



AUTO SPRINGS EAST AFRICA PLC.



BUSINESS OVERVIEW

Background

Auto Springs East Africa PLC (ASEAP) is Kenya's largest original equipment manufacturer to the Kenyan motor vehicle assembly sector. Auto Springs was established in the year 1979 and has been producing a wide range of products for motor vehicles specifically leaf springs, nuts and bolts (centre bolts, U bolts, wheel studs, shackle pins etc.) and wiring harnesses for various models of commercial vehicles. In addition to the above, the company manufactures a wide range of agricultural equipment including sugar Mill components. It is also involved in a wide range of chassis reinforcements, extensions and modification of springs to make them suitable for Kenyan roads.

The factory is located in Limuru near the interchange of Kamandura Mai Mahiu Narok road and Eldoret Malaba road.



Fig 1: Location of the company

Partnership and expansion

Ascent Rift Valley Fund (ARVF), Ascent Rift Valley Fund (ARVF), a leading SME Private Equity Fund investor, has recently acquired a significant stake in the company and invested additional capital into product expansion and factory improvements. Partnership with Ascent will give strength and ability to better serve the quality and service demands of our clients.

Our customers

Through effective business practices, our management and technical experts evaluate, prioritize and implement projects to ensure customer satisfaction.

With close to four decades of experience in manufacturing wiring harness, leaf springs, bolts and nuts, ASEAP has carved a niche for itself in the automotive component industry. Each of our products meets and exceeds the KEBS (Kenya Bureau of standards) standards. We are also known for the unsurpassed speed of delivery and after-sales service.

Our long-standing relationships with organizations such as Isuzu East Africa and Simba Corporation demand constant investment in new plant and technology. Ascent's investment moves us not only to improve our current processes but to also look aggressively into new products development.

Our major customers in the assembly business are Isuzu East Africa, Simba corporation motors, Toyota Kenya and other industry players who distribute to garages and spare parts shops across the East Africa region, DR Congo and Zambia.

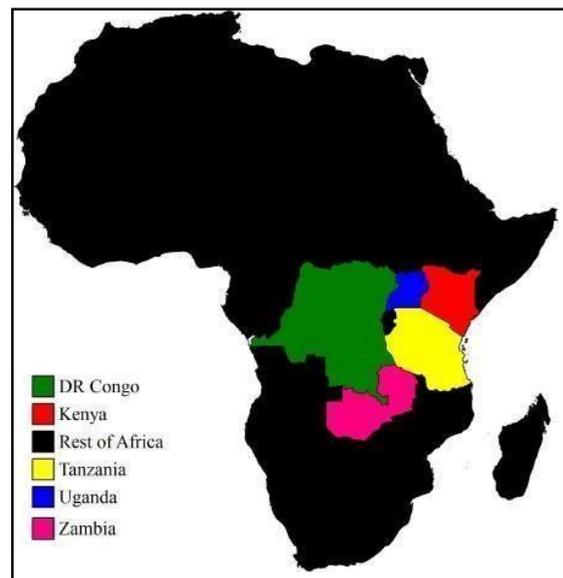


Fig 2: Our supply coverage in Africa

PRODUCT/MANUFACTURING CAPABILITY

Our expertise in intelligent & intuitive design helps us to deliver compelling and meaningful experiences that keep users interested and engaged in our products.

With a task force of close to 200 employees, dedicated to timely production and quality assurance, our agile and iterative approach to our customers enables improved reliability and ability to deliver the products faster and achieve an accelerated return on their investment.

Springs

The company produces an average of 150 tonnes of springs per month supplied to customers in Kenya, Uganda, Tanzania, Democratic Republic of Congo and Zambia.

Our Multi-leaf springs are uniquely designed to provide support, stability and safety to a vehicle and are superlative among the vehicle springs.

The multi-leaf springs come in variable width whilst maintaining its thickness. The springs consist of a main leaf and helper leaves, which carry proportional amount of load, to provide support to the vehicle.

The factory has a dedicated workforce modern and automated machinery to ensure quality and efficiency in production to meet the market demand.



Plate 1: Leaf spring production line

Wiring harness

The company supplies wiring harness to Isuzu East Africa for 12 models of the Isuzu range of trucks and buses. In addition the company supplies Simba Corporation for 2 of their Mitsubishi line of trucks and buses.

The company is in the process of developing production line for motorcycle harnesses for the Kenyan market.

The company has recently improved its production line by automation of parts of the production line. New generation machinery such as the crimp cross section testing machine and harness testing machine have been acquired to improve the quality of our wiring harness.



Plate 2: Automated and quality assurance machines

Bolts and Nuts

With close to four decades of experience in manufacturing conventional leaf suspensions ASEAP has forayed into producing other products such as U-Bolts, Centre Bolts and Bushes to provide the complete package to our customers.

U-Bolt is a metal fixing in the shape of the letter U, which has a pin or screw bolt closure which fits across the two ends making a closed clamp. We provide any kind of U-bolt as per a customer's drawings/specifications.

Board of Directors



Kevin Kihara is the Chairman of the board. He has over 20 years of professional experience in development finance with Senior Executive roles in diverse financial institutions that include Family Bank of Kenya, Housing Finance Group with his last role as Head of Strategy, Market Development and Performance at Shelter Afrique. He is a Non-Executive Director at the Kenya Forestry Research Institute (KEFRI) and the Water Service Providers Association (WASPA). He is the Managing Director and Co-Founder of Upepo Technology Company Ltd, a Kenyan Internet of Things (IoT) Solutions Provider. He holds a Masters in International Public Policy (Finance & Development) from the Johns Hopkins School of Advanced International Studies (SAIS) in Washington DC and B.A in Government and Economics from the University of Texas at Austin. He is also an accredited Advanced Mortgage Professional (AMP) of the Mortgage Bankers Association of America (MBAA)



Salil Patel was the Company's CEO until his retirement in 31st March 2020 but continues to be a Director of the Board. He has been instrumental in taking the company through tumultuous changes caused by wholesale and unchecked importation of second hand vehicles. He has been in the company for 26 years. He planned and executed the building of the new factory in Limuru. He has also successfully built up a number of manufacturing concerns in East Africa. He holds a degree in Economics from the University of Miami USA.



David Owino is a partner at Ascent Capital Advisory Services LLP. He has worked in the private equity sector in East Africa for 16 years. He has previously managed in excess of \$150 million at Centum, the leading East African investment holding company. He holds a BSc. (Business Administration) from USIU - A and an MBA from Strathmore Business School.



Marieke Geurts is an investment director at Ascent Capital Advisory Services LLP. She has 10 years of private equity, Consultancy and operational experience. Prior to working at Ascent, she was a strategy consultant with McKinsey & Company, after starting her career as finance and operations manager at Lazada in South East Asia. Marieke holds a MSc. in International Business from RSM Rotterdam and a Master in Management (MiM) degree from CEMS.



Bilal Vaiani is a private equity professional at sub-Saharan private equity fund Ethos Private Equity. He also holds directorships at Rafiki Group of Companies, a family owned group with investments in real estate, trading and manufacturing. Bilal Vaiani has a Bachelors in Aerospace Engineering, Masters in



Finance and is a qualified accountant (ACA).

Wilfred Wangari is a seasoned engineer with close to forty years' experience in diverse industries in operations, maintenance, design and general management. Specifically, he has twenty years in the motor vehicle industry and ten years in the energy sector. He is currently the general manager of power systems division of Simba Corp. He is a consultant in energy audits, efficiency improvement and total quality management (TQM) He has a Masters Degree in International Business Administration and a Bachelor of Science Degree in Engineering.

Executive Management Team



Nephath Njeng'wa is the Chief Executive Officer. He joined the Company in January 2018 as Commercial Director and CFO until 1st April 2020 when he was appointed as the CEO. His work experience ranges from Financial Management, Business Development and General Administration for over 20 years. His previous appointments include Head of Business Development at Questworks Limited (Engineering, procurement and construction firm), University Secretary at Strathmore University, Group Finance Manager at Kenya Wine Agencies Limited and Internal Audit Manager at Longhorn Publishers Limited. He holds an MBA and a Bachelor of Commerce (Accounting option) both from the University of Nairobi. He is a certified Public Accountant of Kenya (CPAK 1999) and a holder of Certified Public Secretary (CPS) final certificate.



Mitan Desai is the Executive Director Operations. He has been working in the company in various capacities including Operation, Finance and Administration for over 20 years. He was heavily involved in planning and execution of the building of the new factory in Limuru. Prior to his appointment at Auto Springs, he had worked in a consultancy firm, where he was involved in Accounts consultancy.

Mitan holds a degree in Commerce from Gujarat University in India.



Agnes Wekesa is the Environmental, Social and Governance Manager. She has a dynamic and rich experience in environmental governance with 6 years' experience in developing and implementation of Environmental and Social Management Systems for institutions in line with Environmental and Social safeguard policies including Health and Safety guidelines of International Finance Institutions. Prior to joining Auto Springs, she was a senior Environmental Health and Safety consultant at GIBB International (Engineering firm). She holds a BSc. in Environmental Studies from Kenyatta University and a Master's degree in Biodiversity and Natural Resource Management from University of Nairobi. In addition, she is a member of the Environment Institute of Kenya (EIK) and a registered Associate Expert with National Environmental Management Authority (NEMA), Kenya.