfaw, CEO/Co-Founder



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