

FOR IMMEDIATE RELEASE

**MULTOTEC'S MULTI-PRODUCT CAPABILITY ALLOWS IT TO TACKLE OPPORTUNITIES
FROM AFRICA TO SOUTH AMERICA AND BEYOND**

Original equipment manufacturer (OEM) Multotec has concentrated successfully on adding more consumable and capital products to its range in order to be able to meet changing client requirements. "What this allows us to do is to place resources on the ground close to site, which is a much more difficult proposition for a single-product OEM. From Botswana to Zambia and the Democratic Republic of the Congo (DRC), our multi-product capability is in line with our value proposition," Thomas Holtz, CEO, says.

"Widening our product portfolio increases our representation in the minerals processing industry, across all commodity sectors, from diamonds to coal, gold, platinum and phosphates. It has made us quite stable as a business because in any given year some of those commodities are up while others are down. Obviously as an OEM we have to be more flexible and agile. When a mining company comes under pricing pressure, it has to move more tons or increase the yields it is able to obtain from its ore body, and that means increased business for us on the consumables side," Holtz says.

Multotec is also looking to extend its maintenance contracts not only into other sectors of the mining industry, but also across more product lines other than screen media. "We are focusing on cyclones, ceramics and mill liners as potential products that can be added into our maintenance contracts. OEMs face an even greater challenge today in not only adding innovative new products, but also in boosting their customers' service levels. The actual manufacturing of the products themselves is not necessarily enough of a differentiator anymore, particularly as the products themselves become more commodified. We are focusing on these two aspects of the business going forward."

Reliability and predictability of equipment are key criteria for the mining industry, Holtz says. "A lot of our products are very mature, which means that revolutionary change in terms of ongoing research and development is highly unlikely. For example, when you significantly change a single process within a plant, it will not necessarily translate into significant improvement for the overall plant. We focus more on incremental steps, such as improving the drainage rates on a screen by altering the configuration or increasing the surface area. These may seem to be relatively small

changes, but they accumulate quickly in terms of the overall process. For example, increasing the throughput of an existing piece of equipment means that you can squeeze more value out of that asset.”

Multotec is also looking to increase its footprint geographically. “Africa is still to a large extent a key focus for us. However, there are flourishing pockets in other global mining industries and we will definitely be putting in more effort to grow our presence there.” Holtz points to Multotec’s presence in Santiago in Chile, which services the South American market. India, the Ukraine and even Mongolia also represent opportunities. “It always remains a bit of a challenge to find yourself a strong local partner that allows you to have a local presence,” he says.

Commenting on the state of the mining industry, Holtz says he is confident that the trough of the downturn has been broached. “While we are all looking forward to a recovery in the mining industry, 2015 is likely to be a very tight year, which means we have to continue to stay ‘lean and mean’. Greenfield projects are few and far between while current mining operations are focused on cost-cutting.”

Holtz points out that the continued downturn does, however, offer opportunities. “The sustained downturn has meant that a whole lot of new players have come into the market and seem to present an alternative value proposition, but the real question is whether or not they can make a plant more efficient and keep it running at an optimal level.

“That is where our mettle is tested. From screen media to cyclones and wear lining solutions, Multotec’s ongoing drive is to reduce the operating costs associated with our customers’ mineral processing plants. The efficiencies that we can introduce are tangible and can have a major impact on their bottom line.” Holtz attributes Multotec’s market advantage in this regard to the fact that it manufactures, installs and maintains equipment across the entire value chain. “Many other companies outsource design and manufacture, whereas we have these capabilities in house.”

Holtz elaborates: “We are a specialised equipment supplier. We view our relationship with the minerals processing industry as a life of plant relationship. We have pioneered the concept of not selling equipment anymore, but a service whereby the equipment becomes part of the service offering, with the ultimate aim of optimising plant throughput. It is no longer a case of selling

individual units; our maintenance contracts afford us the opportunity to optimise the efficiency of the process to the benefit of the client. It is a true partnership in that sense.”

VALUE ADD SOLUTIONS FROM MULTOTEC PIC 01: Multotec makes use of modern injection moulded rubber screening technology. CEO Thomas Holtz says OEMs are increasingly challenged to continue to innovate, while also increasing their customer service.

VALUE ADD SOLUTIONS FROM MULTOTEC PIC 02: An overview of Multotec's injection moulding manufacturing facility. The OEM is widening its product portfolio to boost its presence in the minerals processing industry.

VALUE ADD SOLUTIONS FROM MULTOTEC PIC 03: Multotec CEO Thomas Holtz.

ENDS ... OCTOBER 2014

FROM : CORALYNNE & ASSOCIATES
TEL : +27 011 849 3142
EMAIL : communicate@coralynne.co.za
WEBSITE: www.coralynne.co.za

FOR : BERNADETTE WILSON
MULTOTEC GROUP
TEL :+27 011 923 6193
EMAIL : bernadettew@multotec.com
WEBSITE: www.multotec.com