

# Acquisition sets new growth path



L-R: Sbonelo Mazibuko and Sihle Ndlovu

Inzalo Capital Holdings recently acquired the majority share in leading smart water management company Utility Systems. **Water&Sanitation Africa** spoke to shareholders Sihle Ndlovu and Sbonelo Mazibuko about the acquisition and how it strengthens Utility Systems' position in the market.

## What prompted Inzalo Capital Holdings to acquire Utility Systems?

**SN & SM** As the shareholders of Inzalo Capital Holdings, we are passionate about the preservation of the world's most valuable resource, water, and we noted the difference we could make by partnering with Utility Systems, which has managed to change the status quo of the smart water management industry.

## Tell us more about Inzalo Capital Holdings.

The two of us lead Inzalo and have substantial experience in the economic development and management of resources, as well as academic accolades to support their strategic leadership of the business. We

have both worked with Utility Systems and Amanzi Meters and saw an opportunity to be more invested and make a greater impact in the water management industry.

## How does this acquisition strengthen the position of Utility Systems in the market?

Over the past few years, Utility Systems has come under intense pressure to transform and become more compliant with B-BBEE legislation in order to continue operating at a competitive level within the local economy. This was further reinforced by the Preferential Procurement Regulations released in January 2017, which allow an organ of the state to set prequalification

criteria for any tender released, including a stipulated minimum B-BBEE status.

## What are some of Utility Systems' leading products?

At the heart of the Utility Systems smart metering solution is the water management device. When connected to a water meter, the solution is capable of flow limitation, prepaid metering based on standard transfer specifications, and bulk water management.

**South Africa's water systems are facing increasing pressure. How can smart metering systems help to address the challenge?**

The richness of these solutions comes from the data they provide. For example, non-revenue water losses have a material impact on municipalities' electricity consumption, because the cost of potable water (nearly always includes a power component (pumping, effluent treatment, sewage works, etc.). By better understanding these relationships, municipalities will be better able to manage their assets in a more



integrated, sustainable manner and improve strategic planning.

### Where does prepaid metering fit into the picture?

The Utility Systems prepaid water metering solution is an extremely versatile smart metering solution that addresses most metering challenges. It assists with the prevention of water wastage and aids the process of accurate water balancing. Water services providers can expect increased revenue collection with this solution, while consumers enjoy the many benefits associated with having visibility



of their water consumption.

### Can you provide some examples of where your systems have been successfully implemented?

Utility Systems' products and solutions have been successfully implemented in various municipalities and cities across the country, such as the City of Johannesburg, eThekweni and Mangaung, to name just a few. However, Utility Systems is especially proud to be a part of the water-saving success of the City of Cape Town, through the implementation of water management devices. We have a long-standing relationship with the municipality through our distribution network and have delivered

over 300 000 devices to the City since inception of the relationship.

### What is your vision for the company going forward?

We look forward to growing our market share, enabling us to make a larger difference in the water management industry. We plan to bring the final pieces of our manufacturing process in-house, empowering us to have complete control over the quality of our products.

100 mm, 150 mm and 200 mm. By the end of the year, Utility Systems devices will be able to connect to the world's largest internet of things networks, including SigFox, LoRa, Wireless M-BUS and NB-IoT. **35**



[www.utility-systems.co.za](http://www.utility-systems.co.za)

### What new developments can we expect from Utility Systems in the year ahead?

This year, Utility Systems will launch an extended range of bulk water management options in the following sizes: 40 mm, 50 mm, 80 mm,

