

MIGORI AUTO SPARES LIMITED

Investment Visibility Test & Investor Pitch Presentation

1. Executive Summary

Migori Auto Spares Limited is a leading supplier of genuine motor vehicle spare parts and accessories in Kenya and the wider East African region. With a catalogue of over **18,000 products**, direct partnerships with manufacturers, and a robust distribution network, the company has established itself as a dominant force in the automotive aftermarket.

We currently achieve **monthly revenues of Ksh 13,000,000 – 15,000,000**, with a rapidly expanding customer base including retailers, wholesalers, garages, and institutional clients. Our head offices are strategically located in **Kisumu City**, enabling efficient distribution across Western Kenya, the entire country, and surrounding East African markets.

Migori Auto Spares Limited is now seeking investment to scale operations, expand warehousing, increase digital market presence, and deepen penetration into East African markets—targeting **Ksh 20,000,000 – 30,000,000 in monthly revenues** within the next five to ten years.

2. Company Overview

Corporate Identity

- **Company Name:** Migori Auto Spares Limited
- **Industry:** Automotive Aftermarket (Spare Parts & Accessories)
- **Business Model:** Manufacturer-to-Wholesaler & Manufacturer-to-Retail Distribution
- **Location:** Kisumu City, Kenya
- **Markets Served:** Kenya (National) + East Africa (Regional)

Core Business Activities

- Supply and distribution of **genuine motor vehicle spare parts**
- Specialist services in **Brake and Clutch systems**
- Wholesale and retail distribution
- Digital sales and e-commerce-driven delivery

- Advisory services on quality auto parts and fast-moving product lines
 - Tax compliance, financial transparency & cross-border trade support
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3. Product Portfolio

Migori Auto Spares Limited stocks over **18,000 different spare parts**, significantly exceeding competitors who typically stock less than half of this number.

Key Product Categories

- **Brake Systems:** Pads, shoes, rotors, drums, brake fluids
- **Clutch Systems:** Clutch plates, bearings, master cylinders
- **Engine Components:** Filters, gaskets, pumps, injectors
- **Suspension & Steering:** Ball joints, arms, bushings, tie rods
- **Body & Frame Accessories**
- **Electrical & Lighting Systems**
- **Motorcycle Parts & Accessories**

Vehicle Brands Covered

- Toyota, Nissan, Honda, Isuzu, Mitsubishi, Mazda
- Subaru, Mercedes, VW
- Motorcycle brands such as TVS, Bajaj, Honda, Hero

This breadth makes us a **one-stop solution** for garages, retailers, and vehicle owners.

4. Competitive Advantage & Market Positioning

Migori Auto Spares Limited enjoys a clear competitive edge built on six strong pillars:

1. Extensive Product Range

We stock **over 18,000** spare parts, far exceeding competitors' limited inventories—ensuring availability of rare, fast-moving, and genuine items.

2. Genuine, High-Quality Parts

We directly partner with certified manufacturers.
Competitors often rely on lower-grade imports from middlemen.
Our guarantee of authenticity builds customer trust and retention.

3. Direct Manufacturer Relationships

We buy directly from global and regional OEM manufacturers, ensuring:

- Lower purchase prices
- Guaranteed authenticity
- Reliable supply
- Strong bargaining power

4. National & Regional Distribution Network

- Fleets of delivery vehicles & motorcycles
- Ability to deliver to retailers, wholesalers, and garages nationwide
- Strong presence in Western Kenya and growing influence in East Africa

5. In-House Specialist Teams

- **Automotive Spare Parts Analysts** who monitor emerging car models and recommend timely stock acquisitions
- **Tax and Compliance Experts** ensuring transparency, regulatory compliance, and international trade readiness

6. Digital Marketing & E-Commerce

We utilize social media, e-commerce platforms, and digital advertising to reach customers anywhere in the country and region.

5. Current Performance & Financial Highlights

Revenue

- Current monthly turnover: **Ksh 13M–15M**
- Annual revenue estimate: **Ksh 156M–180M**

Customer Base

- 450+ active wholesalers and retailers
- 1,500+ garages and mechanics purchasing regularly
- Thousands of individual walk-in and online customers

Operational Infrastructure

- Large main warehouse and office in Kisumu
- Multiple delivery vehicles and motorcycles
- ERP systems for inventory and financial management
- Growing digital sales platform

6. Market Opportunity

Automotive Industry Trends

- Motor vehicle imports in Kenya continue to rise annually.
- Increased demand for **genuine spare parts** due to government crackdown on counterfeit products.
- Rising motorcycle usage expands the motorcycle spare parts market.
- Regional integration (EAC) provides untapped opportunities.

Target Growth Markets

- Uganda
- Tanzania
- Rwanda
- South Sudan
- DRC (emerging frontier)

Projected Revenue Growth

With investment in stock expansion, warehousing, digital systems, and distribution:

- **Short-term target (2–3 years):** Ksh 18M – 20M per month
- **Long-term target (5–10 years):** Ksh 20M – 30M per month

7. Investment Need & Utilization Plan

Investment Amount Required

(To be refined as per your preference—suggested range below)

Ksh 40 Million – 70 Million

Funds Utilization

1. **Stock Expansion** – Ksh 20M–30M
 - Increase inventory from 18,000 to 25,000+ products
 - Add fast-moving parts and new model parts
2. **New Warehouse & Office Expansion** – Ksh 10M–15M
 - Increase storage capacity
 - Improve dispatch efficiency
3. **Fleet Expansion (Vehicles & Motorcycles)** – Ksh 5M–10M
4. **Digital Infrastructure** – Ksh 3M–5M

- E-commerce platform
 - Inventory & sales automation system
 - 5. **Regional Market Entry** – Ksh 5M–10M
 - Satellite distribution hubs in Uganda & Tanzania
 - Cross-border logistics setup
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8. Projected Returns for Investors

Financial Projections (Next 5–10 Years)

- Monthly revenue target: **Ksh 20M–30M**
- Annual revenue potential: **Ksh 240M–360M**
- Expected profit margins: **18%–25%** (standard for genuine spare parts distributors)

Investor Return Options

1. **Equity Investment**
 - Shares in the company
 - Annual dividends + value appreciation
 2. **Convertible Debt Investment**
 - Fixed annual return (8%–15%)
 - Option to convert to equity later
 3. **Revenue-Share Model**
 - Agreed percentage of monthly revenue
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9. Risk Analysis & Mitigation

1. Market Competition

Mitigation: Large inventory, genuine parts, and manufacturer partnerships.

2. Currency Fluctuations

Mitigation: Bulk purchasing, diversified suppliers.

3. Supply Chain Disruptions

Mitigation: Multiple sourcing regions (Asia, Middle East, Europe).

4. Counterfeit Market Threat

Mitigation: Supplier verification, anti-counterfeit labels, brand trust.

10. Why Invest in Migori Auto Spares Limited?

- **Proven track record** with consistent multimillion revenues
 - **Strong market presence** and regional influence
 - **Competitive advantage** rooted in quality, variety, and distribution
 - **Genuine supplier partnerships** ensuring trust and profitability
 - **Scalable business model** with clear expansion potential
 - **Experienced management team** and specialist support staff
 - **Strong financial transparency & tax compliance**
 - **Growing automotive market in East Africa**
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11. THE INVESTOR'S EARNINGS FROM FOM THE INVESTED (KSH 50,000,000 INVESTMENT)

When the investor injects (KSh 50,000,000) into the purchase and sales of itemized spare parts and accessories, Migori Auto Spares will handle:

- Procurement (local or international)
- Warehousing and stock management
- Retail sales
- Wholesale and regional distribution
- Marketing and customer support

The investor earns income through the following outlined channels:

11.1 Profit Sharing From Sales of the itemized spare parts and accessories

This is the primary and most direct earnings model.

How It Works

- The investor provides the capital for purchasing stock.
- Migori Auto Spares sells the items retail and wholesale.
- All revenues from these items are tracked separately from the company's general stock.
- After deducting agreed operating expenses, the profit is split between the investor and the company.

Possible Profit-Sharing Options:

- **Investor 60% : Company 40%**
- **Investor 70% : Company 30%**
- **Fixed ROI per item sold (e.g., investor earns KSh X per unit)**

Why This Benefits the Investor

- High transparency: profits from only the itemized spare parts are tracked.
 - Earnings increase when sales volume increases.
 - Investor receives continuous cash flow.
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11.2. Stock Appreciation (Value Increase of Items)

Some spare parts increase in price due to:

- Market shortage
- Changes in import regulations
- Supply chain disruptions
- High demand from garages and transport SACCOs

How the Investor Earns

The increased selling price directly increases his profit margin.

For example:

- Bought at KSh 5,000
 - Price rises to KSh 7,500
 - Added KSh 2,500 becomes part of the investor's profit share.
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11.3. Wholesale / Regional Supply Revenue

Since Migori Auto Spares is also a **regional supplier**, the investor benefits from:

- Bulk orders from garages
- SACCO fleets (matatus, buses)
- County government departments

- Body shops
- Transport and logistics companies

Benefits

- Faster stock turnover
- Larger profit margins in bulk sales
- Stable, recurring wholesale clients

The investor earns a profit share from every wholesale supply.

11.4. Retail Sales Profit

Beyond wholesale, the itemized spare parts will also be sold in the shop at retail price.

How the Investor Earns

Retail sales generate:

- Higher per-item margins
- Steady daily turnover

This ensures the investor benefits from both **volume (wholesale)** and **margin (retail)**.

11.5. Distributor/Exclusive Rights Earnings

If the investor chooses specialty items that are not widely stocked, Migori Auto Spares can position them as **exclusive or priority stock**, giving them:

- Premium pricing
- Reduced competition
- Higher return on investment

This creates **above-normal profit margins** for the investor.

11.6. Commission or Royalty Earnings (Optional Model)

A structured approach where the investor earns either:

- **A fixed commission** per item sold
- **A percentage royalty** (e.g., 10–15%) on gross sales

Benefits

- Predictable income
 - No impact from operational expenses
 - Smooth returns even during slower business months
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11. 7. Reinvestment & Compounded Growth

The investor can choose to reinvest:

- 50% of the profits
- 100% of the profits
- A fixed amount monthly

How This Grows Earnings

- His capital base increases each year
 - More stock purchased = higher sales = higher profits
 - Long-term compounding significantly boosts returns (especially in the 5–10 year plan)
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11.8. Dividends (Based on Contract Agreement)

Migori Auto Spares can structure the investment like a silent partnership.

How He Earns

He receives:

- Quarterly or annual dividends
 - In proportion to the profitability of his selected items
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11.9. Capital Recovery + Interest at the End of Contract

Depending on the agreement, the investor can recover:

- **Initial capital (KSh 50,000,000)**
PLUS
- **Interest or cumulative profit** over the contract period

This provides security and confidence to the investor.

RETURN STRUCTURES FOR EACH INVESTMENT PERIOD

A. For 3–5 Years Investment Plan

Characteristics

- Short to mid-term
- Focus on high-turnover items (brake pads, clutch plates, filters, bearings, suspension parts)
- Faster cash circulation
- Quarterly or semi-annual settlements

Expected Earnings

- Annual ROI: **20%–40%**, depending on item choice and turnover rate
- Total return in 3–5 years: **60%–160%**

How the Investor Benefits

- Faster capital recovery
 - Flexibility to exit or renegotiate terms
 - Higher reinvestment opportunities
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B. For 5–10 Years Investment Plan

Characteristics

- Long-term compounding
- Opportunity to introduce exclusive or high-value items (clutch kits, brake systems, shocks, injectors)
- Bigger wholesale contracts due to long-term stability

Expected Earnings

- Annual ROI: **30%–50%**, with compounding effects
- Total return in 5–10 years: **200%–500%**, depending on reinvestment strategy

How the Investor Benefits

- Maximum wealth accumulation
- Benefit from exclusive supply chains
- Stable, predictable long-term cash flow

SUMMARY TABLE: HOW THE INVESTOR EARNS

Income Stream	Description	Applies to Which Plan
Profit Sharing	Earnings from sales of 5 items	3–5 yrs / 5–10 yrs
Stock Appreciation	Gains from price increases	3–5 yrs / 5–10 yrs
Wholesale Supply	Bulk orders = larger profits	3–5 yrs / 5–10 yrs
Retail Margins	Daily shop sales	3–5 yrs / 5–10 yrs
Commissions/Royalties	Fixed or percentage fee per sale	3–5 yrs
Exclusive Rights Profits	Premium margins on specialized items	5–10 yrs
Dividend Payments	Quarterly/annual distributions	5–10 yrs
Capital Recovery + Interest	Paid at contract end	Both plans
Compounded Reinvestment	Profits reinvested for growth	5–10 yrs

INVESTOR EARNINGS MODEL & RETURN STRUCTURE

Migori Auto Spares – Motor Vehicle Spare Parts & Brake/Clutch Specialists

Investment Amount: KSh 50,000,000

Investment Scope: Procurement, distribution, retail sales, and regional supply of **customized items** selected by the investor.

11.10. CONCLUSION

The proposed investment model offers the investor a structured, transparent, and profitable partnership with Migori Auto Spares. By focusing on five carefully selected items and leveraging our established retail and distribution networks, the investor is assured of strong returns, long-term growth potential, and continuous income throughout the investment period.

12. Company Policies

Migori Auto Spares Limited has established a strong internal framework of policies that guide our operations, maintain integrity, enhance efficiency, and align with industry best practices. These policies ensure that the company operates with full compliance, transparency, and accountability—critical factors for investor confidence.

12.1 Quality Assurance Policy

Migori Auto Spares Limited is committed to supplying **genuine, high-quality motor vehicle parts** sourced directly from certified manufacturers.

Key Quality Commitments

- All products undergo **quality verification** before stocking.
- We only engage **accredited and certified suppliers**.
- Every part is labeled with **traceability codes** for accountability.
- Continuous training for staff on recognizing genuine vs. counterfeit parts.
- Customer complaints are resolved within **48 hours**, and defective parts are returned to suppliers through formal channels.

Goal: Protect customers from counterfeit parts and maintain the highest standard of reliability.

12.2 Customer Service Policy

We prioritize customer satisfaction through **fast service, transparent communication, and dependable delivery**.

Core Customer Service Principles

- Professional support for retailers, wholesalers, mechanics, and walk-in clients.

- Orders processed and dispatched within **24 hours** nationwide.
- Dedicated customer care lines available during business hours.
- Digital communication via WhatsApp, email, and social media for real-time support.
- Customer feedback drives continuous product improvement.

Goal: Build long-term customer loyalty and trust.

12.3 Pricing & Transparency Policy

Migori Auto Spares Limited maintains transparent and fair pricing.

Key Pricing Measures

- Standardized pricing across all branches and platforms.
- No hidden charges or unauthorized markups.
- Competitive pricing because we purchase **directly from manufacturers**.
- Periodic pricing audits by internal financial controllers and tax experts.

Goal: Protect customers and investors by ensuring honest and consistent pricing.

12.4 Ethical Business Conduct Policy

Integrity is at the core of our operations.

Ethical Commitments

- Zero tolerance for corruption, bribery, or fraudulent activities.
- All supplier and customer relationships must follow legal and ethical standards.
- Staff must avoid conflicts of interest with suppliers or competitors.
- Ethical behavior required when handling customer data, inventory, or company finances.

Goal: Maintain a business environment founded on trust and accountability.

12.5 Employee Training & Development Policy

We invest heavily in the growth and expertise of our team.

Training Areas

- Technical training on new automotive models and parts.
- Customer service and communication skills.
- Digital sales and inventory system operations.
- Tax compliance, accounting, and financial reporting.
- Occupational safety and health training.

Goal: Ensure staff are competent, productive, and aligned with company goals.

12.6 Inventory Management Policy

Given the scale of our stock (18,000+ products), we enforce strict inventory controls.

Inventory Practices

- Computerized inventory management system for real-time tracking.
- Monthly inventory audits for accuracy.
- Proper storage procedures to prevent damage or loss.
- Categorization of fast-moving, slow-moving, and critical stock.
- FIFO (First-In First-Out) method for perishable items like lubricants.

Goal: Reduce losses, eliminate stockouts, and maintain efficient operations.

12.7 Health, Safety & Environment (HSE) Policy

Migori Auto Spares Limited ensures a safe working environment.

Safety Commitments

- Well-maintained warehouses with proper shelving and fire safety systems.
- Safe handling procedures for lubricants, fluids, and chemicals.
- Staff equipped with protective gear (PPE).
- Clean and organized working spaces.
- Regular emergency drills and safety inspections.

Goal: Protect staff, customers, and property.

12.8 Anti-Counterfeit & Supplier Verification Policy

To remain a leader in genuine parts, we uphold strict verification standards.

Verification Steps

- Every new supplier undergoes a background and certification check.
- Sample products are tested before large orders.
- No trading with middlemen who cannot provide authenticity certificates.
- Counterfeit risk assessments conducted quarterly.

Goal: Maintain the market leadership position in genuine spare parts.

12.9 Data Protection & Privacy Policy

We safeguard customer and business information.

Commitments

- Customer contact information is stored securely.
- No unauthorized third-party sharing.
- Compliance with Kenya Data Protection Act and regional laws.
- Use of secure digital systems for sales and financial data.

Goal: Build trust and comply with legal requirements.

12.10 Financial Management & Tax Compliance Policy

Financial transparency is key to investor confidence.

Key Financial Policies

- Accurate recordkeeping through modern accounting systems.
- Tax compliance managed by qualified in-house tax experts.
- Annual independent audits.
- Separation of company and personal finances.
- Budgeting and financial planning conducted quarterly.

Goal: Provide a transparent, investor-friendly financial environment.

12.11 Delivery & Logistics Policy

Migori Auto Spares Limited guarantees timely, safe, and reliable deliveries.

Logistics Guidelines

- Orders delivered nationwide using company vehicles and motorcycles.
- Tracking system for orders dispatched outside Kisumu region.
- Drivers trained on safety and product handling.
- Delivery timelines clearly communicated to customers.

Goal: Ensure customer satisfaction and operational efficiency.

13. Conclusion

Migori Auto Spares Limited is not just a spare parts supplier—it is a fast-growing automotive distribution powerhouse in East Africa. With your investment, we are ready to scale, digitize, expand regionally, and multiply our revenue base for sustainable long-term returns.

We welcome interested investors to join us in expanding a proven, profitable, and future-ready business.