

Diversification underpins UMS Group's growth strategy

Although United Mining Services (UMS Group) was formed out of a business that was primarily focused on underground ore body access and related contracting work, the company is – in nearly five years of existence – punching above its weight with a growth strategy that hinges on diversification of its service offering and geographic footprint. This, CEO Digby Glover and COO Murray Macnab tell *Munesu Shoko*, is supported by a 60-year industry track record and a team of experienced individuals who bring a wealth of knowledge to the business.

With its roots primarily in the shaft sinking business in South Africa, and the contracting work around it, UMS Group has, in less than five years, transformed its business to be a full turnkey solutions provider to the global mining and related sectors, offering a range of services from concept studies through to mine and process plant design, construction, commissioning, ramp-up and operation, among others.

A private equity business, UMS was formed in 2015 following the purchase of the old Shaft Sinkers business and its sister company, Mining Engineering Technical Services (METS). Having assisted Shaft

Sinkers and METS prior to the business rescue process, the shareholders of UMS went on to purchase the two companies, along with some equipment and existing contracts.

The business took two major projects along with the purchase of Shaft Sinkers. One was the AngloGold Ashanti's Kibali gold project in the DRC, which was completed successfully some two years ago. The other one was the HZL project in India, which ended last year.

Leveraging the experience of the team in the business, Glover says UMS is starting to thrive again. While the company is relatively small and young, says Glover, it benefits from Shaft Sinkers' 60-year track record in the industry and the strong support of its shareholders that has allowed continued growth in the sectors and markets it operates in.

Macnab agrees, saying that the company leverages the experience acquired from over 250 projects completed over the years. "There isn't any type of shaft sinking project we haven't done over the years. We still have all the intellectual property and key individuals that have been with Shaft Sinkers for decades," he says.

Expansion focus

Key to the company's strategy, Glover says, is growth and diversity, which has seen a strong focus on expanding the offering. "A business of our type needs substantial and sustainable work, and for us that can be achieved through a diverse offering," he says, adding that relying on a very narrow market or one or two big jobs can expose the whole company if anything goes wrong.

"Although the company was formed out of a business that previously had a primary focus on underground ore body access and the contracting work around that, because of Macnab's and my involvement, as well as some senior team members in our ranks, we have a lot more to offer than just shaft sinking," says Glover.

For example, the METS side of the business – which has traditionally been an in-house design arm for Shaft Sinkers – has now been commercialised to

CEO Digby Glover (left) and COO Murray Macnab are the two senior figures in the company, with vast experience in the shaft sinking industry.



Head gear erection at a recent DRC project.

offer its design and project management capabilities to the outside market. This venture, says Glover, has been "very successful".

METS's design and project management capability is not only applicable to shafts, but to the broader mining industry. "We have a number of jobs that we have done successfully in the processing field, including gold and chrome processing, among other general processing applications," says Glover.

Macnab says although the mineral processing side of the business is relatively new, about three years old, it has already picked up significantly. "We are doing a lot of feasibility study work. We have also done some construction work, and it's typically small modular plants that we are looking at, with a specific focus on Africa," he says.

With regards to the contracting side of the business, Glover explains that there are two elements to it. The one is the mining infrastructure refurbishment type of work, which is relatively small, but hugely important because there are a number of small jobs as opposed to few big ones.

UMS is currently undertaking a shaft restoration project for South 32 in the Northern Cape. The company has also just recently completed another shaft restoration project at Evander 8 shaft. These are the type of jobs where there is existing infrastructure that needs attention, explains Glover.

"In many instances, you would find that we were initially involved in the initial capital projects of these shafts. Now that they are old – 20 to 30 years old – they need attention and we have the expertise to restore the shafts to their nameplate capacity," says Glover.

"We have that type of work on the local front, as well as some smaller underground infrastructure

Sinking of a shaft barrel at a recent project in the DRC.





The company benefits from over 60 years of experience in the shaft sinking business.

work, such as installing box fronts or putting in conveyors underground. While it's mostly small projects, there is much of this type of work out there, which gives us a fairly consistent baseload of work," he adds.

The other side of the contracting type of work is the larger capital projects, which according to Glover, are starting to pick up. In fact, the company has just established to site on a job in New Mexico in the United States for a 900 m deep ventilation shaft. "We are very pleased that even in the current climate, the project is going ahead. We are doing it in joint venture with an American construction business. At this stage we have done all the design and procurement work," he says.

Elsewhere, UMS is currently involved in a new shaft complex in Botswana. "We have just finished the design work and are commencing on the long lead time procurement items. The intention is to start with the pre-sink next year," he adds.

In terms of its diversification strategy, says Glover, UMS's focus is not only on its offering, but also the geographical footprint. He notes that with many challenges in South Africa and many other countries around the world, the company doesn't want to be exposed to any single market. "There is definitely a push to internationalise the business and our two latest jobs are both outside of the South African borders, which is testimony to our

ongoing success in that area," he says.

Human capital

At the centre of the company's quick growth is the expertise of the team. The two senior figures in the company, Glover and Macnab, are two respected individuals, who have been there, done that, in the shaft sinking industry. Both were originally with Gold Fields before moving to TWP, which was eventually acquired by Worley Parsons.

Both Glover and Macnab were directors of TWP who played an instrumental role in growing the business, as well as listing on the JSE, and more importantly becoming a leading force in the EPCM business in Africa.

They also went on to be involved with Worley Parsons after the company acquired TWP. Macnab directed the global underground mining business development and Glover was CEO of Worley Parsons South Africa. During their TWP days, the two were involved in many shaft-specific projects around the world. In fact, at one stage the company was managing more than 10 deep-level shaft projects at various stages simultaneously, which gave them an unparalleled experience in the industry.

Digby was appointed as CEO of the UMS Group in January 2019. He holds a BSc Mechanical Engineering from the University of the Witwatersrand and an MBA (cum laude) from the University of Cape

Town. Further, he holds a Government Certificate of Competency from the Department of Mineral and Energy Affairs.

Macnab has been with UMS since January 2018 as MD for METS and since November 2018 was appointed to the role of COO of UMS Group. He holds an NHD in Mechanical Engineering, a GCC (Mechanical Engineer – Mines) from the Department of Mineral & Energy Affairs and a diploma in Project Management.

Glover says the strategy is to appoint the right people to the right senior roles, "and grow a company that punches above its own weight". Focus has been on the outward looking roles where the company has brought in some key individuals.

Macnab makes special mention of Takalani Randima, who joined the business in 2018 as manager, Mining Engineering and in April 2019 was appointed as divisional GM Mining Construction and Development in charge of Shaft Sinks Southern Africa. "She is an incredibly impressive and knowledgeable lady with a very intact track record in shaft sinking and contracting," he says.

Key to the work the company is doing in project management is the arrival of Peter Louw. He used to head up AngloGold Ashanti's projects at one point and was also part of the TWP team.

"We have also brought in Michael Yates, who was involved with the 17 Shaft project during our TWP days as engineering manager. He is well-respected in the industry and we have brought him in to assist with one of our projects," says Glover.

Macnab also mentions Erin Gilfillan, who joined UMS Group in April 2019 as GM for METS MINING. She comes from an EPCM background and has worked across very diverse commodities and regions.

James Kier, who brings significant experience in the underground mining projects, leads the engineering team in the group. The company has also brought in Chris du Toit, who joined in June 2019 and is responsible for all the group's enterprise and operations risk management processes. The appointment of Du Toit, who has a massive track record in the underground, high-risk mining environment, is testimony to the company's strong focus on safety.

In fact, UMS has achieved a safety milestone. "We work in a high-risk environment and I am proud to say that we have had only one injury in the past 2,5 years, this being a hand injury. We have been driving safety through our safety-in-design approach, which allows us to turn potential risks into safe methodologies," concludes Macnab. ■