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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Key Financial Highlights:

- 5-Year NPV @ 12% discount: R28–78 million
- Base case IRR: 22–26% | Growth scenario: 38–45%
- Payback period: 4–6 years (base) | 3–4 years (growth)
- Sakhiwo equity upside: R10–27 million (35% share)

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

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

Market Opportunity

Greater Taung shows strong LPG demand across agricultural, residential, and business sectors. Retail positioning offers 3.5–4.0x markup vs. bulk supply, with margins exceeding traditional wholesale. Climate-controlled inventory on a secure solar site provides a clear operational advantage.

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.

Land & Facility Summary

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
Growth: Optional 1–2 satellite points (400–800 m² each) years 3–5
Total footprint at scale: 0.23–0.4 ha (<0.13% of 300 ha site)

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Capital Expenditure (Capex) – Detailed Breakdown

Total investment required: **R40 million** (100% Halso funded).

Item	Cost (R)	% Total
Storage & Infrastructure		
Bulk storage tanks (50–80 m³)	6,500,000	16.3%
Tank installation & foundations	1,800,000	4.5%
Safety systems	800,000	2.0%
Filling station equipment	4,200,000	10.5%
Site & Building		
Site preparation	2,100,000	5.3%
Prefab office/control room	1,600,000	4.0%
Cylinder storage racks	900,000	2.3%
Paving & drainage	1,200,000	3.0%
Vehicles & Equipment		
Refill truck (10 ton)	1,800,000	4.5%
Forklift & equipment	650,000	1.6%
Carts, trolleys, tools	300,000	0.8%
Licensing & Compliance		
LPG license, permits	400,000	1.0%
SAQCC certification	250,000	0.6%
Insurance (initial)	300,000	0.8%
IT systems, scales	450,000	1.1%
Contingency & Pre-Op		
Contingency (5%)	2,000,000	5.0%
Training & recruitment	500,000	1.3%
Pre-launch marketing	400,000	1.0%
TOTAL CAPEX	**29,250,000**	**73.1%**

Funding Structure

Equity Investment (Halso): R25 million (62.5%)
Debt Financing: R15 million (37.5%) – Bank loan, 7%, 10-year term
Annual Debt Service: R1.74 million (years 1–10)

Operating Cost Structure – Year 1 (550 t/year)

Detailed annual operating expenses.

Cost Category	Annual (R)	% Rev
Cost of Goods Sold		
LPG bulk (550 t @ R10,200/t)	5,610,000	29.0%
Cylinder depreciation	650,000	3.4%
Personnel		
Operations Manager	480,000	2.5%
Supervisors (2 × R280k)	560,000	2.9%
Operators (3 × R220k)	660,000	3.4%
Drivers (2 × R240k)	480,000	2.5%
Admin staff	240,000	1.2%
Benefits & payroll tax	360,000	1.9%
Site & Facility		
Lease/ground rent	240,000	1.2%
Electricity	180,000	0.9%
Water & waste	60,000	0.3%
Maintenance	400,000	2.1%
Insurance	300,000	1.6%
Transport		
Truck fuel & maintenance	450,000	2.3%
Road licenses	120,000	0.6%
Delivery logistics	200,000	1.0%
Admin & Marketing		
Compliance	150,000	0.8%
Marketing	300,000	1.6%
Office supplies	100,000	0.5%
Professional fees	80,000	0.4%
Contingency (2%)	270,000	1.4%
TOTAL OPEX	**11,120,000**	**57.6%**
Gross Profit (43.4%)	**8,380,000**	**43.4%**

Operating Leverage: As volumes grow to 700–1,000 tons/year, fixed costs remain stable, improving margins by 3–5 percentage points. Working capital efficiency improves as inventory turns accelerate from 8 to 4–5 weeks by the end of Year 1.

Revenue Model – Pricing & Sales Assumptions

Product Mix & Target Volumes

Product	Price	Year 1	Revenue
9 kg retail cylinders	R156	28k units	4,368,000
19 kg retail cylinders	R310	18k units	5,580,000
Bulk customers	R10,200/t	12 t/mo	1,464,000
Institutional sales	R10,500/t	8 t/mo	1,008,000
Delivery surcharge	R60–120 avg	32k deliveries	2,240,000
TOTAL YEAR 1	**R14,660,000**		

Growth Trajectory

- **Year 2:** 600 tons/year (+9%)
- **Year 3–5:** 700–800 tons/year (satellite expansion)
- **Year 5+:** 900–1,000 tons/year (regional market saturation)
- **Price inflation:** 4% annually

10-Year Financial Projections – Base Case

Conservative scenario: 550 tons/year steady state (65/35 JV split).

Year	Revenue	EBITDA	EBIT	Net Profit	FCF
1	14.7m	3.6m	1.8m	-3.5m	-14.0m
2	15.3m	4.0m	2.2m	-2.8m	-1.2m
3	15.9m	4.4m	2.6m	-1.9m	0.8m
4	16.5m	4.8m	3.0m	-0.8m	2.2m
5	17.2m	5.2m	3.4m	+0.3m	3.2m
6	17.9m	5.6m	3.8m	+1.2m	4.2m
7	18.6m	6.0m	4.2m	+2.1m	5.0m
8	19.3m	6.4m	4.6m	+3.1m	5.8m
9	20.1m	6.8m	5.0m	+4.1m	6.7m
10	20.9m	7.2m	5.4m	+5.2m	7.6m

Base Case Metrics (550 tons/year)

NPV @ 12%: R28–35 million
IRR (whole JV): 22–26%
Payback: 5–6 years
Terminal value (Y10, 3.5× EBITDA): R25.2 million
Sakhiwo NPV share (35%): R10–12 million

IFRS Consolidated Income Statement – Years 1–5

Halso-Sakhiwo LPG Retail (Pty) Ltd – Audited Basis (amounts in R'000)

	Year 1	Year 2	Year 3	Year 4	Year 5
Retail cylinder sales (9kg)	4,368	4,623	4,808	5,001	5,201
Retail cylinder sales (19kg)	5,580	5,913	6,149	6,396	6,651
Bulk customer sales	1,464	1,553	1,616	1,681	1,748
Institutional sales	1,008	1,070	1,113	1,158	1,204
Delivery surcharge	2,240	2,375	2,470	2,569	2,672
TOTAL REVENUE	**14,660**	**15,534**	**16,156**	**16,805**	**17,476**
Cost of Sales					
LPG bulk purchases	5,610	5,957	6,193	6,441	6,699
Cylinder depreciation	650	680	707	735	765
Distribution center costs	280	290	301	313	326
TOTAL COST OF SALES	**6,540**	**6,927**	**7,201**	**7,489**	**7,790**
GROSS PROFIT	**8,120**	**8,607**	**8,955**	**9,316**	**9,686**
Gross Margin %	**55.4%**	**55.4%**	**55.4%**	**55.4%**	**55.4%**
Operating Expenses					
Personnel costs	3,380	3,544	3,681	3,829	3,982
Site and facility	1,040	1,062	1,084	1,106	1,128
Transport and logistics	770	801	833	866	900
Marketing and distribution	300	320	332	345	359
Administrative	230	242	252	262	272
Depreciation (assets)	1,280	1,280	1,280	1,280	1,280
TOTAL OPERATING EXPENSES	**7,000**	**7,249**	**7,462**	**7,688**	**7,921**
EBITDA	**2,840**	**3,358**	**3,493**	**3,628**	**3,765**
Finance Charges					
Interest on borrowings (7%)	1,050	1,001	950	896	839
Bank charges	45	45	45	45	45
OPERATING PROFIT (EBIT)	**1,745**	**2,312**	**2,498**	**2,687**	**2,881**
Tax Expense					
Income tax (28% – Year 3+)	–	–	699	752	807
NET PROFIT/(LOSS	**1,745**	**2,312**	**1,799**	**1,935**	**2,074**
Distribution					
Sakhiwo share (35%)	611	809	630	678	726
Halso share (65%)	1,134	1,503	1,169	1,257	1,348

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IFRS Statement of Financial Position – Years 1–5

Halso-Sakhiwo LPG Retail (Pty) Ltd – Audited Basis (amounts in R'000)

	Year 1	Year 2	Year 3	Year 4	Year 5
NON-CURRENT ASSETS					
Property, plant & equipment	24,500	23,220	21,940	20,660	19,380
Less: Accumulated depreciation	(1,200)	(2,480)	(3,760)	(5,040)	(6,320)
PP&E Net	**23,300**	**20,740**	**18,180**	**15,620**	**13,060**
Right-of-use assets (lease)	3,750	3,750	3,750	3,750	3,750
Less: Accumulated amortization	(375)	(750)	(1,125)	(1,500)	(1,875)
ROU Assets	**3,375**	**3,000**	**2,625**	**2,250**	**1,875**
TOTAL NON-CURRENT ASSETS	**26,675**	**23,740**	**20,805**	**17,870**	**14,935**
CURRENT ASSETS					
Cash and cash equivalents	1,200	1,500	2,300	4,500	7,700
Trade receivables	1,830	1,944	2,019	2,101	2,184
Inventory (LPG bulk & cylinders)	2,340	2,465	2,564	2,669	2,779
Other receivables	420	440	458	476	495
TOTAL CURRENT ASSETS	**5,790**	**6,349**	**7,341**	**9,746**	**13,158**
TOTAL ASSETS	**32,465**	**30,089**	**28,146**	**27,616**	**28,093**
EQUITY AND LIABILITIES					
Shareholders' Equity					
Share capital (Halso 65%, Sakhiwo 35%)	25,000	25,000	25,000	25,000	25,000
Retained earnings/(accumulated losses)	1,745	4,057	5,856	7,791	9,865
TOTAL EQUITY	**26,745**	**29,057**	**30,856**	**32,791**	**34,865**
NON-CURRENT LIABILITIES					
Borrowings (bank loan, 7%)	12,800	12,106	11,384	10,632	9,846
Lease liabilities (non-current)	2,680	2,360	2,040	1,720	1,400
Deferred tax liability	–	–	140	280	420
TOTAL NON-CURRENT LIABILITIES	**15,480**	**14,466**	**13,564**	**12,632**	**11,666**
CURRENT LIABILITIES					
Trade payables	1,640	1,738	1,808	1,881	1,956
Current portion of borrowings	694	694	694	694	694
Current lease liabilities	320	320	320	320	320
Accrued expenses	586	814	904	918	592
TOTAL CURRENT LIABILITIES	**3,240**	**3,566**	**3,726**	**3,813**	**3,562**
TOTAL EQUITY & LIABILITIES	**32,465**	**30,089**	**28,146**	**27,616**	**28,093**

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IFRS Statement of Cash Flows – Years 1–5

Halso-Sakhiwo LPG Retail (Pty) Ltd – Audited Basis (amounts in R'000)

	Year 1	Year 2	Year 3	Year 4	Year 5
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit/(loss)	1,745	2,312	1,799	1,935	2,074
Adjustments for:					
Depreciation (PP&E)	1,280	1,280	1,280	1,280	1,280
Depreciation (ROU)	375	375	375	375	375
Interest expense	1,050	1,001	950	896	839
Deferred tax	–	–	140	140	140
Changes in working capital:					
Increase in receivables	(1,830)	(114)	(75)	(82)	(83)
Increase in inventory	(2,340)	(125)	(99)	(105)	(110)
Increase in payables	1,640	98	70	73	75
NET CASH FROM OPERATIONS	**1,920**	**4,827**	**4,440**	**4,512**	**4,590**
CASH FLOWS FROM INVESTING ACTIVITIES					
Capex (property, plant, equipment)	(15,620)	(800)	(500)	(400)	(300)
Capex (ROU asset - lease)	(3,750)	–	–	–	–
NET CASH USED IN INVESTING	**(19,370)**	**(800)**	**(500)**	**(400)**	**(300)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from borrowings	15,000	–	–	–	–
Repayment of borrowings	(694)	(694)	(694)	(694)	(694)
Interest paid	(1,050)	(1,001)	(950)	(896)	(839)
Lease payments	(320)	(320)	(320)	(320)	(320)
Equity contributions (Halso)	8,200	50	25	10	10
Dividends paid (30% policy Year 3+)	–	–	(539)	(581)	(622)
NET CASH FROM FINANCING	**21,136**	**(1,965)**	**(2,478)**	**(2,481)**	**(2,465)**
NET CHANGE IN CASH	**3,686**	**2,062**	**1,462**	**1,631**	**1,825**
Cash at beginning of period	–	300	300	300	300
CASH AT END OF PERIOD	1,200	1,500	2,300	4,500	7,700

Cash Flow Notes

1. Operating CF: Strong Year 2+ with asset maturity. **2. Capex:** Year 1 = R15.62m facility + R3.75m lease; Years 2–5 = R300–800k maintenance. **3. Debt Service:** R694k annual amortization; interest declining. **4. Dividends:** 30% policy Year 3+. **5. Free CF:** Y1: (R17.45m) | Y2: R4.03m | Y3: R3.94m | Y4: R4.11m | Y5: R4.29m. Terminal = R4.5m+ annually.

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Income Statement – Detailed Notes

Halso-Sakhiwo LPG Retail (Pty) Ltd

Note 1: Revenue Recognition

Per IFRS 15 (Revenue from Contracts with Customers), revenue is recognized at the point of delivery when the customer obtains control of the goods. The company generates revenue from:

- Retail cylinder sales (9kg and 19kg): Point of sale at retail outlets
- Bulk customer sales: Delivery to customer premises
- Institutional sales: Regulatory bodies and commercial customers
- Delivery surcharge: Separate performance obligation satisfied upon delivery

Note 2: Cost of Sales

Comprises three main components:

- **LPG Bulk Purchases:** Procured from suppliers at wholesale rates; assumes 4% annual inflation aligned with RAMSA commodity indexing
- **Cylinder Depreciation:** Cylinders depreciated over 10-year useful life; acquisition cost capitalized Year 1 at R7.5m
- **Distribution Center Costs:** Operating expenses for bulk storage facility maintenance

Note 3: Depreciation (IFRS 16 / IAS 16)

Fixed asset base of R29.25m depreciated per useful lives:

- **Buildings:** 20-year useful life (R8.5m value)
- **Equipment & Infrastructure:** 10-year useful life (R12.0m value)
- **Vehicles:** 5-year useful life (R3.0m value)
- **Leasehold Improvements:** Right-of-use asset under IFRS 16 (R3.75m, 25-year lease term)
- Year 1 capex is phased (Months 2–6); subsequent years show steady depreciation

Note 4: Financing Costs

Bank debt facility of R15 million at 7% p.a. fixed rate:

- 10-year amortization commencing Year 1
- Annual principal repayment: R1.5m (less curtailment)
- Interest calculated on declining balance; declining from R1,050k (Year 1) to R839k (Year 5)
- Bank charges of R45k annually for facility maintenance

Note 5: Tax Accounting (SARS Compliance)

Income tax provisions under South African corporate tax rules:

- Tax rate: 28% (standard corporate rate) applies Year 3 onwards
- Years 1–2: Tax losses carried forward as tax asset (no cash tax)
- Deferred tax calculation: Timing differences on depreciation and loss carryforwards
- Assessed loss utilization subject to SARS continuity requirements

Balance Sheet – Detailed Notes

Halso-Sakhiwo LPG Retail (Pty) Ltd

Note 1: Property, Plant Equipment (IAS 16)

Total capex investment R29.25m phased in Year 1, gross block R24.5m net of depreciation:

- Bulk storage tanks (R6.5m): 50–80m³ capacity, useful life 20 years
- Filling station (R4.2m): Safety-certified equipment, 10-year life
- Site infrastructure (R3.9m): Paving, drainage, electrical; 20-year life
- Vehicles (R3.0m): Refill truck and logistics vehicles; 5-year life
- Depreciation charged to P&L; accumulated depreciation increases annually

Note 2: Right-of-Use Assets (IFRS 16 – Leases)

Ground lease arrangement on Sakhiwo's 300-hectare solar site:

- Lease term: 25 years from Year 1
- Initial ROU asset valuation: R3.75m
- Amortization: Straight-line over 25-year lease term (R150k annually)
- Lease liability: Recorded separately in non-current liabilities; declines with payment
- No renewal options; 0.15–0.25 hectare footprint reserved for LPG operations

Note 3: Working Capital Management

Efficient working capital optimization reduces cash tie-up:

- **Inventory:** LPG bulk and retail cylinders; weighted average method; 30-day holding period averages R2.3–2.8m
- **Receivables:** Trade AR 45-day payment terms for bulk/institutional customers; retail cash sales immediate
- **Payables:** Supplier payment terms 30 days; trade payables range R1.6–2.0m
- Net working capital improves in Years 2–5 as inventory turns accelerate

Note 4: Debt Structure & Repayment

Bank facility terms and schedule:

- Principal amount: R15 million at 7% fixed interest
- Amortization: R1.5m annually; non-current portion shown separately (R12.1–9.8m Y1–Y5)
- Current portion: R694k annually in current liabilities
- Debt-to-equity ratio improves from 0.48x (Year 1) to 0.28x (Year 5) as equity builds

Note 5: Retained Earnings & Dividend Policy

Profit retention and shareholder returns:

- Years 1–2: Losses retained; no dividends paid (focus on asset completion)
- Year 3+: 30% dividend payout policy; 70% retained for reinvestment and debt reduction
- Retained earnings accumulate from R1.7m (Year 1) to R9.9m (Year 5)
- Equity growth funded through profitability and reinvestment; no new share capital injections after Year 1

Capital Expenditure Schedule – Quarterly Deployment (Year 1)

Detailed capex timing integrated with balance sheet & cash flow projections.

Item Category	Q1	Q2	Q3	Q4	Total
Storage & Infrastructure					
Bulk storage tanks	2,500	2,300	1,200	500	6,500
Tank installation	600	700	400	100	1,800
Safety systems	300	250	150	100	800
Filling station	1,200	1,500	900	600	4,200
Site & Building					
Site prep	800	700	400	200	2,100
Office/control room	600	500	300	200	1,600
Cylinder racks	350	300	200	50	900
Paving & drainage	450	400	250	100	1,200
Vehicles & Equipment					
Refill truck	600	600	400	200	1,800
Forklift	250	200	100	100	650
Carts/tools	100	80	70	50	300
Licensing & IT					
Licenses/permits	200	120	80	–	400
SAQCC	100	75	50	25	250
Insurance	100	100	100	–	300
IT systems	200	150	75	25	450
Contingency & Pre-Op					
Contingency (5%)	400	400	400	800	2,000
Training	150	150	150	50	500
Marketing	100	100	100	100	400
TOTAL CAPEX BY QUARTER	**9,000**	**8,725**	**5,570**	**3,700**	**26,995**

Capex Funding: Equity (Halso) R17.1m; Debt R9m (drawn over 12 months); phased deployment minimizes idle asset costs.

Growth Scenario – 1,000 tons/year by Year 5

Aggressive expansion with satellite sites; successful market penetration.

Year	Volume	Revenue	EBITDA	Net	FCF
1	550t	14.7m	3.6m	-3.5m	-14.0m
2	600t	16.2m	4.5m	-2.2m	-0.8m
3	700t	19.8m	6.2m	+0.6m	3.5m
4	850t	24.9m	8.8m	+3.2m	6.8m
5	1,000t	29.4m	11.5m	+6.2m	10.2m
6	1,000t	30.6m	12.0m	+6.8m	10.8m
7	1,000t	31.8m	12.5m	+7.5m	11.5m
8	1,000t	33.1m	13.1m	+8.3m	12.3m
9	1,000t	34.4m	13.6m	+9.1m	13.1m
10	1,000t	35.8m	14.2m	+10.0m	14.0m

Growth Scenario Metrics

NPV @ 12%: R65–78 million
IRR (whole JV): 38–45%
Payback: 3–4 years
Sakhiwo NPV share (35%): R23–27 million
Terminal value share: R19.8 million

Sensitivity Analysis

IRR Sensitivity: Volume versus EBITDA Margin

Margin	400t	550t	700t	900t	1,000t
35%	8%	12%	18%	32%	38%
40%	14%	18%	26%	42%	50%
45%	20%	26%	34%	52%	62%

NPV Sensitivity: Key Variables

Variable	-10%	Base	+10%
LPG Purchase Price	R35.2m	R28m	R21.8m
Volume (550t baseline)	R12.1m	R28m	R45.6m
Retail Margin	R18.5m	R28m	R37.2m
Capex Required	R42.3m	R28m	R24.8m
Operating Expenses	R25.1m	R28m	R31.2m
Discount Rate	R36.1m	R28m	R21.5m

Key Insight: Project value is most sensitive to volume ramp (10% upside = 63% NPV improvement) and LPG costs (10% increase = 33% NPV reduction).

Detailed Cash Flow Analysis

Year 1 – Quarterly Breakdown (R millions)

	Q1	Q2	Q3	Q4
Revenue	2.8	3.4	3.8	4.7
Op. Expenses	(2.6)	(2.7)	(2.8)	(2.9)
EBITDA	0.2	0.7	1.0	1.8
Debt Service	(0.44)	(0.44)	(0.44)	(0.44)
Op. FCF	(0.24)	0.26	0.56	1.36
Capex	(8.2)	(4.1)	(2.4)	(1.2)
FCF	**(8.44)**	**(3.84)**	**(1.84)**	**0.16**

Working Capital: Initial working capital is absorbed in build-up of LPG inventory and debtor books; inventory turns improve from 8 weeks (launch) to 4–5 weeks by Month 12, freeing cash and supporting higher free cash flow in subsequent years.

5-Year Working Capital Forecast (R'000)

Item	Year 1	Year 2	Year 3	Year 4	Year 5
Days inventory outstanding	42	35	32	30	29
Days sales outstanding	45	45	45	45	45
Days payable outstanding	35	35	35	35	35
Cash conversion cycle (days)	**52**	**45**	**42**	**40**	**39**

Risk Management & Exit Strategy

Key Risks & Mitigations

Risk	Probability	Mitigation
Cost inflation	Medium	Forward contracts; productivity targets
Volume shortfall	Medium	Sakhiwo referrals; delivery convenience
Competition	Medium	Brand loyalty; service quality
Regulatory change	Low	Early engagement; compliance budget
Supply disruption	Low	Halso existing network; buffer stock

Strategic Exit Scenarios

- **Primary (Year 5–7):** Sale to major LPG retailer (Afrox, Oryx) at 4–6× EBITDA
- **Valuation:** R48–90 million; Sakhiwo receives R17–32 million
- **Secondary:** Management buyout or ongoing dividend stream (IRR >20%)
- **Downside:** Continue operations; breakeven by Year 5 provides protection

Partnership Governance

JV Structure & Terms

Element	Terms
Company	Halso-Sakhiwo LPG Retail (Pty) Ltd
Equity	Halso 65% Sakhiwo 35%
Term	25 years + 5-year renewal
Board	Halso 2 directors; Sakhiwo 1 director
Sub-lease	25 years; Sakhiwo annual rent R240k
Dividend Policy	30% net profit post-Year 3
Dispute Resolution	Mediation → Arbitration (JASSA)

Key Covenants

- Halso retains operational control; annual budget approval
- Sakhiwo first right to supply solar electricity (@ market rates)
- Exit approval: mutual consent; drag-along at 4× EBITDA minimum
- Insurance: R10m liability; key-person coverage on operations lead
- Annual distribution: 35% of distributable cash (post-capex, debt service)

Implementation Roadmap – Months 1–12

Phase	Timeline	Key Deliverables
1. Validation	M1–M2	JV agreement; sub-lease terms; site survey
2. Licensing	M2–M4	LPG license; SANRAL approval; SAQCC
3. Construction	M3–M7	Tanks, filling bay, office, utilities
4. Staffing	M6–M8	Recruitment; training; HSE induction
5. Soft Launch	M8–M9	Pilot refills; supplier validation
6. Launch	M10	Full retail; marketing; Sakhiwo referrals
7. Ramp	M11–M12	Volume scaling; system optimization

Critical Success Factors

- Early regulatory alignment (DMRE, SANS, local municipality)
- Reliable supply chain (forward contracts; price hedging)
- Sakhiwo client base activation (target 200–300 accounts by M12)
- Predictable staffing & training (minimize ramp delays)
- Strong branding & delivery logistics (convenience = competitive edge)

Halso – Sakhiwo LPG Retail JV

Affordable, Safe LPG for Greater Taung Communities

Halso LPG Supply

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