

MONTIGNY

*“ we add value ”*

Montigny Group  
**PRESENTATION**



# Montigny Investments Limited

*"We Add Value"*

The **largest** private diversified forestry and sawmilling company in **Southern Africa**

- **100% Swazi-owned**, celebrating 20 years
- **Turnover:** R 2 Billion
- **Employment:** 6,700 direct, 11,600 total
- **Operations:** Swaziland, Mozambique & SA
- Forestry Stewardship Council (FSC) Certified

**10%** of  
Swaziland's  
Private Sector  
workforce





# Present Operations



**80k+**

**Hectares of Land**



**6 700**

**Direct Employees**



**8**

**Mills and  
Processing Plants**



**350**

**Fire Resources**



**1 MILLION**

**Tons of Annual  
Fibre Flow**



# Product Offering

We stand out by extracting value from every part of the tree, utilising nearly **95% of the tree's value**

## Structural timber

for roofs & flooring

## CCA treated poles

fencing, building & transmission

## Wet-off-saw planks

for pallets & crates

## Mining timber

including scaffolding and sleepers

Timber for pulp and sawmills

## Decking & furniture grade planks

Charcoal

## Crude Resin

## School Desktops

Biomass  
in Wattle, Eucalyptus or Pine

Acacia Mearnsii bark for tanning

## Mouldings

Eucalyptus Essential Oils

Kiln dried packaging timber



# Projected Growth

*Employment Opportunities*

6 700

7 500

8 000

*Tons of Timber*

1 Million

1.2 Million

1.5 Million

*Annual Turnover*

1.7 Billion

2.7 Billion

3.7 Billion

2016

2018

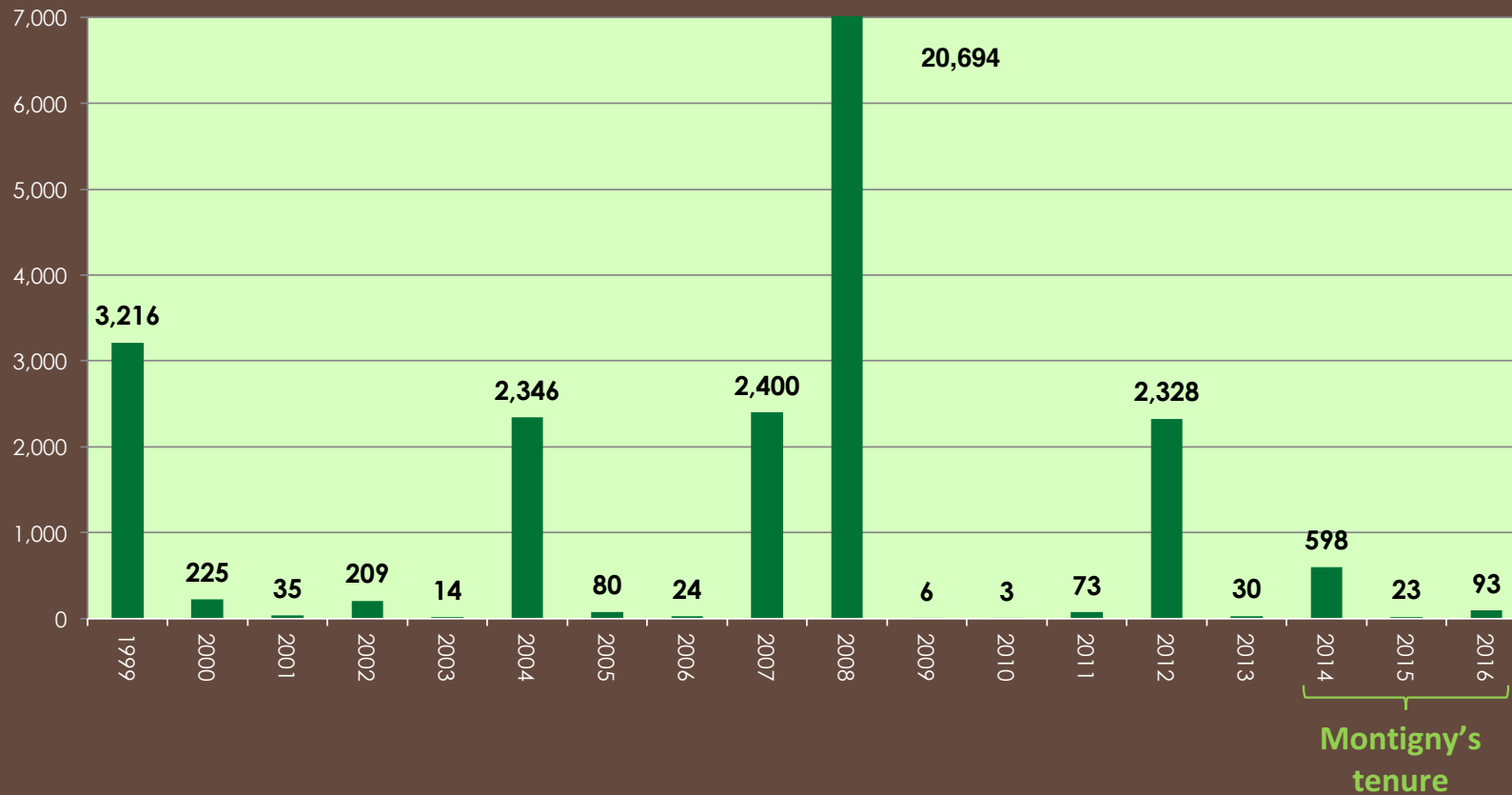
2020



# Fire Statistics

2015/6 Lost **26 hectares** in the **longest fire season ever** at Usutu. In FY '17 Usutu has lost **5 hectares**.

Loss per year in hectares





# Montigny's Swaziland Presence





# Two Related Projects

Sources

Markets

1



Community Wattle

A



Pulp Timber Export: Japan

2



Usutu Biomass

B



Biomass: Local & Global

C



Power Production





# Montigny's Wattle Extension Programme

Smallholder Forestry • Invasive Management • Fire Prevention





# The Present Landscape

## History

- Native to Australia
- Introduced to SA in 1850's
- State gave **300 million** seeds in **11 years**
- In 2010 **465,000 HA** of forest affected by black wattle

## Invasive Wattle "jungle" Concentration



**Aim:** Contribute to human welfare, both directly and indirectly, by improving the environmental landscape and economic potential of the nation



# Benefits to the Grower



## Training

Technical Forestry  
Environmental  
Record Keeping  
Business Management



## Interest Free Loan

An interest free  
loan to cover part  
of rehabilitation  
costs



## Guaranteed Buyer

Montigny  
guarantees to  
purchase the  
Wattle at maturity



## Increased yields

A rehabilitated Wattle Jungle can earn  
over 10x's its original standing value



# Benefits of Management

Takes action on **controlling an invasive crisis**

- Optimises **land use**

- Reduces **fire risks**

Creates a far more **productive plantation**

- Avails more **groundwater**

- Reduces **grazing pressure**

- Protects **indigenous flora**

Keeps **waterways** and **grazing lands clear**

- **Yields biomass** in the form of waste

- Creates **Jobs**



# Tracking Progress

target wattle stands (Lundzi)

Write a description for your map.

South African  
Border

Montigny's  
Plantation  
Boundary

Target Jungles

## Tools:

- Drone footage
- Satellite Imaging
- GPS mapping
- Participant & pipeline database
- Community leadership involvement
- Legal contract





# Programme Economics

With the growing demand for Wattle, this program is one of the **greatest potential income accelerators** for the nation

Markets

Japan Paper  
Pulping

Silicon  
Smelting

Sugar Mill  
Biomass

Leather  
Tanning

Power  
Production

Income potential

## Pilot Programme Data – *Economic Value of Wattle*

Hectares	1	3	8
Value to Land Owner before rehabilitation	E 1 200	E 4 000	E 8 000
<b>Rehabilitated Wattle Plantation Value</b> <i>(4 yr. growth period)</i>	<b>E 13 000</b>	<b>E 41 000</b>	<b>E 56 000</b>





# Montigny's Biomass Power Plant





# Swaziland's Renewables Potential

**150 MW**

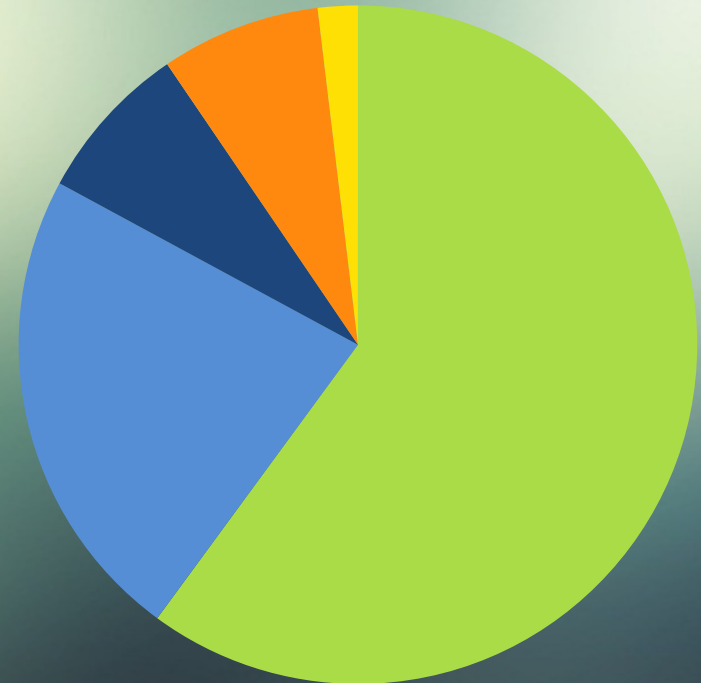
Baseload Demand

**220 MW**

Peak Demand

**60 MW**

Installed Capacity  
Hydro



- Biomass
- Installed Hydro
- Additional Hydro Potential
- Solar PV
- Wind





# Swaziland's Biomass Potential



Independent Power Producer	Total Capacity (MW)
1. Montigny Usutu - Timber	33
2. Nhlangano - Timber	10
3 – 5 Sugar Mills	100+
6. Piggs Peak - Timber	15
<b>Total</b>	<b>158</b>

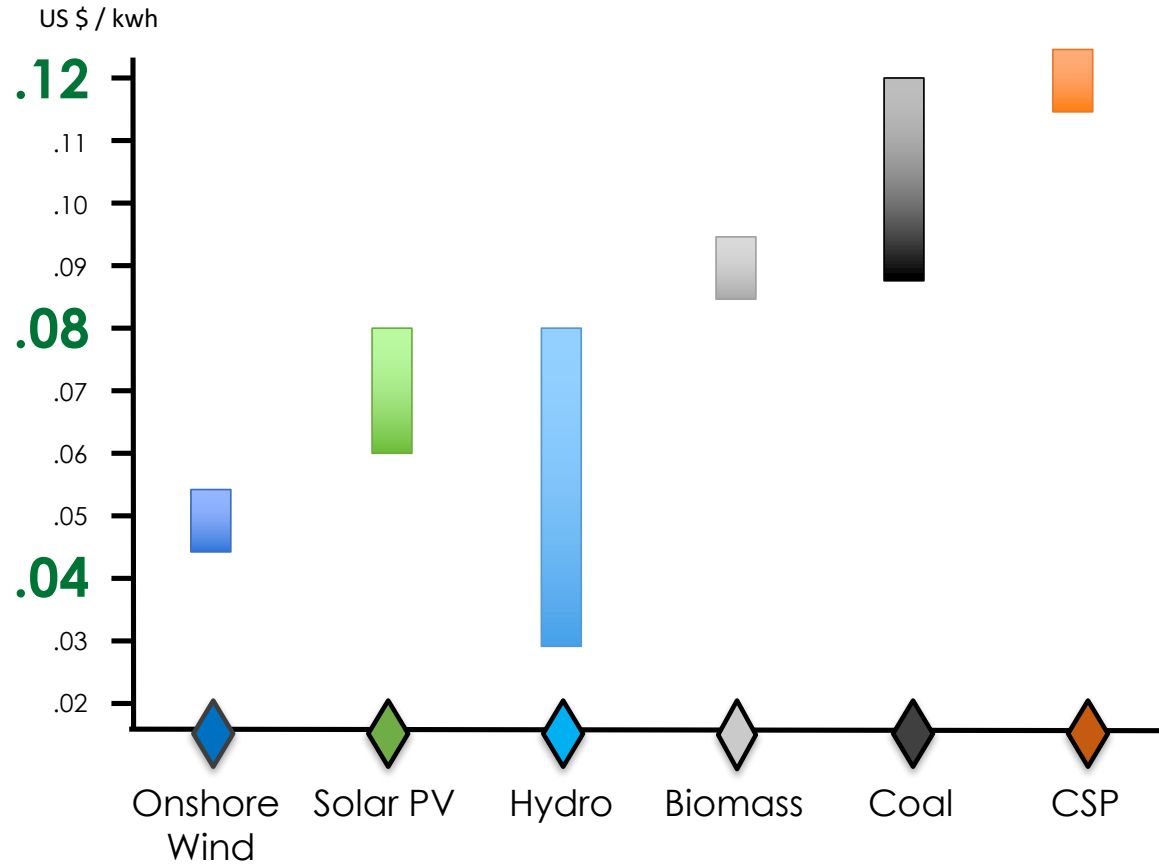
Baseload =  
150 MW





# Cost of Renewables vs. Fossil Fuels

The range in Levelised Cost of Electricity (LCOE) per source



# Biomass Power Plant



350 000 tons

Annual  
Biomass  
Consumption



37 MW

Power Produced



200+

Jobs  
Created



23%

%  
Swaziland's  
energy demand



2.5 years

Timeline to COD



91%

Load  
Factor





# Project Benefits

## Environmental

- Unique transportation advantages
- Carbon neutral
- Optimise biomass
- Brownfield site

## Economic

- New employment sector
- Market for biomass
- Create 200 jobs
- Stimulate investment opportunities in Swaziland

## Energy

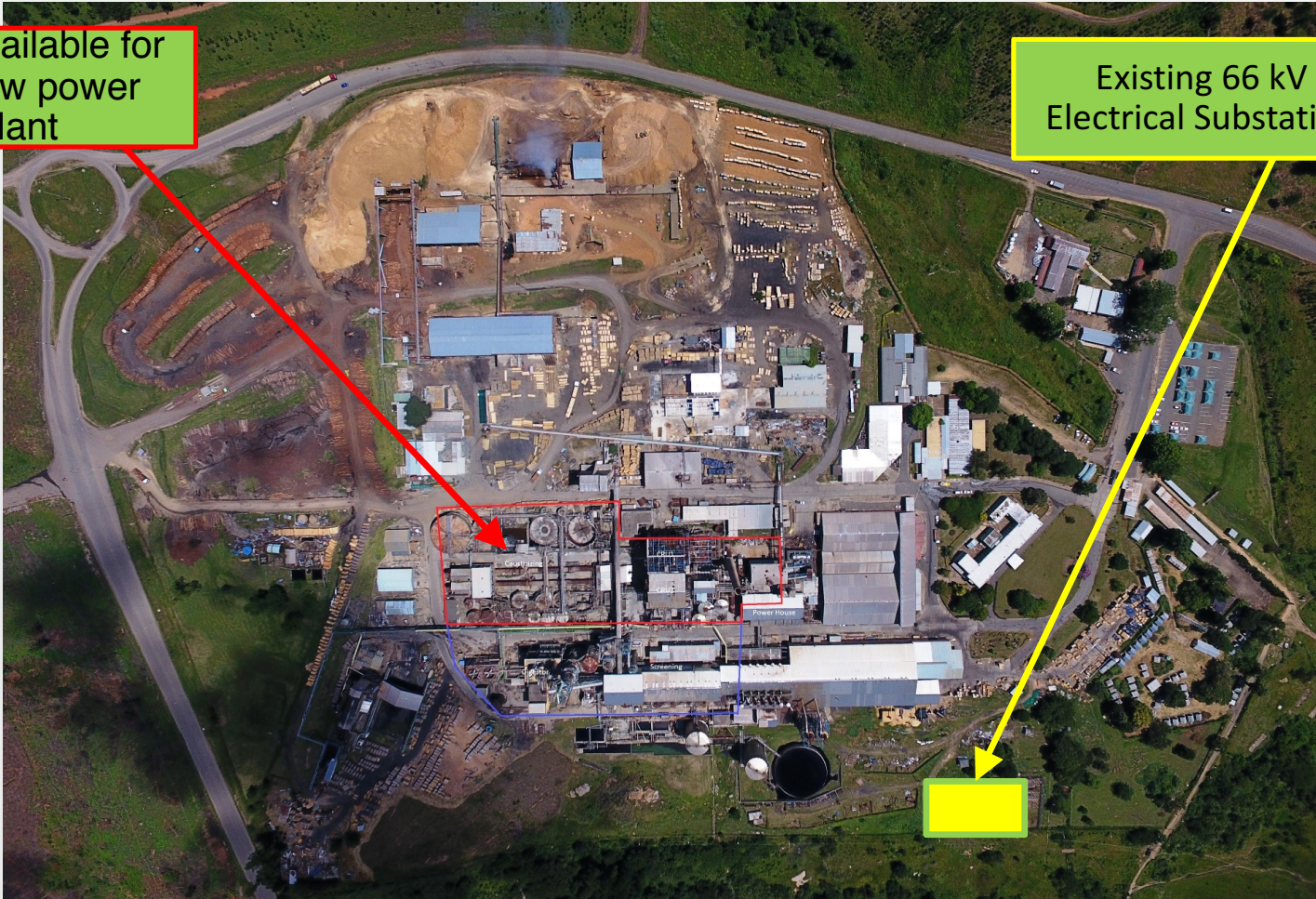
- Provide baseload power supply
- +20% of Swaziland's energy demand
- Stability from local, renewable resource



# Site Location: Bhunya Swaziland

Area available for the new power plant

Existing 66 kV Electrical Substation

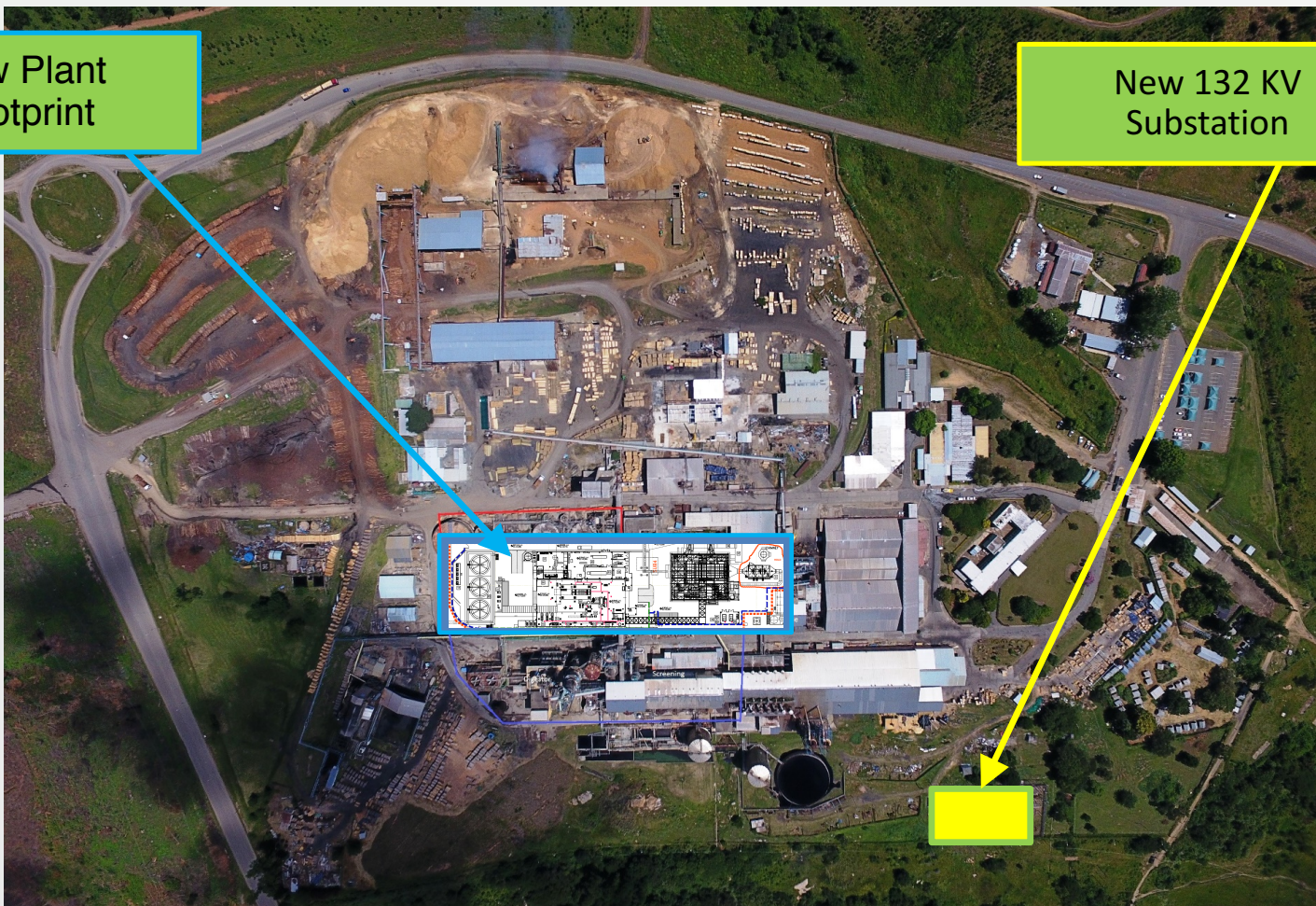




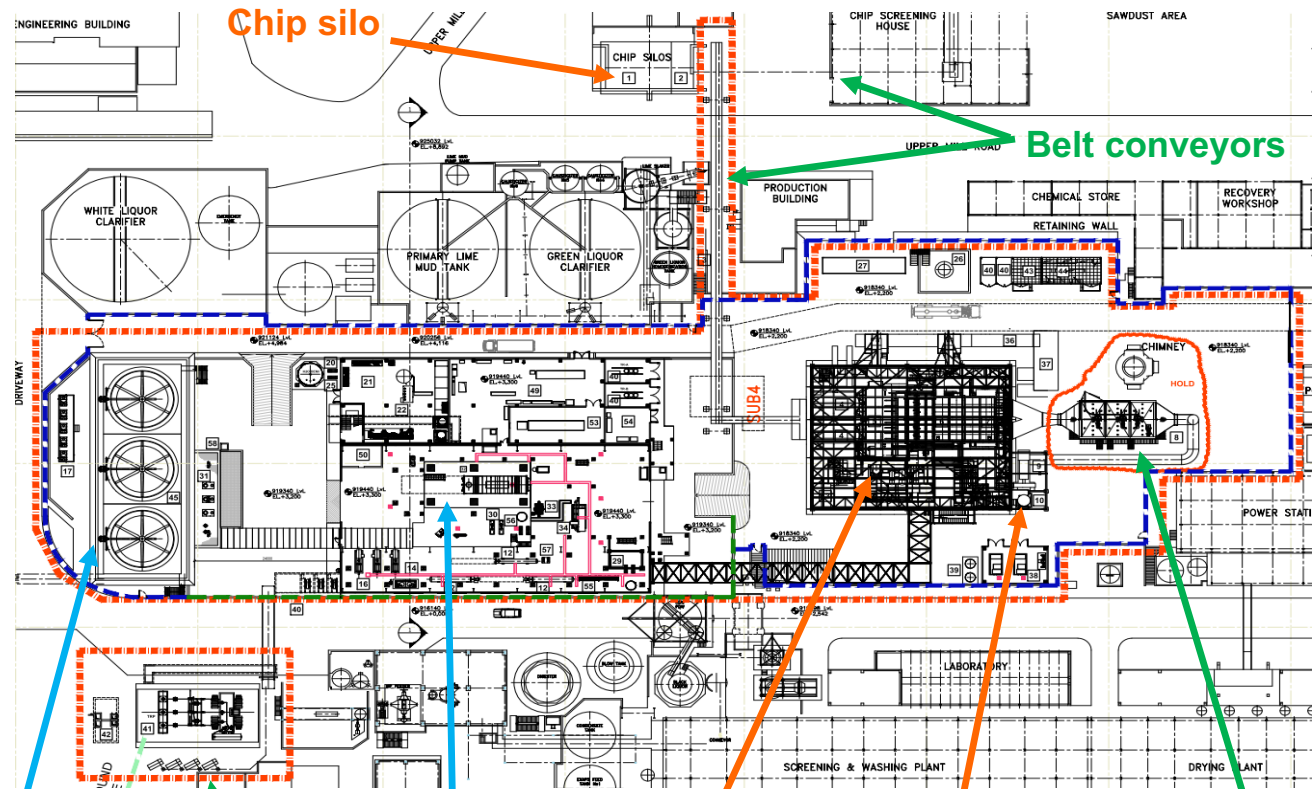
# Site Location: Bhunya Swaziland

New Plant Footprint

New 132 KV Substation



# General Site Layout



Cooling Tower

Step-up Transformer

Steam Turbine Generator

Boiler

New stack

Electrostatic precipitator







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