Murray & Roberts

# SUSTAINABILITY AND ENHANCING SHAREHOLDER RETURNS

## REPORT TO STAKEHOLDERS

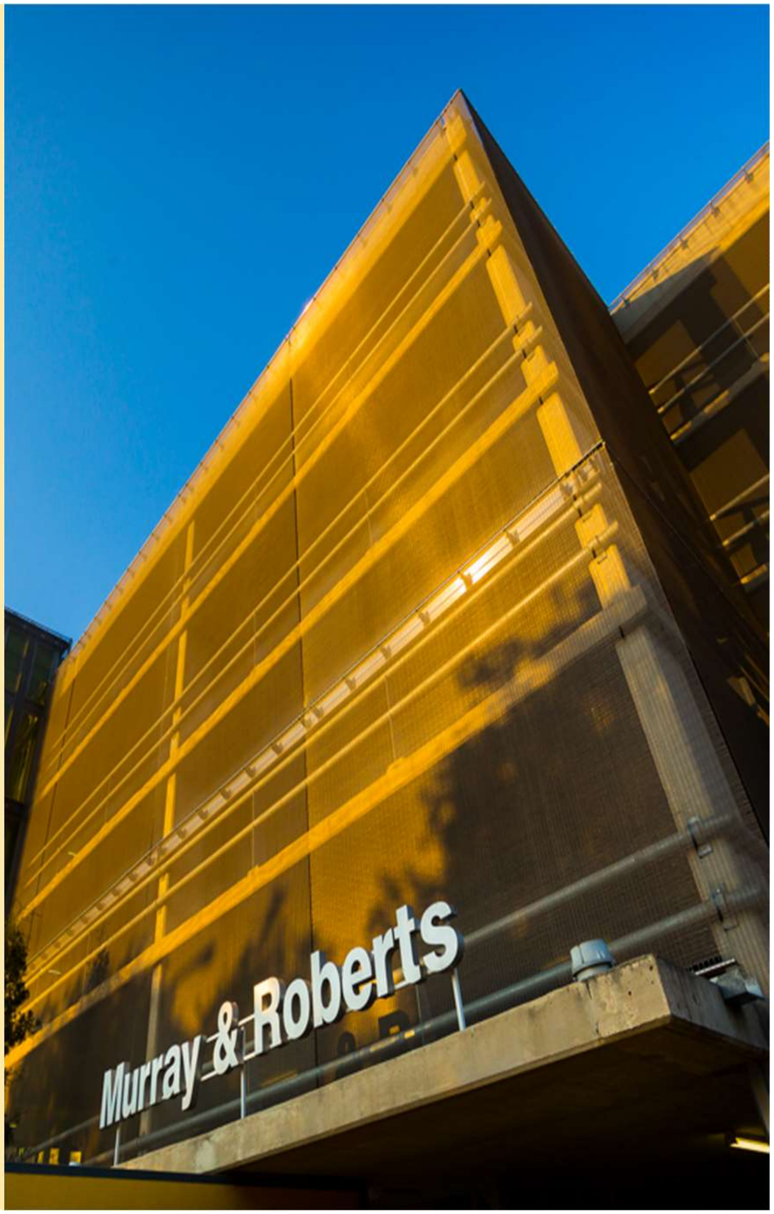
SIX MONTHS TO 31 DECEMBER 2023

ENGINEERED EXCELLENCE

# PRESENTATION OVERVIEW

# THE GROUP TODAY

- The **voluntary administration of the Group's Australian subsidiaries in December 2022**, which followed the devastating impact of COVID-19 on Clough Limited, significantly reduced the size of the Group
- Today, Murray & Roberts operates as an **engineering and contracting services company** now focused on the **African and Americas underground mining markets**, and the **renewable energy and power infrastructure markets in Sub-Saharan Africa**
- The Group's mining businesses generate most of its revenue and earnings, and is diversified across the northern and southern hemispheres, trading under the Cementation brand. **Cementation Americas is the market leader in the North American** market and **Murray & Roberts Cementation in the Southern African** market
- **OptiPower** provides project services mainly to the **renewable energy and power infrastructure market sectors in Sub-Saharan Africa**
- Considering the Group's reduced earnings base, it faced a **significant challenge in servicing its debt in South Africa** and therefore had to agree a time-scaled deleveraging plan **to settle all its debt with a consortium of South African banks**.
- The Group is focused on **growing from its current base and enhancing shareholder returns**



# SUSTAINABILITY

## GROUP CONSIDERATIONS

| Historical | Forward Looking |
| --- | --- |
| **Highly geared SA balance sheet**<br>Loss of Clough and RUC due to COVID severely impacted cash generation, which resulted in an over-geared SA balance sheet | **Rightsizing the capital structure**<br>Deleveraging plan for the SA business and aligning the new funding structure to the business' needs |
| **Capital allocation**<br>Disproportionate project capital requirements in relation to returns achieved – high proportion of lump sum projects | **Capital allocation**<br>Focus on Cementation for growth (no lump sum contracts) with small contribution from OptiPower (mainly lump sum contracts) |
| **Overhead cost base**<br>Historical overhead cost base was appropriate at the time, but requires adjustment for the now smaller Group | **Enhancing profitability**<br>Detailed cost analysis performed, and leaner overhead cost structure being implemented |

# SUSTAINABILITY

## GROUP DELEVERAGING AND REFINANCING

- **30 June 2023** - SA debt was circa R1 billion (down from circa R2 billion), post the sale of the Group's 50% shareholding in the Bombela Concession Company in April 2023

- **November 2023** - SA debt was further reduced to circa R770 million (down from the circa R1 billion), following agreement of new commercial terms on one of the Group's largest mining projects in South Africa, the sale of a non-strategic investment in Aarden Solar and other smaller initiatives

- **January 2024** - Cementation Canada renewed its banking facilities agreement with a Canadian bank, which provides for Cementation Canada to pay dividends to Murray & Roberts Limited in support of the deleveraging initiatives. Following a dividend in January 2024, the Group's SA debt was further reduced to circa R400 million

- **Latest end-June 2024** – As agreed with the consortium of SA banks, the final milestone in the deleveraging plan is to refinance the Group's remaining SA debt. The refinancing process has commenced, and the objective is to conclude the refinancing by June 2024

# SUSTAINABILITY

## IMPLEMENTING A SUSTAINABLE CAPITAL STRUCTURE

**1. Refinancing of remaining SA debt**

- New funding structure will be aligned to the business' requirements

**2. Rationalisation and cost cutting initiatives**

- The Group's **organisational structure has been rationalised** and will no longer be structured around 'business platforms' but around four operating companies, rendering all platform CEO and CFO roles as redundant. As a result, the Mining platform CEO and CFO departed from the Group at the end of February 2024
- **OptiPower is the only operating company** to emerge from the former Power, Industrial & Water platform
- The **MDs of the four operating companies have been appointed to the Murray & Roberts Limited Board**, and the Group now consists of the following four operating companies and respective MDs:
    - **OptiPower** – Steve Harrison (focused on Sub-Saharan Africa)
    - **Murray & Roberts Cementation** – Japie du Plessis (focused on Africa)
    - **Cementation Americas** – Eric Smith (focused on the Americas)
    - **TNT Inc.** – Steve Kou (focused on the Americas)
- As part of various cost reduction initiatives, **headcount at the Group corporate office to be reduced from 33 to 19**
- New **lease agreement has been reached with the landlord of the Company's offices** in Bedfordview, effective from 1 September 2024, **reducing the lease to only two and a half floors**

# CORPORATE OVERHEADS

## SUBSTANTIAL REDUCTION

| R'm | Actual | | Estimate | |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 |
| Corporate Office | 123 | 131 | 107 | 102 |
| Group Shared Services | 33 | 21 | 19 | 4 |
| External Consulting Services | 13 | 11 | 10 | 6 |
| Extraordinary Fees | - | 42 | 25 | - |
| **Total** | **169** | **205** | **161** | **112** |
| **Corporate Office Employees** | **33** | **23** | **19** | **19** |

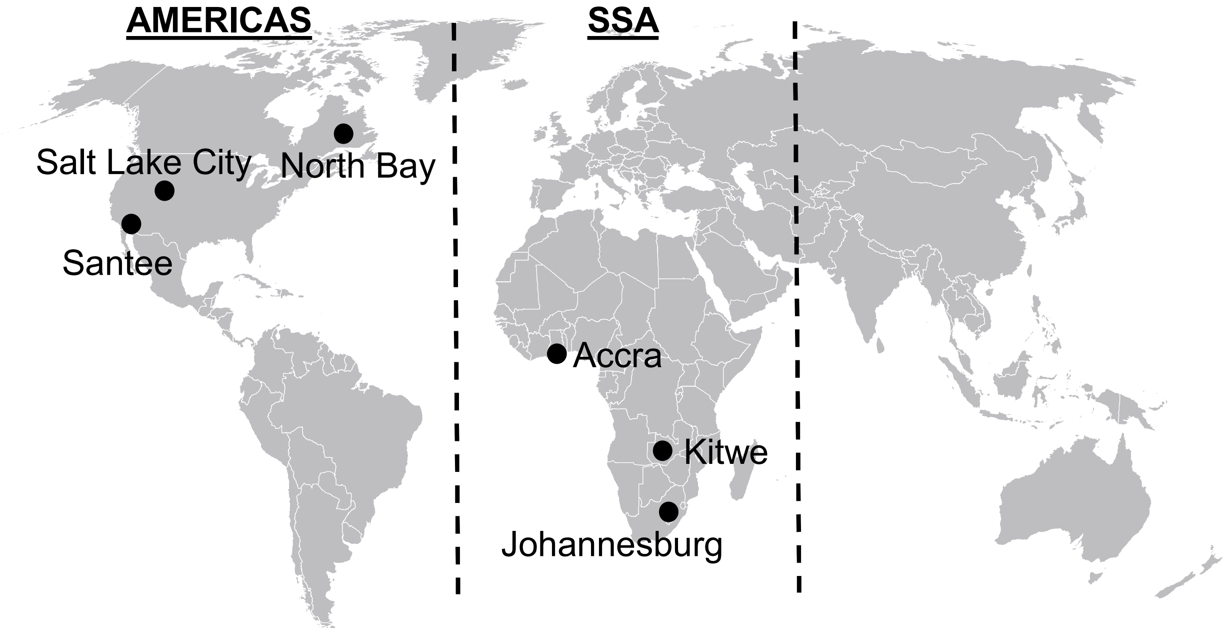
- **Corporate Office costs:** Salaries, external audit fees, insurance costs, costs associated with company's listing
- **Group Shared Services:** IT, internal audit, forensic consultants, office rental
- **External Consultant Services:** Mainly commercial and tax
- **Extraordinary Fees:** Costs associated with the voluntary administration in Australia and deleveraging plan in South Africa

# RESULTS SALIENT FEATURES

| | FY2024 H1 | FY2023 H1 | Comments |
|---|---|---|---|
| **Revenue** | R6,6 billion | R5,9 billion | • Growth in revenue and earnings<br>• Increase in revenue and return to profitability in the OptiPower business<br>• Increase in revenue in the Mining business with sustained earnings |
| **Continuing EBIT** | R103 million | R89 million | |
| **Attributable loss** | (R0,1 billion) | (R2,5 billion) | • Prior period includes extraordinary losses from discontinued operations in Australia |
| **Diluted continuing HEPS** | (16 cents) | (27 cents) | • Loss due to high interest, tax and extraordinary fees, which are expected to reduce in FY2025 |
| **Order book** | R14,7 billion | R16,1 billion | • Quality order book and strong project pipeline |
| **Net debt** | (R0,2 billion) | (R2,0 billion) | • Significant reduction in net debt through the implementation of the deleveraging plan |

# MINING

## NORTH AMERICAN AND SOUTHERN AFRICAN MARKET LEADERS




| Office | Location |
|---|---|
| **Cementation Canada** | North Bay, Canada |
| **Cementation USA** | Salt Lake City, United States |
| **Terra Nova Technologies (TNT)** | Santee, United States |
| | Johannesburg, South Africa |
| **Murray & Roberts Cementation** | Kitwe, Zambia |
| | Accra, Ghana |

**Market focus:**

- **Africa & Americas:** Underground mining and material logistics services
- **Asia-Pacific:** Intention to reestablish a presence through Cementation APAC

**Market conditions:**

- The global mining industry is expected to grow over the next five years, notwithstanding depressed commodity prices. This expectation is based on a currently active and strong project pipeline

**Order book:**

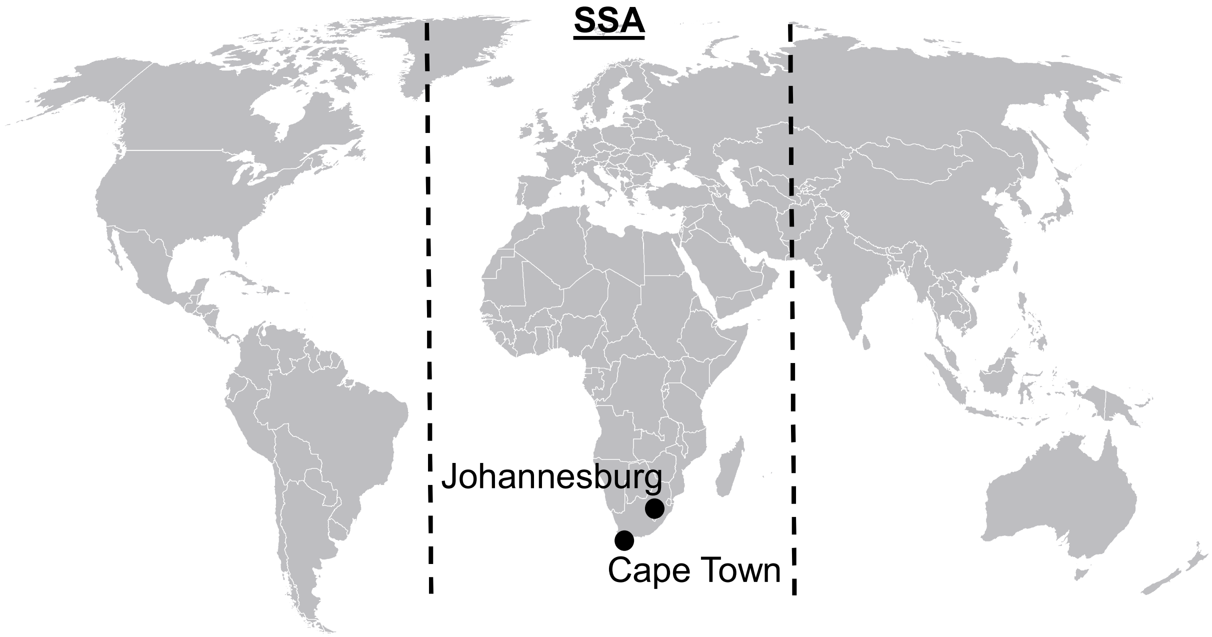
- FY2024 H1: R13,5 billion

**Results and prospects:**

- Main contributor to Group earnings
- Cementation Americas delivered lower operating profit primarily due to two high margin projects now complete
- Prospects for TNT are improving as it continues to build its order book
- Murray & Roberts Cementation experienced a difficult first six months due to operational challenges at two projects
- However, the Mining business is expected to increase operating profit in the near term, mainly due to forecast growth in the Americas
- Planned mining revenue for FY2024 is 92% secured by orders
- Near orders of R9,5 billion and pipeline opportunities of R16,6 billion (category 1)

# OPTIPOWER (FORMERLY POWER, INDUSTRIAL & WATER)

## A LEADING ENERGY INFRASTRUCTURE PROJECTS COMPANY




| Office | Location |
|---|---|
| **OptiPower** | Johannesburg & Cape Town, South Africa |

**Market focus:**

- **Sub-Saharan Africa:** Power infrastructure and renewable energy markets

**Market conditions:**

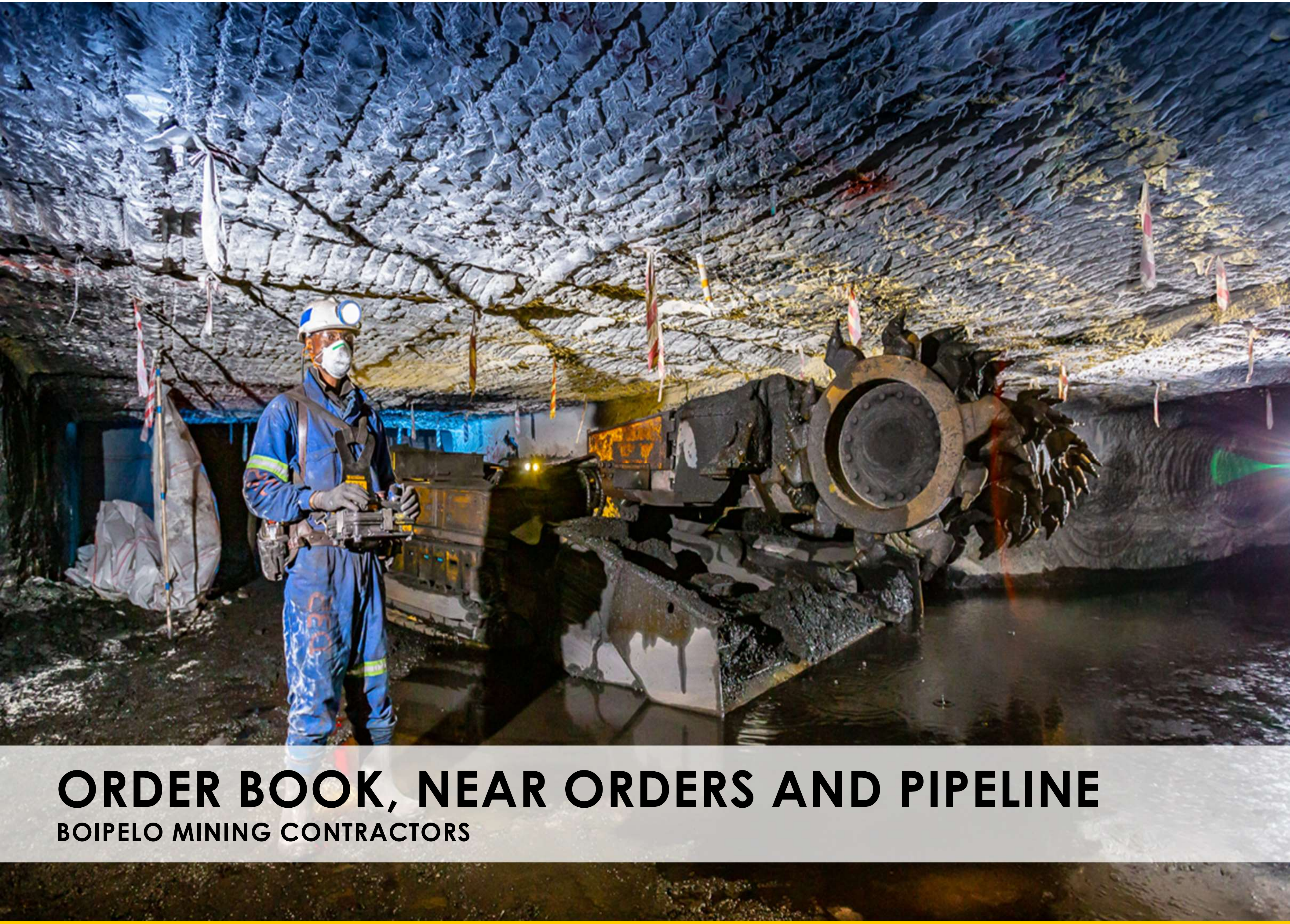
- Increasing investment in South Africa's renewable energy and power, transmission & distribution sectors
- Competitive sector, challenging contractual terms

**Order book:**

- FY2024 H1: R1,2 billion

**Results and prospects:**

- South Africa's constrained transmission and distribution infrastructure requires urgent investment
- Eskom plans to build over 1,500km per year of 400kV overhead lines in South Africa into 2032
- OptiPower is one of a select group of contractors certified to build high voltage overhead lines and is expected to receive Eskom transmission tender awards in the medium term
- Project performance is generally in line with expectations and planned revenue for FY2024 is 92% secured by orders
- Near orders of R0,7 billion and pipeline opportunities of R4,6 billion (category 1)



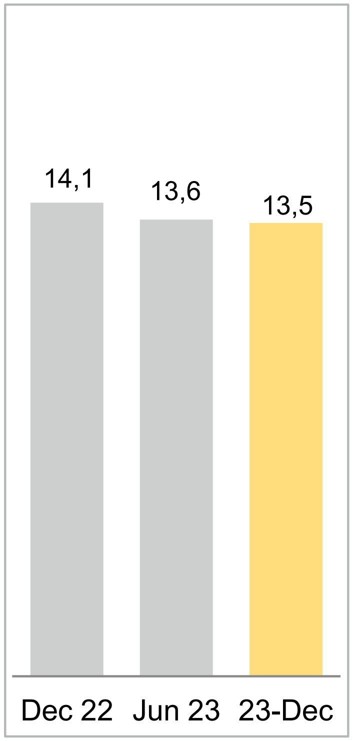
# ORDER BOOK, NEAR ORDERS AND PIPELINE

## BOIPELO MINING CONTRACTORS

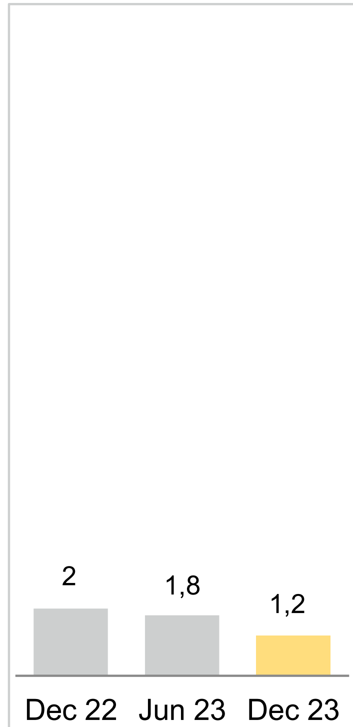
# ORDER BOOK

## QUALITY ORDER BOOK OF R14,7 BILLION

**Mining**




**OptiPower**




**Total**


1. Mining order book expected to be maintained considering near-term prospects and project pipeline
2. OptiPower order book expected to increase based on growth in investment in the renewable energy sector
3. Group order book largely represented by Mining business and orders secured on favourable commercial terms

# ORDER BOOK

## STRONG FOUNDATION FOR EARNINGS GROWTH

| Platform | Order book % split | | Order book Rbn | | Order book Rbn |
|---|---|---|---|---|---|
| | SADC | Int. | Dec 2023 | Dec 2022 | FY Time Distribution |
| Mining | 52 | 48 | 13,5 | 14,1 | 2024 5,1<br>2025 4,7<br>>2025 3,7 |
| OptiPower | 100 | | 1,2 | 2,0 | 2024 0,8<br>2025 0,4<br>>2025 - |
| | 56% | 44% | 14,7 | 16,1 | |

| FY2024 | FY2025 | >FY2025 |
|---|---|---|
| 5,9 | 5,1 | 3,7 |

| | | | |
|---|---|---|---|
| Dec 2022 | 4,8 | 5,6 | 5,7 |
| | FY2023 | FY2024 | >FY2024 |
| Dec 2021 | 3,8 | 6,3 | 7,9 |
| | FY2022 | FY2023 | >FY2023 |

- Order book supports revenue of circa R14 billion for FY2024
- Revenue growth expected in FY2025

# ORDER BOOK, NEAR ORDERS & PIPELINE

## PIPELINE INDICATIVE OF ONGOING INVESTMENT IN CHOSEN SECTORS

| | | Pipeline | | | |
|---|---|---|---|---|---|
| **Rbn** | **Order book** | **Near orders** | **Category 1** | **Category 2** | **Category 3** |
| Mining | 13,5 | 9,5 | 16,6 | 47,3 | 35,5 |
| OptiPower | 1,2 | 0,7 | 4,6 | 3,8 | 8,8 |
| **31 December 2023** | **14,7** | **10,2** | **21,2** | **51,1** | **44,3** |
| **30 June 2023** | 15,4 | 9,1 | 28,9 | 77,8 | 52,3 |
| **31 December 2022** | 16,1 | 14,4 | 20,3 | 101,0 | 47,0 |

**PIPELINE DEFINITION**

**Near orders:** Preferred bidder status and final award is subject to financial/commercial close – more than a 95% likelihood that these orders will be secured

**Category 1:** Tenders submitted or under preparation (excluding near orders) – projects developed by clients to the stage where firm bids are being invited – reasonable chance to secure, function of (1) final client approval and (2) bid win probability

**Category 2:** Budgets, feasibility studies and prequalifications – project planning underway, not at a stage yet where projects are ready for tender

**Category 3:** Leads and opportunities which are being tracked and are expected to come to market in the next 36 months – identified opportunities that are likely to be implemented, but still in prefeasibility stage

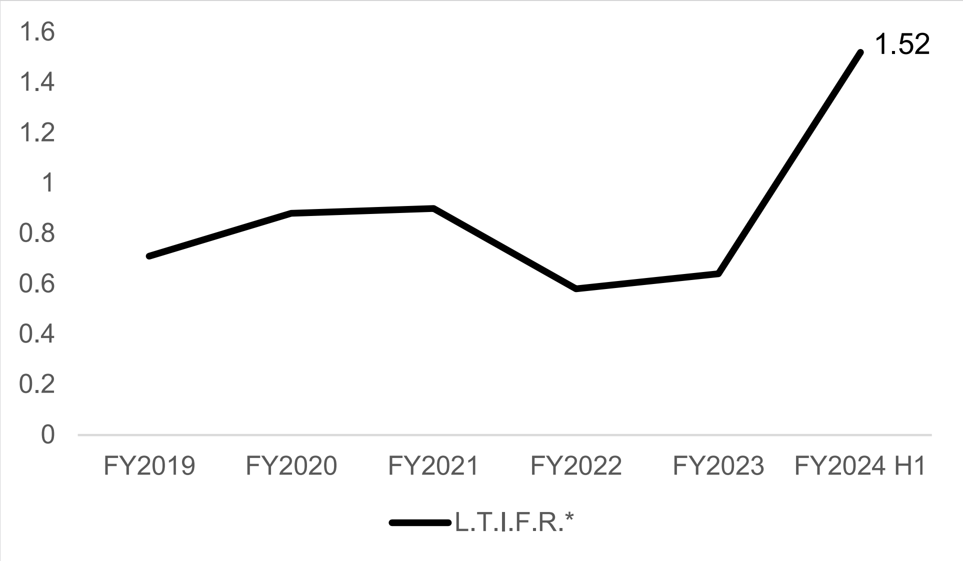
- Near orders of R10,2 billion
- Category 1 project pipeline of R21,2 billion

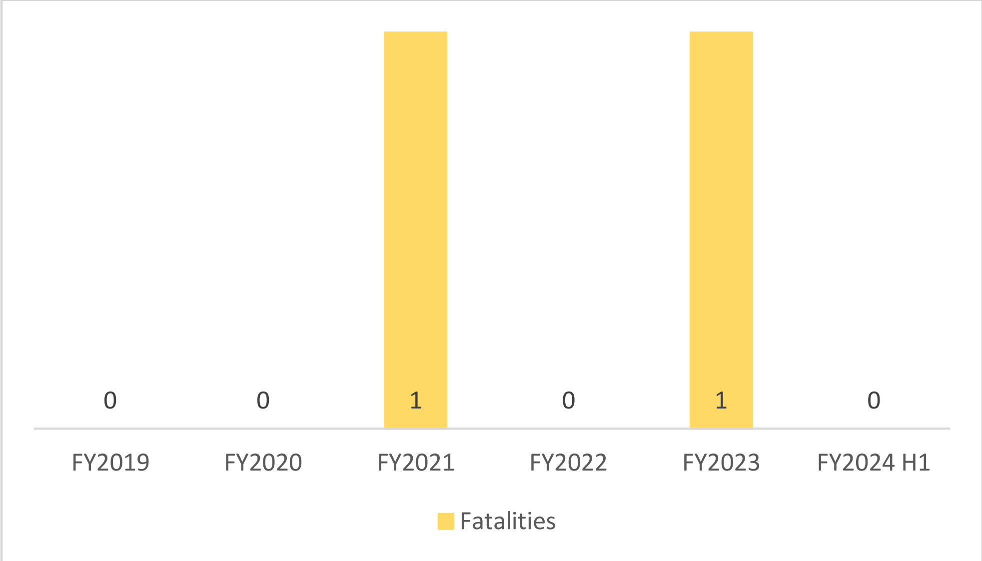
# HEALTH & SAFETY

## VENETIA DIAMOND MINE - SOUTH AFRICA

# SAFETY PERFORMANCE

## TOGETHER TO ZERO HARM




* Lost Time Injury Frequency Rate per million work-hours

**The Group remains focused on ensuring the safety, health and wellbeing of our employees**

- Lost-time injury frequency rate was 1.52 (FY2023 H1: 0.49). The deterioration in the rate is due to a marginal increase in the number of incidents recorded during the period, but mostly due to a significant reduction in hours worked due to the exclusion of hours previously recorded for Clough and RUC
- The Group acknowledges and honours the memory of the 20 people who lost their lives in the tragic bus accident on the R572 road in Limpopo in September last year, seventeen of whom were Murray & Roberts Cementation employees. We again offer our deepest condolences to the families of those who lost their lives and those who were injured and impacted by this terrible accident

# SEGMENTAL ANALYSIS & FINANCIAL RESULTS

**ZEERUST SOLAR FARM – SOUTH AFRICA**

# MINING

## AFRICA AND AMERICAS FOCUSED

# SEGMENTAL ANALYSIS

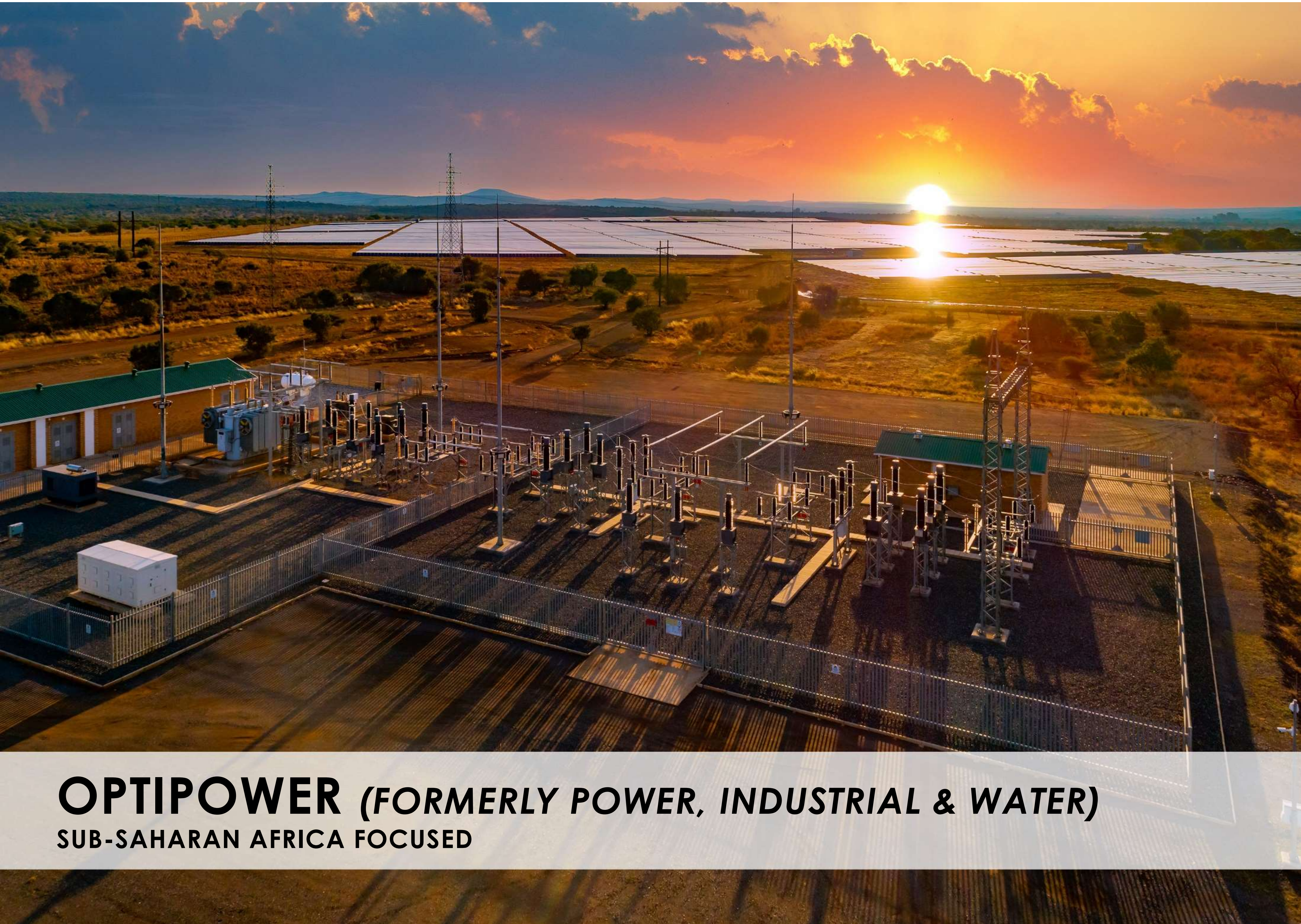
## MINING

**Mining** | OptiPower (formerly Power, Industrial & Water)

| Rm | Africa | | The Americas | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| Revenue | 2 010 | 1 952 | 3 654 | 3 477 | - | - | **5 664** | **5 429** |
| Operating profit/(loss) | 49 | 48 | 159 | 201 | (27) | (68) | **181** | **181** |
| *Operating margin* | *2%* | *2%* | *4%* | *6%* | - | - | ***3%*** | ***3%*** |
| Order book | 7 062 | 8 214 | 6 406 | 5 891 | - | - | **13 468** | **14 105** |

**Modest revenue growth and earnings maintained**

1. **Africa:**
   - Revenue and earnings in line with the prior period
   - New commercial terms agreed on large contract, expected to contribute to improved results in FY2024 H2
   - Business rescue proceedings on the Arnot project negatively impacted earnings. Operations now suspended
2. **The Americas:**
   - Higher revenue but reduced earnings due to two high margin projects now complete
3. **Other:** Overhead cost associated with former business platform structure not to be repeated as from FY2025 due to restructuring



# OPTIPOWER *(FORMERLY POWER, INDUSTRIAL & WATER)*

**SUB-SAHARAN AFRICA FOCUSED**

# SEGMENTAL ANALYSIS

## OPTIPOWER

| Mining | OptiPower (formerly Power, Industrial & Water) |
|---|---|

| Rm | Power & Industrial | | Water | | Solar, Transmission & Distribution | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** | **2023** | **2022** |
| Revenue | 95 | 124 | 2 | 2 | 797 | 336 | - | - | **894** | **462** |
| Operating profit/(loss) | 11 | 34 | (3) | (4) | 41 | 11 | (43) | (78) | **6** | **(37)** |
| *Operating margin* | *12%* | *27%* | *(150%)* | *(200%)* | *5%* | *3%* | - | - | ***1%*** | ***(8%)*** |
| Order book | 127 | 53 | 17 | - | 1 040 | 1 912 | - | - | **1 184** | **1 965** |

1. **Power & Industrial:** Current year revenue and earnings mainly relate to the Medupi Mills and Komati projects. Higher margin in prior year due to provision release related to the commercial settlement reached on the Power Programme
2. **Water:** Business limited to operating contract of Organica wastewater plant at V&A Waterfront
3. **Solar, Transmission & Distribution:** Increase in revenue and earnings due to scaling up of renewable energy projects. The Aarden Solar investment was disposed of in August 2023
4. **Other:** Includes overhead costs, and legal costs associated with the commercial close-out of completed projects. Reduction reflective of restructuring and lower legal costs

# DISCONTINUED OPERATIONS

## SEGMENTAL ANALYSIS

| Rm | Australia | | Middle East | | Other | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenue | - | 11 905 | - | - | 94 | - | **94** | **11 905** |
| Operating (loss)/profit | (34) | (2 259) | (26) | (10) | 19 | (25) | **(41)** | **(2 294)** |

**Diminishing discontinued operations**

1. **Australia:**
   - The deconsolidation of the Australian businesses was accounted for in FY2023, with final costs in FY2024

2. **Middle East:**
   - Operating loss includes administration and legal costs
   - Objective is to conclude the exit from the Middle East in the near term
   - Upon exit of the Middle East, a negative FCTR adjustment of circa R486m (based on the exchange rate as at 31 December 2023). This adjustment will be a non-cash item, not impacting the Group's net asset value

3. **Other:**
   - Revenue earned for administrative support to MHPSA (power programme) provided at cost – largely complete
   - Operating profit represents a provision release by the Bombela Civil Joint Venture on the Gautrain project

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

| Rm | FY2024 H1 | FY2023 H1 | Variance |
|---|---|---|---|
| **Revenue** | **6 558** | **5 892** | **666** |
| **EBITDA** | **289** | **276** | **13** |
| **EBIT** | **103** | **89** | **14** |
| Net interest expense | (75) | (134) | 59 |
| Taxation | (81) | (65) | (16) |
| **Loss from continuing operations** | **(53)** | **(110)** | **57** |
| Discontinued operations | (41) | (2 423) | 2 382 |
| Non-controlling interests | (1) | 4 | 5 |
| **Attributable loss** | **(95)** | **(2 529)** | **2 434** |

- Revenue and EBIT – increase due to improved contribution from OptiPower
- Net interest expense - decrease due to lower debt levels
- Effective tax rate remains high, as a deferred tax asset could not be raised against interest and Corporate costs in South Africa
- Loss from discontinued operations decreased as deconsolidation of Australian businesses was recognised in June 2023
- Decreased attributable loss mainly as a result of Australian discontinued operations accounted for in June 2023

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

| Rm | | December 2023 | June 2023 | Variance |
|---|---|---|---|---|
| **Total assets** | | **7 927** | **8 387** | **(460)** |
| Property, plant and equipment | | 1 561 | 1 572 | (11) |
| Other non-current assets | | 808 | 847 | (39) |
| Current assets | | 3 373 | 3 639 | (266) |
| Cash and cash equivalents | | 1 143 | 1 264 | (121) |
| Assets classified as held for sale | | 1 042 | 1 065 | (23) |
| **Total equity and liabilities** | | **7 927** | **8 387** | **(460)** |
| Shareholders' equity | | 1 654 | 1 841 | (187) |
| Interest-bearing debt | - short term | 1 008 | 827 | (181) |
| | - long term | 382 | 706 | (324) |
| Other non-current liabilities | | 272 | 374 | (102) |
| Current liabilities | | 3 606 | 3 658 | (52) |
| Liabilities classified as held for sale | | 1 005 | 981 | 24 |
| **Net debt** | | **(247)** | **(269)** | **22** |

- Assets and liabilities held for sale relate mainly to the Middle East companies
- Cash held in the Americas, whilst debt predominantly in South Africa. This gives rise to a tight liquidity position in South Africa, until the refinancing of the SA debt has been concluded
- Shareholders' equity decreased mainly due to the attributable loss (R95m) and foreign currency movements (R65m)
- Net debt reduced from R1 966 million (December 2022), to R269 million (June 2023) and to R247 million (December 2023)

# DEBT ANALYSIS

## GEARING LEVEL

| | | Dec 2023 | Jun 2023 |
|---|---|---|---|
| Group Debt | **Total Debt** (Rm) | **(1 390)** | **(1 533)** |
| | **Corporate debt** | **(880)** | **(1 021)** |
| | TNT acquisition – March 19 (R635 million) | (62) | (84) |
| | Overdraft, term debt and sundry loans | (818) | (937) |
| | **Self-servicing debt** | **(364)** | **(356)** |
| | Asset-based finance - project specific | (364) | (356) |
| | **IFRS 16** | **(146)** | **(156)** |

| | | Dec 2023 | Jun 2023 |
|---|---|---|---|
| Group Gearing Ratios | **Total Debt** (Rm) | **(1 390)** | **(1 533)** |
| | Corporate debt | (880) | (1 021) |
| | Self-servicing debt | (364) | (356) |
| | IFRS 16 | (146) | (156) |
| | **Total Equity** (Rm) | **1 654** | **1 841** |
| | **Gearing (Corporate debt)** | **53%** | **55%** |
| | **Gearing (Corporate and self-servicing debt)** | **75%** | **75%** |
| | **Gearing (Total debt post IFRS 16)** | **84%** | **83%** |

# PRESENTATION TAKEAWAYS

# PRESENTATION TAKEAWAYS

- The Group has **changed significantly as it is emerging from the challenging period** which followed the voluntary administration of its Australian businesses in December 2022

- Murray & Roberts is an **engineering and contracting services company**, now **focused on the African and Americas underground mining markets**, and the **renewable energy and power infrastructure markets in Sub-Saharan Africa**

- The Group has made **meaningful progress** with the implementation of a **sustainable capital structure**
  - **Significant cost reductions** through rationalisation and restructuring
  - As agreed with the current SA banking consortium, the objective is to **conclude the debt refinancing process in South Africa by June 2024**. The new **funding structure will be aligned with the business' needs** (liquidity, asset-based finance and bonding)

- **Interest and tax expected to reduce as from FY2025** and **no further extraordinary costs** expected to be incurred

- As **legacy and other discontinued operations are expected to be accounted for in FY2024,** minimal associated costs are expected in FY2025

- During FY2025, following the refinancing of its debt in South Africa, Murray & Roberts **intends to capacitate its mining business in the Asia-Pacific region** through the recently established Cementation APAC

- **Sufficient market opportunity exists for earnings growth** in all Mining companies, as well as OptiPower

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# REPORT TO STAKEHOLDERS

SIX MONTHS TO 31 DECEMBER 2023

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ENGINEERED EXCELLENCE

# REPORT TO STAKEHOLDERS

SIX MONTHS TO 31 DECEMBER 2023

**APPENDIX**

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

| Rm | FY2024 H1 | FY2023 H1 | Variance |
|---|---|---|---|
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# GROUP FINANCIALS

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|---|---|---|---|
| **Revenue** | **6 558** | **5 892** | **666** |

**Revenue increased by 10%**

1. Increase due to improved contribution from OptiPower

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

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|---|---|---|---|
| Revenue | 6 558 | 5 892 | 666 |
| **EBITDA** | **289** | **276** | **13** |

**EBITDA reflective of:**

1. Improved contribution from OptiPower.

# GROUP FINANCIALS

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| Rm | FY2024 H1 | FY2023 H1 | Variance |
|---|---|---|---|
| Revenue | 6 558 | 5 892 | 666 |
| EBITDA | 289 | 276 | 13 |
| **EBIT** | **103** | **89** | **14** |

**EBIT after:**

1. Depreciation of R174m (FY2023 H1: R175m)
2. Amortisation of intangible assets of R12m (FY2023 H1: R12m)

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

| Rm | FY2024 H1 | FY2023 H1 | Variance |
|---|---|---|---|
| Revenue | 6 558 | 5 892 | 666 |
| EBITDA | 289 | 276 | 13 |
| EBIT | 103 | 89 | 14 |
| **Net interest expense** | **(75)** | **(134)** | **59** |

1. Decrease due to lower debt levels

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

| Rm | FY2024 H1 | FY2023 H1 | Variance |
|---|---|---|---|
| Revenue | 6 558 | 5 892 | 666 |
| EBITDA | 289 | 276 | 13 |
| EBIT | 103 | 89 | 14 |
| Net interest expense | (75) | (134) | 59 |
| **Taxation** | **(81)** | **(66)** | **(16)** |

1. Effective tax rate remains high at 289%, as a deferred tax asset cannot be raised against interest and corporate costs in South Africa

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

| Rm | FY2024 H1 | FY2023 H1 | Variance |
|---|---|---|---|
| Revenue | 6 558 | 5 892 | 666 |
| EBITDA | 289 | 276 | 13 |
| EBIT | 103 | 89 | 14 |
| Net interest expense | (75) | (134) | 59 |
| Taxation | (81) | (65) | (16) |
| Loss from continuing operations | (53) | (110) | 57 |
| **Discontinued operations** | **(41)** | **(2 423)** | **2 382** |

1. Decreased loss following deconsolidation of Australian businesses impact being recognised in June 2023

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

| Rm | | Dec 2023 | June 2023 | Variance |
|---|---|---|---|---|
| **Total assets** | | **7 927** | **8 387** | **(460)** |
| Property, plant and equipment | | 1 561 | 1 572 | (11) |
| Other non-current assets | | 808 | 847 | (39) |
| Current assets | | 3 373 | 3 639 | (266) |
| Cash and cash equivalents | | 1 143 | 1 264 | (121) |
| Assets classified as held for sale | | 1 042 | 1 065 | (23) |
| **Total equity and liabilities** | | **7 927** | **8 387** | **(460)** |
| Shareholders' equity | | 1 654 | 1 841 | (187) |
| Interest-bearing debt | - short term | 1 008 | 827 | (181) |
| | - long term | 382 | 706 | (324) |
| Other non-current liabilities | | 272 | 374 | (102) |
| Current liabilities | | 3 606 | 3 658 | (52) |
| Liabilities classified as held for sale | | 1 005 | 981 | 24 |
| **Net debt** | | **(247)** | **(269)** | **22** |

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

| Rm | Dec 2023 | June 2023 | Variance |
|---|---|---|---|
| Total assets | 7 927 | 8 387 | (460) |
| **Property, plant and equipment** | **1 561** | 1 572 | **(11)** |

**Property, plant and equipment in line with the prior period:**

1. Marginal decrease mainly to depreciation, offset by capital expenditure in the Mining business

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

| Rm | Dec 2023 | June 2023 | Variance |
|---|---|---|---|
| Total assets | 7 927 | 8 387 | (460) |
| Property, plant and equipment | 1 561 | 1 572 | (11) |
| **Other non-current assets** | **808** | **847** | **(39)** |

**Non-current assets comprise of:**

1. Deferred taxation assets (R79m)
2. Goodwill and intangible assets (R727m)
3. Other (R2m)

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

| Rm | Dec 2023 | June 2023 | Variance |
|---|---|---|---|
| Total assets | 7 927 | 8 387 | (460) |
| Property, plant and equipment | 1 561 | 1 572 | (11) |
| Other non-current assets | 808 | 847 | (39) |
| **Current assets** | **3 373** | **3 639** | **(266)** |

**Current assets comprise of:**

1. Contracts-in-progress and contract receivables (R2 931m)
2. Trade and other receivables, including joint venture loans (R238m)
3. Inventories (R171m)
4. Current taxation asset (R33m)

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

| Rm | Dec 2023 | June 2023 | Variance |
|---|---|---|---|
| Total assets | 7 927 | 8 387 | (460) |
| Property, plant and equipment | 1 561 | 1 572 | (11) |
| Other non-current assets | 808 | 847 | (39) |
| Current assets | 3 373 | 3 639 | (266) |
| **Cash and cash equivalents** | **1 143** | **1 264** | **(121)** |

**Cash consists of:**

1. Unrestricted cash of R1 120m (excluding overdraft of R606m)
2. Restricted cash of R23m

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

| Rm | Dec 2023 | June 2023 | Variance |
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| **Total assets** | **7 927** | **8 387** | **(460)** |
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| Current assets | 3 373 | 3 639 | (266) |
| Cash and cash equivalents | 1 143 | 1 264 | (121) |
| Assets classified as held for sale | 1 042 | 1 065 | (23) |
| **Total equity and liabilities** | **7 927** | **8 387** | **(460)** |
| **Shareholders' equity** | **1 654** | **1 841** | **(187)** |

**Movement in shareholders' equity mainly due to:**

1. Attributable loss (R95m)
2. Foreign currency translation movement (-R65m) and other movements (-R27m)

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

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| **Total equity and liabilities** | | **7 927** | **8 387** | **(460)** |
| Shareholders' equity | | 1 654 | 1 841 | (187) |
| **Interest-bearing debt** | **- short term** | **1 008** | **827** | **181** |
| | **- long term** | **382** | **706** | **(324)** |

**Reduction in net debt due to:**

1. Implementation of the deleveraging plan

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

| Rm | | Dec 2023 | June 2023 | Variance |
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| **Total assets** | | **7 927** | **8 387** | **(460)** |
| Property, plant and equipment | | 1 561 | 1 572 | (11) |
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| Assets classified as held for sale | | 1 042 | 1 065 | (23) |
| **Total equity and liabilities** | | **7 927** | **8 387** | **(460)** |
| Shareholders' equity | | 1 654 | 1 841 | (187) |
| Interest-bearing debt | - short term | 1 008 | 827 | 181 |
| | - long term | 382 | 706 | (324) |
| **Other non-current liabilities** | | **272** | **374** | **(102)** |

**Other non-current liabilities consists of:**

1. Non-current payables (R128m)
2. Deferred Taxation (R144m)

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

| Rm | | Dec 2023 | June 2023 | Variance |
|---|---|---|---|---|
| **Total assets** | | **7 927** | **8 387** | **(460)** |
| Property, plant and equipment | | 1 561 | 1 572 | (11) |
| Other non-current assets | | 808 | 847 | (39) |
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| **Total equity and liabilities** | | **7 927** | **8 387** | **(460)** |
| Shareholders' equity | | 1 654 | 1 841 | (187) |
| Interest-bearing debt | - short term | 1 008 | 827 | 181 |
| | - long term | 382 | 706 | (324) |
| Other non-current liabilities | | 272 | 374 | (102) |
| **Current liabilities** | | **3 606** | **3 658** | **(52)** |

**Decrease in current liabilities mainly due to:**

1. Advance payment in Aarden Solar

# STRATEGY & PLATFORM CAPABILITY

## MURRAY & ROBERTS TRAINING ACADEMY, SOUTH AFRICA

# STRATEGIC DIRECTION

## BUSINESS MODEL: COMPREHENSIVE SERVICE OFFERING ACROSS PROJECT LIFE CYCLE IN SELECTED TARGET MARKETS

| Business Platform | Capabilities (Project Life Cycle) | Geography (Multinational) |
| --- | --- | --- |
| **Mining** | • Detailed engineering<br>• Procurement<br>• Construction<br>• Commissioning and maintenance<br>• Operations | • Americas<br>• Sub-Saharan Africa |
| **OptiPower** | • Detailed engineering<br>• Procurement<br>• Construction<br>• Commissioning and maintenance | • Sub-Saharan Africa |

**Project Life Cycle**

- Design and Engineering / Technical Consulting
- Process EPC
- Infrastructure Construction General
- Service and Operations

# MINING

**Cementation Canada & USA** is a leading provider of underground mining contracting and engineering services throughout North and South America. The company specialises in the design and construction of underground facilities including shaft, ramp accesses, mine development and raises, as well as large diameter raise drilling

**Murray & Roberts Cementation (Africa)** is a first-choice mining contractor. The company offers a comprehensive range of capabilities and services, from concept to commissioning, and is the reputed leader in exploration drilling, shaft sinking, tunnelling, contract mining, raisedrilling and specialised mining services (engineering and design), with a strong track record of successful mine project delivery

**Merit (Canada)** provides project and construction consulting management services. Committed to keeping the scope of a project in the “owner's control", Merit acts as an extension of a project owner's development team and assists in the selection and co-ordination of resources best suited to a particular project

**Terra Nova Technologies (USA)** designs, supplies and commissions overland conveyors, crushing/conveying systems, industry-renowned mobile stacking systems, heap leach systems and crushing and screening plants

# OPTIPOWER

**OptiPower Projects** is a leading energy infrastructure company and provides turnkey engineering, procurement and construction solutions for high and medium voltage power lines, high and medium voltage substations, overhead and below ground fibre optic lines, and renewable energy projects

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# REPORT TO STAKEHOLDERS

SIX MONTHS TO 31 DECEMBER 2023

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