

# ELB weathering the storm

The mining industry is in the throes of one of the worst economic recessions ever encountered, leaving few businesses unscathed – and 2016 is unlikely to provide any relief. “We may be encountering rough seas but **ELB Engineering Services’** ship is built to weather the storm,” CEO Dr **STEPHEN MEIJERS** tells **LAURA CORNISH**.

**2** 016 is going to be another tough year for the mining sector and its associated supply chain industries and most predict it will still get worse before turning the corner towards recovery.

“I have never seen such a concentration of industry-damaging circumstances, particularly for South Africa,” Meijers states. The diminishing demand for minerals and metals globally has caused a slide in

commodity prices which is fuelling the country’s struggles further. “The northern hemisphere is unsettled and its future uncertain, putting pressure on developing countries. South Africa alone must also contend with non-existent investor confidence – driven by unacceptable labour behaviour and an indecisive and confidence destroying government. Some of our largest companies’ business conduct has also caused global embarrassment.”

The accumulation effect has seen the mining sector tighten its belts, slow down on creditor payments and desperately cling to their cash reserves, putting suppliers under massive cash flow pressures. “But ELB is prepared to endure this difficult period. We’ve adapted our business and will manage our way through it,” Meijers highlights.

### A ship built to sail the roughest seas

ELB has been preparing for this challenging economic environment for the last decade and built a steady, solid, robust ship/ balance sheet with sufficient fuel/cash flow on board to withstand the tumultuous times.



“Our crew/employees are focused, working harder than they ever have and are diligent and capable to steer this ship through unclear waters. And when the storm subsides our ship will be stronger than ever having learnt to ride the roughest mining waves in recent history,” outlines Meijers, who is captaining his ship with steadfast strength.

To maintain its force whilst the storm continues to ravage the weak in its path, ELB continues to adapt its survival tactic with an on-going diversification strategy which provides its crew with excitement, energy and opportunity for wide spectrum growth. “Underpinning this we emphasise the wellbeing of our crew to ensure they stay strong and healthy to continue excelling during the storm.” Wellness days, gym facilities, lifestyle and nutrition guidance, social communication forums, trauma and physiological counselling, tax submissions assistance, etc. are provided for all ELB staff.

And according to Meijers, the results are clear. “Feedback from the market reveals overwhelming consensus that our staff are dedicated, exceptionally hard working, highly professional and significant contributors to a strong team environment.”

### Unpacking ELB’s diversification strategy

**1.** ELB has enhanced its core skills and capabilities in the power sector and is successfully cruising into this new business territory as it looks to address South Africa’s



Silos: Sonils Quay Port of Luanda Bulk Handling Facility



Medupi – North Incline Conveyor and 1000T Silo

power crisis with the introduction of small-scale power plants.

“Our growing success in this sector is the result of established global technology partnerships enabling us to deliver across all energy platforms.” This includes combined heating plants which offer low capital expenditure and up to 90% efficiencies and biomass/waste-to-energy plants which boast low fuel costs, high efficiencies and low emissions. ELB also provides small-scale fluidised bed coal power plants which have very attractive capital costs, at ±US\$1500 / kW.

## 2.

The company has also quickly achieved its first major engineering and construction triumph in the fast moving consumer goods (FMCG) market and has recently commissioned its first plant in South Africa. “Consequently, the client has appointed us as a preferred project house in South Africa

## TECHNOLOGY AWARDS TAKE CENTRE STAGE

Supported by the Department of Science and Technology (DST); South Africa's TT100 awards programme, which recognises technological and innovation excellence in the country and globally is today one of the foremost business awards programmes acknowledging South African companies for their business prowess in the management of technology, innovation, people, systems, research and sustainability across any industry.

In the official ceremony which took place in November 2015, ELB received numerous awards as well as DST minister Naledi Pandor's award for overall excellence. “This proves we are focusing in the right areas,” says Meijers.



where we will shortly roll out their next project,” Meijers reveals.

ELB has also entered into a contract with Givaudan SA, part of the Swiss fragrance and flavourant specialist Givaudan Group, for the development of a new flavourant factory in South Africa.

ELB, which won the contract against international tenderers, will implement the project in two phases. Phase 1A is for project setup and development of two concept processes. Phase 1B is for the design of the buildings and utilities. Phase 2 entails full EPC execution.

## 3.

Introducing new technologies is the third arm of ELB's diversification strategy and offers ‘positive prospects’ in tough market conditions. This was the overall message of the ELB Technology Day held in October in Sandton, South Africa. It aims to highlight the areas of business it is fostering to help industry improve cost margins and efficiencies, alongside other industry leaders.

“ELB has successfully transformed its focus from product and know-how to a culture of technology,” with recent projects (including those already mentioned)

testifying to the company's status as a leader in innovation.

These include one of the global mining industry's longest single flight conveyors, the world's first large scale coal drying plant for reducing inherent moisture, refurbishment of a power station reclaimers at 60% of the cost and in half the estimated time for completion of a new machine.

**“Our crew are focused, working harder than they ever have and are diligent and capable to steer this ship through unclear waters with good governance, procedures and policies in place. And when the storm subsides our ship will be stronger than ever having learnt to ride the highest, most tumultuous mining waves in recent history.”**

Stephen Meijers

Exxaro's integration manager JP Oosthuizen and technical manager Thys Vermaak introduced the breakthrough ultra-high dense medium separation (UHDMS) processing technology at the Technology Day. It has enabled Exxaro to quantify the potential value of low grade ore resources and to efficiently upgrade the material to acceptable product grades. Overall benefits include increased resource utilisation, yield, life-of-mine and production volumes, improved and consistent final product qualities, lower operating cost per ton mined and relatively low capital requirements.

A fairly recent addition to ELB's suite of world class technologies is CMI's horizontal centrifuge technology, which allows maintenance to be performed at floor level while plants are still in operation. It also reduces overhead space requirements and allows for easier inspection during operation. The centrifuges have an installed



ELB and Givaudan sign Concept and Definition Phase Study for Givaudan Tulisa Park Project

Medupi – South Incline Conveyor and 1000T silo



base in the USA of over 500 (over 80% of the US market).

The 70-year old CMI entered the South African market in 2014 through its partnership with ELB and already has 14 centrifuges in operation.

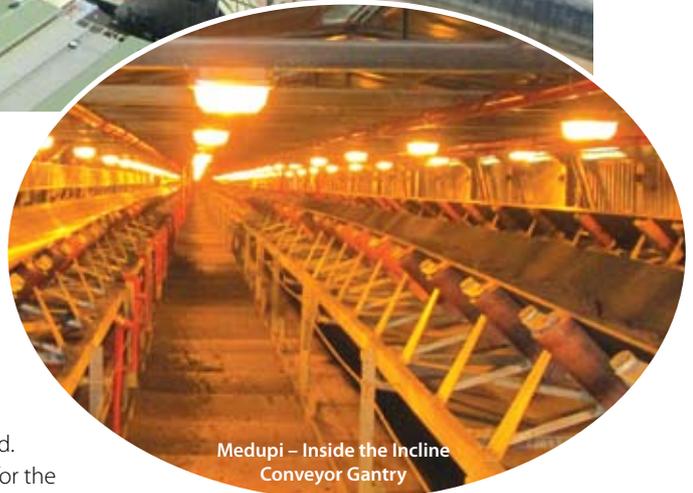
“We have created a culture of technology in the company which encompasses the management of technology, the growth of technology, the acquisition of technology and the management of people around our technology,” Meijers notes.

**Successful project achievements Past and upcoming**

2016 is a big year at Medupi, with first coal

fire of the second Boiler Unit scheduled for May 2016. Construction of the second phase is nearly complete with commissioning starting in February. The first Boiler is currently being optimised and the implementation of the automatic sequencing of the plant is being implemented. Wishing our team all the best for the challenging year ahead!

“ELB also recently completed a project for Angola Environmental Services. The plant is situated in Sonils Base and entails the delivery of silos, a pneumatic



Medupi – Inside the Incline Conveyor Gantry

conveying system and a bagging plant to transport waste from oil drill rigs to shore. All components were built in Durban and shipped across to Luanda. “The project was completed with no re-work on site at all – an achievement unheard of in the engineering sector,” Meijers points out.

ELB’s conveyor maintenance business, established two years ago primarily to service Eskom’s power station conveyor upkeep requirements, is also performing well. The company has a three year contract in place for Kendal power station’s coal feed conveyors and has assisted with numerous other power stations as well. “We are looking to expand this business into the coal mining sector as well,” Meijers points out.

**A bright future**

ELB’s ship is navigating its way through dark waters and will stay intact thanks to innovative technology concepts and a diversification strategy keeping it afloat until the mining sector’s cycle upturn begins. **MIRA**



Medupi – Incline Conveyor Head End



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