Bell Equipment – Overcoming All Odds

Perspectives: November 6th, 2023

JSE listed **Bell Equipment** released a public statement last week titled '*Bell launches new Bell* **Heavy Industries** *division*'. Here are some of the key phrases from their statement (emphasis added):

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*"…**seventy years of demonstrated expertise** in complex engineering, heavy fabrication, and machining…"*
*"…offering these specialist services to **all industries in the country** …"*
*"South Africa has seen **a huge reduction in engineering companies** , and, in response, we have **strategically** positioned our South African manufacturing facility to fill this void…"*
*"We're confident in our ability to expand into other industries and believe this will **benefit not only the manufacturing sector but the whole country** "*
*"…**45,000 m2 undercover manufacturing area** in Richards Bay…"*
*"The Bell team in Richards Bay of **over 800 machinists, welders, and assemblers** is among the best in the country thanks to the company's **own training centre** …"*
*"BHI can also tap into a wealth of group resources, notably **a team of over 100 South African design engineers** …"*
*"…55% black-owned and 24% black women-owned, contributes to B-BBEE scores and creates **localisation opportunities for potential customers** "*

This is *not* a glib announcement with a vague vision. The words and numbers being used are *very* specific. For context, a 45,000 square metre manufacturing facility covers four and a half rugby fields. Do I believe them when they claim their technical team is top quality? Absolutely – please show me any other South African business that could design and manufacture products that can take market share from the likes of Caterpillar, John Deere, Komatsu, and Volvo. Would anyone have guessed that a home-grown South African manufacturing business could even have a team of over 100 design engineers on the ground?

Of course, it will require skilled execution, but there is every chance this could be a fundamental new business development that holds significant long-term value creation potential. The infrastructure maintenance and expansion capital spending backlog in South Africa is enormous, and the government has already started partnering with the private sector to rebuild essential services. They have no choice.

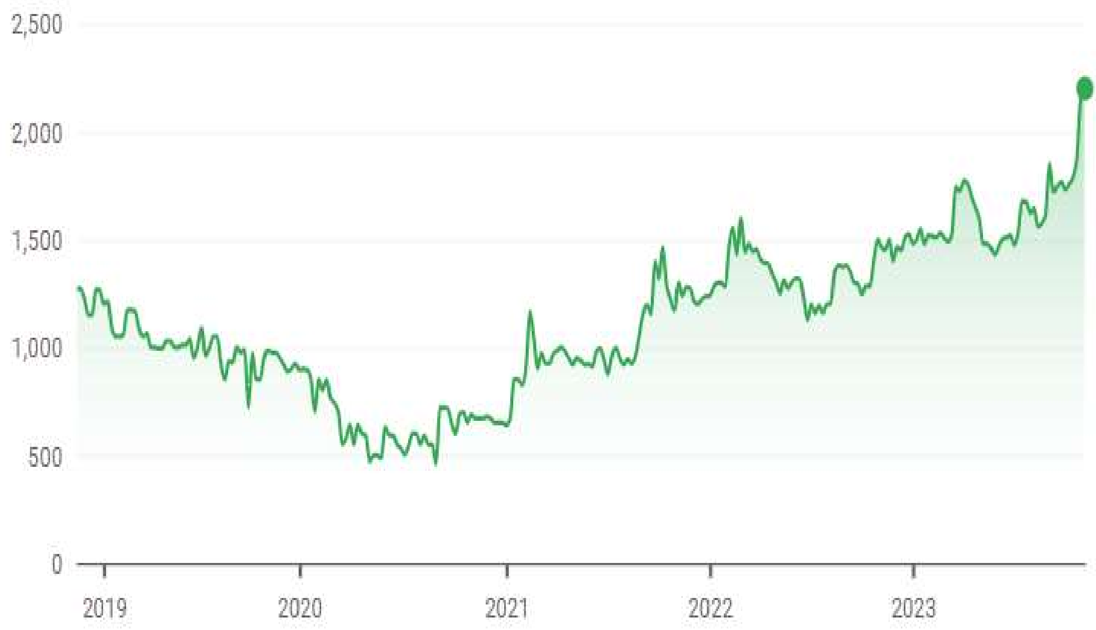
Our circumstances in South Africa mean that we need credible hope, and *lots* of it. Overcoming all the odds, like Siya Kolisi and the Springbok rugby team, gives credible hope. Whenever any entrepreneur or entrepreneurial business starts a new business, our whole country should be coming together and offering them our unified support.

The thousands of people who own, lead, and work at Bell Equipment deserve to be seen and known for what they are busy doing to give credible hope in South Africa. They have the proven expertise, wisdom, and courage to continue achieving the most amazing feats – *despite* the odds. Bring it on!

We pay our deep respects, and we wish them every success imaginable.

Our work continues…

Chart: Bell Equipment 5-Year Share Price (*Source: Google Finance*)



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