

# Launch of ALDIPOR Lightweight Insulating Material Production

## Market preconditions:

- The **volume of the thermal insulation materials market** in Russia amounts to **RUB 120 billion**
- The **raw material for ALDIPOR production** is mining waste, reserves of which amount to **7.5 million m<sup>3</sup> in the Novosibirsk Region**

## Proposal:

**Launch of production** of ALDIPOR, a new thermal insulation construction material with improved characteristics as compared to expanded clay aggregate.

- **125,000m<sup>3</sup>** of planned output
- Target market: the Siberian Federal District

## Alternative materials:

- Expanded clay aggregate
- Building bricks
- Polyurethane foam
- Polystyrene foam
- Foam concrete and autoclaved aerated concrete
- Penosital foam glass
- Mineral wool plates

## About the product:

ALDIPOR is used as a filler in the construction of roads, as heat insulation for pipelines and heating mains, for covering oil refining plants, for the production of building materials, and as heat insulation for walls, ceilings, etc. It is a round gravel with a diameter of 5 to 40mm with a bulk density of 150–250 kg/m<sup>3</sup>.

## Key parameters of the project:

Implementation period:	<b>7 years</b>
Project budget:	<b>RUB 249 million</b>
IRR:	<b>18.85 %</b>
NPV:	<b>RUB 42.8 million</b>
Profitability:	<b>28 %</b>
Payback period:	<b>5 years</b>

## Investment component:

Need for investment	<b>RUB 249 million</b>
Form of investment:	<ul style="list-style-type: none"><li>▪ bank loan</li><li>▪ equity stake</li><li>▪ public and private funds</li></ul>
Target areas for use of investment:	<ul style="list-style-type: none"><li>▪ Equipment <b>55.29%</b></li><li>▪ Major construction work <b>40.09%</b></li><li>▪ Working capital: <b>4.62%</b></li></ul>

## Competitive advantages:

- ALDIPOR is made from production waste; there is no need for quarrying
- ALDIPOR has better technological characteristics: compressive strength, operation temperature limit, and density
- ALDIPOR has a lower production cost due to the low cost of raw materials
- ALDIPOR has the unique advantage of being both a construction and an insulation material, which ensures a positive economic effect

## Current phase of project:



Russian Green Building Council's opinion and patent obtained, R&D carried out



Project has been included in the Novosibirsk Region Reindustrialisation Programme



Some process equipment already available



Business plan developed, target market analysis carried out



Site specified

## Project support from:

### AO AIR

an organisation specialising in attracting investments and working with investors

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