Murray & Roberts Annual Results for the year ended 30 June 2023

ED JARDIM
Welcome ladies and gentlemen to the Murray and Roberts annual results for the year ended 30 June 2023. Welcome to our guests in the room with us and also welcome to all those dialing in on the webcast. Just before we get underway, just a quick note for your safety. In case of the unlikely event of an emergency, you have two evacuation exits off of this floor. The first would be out of these exits to my left, and left again, just where the bathrooms are, there's an emergency escape door there, you can press the button on the door, it will release the door, make your way down the stairs, out and around the building to the parking spot across from the building, that is the emergency assembly point. Your second evacuation option off of this floor is once again out of these doors to my left towards the lift lobby where you would have come from, there's a set of stairs on either side of the lifts, please take the stairs, not the elevators, down to the ground floor. That's most likely where you would have entered the building this morning, out the door across the road to the public parking space across from the building, and that is the emergency assembly points. Our HSE reps and security staff will be on standby to guide you through this, but we do not expect any emergencies. We've also had our bouts of loadshedding this morning, so we do not expect any disruptions, electrical disruptions to the presentation today. So with that, I'd like to ask Henry Laas our Group CEO to please open for us, thank you Henry.

HENRY LAAS
Ladies and gentlemen, good afternoon, and welcome to the results presentation. A special word of welcome to Dr. Suresh Kana who is the chairman of the board. Thank you, Suresh, nice to have you here. Suresh is having my back, he’s sitting right behind me. Thank you very much for that Suresh. I think we all know by now that 2023 was a very, very difficult year for Murray and Roberts. Many events unfolded during this year, and many developments, which we have all communicated to the market as and when it happened. But I think these developments and especially the pace at which they were unfolding created significant uncertainty in the market, with all our stakeholders, about the sustainability of Murray and Roberts. It also resulted in significant value destruction for all our shareholders, including the executive leadership team, and the senior management team who are all shareholders in Murray and Roberts. But I want to say to you today that the impact of these events are behind us. It has been fully accounted for in the financial year 2023 results, and Murray and Roberts has emerged from these events as a much smaller group, but as you will see on the slide, a group with a future. Just tongue in cheek when we prepared this results presentation, my heading was a group with a certain future and the board said to me, you need to tone it down a bit, which I was very happy to do. So it is a group with a future. But before we dive into the results, I think it would be appropriate for me to just reflect a little bit over the past two years, and just touch on the developments that occurred, and that has resulted in the position that Murray and Roberts had to manage during financial year 2023. This was the most difficult year that we had to deal with since 2008 global financial crisis. You will remember when that financial crisis happened in 2008, the impact of that was felt for a number of years after that, and eventually Murray and Roberts in 2012, early in 2012, we had to raise 2 billion rands from shareholders

to restore the balance sheet and to re-establish the business as a going concern. So that was a very difficult year, or period for Murray and Roberts, but I think the point I want to make is if you find yourself in a difficult set of circumstances, it is not always the case that the impact is immediately felt. Many times it does take some time for the full impact, and the cumulative impact to really work through. Now over the last 18 months, now the COVID Pandemic started before that, but especially over the last 18 months, we believe that we have weathered the COVID-19 storm with all the lockdowns and restrictions that were applied to us. But all of that did really severely impact or compromised our ability to deliver our contractual commitments. Now you can imagine, if you find yourself in a scenario where you have restrictions as far as movement of people are concerned, and as far as logistics are concerned, supply chain issues, that you can manage that, but you cannot, you cannot deliver your projects, and meeting the same schedule progress, as you would be able to do under a normal set of circumstances. So, the level of risk that we had in the group, in the ERI platform, associated with a large portfolio of projects, pre COVID-19, we believe was manageable under business like normal circumstances. But none of us expected that there would be a COVID-19 Pandemic, and when that Pandemic happened, our entire project portfolio was exposed to this. Now normally, if you have a portfolio of lump sum, fixed price projects, it's to be expected that within your portfolio, you might have one or two challenging projects that you need to manage at any time. But if you have lump sum fixed price projects, which are all exposed, the entire portfolio, at the same time, exposed to the impact of a Pandemic, it did significantly increase the risk profile of the group. And at that time, our funding capacity was further undermined as we have not received any dividends over a two-year period from the Bombela Concession Company, and neither did we receive any dividends from our international businesses. So the group experienced some liquidity pressure, we were under pressure at the time, but our cash flows indicated that we will be able to meet our commitments, and that we will trade through this difficult period, all be it with limited financial breathing space. And it was on that basis that we completed our accounts of the previous financial year with balance sheet that was under pressure, we had liquidity issues within the group, but we were confident that we would be able to trade through.

However, what we must also appreciate is it was not only Murray and Roberts that suffered the impact and the consequences of COVID-19. Our client base themselves had to deal with their own cashflow challenges as a consequence of the Pandemic. And as a result of that, our claims, which are, we only record and account for claims which are legitimate and tested by third parties. But these claims were more forcefully contested by our client base. In many instances they were rejected, and in other instances, the settlement of claims became protracted, and we only managed to achieve partial settlements. In October of last year, the risk became intolerable for the group, because at that point, there were, on two of our projects, Project Traveler in the US, and the Waitsia Project in Australia, we realized that the claims that we were relying on, that had to come through in that period, was not going to come through in that period, and also not at the value that we that we anticipated. And that lead to us realizing that this was now a real problem for the group, and that we just as a group did not have the capacity on your balance sheet and with the funding facilities that were available to us, to manage the scenario, and we were left with no choice but to put your holding company in Australia, Murray and Roberts PTY Limited and one of its subsidiaries Clough, in voluntary administration. And the further ramification of this is that the group also lost control of RUC Cementation, which is a mining company in Australia, as it was caught up in that company structure. So on that basis, in the first half, when we reported the first half results, we did indicate that MRPL which is a holding company in Australia, Clough and RUC within reported as discontinued operations, and that was with the effect of the 5th of December last year, and this set of results the comparative financial results for the prior year, has been restated to show these entities as discontinued, and not reported as part of continuing operations.

Now, you will see later on when Daniel presents the balance sheet, that the impact of this the consolidation was close to 1.3 billion of cash coming out of the system as a consequence of the consolidation. Now that indicates that there was still substantial amounts of cash within Clough, and RUC, at the time that the administration happened. The challenge however, was that this cash was tied up in joint venture accounts, and it was restricted cash, and it was not available for the use of the group. So COVID-19, I don't want to hide behind COVID-19 as an excuse, but I think it is important for our stakeholders to understand that the impact was dramatic on the group. And the fact that we were not able to complete our projects and to achieve the schedule, and the milestone payments that were linked to progress, really just meant that over time, the working capital situation became very onerous on the group, and eventually, when we received the news that two substantial claims would not be settled in the time that we anticipated, and it would not come through at the values that we expected, that we had to decide on the voluntary administration decision. So that is just context and background to all the events which culminated in what the group experienced in 2023. I mentioned earlier on that we've also deconsolidated RUC, which is our mining company, and it is very important for the group to maintain a presence in the Asia Pacific region. I think you all will agree with me that the Asia Pacific region is a very important part of the global mining sector, and we believe that it is really important for us to maintain a presence in the Asia Pacific region. And we've lost that now, due to the fact that that we no longer in control of RUC, which is the company that we used all along to service that market. We are still actively pursuing initiatives to regain control of RUC. And if you asked me what our chances are, I would say we in with a reasonable chance to be successful, to regain control of RUC, but I cannot give any guarantees as I stand in front of you today. But in the event, in the event that we are not able to retain control of RUC, we have established a company segmentation APAC, it's a company in Australia, and what we will do is we will utilize that as a vehicle to re-establish a presence in the APAC region and to service that market, through segmentation APAC with the support of the other two companies in the mining platform, segmentation here in South Africa and also segmentation in the Americas.

So ladies and gentlemen, the presentation that was just an introduction to it, I will deal with the salient features of the results. Michael Da Costa and Steve Harrison will deal with the segmental reporting for each of the two platforms, mining and power, industrial and water, before we hand over to Daniel to also do some segmental analysis, but also take you through the financial statements of the group. And I will then conclude with a summary of your order book, our safety performance, and then a few presentation takeaways.

As I said, the results for the prior period has been restated by moving Murray and Roberts PTY Limited, the holding company in Australia, and its two subsidiaries Clough and RUC, to report that as discontinued operations, for comparison purposes to this year's results. When you look at revenue and continuing EBIT, they show an improvement compared to the restated results of last year. We had strong revenue growth, and growth in operating profit in the mining business, and good revenue growth in the PIW platform, and significantly reduced operating loss, translating into the numbers that you see on the screen. Now when you look at the revenue, you would think that the revenue increased by about 44%. So why did the earnings only increase by about 11%. And that I will explain to you on the following slide. It all has got to do with the way in which accounting for discontinued operations. Attributable earnings has a significant loss of 3.2 billion and diluted continuing HEPES a loss of 71 cents. Now that comes predominantly from a 300 million loss from our continuing operations at an attributable level. But then 2.7 billion associated with the discontinued operations in Australia which have now been excluded from the group. And then there was a 200 million Rand impairment of receivable in the Middle East. As you know, the business in the Middle East is subjected to a sales process, and we are accounting for the business in the Middle East as assets and liabilities held for sale. Apart from that there's one receivable outstanding, and that is the receivable that we've impaired in this financial year, because through development during the course of the year, we believe that that receivable is no longer recoverable or that there is a low probability that that receivable will be recoverable. What that means is that there is, there should be no further impact of the Middle East on the group's discontinued operations moving forward. We've got one remaining contingent liability, which relates to the bonds that were called in the Middle East and paid out by Mashreq Bank. That is a contingent liability, we account for it as contingent, and there are legal processes currently underway to settle this matter in the Middle East, as well as in South Africa. But as I said for us, it is a contingent liability, so you shouldn't expect any further impact from the group's presence in the Middle East on our discontinued operations. All that you will see moving through there is a small amount of, for legal costs, and probably one or two people that we are still employing in that region, the total cost of, maximum of, I would think about 30 million Rands per annum.

The order book, it's slightly down compared to last year, 15.4 billion, but I think the important point to make today is that this order book is a low-risk order book. It's predominantly representing the mining platform, 30 odd billion of that, and the rest is in the PIW platform. And as you know, in the mining, in the mining business, we don't undertake work on a lump sum, fixed price basis. The commercial arrangements in the mining sector, there's a lot more balanced between, from a risk point of view, between client risk and contractor risk. So we are pleased with the order book, and we are also pleased with our pipeline. I think what is important to notice that the group has got nett debt of 0.3 billion, I think it's 290 million, whatever the exact number is there, Daniel. Daniel will unpack it a little bit later, but that is a significant reduction compared to where we were last year. And that reduction is predominantly due to the sale of our investment in the Bombela Concession Company, and how we've applied the proceeds to reduce debt. The nett asset value per share is 4 Rands per share. And the decrease from the 13 Rand is mainly due to the deconsolidation of the businesses in Australia. Now, our share price is trading at 65, 66 cents a share, and our NAV is 4 Rands per share. The NAV of your assets, there is very little uncertified revenue in that, where previously we carried large sums of uncertified revenue. So I would think the NAV of the company is really a fair, very fair representation of the value as we've emerged through all the negative impacts that we had to manage in financial year 2023. So yes, 300 million of debt, a significant reduction compared to what we had previously, and the nett asset value of 4 Rands per share. So with that said, let me just explain what I said earlier on. Discontinued operations, you'd ask me, but we've sold our investment in the Bombela Concession Company, why is that not reported part of discontinued operations. And the reason for that is it was not part of our operations, it was an investment. And you cannot move an investment to discontinued operations, because it wasn't an operation, it was an investment. And for that reason, notwithstanding the fact that we’ve sold the investment in the Bombela Concession Company, it had not impact in the way in which we report continuing and discontinued operations. So the revenue, as reported was 12.5 billion, compared to the prior year of 8.8 billion, which is a 42% increase. Now, with the investment and Bombela Concession Company, we accounted for it at fair value through profit and loss. Now, what that means is, there was no contribution to revenue, but you only had a contribution in earnings, because it is in effect discontinued now, if you were to strip out the contribution from the Bombela Concession Company, in the current year of 30 million, and you strip it out in the prior period of 193 million, then the two continuing operations that we currently have in the group have actually reported 155% growth in earnings, from a loss of 111 million in the prior period. If you take the contribution from BCC out of the equation, compared to 61 million in the current financial year. That's just explaining why you see the revenue growth and not a similar growth in earnings before interest and tax. So with that said, I want to hand over to Mike, Mike will take you through segmental analysis of the mining platform, and after that Steve will do the same for PIW. Thank you, Mike.

MIKE DA COSTA

Thanks, Henry and good afternoon, everybody. So the mining platform is a multinational business. It has a Project of portfolio that, that spans the main mining jurisdictions of the world. Since the administration process started in the Murray and Roberts companies in Australia, we lost control of RUC. And that has reduced the size of the of the platform for now, to the two companies, that being Cementation America is based in Salt Lake City in Utah, and Murray and Roberts Cementation based here in Johannesburg. So I think as many of you know, Cementation Americas addresses the market in North America and Latin America, and Murrray and Roberts Cementation addressable market is basically South Africa and Sub-Saharan Africa. So with the loss of control of RUC, the Australasian part of the globe is under service from our perspective, right now, as Henry mentioned, it is a very important region for us, and we fully intend maintaining our position in that part of the world. So there's significant effort going into maintaining that position. Our preferred option in terms of doing that would be regaining control of RUC, and there again, a lot of work going into to getting that right. If we’re not successful, then we will re-establish ourselves in that region, through cementation, APAC, and re-establishing our capabilities with support from the cementation companies in the Americas, and also here in Africa. So the platform has a fairly strong order book at the moment, and it's supported by a very strong pipeline of new orders and category one orders. So we're fairly confident that we will continue to grow that order book, and in turn grow revenue and earnings in the near to medium term.

So the platform, companies had a bit of mixed fortune during the past year, Murray and Roberts cementation had a very difficult year, the company in the Americas had a very good year, and showed a very significant improvement on the prior year. So if you look at the Africa business, you can see revenue increased from the prior year, but that didn't flow through to earnings, and that was mainly due to some challenges that we had on specific projects, one of those being Venetia, where we encountered some operational challenges towards the end of the second quarter and into the third quarter of the financial year. Thankfully, we've recovered from most of those challenges, and operations have stabilized, and we're now performing pretty much around our expectation, and the expectation of the client, and we believe we will improve performance from that stable platform now. The other projects that impacted on performance in the African business was the Phalaborwa shaft sinking project. So there we've encountered geological conditions that were somewhat more difficult than we had expected initially, and that has slowed progress down. But again, in the recent history now, we've managed to get performance to an acceptable level, and stabilize that at an acceptable level. So that project is close to completion now, and we forecasting the sinking of the shaft to be completed by the end of the calendar year, and that we will then go through the demobilization on that project, and we expect that the project will be delivered on a profitable basis.

The third area where we experienced issues in the African business was on the Arnot coal mining project which we deliver in a joint venture with our joint venture partner Amandla. So the joint venture is called Boipelo, and we have encountered challenges in that project, mainly due to the fact that the client has gone into business rescue, and it's been a bit of a projected business rescue process. That is also coming to an end now, and we expect resolution of those challenges in, within the next two months or so. As far as the Venetia project is concerned, our operational performance has stabilized, we've also engaged the client to revise the commercial terms of the contract as we enter into discussions around the variation, which would deliver more favorable commercial terms for us. We're very close to concluding those negotiations, and we fully expect that within the next six to eight weeks, we will have a different form, shouldn't say a different form of contract, but a variation to the current contract that will be more favorable to us. Just to wrap up on the Africa business, the order book has reduced from where it was last year, and that was mainly due to an adjustment that we made to the order book with the order of business going into business rescue, we have removed that, that project from the order book, and that was the main impact on the order book, and you know what caused that reduction.

Moving on to the Americas business. It went on a very strong recovery. So really during the COVID period, the order book eroded quite a bit in the Americas, they went through a bit of a difficult period, but the order book started recovering, sort of towards the end of the FY 21 financial year, into the FY 22 financial year, and we then started getting projects into execution. New projects that are coming to the order book through the FY 23 year, and that resulted then in a very significant increase in revenue, which did flow through to earnings, and as you can see the operating margin improved quite nicely from 3% to 5%. And we fairly comfortable that we should maintain that operating margin, and grow it a bit into the future. So their order book was reasonably steady going from FY 22 to 23. As far as the other is concerned. So that's really the platform overheads, and there was a significant increase there, that was really an investment that we were making into a global asset management company, that we were establishing in the UK domiciled companies, so quite a lot of work going to that, as well as work going into integrating the platform businesses into a single global business, so we had started that work, but with the disruptions in the group, we decided to put that on hold and not spend any more money on that right now, and at an appropriate time, we will pick that work up again. So, overall, I think the platform had, had a good performance during the past year, very strong growth in earnings from the prior period, good increase in earnings, the margins are somewhat lower than then we would like it on a platform basis, but that is really driven by the African business which I've explained. And certainly in the in the year ahead I think we can expect, we can expect a further improvement off this base.

So just quickly, a bit on outlook and, you know, what the operating environment looks like. So from a commodity price perspective, most commodities have come off from their highs from 18 months ago, but where the prices have settled and the forecasts in the medium term suggests that prices should remain reasonably robust. Those robust prices translate into decent margins for mining companies, notwithstanding the fact that mining companies are seeing cost inflation, but they still managed to maintain reasonable margins which means most of them have fairly strong balance sheets, and with them being in a fairly strong balance sheet position that means that they are able to invest in growing their ore reserves and their production capacity, which then feeds into demand for the services that we provide. So, with these commodity prices being reasonably robust, and particularly the prices for gold and for future facing commodities, that encourage, that enables these mining companies to invest as I said, and that feeds into demand for the services that we provide. So, not with standing the fact that there are some headwinds faced by the these mining companies, as I said they do face challenges with high inflation, geopolitical instability, skill shortages to some extent, and threats of global recession. So, they've got to take that into account when they make the investment decisions, but not with standing that the fact that there is the demand for these future facing metals is there, there's a ever present demand and requirement for them to reinvest in, at least replacing their ore reserves, and growing production capacity to some extent. So, all of that feeds into a reasonably positive outlook in terms of mining investment, and in terms of potential growth for the mining services, mining contracting market, in the medium term. So, so we do expect a modest growth in that market, and given our position in the global industry we fully expect that we will get our share of that growth. So with that, I think that's it for the mining platform, I'd like to hand over to Steve.

STEVE HARRISON

Cheers Mike, thank you. Ja, picture of sunrise over an Eskom 400 kV transmission servitude, that represents what we believe is a meaningful potential earnings, and an order book for the platform over the next 10 years. Coupled with the renewable energy, we think we've now got a sustainable business and we've turned a major corner, and we're going to contribute to the group and going forward. We are a sub-Saharan African business, we're based in Johannesburg, and we're based in Cape Town, OptiPowers offices are in Cape Town. You will have seen, when I presented this a year ago, we had six companies fitting underneath the platform, we've now consolidated those into two entities, Murray and Roberts projects, what we've done is we've absorbed Wade Walker Solar, which is a small PV solar company, CNI solar company, it's a Murray and Roberts projects, so we see that as a positive. We've also absorbed Murray and Roberts water into Murray and Roberts projects, so that really helps us to rationalize our overhead and be focused in the areas that we're concentrating on. What are the opportunities for Murray and Roberts projects, they are the entity that will be involved in utility scale solar PV, in joint venture with Abengoa. We're currently bidding several projects in the private space. We also have an exclusive arrangement with one developer for a project, not a million miles away from this office in the in the Germiston area. So I'm really optimistic that we're going to secure some meaningful utility scale PV for the Murray and Roberts project entity.

OptiPower projects. The bulk of our earnings this year has come from OptiPower projects. They are our transmission, distribution, high voltage substation specialists, which we acquired in 2019, and they've really been quite pivotal in our ability to make the statement that we have grown into the renewable space, and we will grow into the transmission space. We're currently executing 4 transmission projects, one for Eskom, one in Eswatini, and two as part of the developments that we're doing on the wind farms with EDF and Red Rocket. Our order book increased from about 400 million last year, to 1.8 billion, so that was positive. When I take you through the financials, you'll see that it was unfortunate that, that the timing of those projects came quite late in the year for us. I was hoping we would have returned to marginal profitability, or break even this year, we didn't quite manage that one, but I'll show you the financials. But I think the other really positive thing is and I'll take you through a slide on the detail around the renewables, and also around the Eskom transmission bill, and what that means to us. But it is really is significant and we're starting to see some real green shoots, specifically on the transmission side. We've got a cat 1 pipeline of 9 billion, which we believe is quite healthy as well.

Okay, in terms of our segmental reporting, power and industrial is in essence, Murray and Roberts Projects. In this financial year, around about half year, we actually reached the full and final amicable settlement with Mitsubishi Hitachi. So that's the whole power program, which Murray and Roberts projects was involved in for, for many, many years is now behind us. We've completed the work that we said we'd complete with them. We're still doing some work for them, and it's fully reimbursable, so it's completely de-risked. And as you see there in the results, we delivered a 45 million operating profit in that entity, off of a pretty low revenue base. Because of what I've said about Mitsubishi Hitachi and us finalizing that situation, we were able to release some provisions which kind of distorts the operating profit to a degree.

The water business is the next segment. We have, we've downscale the water business, as I said, and we've integrated it into the Murray and Roberts Projects. We've kept key resources, but our focus in water is literally going to be on implementing the organic technology, which we did roll out successfully at the V&A Waterfront. We've got a 10 year O&M contract at the V&A, and we will continue to focus. We've got a couple of opportunities in Cape Town that we're pursuing, but as I said, our focus will be through Murray and Roberts Projects, we will focus on the Organica technology.

Solar transmission and distribution is the one that had quite a jump in revenue from previous year, and it's also returned from a loss, an operating loss last year to an operating profit of 30 million. So that was quite pleasing, and I say that is basically the OptiPower business. What we did during the course of the year as well, is we had a solar wholesale business called Aarden. We disposed of that business just after the year end, our 80% shareholding in that business. It's gonna free up some work, it was quite working capital intensive, it's going to free up some working capital for us, and it also, it really wasn't our core business, wholesale. So we're a project driven organization, so we disposed of Aarden just after year end. So yeah, quite pleased with the performance from OptiPower and the solar side of things and the transmission side of things. Also, we got to healthy order book of about 1.7 billion compared to the year before of 268 million, so I'm quite pleased going into the new year that we've got to healthy order book, and we're about 9, 10 months into the projects that we secured in round five, the three wind farms, and the MTS that we secured in round five.

So the, other, makes my results look not so good. The other is basically our central overhead we still carrying for this year, we still carry quite a considerable legal cost. Closing out, we've got two matters that we still need to deal with, they will go into next year, but that will go into next year, we're expecting to reduce those legal costs. But in my reality is if we weren't carrying those legal costs, we probably would have been in sort of a marginally profitable breakeven position. So we ended up the year with a 47 million loss, half year we had a 37 million loss, so the second half of the year, we had a 10 million loss in the business. Again, disappointing, but a good base to build on, and those renewable energy projects around five just came a little bit too late for us to make a contribution in this financial year. This is where things get kind of interesting. So as I said, we've got two real opportunities in the business, and opposition for those opportunities, the renewable energy market and transmission. This slide basically talks to the opportunities that we see over the next 10 years, and these numbers tend to correlate. If you look at what's available in South Africa, public and private, it's about 60 gigawatts. And we've tested those numbers, and we think that 60 gigawatts is a realistic number that we need to implement in South Africa over the next 10 years, and it represent 1.5 trillion Rands worth of work. Outside in Sub-Saharan Africa, smaller opportunities, but still opportunities. We're currently operating in Botswana. We've previously done a PV plant in Malawi. We're operating in Eswatini, we’re doing a transmission line there. So there are opportunities outside of South Africa. But a big, big focus for our business is the South Africa renewable energy market. Over this next three years, we see about 12 gigawatts, we've got visibility on about 12 gigawatts of renewable energy. What does that mean for us, we are targeted about 400 to 500 megawatts per annum, which in essence for us is two wind farms, and two utility scale solar PV projects. And that translates to about 4 billion Rands worth of revenue per annum. But as we do the PV projects in joint venture, it ends up being about a 2.5 billion share for the platform. So we've broken into this market, we're executing projects in this market, and there is fantastic opportunities for us going forward over the next 10 years.

We've probably all heard a lot of discussion around Eskom and the transmission rollout. This is also obviously for us is quite pivotal with our OptiPower business. I'll try to explain, it’s quite a busy slide, but I'll try to explain it to you. This kind of north south divide that you see here down to the south, that's where, so 22% of the load is required in the South, and in future 52% of the generation will happen in that area. So that in itself talks to the fact that the 400 kV and the 765 kV backbone of our transmission system needs to be upgraded. These numbers represent the evacuation capacity in the different Eskom regions. They're kind of provincial but not quite. And these dark numbers here, each of these little dots represents an Eskom substation. The dark color is zero capacity, the blue color is there is available capacity, and the yellow color is this limited. So this really, really talks to the need to strengthen our 400 and 765 kV transmission network. If you look down at the bottom, these are kind of older numbers, these were published, all this is in the public domain. It was published by Eskom most of it, you're looking at about 92 billion Rand associated with the transmission network upgrades to evacuate the foreseeable renewable energy that's going to come on the grid in the next 10 years. The interesting thing for me as well as I spoke about that 60 megawatts, if you go on you read some of the publications that Eskom have put out. They believe that 60 megawatts is about 53 megawatts. So there's a good correlation between what we're seeing and what we understand and what Eskom are planning to roll out over the next 10 years. So this gives us a really fantastic opportunity. The interesting thing as well is over the, in the previous 10 years, we've installed 4300 kilometers of network. In the next 10 years, we've got to install 14,200. So there is a massive ramp up coming. One of the other interesting observations is Eskom say what, we asked the questions, what are the constraints to that. They say the constraints to that are servitudes, and it's going to be resource capacity in the value chain to execute the work. Interestingly enough, they don't say that its funding. They mentioned those two, two items I mentioned. So we think this gives us a real opportunity, and we're starting to see movement in the market. We've currently got a 765 line, and two 400 kV lines under adjudication. And we really see positive movement, specifically on the transmission site which is great for our platform and great for our OptiPower business. I'm going to hand over to Daniel.

DANIEL GROBLER
So what we've witnessed is the impact of the PIW platform as well as mine platform, and what it means for the group. So what we haven't witnessed as yet is the impact of Bombela Concession Company as well as the discontinued operations, and that then pulls through to the group operations, which we will discuss in a bit more detail. So Bombela Investments, we had a operating profit of 30 million in the current financial year. Now we sold the investment at fair value at the time of accounting for it, now there's obviously going to be a small true up or true down of the investment. So, the true up in the current financial year was 30 million. In the prior financial year, the fair value adjustment was 193 million, which is a 12-month period. So, again, the way we account for Bombela, we take forward looking cash flows, we discount that, we apply percentage, yes, ja, so we apply a percentage, discounted percentage to it, and we get to a fair value adjustment. So in the current year, we sold at fair values, so the 30 million was very close to book value that we sold the investment at.

The next slide takes a bit more explaining. So we've elaborated on the discontinued operations between Australia, Middle East and other. So in Australia, we had the Australian business, as you would have seen in your presentation. So there's a Clough operating loss of 1.3 billion, offset by minor RUC and Insic profit. We've got a de-consolidation, so when you de-consolidate the entity from the platform, it's a 2.4 billion loss, but then there's a 1.2 billion foreign currency translation reserve offsetting that. So the nett impact of the Australian business being de-consolidated off the Murray and Roberts balance sheet, is 2.5 billion, which is significant. So Clough, obviously had a big impact and RUC, RUC had a big impact, should RUC reconsolidated that will have a positive impact on the balance sheet of Murrray and Roberts, but at the moment, it's got a nett impact of 1.2 billion.

In the Middle East, we've got operating costs of 28 million that was expense in the current year, that was mainly salaries and legal fees being paid. And there was 170 million that was impaired. Now when we sell the business, we raise the receivable from the business, or from the potential buyer. Due to the legal proceedings of the past year being performed, we receive less comfort that we can receive that receivable as a result of the sale the Middle East entities. So we took a once off impairment of 170 million. We've got no further receivables in the Middle East to be collected, and the 170 million, my estimate in the next financial year will be maybe 18 million, maybe 10 million as a discontinued operation.

In terms of the income statement, Mike and Steve have talked about revenue being increased. We've talked about EBIT being increased. The nett interest expense has been increased as a result of increased interest rates as well as increased debt. So at the end of November, we increase the debt from 1.6 billion to 2 billion, as well as the increased rates, interest rates that's now been increased to 2., or well 267. On a normalized basis, that's expected to decrease by 100 million in the next financial year. So in the next financial year, we expect about 167 million in terms of nett interest expense. In terms of the financial position, we sit with cash, and cash equivalents of 1.2 billion. Now we'll get into a bit more detail in the next few slides. Now, the cash is sitting abroad, the cash is sitting in the Americas, Canada, and some of the international entities. Whereas the debt, we see short term and long-term debt is sitting in South Africa. So we've got a mismatch between debt sitting abroad, or debts sitting in South Africa, versus cash sitting abroad. So we break down the debt, so we've got TNT debt, which relates to the acquisition of TNT. We've got 84 million that we still have to pay, that should be repaid by May next year. And we've got an overdraft facility with banks plus term debt with the South African banks of 937. Now your corporate debt is, what you've got to utilize profits of the company generated to pay your corporate debt. Your self servicing debt, being asset based finance of the companies, are being paid by the revenue line on your projects. So if you've got a project, you supply equipment to the project, you recover revenue line on the outstanding item, that pays your self servicing debt. So the corporate debt is what you need company profit to pay the corporate debt in future.

So I just want to go to the next slide. So what we say is that, total debt of the company reduced by 1.8 billion compared to the prior period, 1.2 billion decrease compared to the prior period, and a billion of that was applied to the South African lenders, and 200 million was applied to R&B as part of the appreciate debt. When we de-consolidated Clough as well as RUC, there was a reduction of debt of 0.5, and then TNT was repaid of 0.1 billion. So total debt in the group reduced by 1.8 billion. As I mentioned, the issue we've got is that the debt is sitting with the SA Banks, and we've got cash abroad, and we busy with initiatives that we trying to raise debt in the international entities, to repay the SA debt, and just restore that imbalance as we mentioned in the last bullet point on this slide.

HENRY LAAS

Thank you, Daniel. We we're getting towards the end of the presentation, just a few slides on the order book. As you can see the order book of 13.6 billion in the mining platform and 1.8 in PIW, adds up to the 15.4 that we see for the group. Mike explained that the mining order book decreased, predominantly because of the exclusion of Arnot, where the client went into business rescue position. But we believe that this is a good order book, and we're not too concerned about the fact that we saw a small decline year on year. And as Steve has mentioned, in his business, there's really quite a number of prospects, and we expected that order book of 1.8 billion will grow into the future. What we tried to do with this slide, and I think what's really important is on the far-right hand side, we tried to put a bit of an age analysis on the order book. So when you look at mining in 2024, of what we have in the order book, 8.8 billion will be executed in 2024, and you can see the number for 25 and beyond 25, and similarly, same approach for PIW. And then below that, you'll see that 10.6 billion of revenue is already secured for 2024. Now that's quite a nice position to be in at this stage, and that gives us confidence to say that we would be able to generate revenue in the new financial year of at least 13 billion Rands, which would be growth compared to what we reported in 2023. The pipeline, again if you look at the first sort of horizontal yellow line for 30 June 2023. See the order book of 15.4 billion Rands, near term orders of 9.1. And just again, in terms of our definitions, a new order is work that we have essentially secured, but the contracts have not yet been signed, we need to sign the contracts for that. Category 1 are tenders that we are working on, and that have been submitted. Category 2 is really feasibility studies and budget estimates. And Category 3 are projects that are further out. So our pipeline information, I think is accurate. All those numbers are supported by specific projects identified that we are targeting. And I think like an 1 billion near order position for the group is a healthy position to be in. So we expect those orders to convert, or near to convert to orders over the next couple of months.

Health and safety in the mining business, predominantly what Murray and Roberts is today, and it's always very, very important. You can see that our lost time injury frequency rate increased slightly, from 0.59 to 0.64, and that is essentially due to the fact that we've excluded the ERI platform, which had many, many, man hours that were used in calculating the incident rate, and by moving that out, you can see the small increase. But unfortunately, in about October of last year, prior to the deconsolidation of the businesses in Australia, we had the unfortunate incident where one of our colleagues was fatally injured in an incident which occurred in RUCs operations, and that's really sad. The group implements projects in an environment that is somewhat challenging, high-risk environments, predominantly, as I say, in the mining sector, and we really strive to deliver our projects with zero harm. And the past financial year on 32 of our projects, we had zero harm during the 12 month period, compared to 21 projects for 2022. So overall pleased with our safety, safety performance, but we do regret the passing of one of our colleagues at the RUC.

Your presentation takeaways. Before I get to that, I want to say that we believe, subject to us regaining control of RUC, we believe that we can grow our earnings from a pre-2019 2020 pre-Pandemic baseline. Now it's a bold statement to make, but we need to just look at this a little bit. And I think if you use different years, you'll get to different numbers. But we've got the EBIT contribution during 2019, from the Bombela Concession Company, the RI business, mining, and power, industrial and water, and for the total group in 2019, we had an average contribution of 990 million. But for the mining platform on a standalone basis that was 814. So what that shows is there was very little contribution from the rest of the group in addition to the item 814 that we got from mining. If you do the same calculation for 2020, and you will recall COVID started in March 2020, right towards the end of that financial year. For the group, we had a contribution of 251 million, and for the mining, we had a contribution of 630 million. So there was value distraction in the rest of the group, relative to what we had from mining, mining on standalone was 630. The graph that you see on the right-hand side, we depicting for 2019 in the yellow bar, what the group contribution was, and in the gray bar, the mining contribution, and we do the same for 2020. And then on the far-right hand side, where you see average, you can see the average of the group in yellow, just above 600 million, and for the mining business around about 700 million. So what we are saying now that the ERI platform was no longer part of the group, and on the basis that we retain RUC, we should really be able to get back to pre-COVID earnings levels, and I just want to emphasize also, you will see in the numbers for 2019 and 2020, the PIW platform was in a loss-making position, 32 million, and 44 million, whereas in the current financial year 2024, if we believe what Steve was telling you, we should be in a profit position and hopefully there's a contribution from the PIW platform as well. So we are confident that we do have the ability to grow earnings from a pre-COVID baseline, but that is conditional upon us retaining RUC, and as I mentioned during my presentation, I cannot tell you whether we are going to be successful or not, all I can say is that we are still in the race, and we've got an expectation that we will be successful to regain control of RUC.

Presentation takeaways, the growth in revenue for continuing operations was 42%, and for earnings before interest and tax, if you do the adjustment for the BCC fair value calculation, that growth is 155%. The group debt reduced significantly to 300 million, now you will say about 300 million, it's a level that should be manageable for the group. But the issue, as Daniel explained, is we sit with more than a billion cash Daniel in the international businesses, but we sit with debt in South Africa. And when you look at the South African situation, the group, the business in South Africa, a group in South Africa, including the corporate office, is marginally cash generative, and you say how you're going to pay your debt in South Africa if you only marginally cash positive. And for that reason, we need to get the balance right, by raising debt against the balance sheet of our international businesses, use that proceeds to repay the lenders in South Africa, and to restore the balance that we have debt in the regions where we generate cash, and we are actively working to achieve that position.

The mining platform, I think, Mike covered that off quite nicely. It is today the core business of the group. And we say it is core, purely because of the relative contribution that you will get from the mining platform relative to the PIW platform. But we have high expectations for the PIW platform to start making a meaningful contribution again, in the new financial year. On the prospects for the group, I think let’s rather stay with a group with a future, instead of a group with a certain future, but Murray and Roberts is a group with a future. And on the basis that we are successful of retaining RUC, we should be able to grow earnings from a pre-Pandemic baseline, as explained in that slide. So in summary, I think we can, you know, we were all shocked by what happened in 2023. It is something that was not expected. We went into 2023, with a full knowledge that our liquidity position was tight, but our forecast did show to us that we will be able to trade through. But as I said, the blows that came on Project Traveler and Project Waitsia with large claims that we were not able to settle within the timeframes that we've anticipated in our cash flow forecast, just made it impossible for the group to meet the working capital requirements imposed through the ERI platform. And yes, I think for us, what we would like to do, is put 2023 behind us, and as I said, the full impact of what happened in this year has been accounted for, there's no residual impact for us carrying forward, and what you see presented by Mike, and presented by Steve is really what the group is today. We are focusing on a few things, we are focusing to get the destructure right, as explained the imbalance to where we have debt and where we are generating cash. That's a major focus for us to get that right. Second focus is to maintain a presence in the Asia Pacific region, from a mining perspective, preference is to do that by retaining RUC or regaining control of RUC. No guarantees, but we still in the race, if that's not possible, we'll do it through segmentation APAC, but that will be over a much longer period for us to really get a strong foothold back in that market. And then thirdly, we have to make sure that we achieve, in Mike’s business and in Steve’s business, that we achieve the forecasts that we have put together in our business plans. And if all of that is well managed, and well implemented, we can with confidence, say that we can get back very soon to pre-Pandemic baseline for earnings before interest and tax, based on the analysis that we did on the prior slide. So with that said, I want to hand over to Ed, Ed is going to manage the Q&A session for us. And let’s see whether there's been any questions on the web, has there been, I don’t have my reading glasses with me, so you'll have to tell me.

ED JARDIM

I think perhaps let's just as a reminder to all of our stakeholders on the webcast, to the left of your screen, there's a button that says questions, you can click on that it'll open up a dialog box, you can log your question on that dialog box, and in theory, it should appear on the iPad here. But perhaps let's start with questions in the room while our stakeholders on the webcast are still thinking about their questions. So I'll start with Rowan, thank you.

ROWAN GOELLER

Thanks Ed. It's Rowan Goeller from Chronux Research. Henry I appreciate it been a tough time and good luck in getting through what you've been through and taking the group forward. I've got a couple of questions. First one on RUC you are in a process of negotiation which ended. What's the next process, is it a bidding type of process and would you have to pay, to get RUC back.

HENRY LAAS

I can tell you, the only way that we can regain control of RUC is by making a monetary contribution into the process. So there's no ways that we can regain control of RUC without making a further investment. So the previous process that we were engaged in, was terminated by the administrators, and I don't want to go into all the detail of why that happened, but we are currently still in the race and exactly the same type of deed of company arrangement process that we had previously, and, yes, we, as I say, we are, we are confident, but we cannot be 100% certain that we will be successful, but we think we've got a proposal that that would meet the expectations of the other stakeholders, and that we will be successful. But as I said, no guarantees. Hopefully by the end of October, we will have finality, we would have reached finality on that point.

ROWAN GOELLER

Is that a competitive process?

HENRY LAAS

Obviously, it is a process, which is managed by the administrators and I cannot say much more at this stage.

ROWAN GOELLER

Okay, then moving on to tax, you paid quite high taxes because of the issues with losses at the Corporate Center. After all the restructuring that's happening, is there any form of deferred tax assets you can recover. And then secondly, how do you bring that tax cost down. Daniel did touch on it I know, but can we get a bit more detail on it.

HENRY LAAS

I'll explain the easy part of the answer to that question, and I will leave the rest for Daniel. So our expectation, look the one thing that you must understand is that the, you know, the debt we have in South Africa creates the interest burden that we have to settle within a group. That interest, we don't get any tax benefit for it, because it's not incurred by tax entity where you create, where you get the get tax benefit for it. If we are able to raise the debt in your international companies, and to have the debt in those entities, then the interest that would be paid would be tax deductible in those entities. So I think by just restructuring the debt structure, if we are successful in doing that, that by itself will create quite a significant impact on your tax, because it would be, interest would be tax deductible then which it is not currently. You can carry on.

DANIEL GROBLER

Rowan, so in terms of the SA operation, so we've got Corporate costs, and we've got PIW, which was loss making in the current year, and then we've got Simulation Africa. So corporate and PIW is part of one taxpaying entity, and they were loss making. So you've got to have a future of cash generation to enable you to raise a deferred tax asset, which we weren't able to do, and that's what's effectively driving up your deferred tax or tax rate, the effective tax rate in the current year.

HENRY LAAS
Was my part of the answer also right or wrong.

DANIEL GROBLER
It was right.

HENRY LAAS
Okay. All right. Any other questions Ed.

ED JARDIM
Any other questions in the room for Henry and Daniel. Mark, thank you.

MARC TER MORS
Thank you for the presentation and transparency. Just a bit more on this imbalance between the balance sheets, perhaps, can you comment on the debt maturity profile in South Africa. And what are exactly the reasons that cash in offshore markets, the 1 billion party cannot be used to pay off that debt here.

HENRY LAAS
Alright, I'll answer the latter part. You can think about answering the first part of the question. So why can't we use the debt, or the cash in the Americas. Those entities also have arrangements with financial institutions, and there are covenants applicable to them. And in the past financial year, there were losses incurred on the discontinued line associated with the deconsolidation of Clough. To specifics, there was an intercompany loan between Cementation Canada and Clough, that were put in place way before the administration happened. And as a consequence of that administration, that loan is no longer recoverable. So that's the first point. And the second point is, there was a project that was secured by Clough in Canada. And at the time that the project was secured, we had spare capacity with guarantee facilities in Cementation Canada, and those were used to raise the guarantees on that project. And with the administration that happened, those guarantees were called. So there were expenses incurred in the discontinued line, but the financial institutions that measures the covenants, and that's providing us with the funding arrangements, they viewed that as a cash distribution to the shareholder, and you are limited by your governance, of how much of your profit after tax can be distributed. So the cash is there, but we cannot access it because of the Covenant restrictions that we have with the banks in Canada.

DANIEL GROBLER
So Mark, I think that question has been answered. But we are in discussion with the lenders, TD Bank, Toronto Dominion Bank, to try and accelerate dividend payments on the facility. So, they've accepted an initial payment, and we are in discussions with the payments being accelerate.

ED JARDIM
Any other questions in the room before we go to the webcast. Okay.

HENRY LAAS
I can just say that Rowan and Mark, both of them in there personal capacity seen as one of the most, one of the top analysts in the country. So we had questions from each of them.

ED JARDIM
Henry, perhaps if I can switch to, to the webcast. One of the questions relates to, refers to the black swan event which you refer to, and also to the rights issue back in 2012, which we also spoke about in relation to the global financial crisis that took place. The question is, is it more about disruptive events, or is there perhaps more operational issues in the group that causes these events.

HENRY LAAS
No, I think, you know, if you look at it, realistically, the question that you need to answer yourself is, do you think you can progress a project which is secured on a lump sum fixed price basis. Do you think you can secure that under the COVID environment, or progress the project under a COVID environment, as efficiently as you would be able to do in a normal environment. And I think we all experienced the impact of COVID, and for anyone to believe that you can achieve the same progress during an COVID period, as in a normal period, I think that's just an unrealistic expectation. But the consequence of all of that is, is that as I said, on these projects, your income, or your cash, is linked to, to progress payments or milestone payments. And if your progress starts to fall behind your cash collection, that's linked to that progress payment is going to start to move out. And then you start to issue, run into the problem that you have issues with working capital. So I don't think it is poor project management, or just other things that when bad in a company, I think it is an honest position that we could not progress our projects during COVID as we were supposed to, and eventually we couldn't, we just couldn't fund the working capital that was required, because we had a large order book prior to COVID, and all these projects simultaneously went into this difficult period. And as I said, we managed the sort of 18-month period after the top sort of COVID cycle, I think reasonably well, but it had a long tail to it, you know, the impact on supply chains continued, and as I explained, the impact was also felt by our clients. So the claims that we had raised during the COVID period were under consideration, but they were not being settled in the time that was necessary for us to, you know, to get our liquidity position under control. So it really was a black swan event.

ED JARDIM
Thank you, Henry. Do you have a comment on some market commentators stating in the week that the construction sector is not investable, but tradable.

HENRY LAAS
Ja, well, I think, I don't want to express a view on the construction sector because Murray and Roberts is not part of the construction sector. You know, Murray and Roberts today is predominantly an engineering and contracting company that services, the global mining sector, and in sub-Sahara Africa, the power and renewable energy sector. So I don’t want to express a view on what the position might

be for a construction company, but Murray and Roberts is not part of that sector. And I think it's important for investors to understand that.

ED JARDIM
Thank you. The auditors referred to a material uncertainty within the group. Is it still easy for Murray and Roberts to win work to raise bonds on projects.

HENRY LAAS
Material uncertainty. So yes, I think when you look at the financial statements, they have raised a material uncertainty that's in relation to, you know, when you do your going concern statement, that you look at the cash flows going forward, you conclude that Murray and Roberts is a going concern. But they say just keep your eye on the fact that we need to, we've got cash in America, and we need to bring that cash to South Africa, if you cannot do it, it will be a bit of an issue, but if you can do it, it won't be. So it just raising the emphasis, as far as that is concerned, as far as guarantees and bonds in South Africa are concerned, I think we get very good support from some of our business partners, who are in attendance here today. Also, I don't want to put them on the spot or name them. But all I want to say we really do appreciate your support. Yes, but I think in the current, under the current circumstances, you know, the bonding, to raise bonds for projects is not all that easy, but we do have support of business partners, which enables us to still do that. And that's highly appreciated.

ED JARDIM
And the abilities to win work.

HENRY LAAS
I think the ability to win work is still there, you know, we are still regarded, you look at the mining space we are still regarded as a very reliable and competent partner for our mining clients. So that we are able to do, we continue to win work. I think in the Americas, we've lost one project, and I believe that we've lost it due to the uncertainty that the market, that maybe out in the market as a consequence of the developments in Australia, and that created some uncertainty. And I think that one specific project was lost for that reason, we don't know for sure. But it's just our internal view. So ja, we are still winning work. And even in Steve's platform, he mentioned, you know, the projects that we have secured recently. So that is ongoing. But the big issue for us is, is not that clients don't want to work, award projects. If you are successful in winning a project can you issue the guarantees that are required. And as I said, fortunately, we've got partners that support us, and that we are able to do that.

ED JARDIM
Thank you, Henry. A reminder of the contingent liability in the Middle East the size of those as bonds.

HENRY LAAS
Okay, the contingent liability in the Middle East, let me just explain again. We were completing the Maverick Hospital project, and there was a performance guarantee, and the loan guarantee that were issued on that project. Those guarantees were supported by a parent company guarantee from Murray and Roberts Limited. The client on the project called the performance guarantee and called the loan guarantee. Now Ian, can I give detail here, is it okay for me to give detail. Ja, I want to give a bit more

detail, I just hope I don't. All right. So that I won't do. But in our view, both of those guarantees were called unlawfully. I think there was a Court of First Instance ruling in the Middle East that concluded that those guarantees, both of them were called unlawfully, and, but notwithstanding that, the bank, the bank paid it out. So they are now claiming under the parent company guarantee. I think our share of that is 150 million dirhams, so that is the amount which is in question. We've got a strong legal team representing us in this matter, and the senior, the senior partner is also present in this room, and we had a presentation to the board, I think it was yesterday morning. And we believe that we've got good offenses, and we are happy to keep it as a contingent liability and not as a liability. It's contingent.

ED JARDIM
Thank you, Henry. What is the board's comment on the failed odds on offer from 2018, where the offer was at 17 Rand a share, and the current Murray and Robert share price is at 65, 66 odd cents.

HENRY LAAS
Well, that's a strange question. What's the board's comment on that. Let me just give some context to that question. I think in hindsight, when you look back, and you say, well, 17 Rands a share, and today we're trading 65 or 70, whatever it is, it's significant value destruction. But let's look at the facts, at the time. When the offer was made by ATON, it was not an offer, that was presented to the board, where the board had to decide whether they're going to accept the offer or reject the offer. It was an offer that was made directly to shareholders, the board was bypassed, and the offer was made directly to the shareholders. In that context, the board had to guide shareholders on what it believed a reasonable fair range would be, and you will remember, the initial offer was made at 15 Rands a share, and the board guided what it believed the value range should be. And ATON subsequently increase their offer from 15 Rands per share to 17 Rands per share. So the role that the board had to play at the time was not to accept or reject the offer. It was purely to guide shareholders as to their view of what the value was, and there was an independent expert that supported the board in that valuation. As a consequence of the guidance that the Board gave, the offer went from 15 Rand to 17 Rand a share. But shareholders never got the opportunity to accept or reject the offer, because the long stop date where the offer was not extended, and the offer lapse because it reached the long stop date. Now, you'll also remember that the transaction was subject to approval by the competition authorities, and the Competition Commission made a recommendation to the tribunal, to the Competition Tribunal. And its recommendation at the time was that the transaction should be prohibited, that was the recommendation, but it is not the recommendation of the Competition Commission which is the binding decision, it is the decision of the tribunal. So this matter was never heard by the tribunal, because the offer lapsed before the Competition Tribunal could hear the matter. So it has nothing to do with the board. The only role that the board played, the board guided shareholders on, what at that time, was a reasonable value for the company. And as I said that guidance resulted in the offer to move from 15 to 17 Rand, but the fact that there offer, that shareholders never got the opportunity to either accept or reject the offer, was because the offer lapsed. And it lapsed in my view, probably because ATON at the time felt that it was difficult to close a transaction considering the recommendation which coming from the Competition Commission at the time.

ED JARDIM
Thank you, Henry. Perhaps we've got time for one more, one more question. We say in our presentation the group is smaller. What's the group's view on corporate costs, reducing of costs, remuneration etc.

HENRY LAAS
Ja, you will see in the past remuneration review period, there was no increases approved for the executive team, and for other parts within the group as well. We will at the AGM, when the shareholders have to approve the remuneration of the directors and the non-executive directors you will also see that no increase has been recommended at that level. From a corporate cost point of view, during the period we've reduced Corporate cost from circa 180 million per annum, to about 130 million per annum. You won't see it when you look at the past results, because the past year's results included under Corporate cost, a lot of costs associated with special projects, for example, one of them would be the sale of the investment in the Bombela concession company, and, you know, all the costs associated with advisors on that transaction was carried under corporate, but in a normalized environment, we've reduced it from 180 million to about 130 million per annum.

ED JARDIM
Thank you very much Henry. Perhaps to conclude any questions in the room, for Henry or Daniel. Okay, Henry if you can wrap up for us. We do have some, some lunch next door as well, and Henry, if you can close off for us. Thank you very much I'd appreciate it.

HENRY LAAS
Thank you. Thank you, Ed. Yes, as I said, just to repeat what I said earlier on, what has happened to the group in 2023 was catastrophic, and it's something that we all feel the pain off, but that is behind us. There is no further impact, no further consequence on the group moving forward. And as I said, the group has emerged as a smaller group, but certainly a group with a certain future. Today, we are predominantly a mining services company, and we're going to do our best to, in the not too far future, get the group back to an earnings level pre-Pandemic, that's our objective. So thank you very much, Ed as you said, there is something to eat next doors, so please feel free to stay a bit longer and to get some lunch. Thank you. Thank you all.