

Concrete progress: Colossal Concrete Products reopens De Aar plant, boosts revival of rail and infrastructure development

DE AAR – Colossal Concrete Products, a Level 1 B-BBEE company and the largest manufacturer of railway sleepers in Southern Africa, with a proud 64-year track record, reopened its mothballed De Aar factory in October.

This eagerly anticipated move follows the recent conclusion of a 1-year contract with Transnet Freight Rail (TFR) to supply precast concrete railway sleepers for the parastatal's national freight rail network upgrade. The De Aar facility is strategically located in the Northern Cape, near one of the arterial railway junctions connecting the Cape Town, Johannesburg and Kimberley lines. Through its manufacturing facility reopening, the company will not only provide a much-needed boost to the regional economy through the creation of jobs - and additional upstream and downstream manufacturing and supply opportunities - but is now in a position to reach its inherent capacity, with the production of over 1 million railway sleepers per annum.

Parallel tracks of growth and development - This will pave the way for growth in South Africa and beyond, according to Chief Executive Officer (CEO), Gwen Mahuma-Madida. "Africa is rich in natural resources, but much-needed growth and progress are often hampered by lack of finance and the required infrastructure. Colossal Concrete Products understands the pivotal importance of infrastructure development - and the impact that this has on the economic development of any country. In line with our precast concrete manufacturing capacity, skills and our Pan-African growth strategy, Colossal can play a significant part in the roll-out of rail, civils and general infrastructure development - improving the overall prosperity of the continent," Mahuma-Madida explains. The company has grown substantially over the past two years, taking over from a listed entity and entrenching its own style and culture, while maintaining a sound client base and expanding its market share both locally and cross-border.

This followed the June 2021 acquisition - by a consortium made up of Colossal Africa Group, Mafoko Holdings, Clone Capital and Randvest Capital - of Aveng Infraset's Brakpan and De Aar facilities for their rail, telecommunications, civil engineering and specialised precast concrete manufacturing capabilities and intellectual property (IP). Mahuma-Madida says that even though the De Aar facility had in fact been mothballed prior to the 2021 acquisition, its potential was always extremely evident: "The TFR contract has been the catalyst for the reopening, and there are now further plans to keep the operation sustainable. The acquisition of an adjoining property in De Aar will also assist us in growing our footprint within the renewable energy space, which is on the cusp of significant growth following the publication of the final draft of South Africa's Renewable Energy Masterplan in July this year," she explains, adding that the De Aar facility is close to the current Northern Cape hub of many renewable energy projects - and is expected to be pivotal in supplying products such as precast wind turbine towers, amongst others."

Concretising job creation - "De Aar, like many areas in the Northern Cape, has been economically depressed in recent years. It is with this in mind that one of the most important elements in the rejuvenation of the manufacturing facility is the creation of some fifty jobs. No employment opportunities have been available since the plant was mothballed by the previous owner over three years ago, and we have been inundated with job applications. We are also collaborating closely with the local mayor and municipal manager, who are extremely excited about the plant reopening and what this means for the town as a whole," says Executive Director Chris "CK" Klagsbrun. Jobs include mixer operators, team leaders, boom scraper, line feeder, crane operators, boiler operators, wire feeders, fork lift drivers, grinder operators, wire cutters, slot washers, preppers and quality controllers. "Preference is being given to those previously employed in the above positions at our De Aar facility, and I am confident that a fair percentage of former employees will be re-employed," he advises.

Mahuma-Madida adds that not only are she and her team extremely pleased to have a contract which necessitated the plant reopening, but also that all Colossal's products have met the safety and technical requirements required when implementing projects for TFR. "The foundational concept here is that infrastructure development and job creation go hand-in-hand: when TFR - or any other public or private sector entity - chooses Colossal as their precast concrete products provider, this means that we can create jobs," she emphasises.

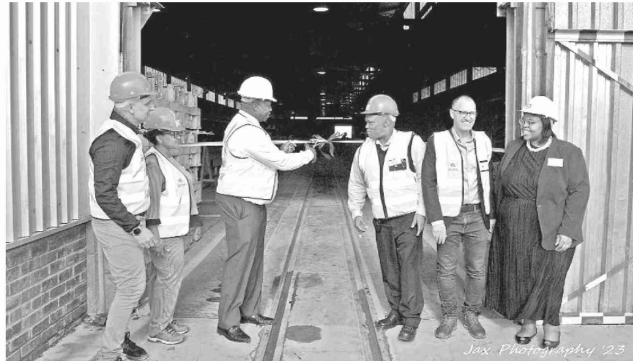
Further down the track - Mahuma-Madida notes that the company's 64-year track record as a supplier of precast products in rail, telecommunications, civil engineering and mining - as well as its valuable intellectual property (IP) - were a critical part of the original decision to acquire Aveng Infraset's Brakpan and De Aar precast concrete manufacturing plants. Currently, Colossal Concrete Products is recognised internationally as one of the world's most innovative and diverse concrete sleeper producers, with a highly experienced research and development division having developed over 40 rail-related products. In addition, Colossal manufactures other precast concrete products including culverts, poles and masts, for use in the mining, civil engineering, construction and renewable energy sectors, to name but a few. There are furthermore plans manufacture wind turbine towers moving forward. "We are still the only company locally that has such a large range of railway products. To retain that leadership position is critical. While our competitors do

manufacture a selective range of main line sleepers, we are the only ones to make the entire range," she says. Already, there are plans to move manufacture of all turnout sleepers to De Aar. These are highly specialised and supplied to VAE which adds rails.

Technically, Klagsbrun points out that Colossal has maintained its high manufacturing standards with all specifications remaining in line with original technology provided by its Swedish licensor. The company also consistently invests in research and development, which remains a very crucial element of the business. "Our vision is to constantly bring innovative new solutions to the rail, mining, renewable energy, civil engineering and construction sectors - among many others. Taking this a step further, we also plan to replicate what Colossal does across Africa. We have already grown our consulting division close to home; and we are working closely with our Swedish partner on Pan-African rail projects. There have been two recent enquiries around establishing new manufacturing plants which we have participated in, where Colossal could either oversee construction or conclude service level agreements to manage these facilities," Klagsbrun explains.

A new platform for De Aar - As the company is a major player in the precast concrete space supplying the mining, construction, civils and general infrastructure sectors, Mahuma-Madida says every Colossal facility will always produce a variety of products servicing multiple sectors: "Not only is the De Aar plant strongly positioned for projects in the renewable energy space - but it is strategically and operationally well placed to fill the gap left by the closure of companies serving the construction sector in the Northern Cape," she points out. "Therefore, once we have a solid base and increasing revenue, we will resume marketing to the civil engineering and construction sector once again, selling our culverts, pipes and more. When the De Aar and other plants serving the construction sector closed in the Northern Cape, it left a void. Construction companies were forced to import precast products from Gauteng and other regions. So, we will fill that gap - and save them transport costs!" she enthuses. The same goes for Colossal's strategy in neighbouring countries: "We will use rail as a base to move into adjacent countries. Once this is set up, we can introduce other products. For us, it is very important to be a Pan-African player as well as a South African player. Although South Africa still has some way to go, that is where a lot of the infrastructure development stems from - and we really need to be part of that"

In summary, we are very sincerely committed to the future not only of rail, but also of infrastructure development - and therefore also of South Africa and the rest of the continent, and are proud to play our part in moving this forward," Mahuma-Madida concludes.



Ribbon-cutting ceremony at Colossal Concrete Products De Aar manufacturing plant: F.I.t.r: Waheed Arai – CFO, Gwen Mahuma-Madida – CEO/Chair, Executive Mayor of De Aar, Mr Gladwell Nkumbi, District Municipal Manager, Mr Isak Visser, Chris Klagsbrun – Sales Director and Mmapitso Kiewiet – COO.



Colossal Concrete Products management and guests in the recently reopened De Aar precast concrete manufacturing plant.



Kobus Burger - Technical and Strategic Consultant, Colossal Concrete.