Halso LPG Supply –

Sakhiwo Trading JV

LPG Retail Business on Solar Site – Greater Taung

High-Margin LPG Retail   Strategic Land Partnership   North West Province

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Corner of Moroelela Street & Molefe Makinta Highway, Lebanon, Pretoria, South Africa

Business Overview

Halso LPG Supply proposes a partnership with Sakhiwo Trading (Pty) Ltd to establish a high-margin LPG retail and cylinder refill business on approximately 0.15–0.25 hectares of Sakhiwo's 300-hectare solar site in Greater Taung, North West Province. The operation will be co-located with the solar project, benefiting from security, visibility, and potential low-cost solar electricity.

Key Highlights

- Start volume: 550 tons/year (9 & 19 kg cylinders)
- Growth target: 700–1,000 tons/year within 5 years
- Total capex: R40 million (Halso funded)
- Projected IRR (whole JV): 18–50%
- NPV (12% discount): R25–75 million
- Payback: 4–6 years

Partnership Structure – Option 1 (Recommended)

- JV company: Halso-Sakhiwo LPG Retail (Pty) Ltd
- Equity: Halso 65% Sakhiwo 35%
- Sakhiwo contribution: 25-year sub-lease (0.15–0.25 ha) + client introductions
- Halso contribution: 100% capex, operations, licenses, supply chain
- Profit split: 65% Halso / 35% Sakhiwo after costs & debt

Land Requirement & Facility Layout

The LPG retail operation requires only a small portion of the 300-hectare solar site. The main refill station will be located in a non-disruptive area (e.g. near boundary or entrance), with minimal impact on solar infrastructure.

Main Site Area: 1,500–2,500 m² (0.15–0.25 ha)
Storage: 50–80 m³ bulk tanks (SANS 10087 compliant)
Throughput: 550–1,000 tons/year
Layout: Filling bays, cylinder storage, office, truck access, safety zones
Growth: Optional 1–2 satellite points (400–800 m² each) in years 3–5
Total footprint at scale: 0.23–0.4 ha (still <0.13% of 300 ha site)

Land & Facility Summary:

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Financial Projections – Option 1 (65/35 JV)

Base Case – 550 tons/year steady state (figures in R million)

Year	Revenue	Gross Profit	EBITDA	Net Profit	Sakhiwo 35% Share
1	19.3	8.3	3.8	-3.5	-1.2
5	22.1	9.5	5.0	+0.3	+0.1
10	26.2	11.2	6.7	+2.6	+0.9

Key Metrics (Base Case):

Total Capex: R40 million (Halso 100%)
IRR (whole JV): 18–28%
NPV @ 12%: R25–45 million
Sakhiwo share of NPV: R9–16 million
Payback: 4–6 years

Growth to 1,000 tons/year: IRR 35–50%, NPV R50–75M, Sakhiwo share R18–26M

Risk Management

Key risks and mitigations:

Risk	Description	Mitigation
Price Volatility	DMRE monthly changes	Pass-through markup, forward contracts
Supply Chain	Rural location delays	Halso existing suppliers, buffer stock
Competition	New entrants	Delivery convenience, competitive pricing
Regulatory	DMRE/SANS compliance	Pre-approvals, SAQCC certification
Volume Ramp	Slower uptake	Sakhiwo client introductions, marketing

Exit Strategy

Primary Exit: Sale to major LPG player (Afrox, Oryx, etc.) at 4–6× EBITDA
Valuation potential (year 5–7): R100–200 million
Both parties benefit from strategic exit upside

Halso – Sakhiwo LPG

Retail JV

Affordable, Safe LPG for Greater Taung Communities

Halso LPG Supply

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