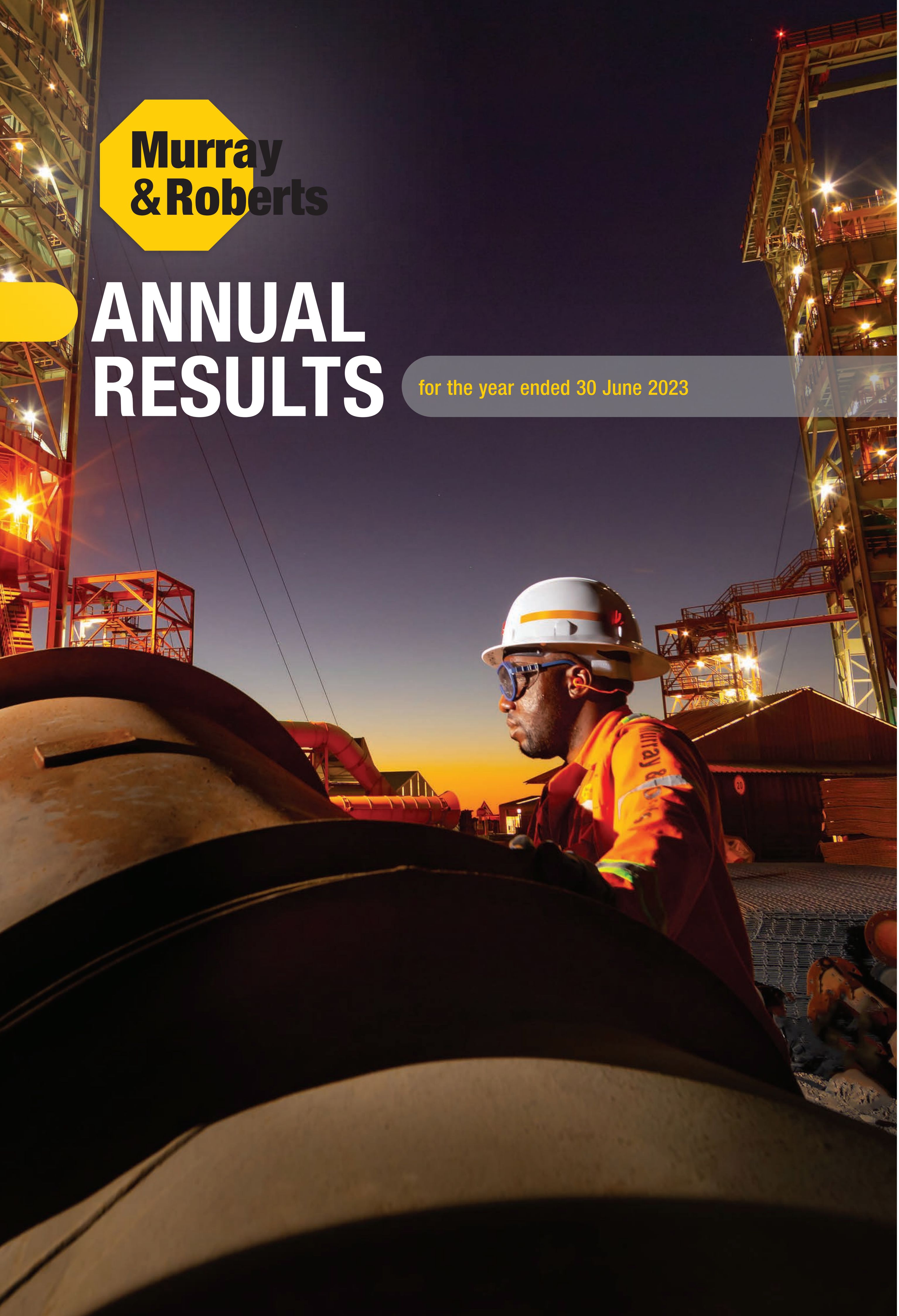
Murray & Roberts

ANNUAL RESULTS

for the year ended 30 June 2023



ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2023

(Incorporated in the Republic of South Africa)
Registration number: 1948/029826/06
JSE Share Code: MUR
ISIN: ZAE000073441
("Murray & Roberts" or "Group" or "Company")

FINANCIAL RESULTS

Revenue	**R12,5 billion** (FY2022: R8,8 billion*)
EBIT	**R91 million** (FY2022: R82 million*)
Diluted continuing headline loss per share	**71 cents** (FY2022: 47 cents*)
Attributable loss	**R3 181 million** (FY2022: R135 million profit) after the deconsolidation of MRPL and its subsidiaries
Net debt	**R0,3 billion** (FY2022: R1,1 billion)

** The comparative financial results for the year ended 30 June 2023 have been restated with MRPL and its subsidiaries, Clough Ltd and RUC Cementation Mining Contractors Pty Ltd, previously reported as continuing operations, now reported as discontinued operations. The consolidated cashflow statement has been restated for the reclassification of the overdraft as part of financing activities.*

SALIENT FEATURES

Order book
R15,4 billion
(FY2022: R17,6 billion*)

Near orders
R9,1 billion
(FY2022: R16,2 billion*)

Lost-time injury frequency rate
0,64
(FY2022: 0,58)

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STAKEHOLDER REPORT FOR THE YEAR ENDED 30 JUNE 2023#

The financial year to 30 June 2023 has been the most challenging period for Murray & Roberts since the 2008 global financial crisis. The global pandemic was the singular event that destroyed great promise and value for many economies, investors, companies and individuals around the world.

Over the last 18 months, the Group was severely tested through the global storm of pandemic-associated lockdowns and restrictions, which compromised its ability to meet contracted deliverables. The level of risk in the Energy, Resources & Infrastructure ("ERI") platform, associated with its growing order book of fixed price projects, was within the execution capability of the Group. However, the impact of the unforeseen pandemic and its associated global restrictions on people-movements and supply-chains detrimentally and simultaneously affected the Group's entire portfolio of projects, with consequential increases in the Group's risk profile and pressure on its working capital requirements. This pressure occurred at a time when the Group's funding capacity was already constrained, as it had received no dividend income from either its investment in the Bombela Concession Company (RF)(Pty) Ltd ("Bombela") or its international businesses for the entire period of the pandemic.

Although the Group's liquidity was constrained during the period of the pandemic, cashflow forecasts at the time indicated that we could meet our commitments as they became due and trade through the difficult period, albeit with reduced financial headroom. Exacerbating the Group's liquidity issues were the adverse shifts to varying degrees in commercial flexibility among clients, facing their own pandemic-induced cash constraints. Claims were more forcefully contested, in some instances rejected, and in other instances leading to protracted and only partial settlements, which the Group ultimately had to accept.

Notwithstanding that the effects of the pandemic were eventually brought under control, the societal, economic and manufacturing disruption continued and the risk in the ERI platform eventually became intolerable. The Group's balance sheet and available funding facilities could no longer sustain the increasing working capital requirements of the ERI platform. Ultimately, the Group's holding company in Australia, Murray & Roberts Pty Ltd ("MRPL"), and one of MRPL's main subsidiary companies, Clough Limited ("Clough" – the ERI platform's operating company), were placed under voluntary administration by the directors of MRPL. The Group as a consequence lost control of both MRPL and Clough, and also of RUC Cementation Mining Contractors Pty Ltd ("RUC"), a subsidiary of MRPL. All three companies were deconsolidated from the Group with effect from 5 December 2022.

Stabilising the Group

Globally, several engineering and construction companies have been liquidated due to the impact of the pandemic. Murray & Roberts has been able to withstand the material impact of the pandemic and notwithstanding the loss of its businesses in Australia, believes that it will trade through what remains of this challenging period.

The loss of the ERI platform and RUC has created uncertainty with stakeholders as to the sustainability of the Group considering our current, albeit lower debt levels. We will address this uncertainty by continuing to be transparent and timeous in our communication and disclosures, as we deleverage the balance sheet.

Maintaining a presence in the Asia-Pacific region

As a provider of specialist mining services, it is our intent to maintain a presence in the Asia-Pacific ("APAC") region, which is the region formerly serviced by RUC. The Group's global expertise in mine design, engineering and construction, and our technical capability in areas like vertical and decline shaft construction means that our services should always be in demand in the APAC region, including Australia. This region is a key part of the global mining sector and it is important for Murray & Roberts to maintain a footprint in the region.

The preferred scenario is for Murray & Roberts to regain control of RUC and to retain this business as part of our multinational Mining platform and efforts in this regard are continuing.

However, should the Group not be able to regain control of RUC, Cementation APAC, a company recently established in Australia, will be developed and capacitated to provide engineering and contracting services to mining clients in APAC. The Cementation brand is well known in the global mining sector and the Group will target project opportunities in Australia, leveraging the capabilities of our existing businesses in North America (Cementation Americas) and in Sub-Saharan Africa (Murray & Roberts Cementation).

FINANCIAL REPORT

Financial Results

In this financial report, MRPL, Clough and RUC have been reported as discontinued operations and deconsolidated from the Group with effect from 5 December 2022. The comparative financial results for the year ended 30 June 2022 have been restated with MRPL and its subsidiaries, previously reported as continuing operations, now reported as discontinued operations.

Revenue and profit before interest and tax for continuing operations increased to R12,5 billion (FY2022: R8,8 billion*) and R91 million (FY2022: R82 million*) respectively. Earnings include a contribution from the Group's investment in Bombela of R30 million (FY2022: R193 million), which the investment was disposed of during the second half of the year. Diluted continuing headline loss per share was 71 cents (FY2022: 47 cents*).

The Group recorded an attributable loss of R3 181 million (FY2022: R135 million profit) after accounting for the losses in Clough and the deconsolidation of MRPL, Clough and RUC. Following the deconsolidation, equity reduced to R1,8 billion (FY2022: R5,7 billion). Net asset value per share was R4 (FY2022: R13).

The Group reported a net debt position of R0,3 billion (FY2022: R1,1 billion), which marks a significant improvement over the prior year. The Group's debt reduced by approximately R1,2 billion, following the application of the proceeds from the disposal of its investment in Bombela in April 2023.

Interest for the reporting period increased to R267 million (FY2022: R186 million*) and the tax charge was R106 million (FY2022: R74 million*). Interest is expected to reduce by circa R100 million per annum, as debt levels reduced post the disposal of Bombela. The tax charge is high, as a deferred tax asset could not be raised against interest and corporate costs incurred in South Africa.

Dividend

The board of directors of the Company ("Board") considers a dividend on an annual basis, post year end. Considering the Group's current liquidity constraints, the Board resolved not to declare a dividend this year.

ORDER BOOK, NEAR ORDERS AND PROJECT PIPELINE

The Group reported an order book of R15,4 billion (FY2022: R17,6 billion*), and the decline in the Group's order book can be attributed to a decline in the Murray & Roberts Cementation order book in South Africa. However, this business recorded a strong recovery in the fourth quarter of the financial year.

		Pipeline			
R billions	Order book	Near orders	Category 1	Category 2	Category 3
Mining	13,6	9,1	19,9	46,4	48,6
Power, Industrial & Water	1,8	–	9,0	31,4	3,7
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**
30 June 2022*	**17,6**	**16,2**	**26,0**	**78,0**	**45,9**

** Prior period restated for discontinued operations.*

- **Near orders:** Preferred bidder status and final award is subject to financial/commercial close – more than a 95% chance 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

OPERATIONAL REPORT

Mining

	Africa		The Americas		Other		Total	
R millions	2023	2022	2023	2022	2023	2022	2023	2022*
Revenue	4 022	3 819	7 104	4 122	–	–	11 126	7 941
Operating profit/(loss)	76	170	347	120	(110)	(56)	313	234
Margin (%)	2	4	5	3	–	–	3	3
Order book	6 601	9 770	6 973	7 400	–	–	13 574	17 170
LTIFR (fatalities)	0,87(0)	1,10(0)	0,99(0)	1,17(0)	–	–	0,89(1)	0,76(0)

The past year was characterised by the significant disruption experienced by the Group and the platform as a result of MRPL and Clough being placed under voluntary administration, resulting in RUC being lost to the Mining platform. The multinational Mining platform now comprises two regional businesses in Africa and the Americas (USA and Canada). RUC, which focused on Australasia, was deconsolidated from the Group with effect from 5 December 2022.

Revenue increased to R11,1 billion (FY2022: R7,9 billion*) and operating profit increased to R313 million (FY2022: R234 million*). The order book reduced to R13,6 billion (FY2022: R17,2 billion*), reflecting the exclusion of the Arnot project, after the client entered into business rescue. Near orders decreased to R9,1 billion (FY2022: R14,3 billion*).

The improvement in platform earnings is due to strong growth recorded by Cementation Americas (USA and Canada), notwithstanding a reduced contribution from Murray & Roberts Cementation (Sub-Saharan Africa).

Cementation Americas recovered in a more normalised post-pandemic environment and delivered a significantly better performance compared to the prior year. The materials handling business, Terra Nova Technologies, is in a loss-making position due to its low order book and the delay in project awards, although several new projects were secured towards the end of the reporting period, creating a good baseload of work for the new financial year.

Murray & Roberts Cementation experienced a difficult year. Earnings were down compared to the prior year, mainly due to geological challenges at the Palabora shaft project, the business rescue impact of the Arnot project, and operational challenges at the Venetia project. There are several potential projects in the pipeline in South Africa, but mine owners seem to be delaying their investment decisions given the current economic and sociopolitical climate in the country. Countering this trend, the business recently secured two project awards, reversing the declining order book trend.

The Mining platform – now our core business – was the main contributor to Group earnings over the past few years and retains its global position as a leading mining services provider. The platform is expected to continue to deliver strong earnings in the near term as the decarbonisation of the global economy and specifically the energy transition gains pace, increasing demand for related commodities and, in turn, increasing demand for the diverse range of services provided by the platform.

Power, Industrial & Water Platform

	Power & Industrial		Water		Solar, Transmission & Distribution		Other		Total	
R millions	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Revenue	157	325	3	18	1 171	467	–	–	1 331	810
Operating profit/(loss)	45	38	(7)	(13)	30	(44)	(115)	(136)	(47)	(155)
Margin (%)	29	12	(233)	(72)	3	(9)	–	–	(4)	(19)
Order book	194	119	–	2	1 659	268	–	–	1 853	389
LTIFR (fatalities)									0,0(0)	0,68(0)

This platform provides project services mainly to the power and energy market sectors in Sub-Saharan Africa. The focus for FY2023 was to position this business in the renewable energy sector, to grow a quality order book, and to return to profitability moving into FY2024 and FY2025.

Revenue increased to R1,3 billion (FY2022: R0,8 billion) and the platform recorded a significantly reduced operating loss of R47 million (FY2022: R155 million). As targeted projects from the Renewable Independent Power Producer Programme bid window 5 only reached financial close late in FY2023, secured projects had limited opportunity to accrue sufficient revenue to positively impact profitability for the year under review.

The order book increased to R1,8 billion (FY2022: R0,4 billion) following the award of renewable energy sector contracts to OptiPower Projects ("OptiPower"). Category 1 opportunities amounted to R9 billion (FY2022: R9,1 billion), reflective of opportunities in the renewable energy (solar and wind) and power transmission sectors.

South Africa's constrained transmission and distribution infrastructure requires urgent investment to support additional generation capacity coming online. Eskom plans to build over 1 500km per year of 400kV overhead lines in South Africa into 2032, and OptiPower is one of a selected group of contractors certified to build these overhead lines.

The Group expects that the current focus on increasing investment in utility scale renewable energy projects will enable the platform to return to profitability in FY2024.

Investments

	Bombela Investments	
R millions	2023	2022
Revenue	–	–
Operating profit	30	193

Shareholders are referred to the SENS announcement of 4 April 2023, wherein the Group announced the sale of its 50% share in Bombela to Intertoll International Holdings B.V. The transaction was concluded at fair value of the investment in April 2023 and proceeds of approximately R1,2 billion were applied towards reducing the Group's debt.

Discontinued Operations

	Australia		Middle East		Other		Total	
R millions	2023	2022*	2023	2022	2023	2022	2023	2022*
Revenue	11 928	21 114	–	–	36	–	11 964	21 114
Operating (loss)/profit	(2 538)	623	(198)	(62)	(51)	(51)	(2 787)	510

** Restated for discontinued operations. Refer to note 4 for further details.*

MRPL, Clough and RUC
The R2,5 billion loss from these entities comprises an operating loss in Clough of R1,3 billion, a loss of R2,4 billion through the deconsolidation of assets and liabilities. A foreign currency translation reserve ("FCTR") profit of R1,2 billion was realised as a result of the deconsolidation.

Middle East operations
Shareholders are referred to the SENS announcement published on 31 August 2022, containing information on the Group's proposed exit from the Middle East and the agreement entered into for the sale of two of its key companies in the Middle East. This transaction remains subject to regulatory approval and as previously communicated, a FCTR loss of circa R520 million (based on the exchange rate as at 30 June 2023) will be accounted for as part of discontinued operations, as and when this transaction is concluded. This FCTR adjustment is a non-cash item and will not impact the Group's equity nor its net asset value.

The loss incurred for the period under review was R198 million (FY2022: R62 million) which includes an impairment of the only remaining receivable of R170 million, and operating cost of R28 million relating to managing potential contingent liabilities, until the sale of the companies is concluded.

UPDATE ON THE GROUP'S CLAIMS PROCESSES
The Group's uncertified revenue decreased to R0,4 billion (FY2022: R1,2 billion), due mainly to the exclusion of previously recognised uncertified revenue from the deconsolidation of Clough.

An amicable full and final settlement agreement was reached on all outstanding commercial matters with Mitsubishi Hitachi Power Systems Africa in relation to the Group's work on the Medupi and Kusile power stations.

HEALTH AND SAFETY
The Board regrets the passing of a colleague at RUC, who sustained fatal injuries in October 2022 while performing his duties on a project in Western Australia.

The Group recorded a lost-time injury frequency rate of 0,64 (FY2022: 0,58).

The Group implements projects in high-risk environments and aspires to deliver projects with Zero Harm to its people, local communities, and the environment.

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT
Notwithstanding the Group's challenging year, our commitment to sustainable development remains intact. We have frameworks and governance processes to support Board oversight of ESG and sustainability risk and opportunity.

Through Engineered Excellence we aim to build trust and value for our clients and stakeholders. It compels us to deliver safe, efficient, sustainable, profitable, and environment-friendly project outcomes that create value for host communities and countries in return for optimal value recognition for the Group.

CHANGES TO THE BOARD
Shareholders are referred to the SENS announcements published on 31 August 2022 and 10 January 2023. There were no subsequent changes to the Board.

PROSPECTS STATEMENT
Following the loss of its businesses in Australia, Murray & Roberts emerged as a smaller group, but we are committed to grow earnings from a pre-pandemic baseline. We will continue to deliver our projects with a specific emphasis on liquidity and operational efficiency. We are focused on reducing the Group's debt and delivering value by achieving our business plan cashflow projections.

Even though the next few years will be difficult to navigate - Murray & Roberts is a Group with a future. We assure our stakeholders that the Board and the executive team are committed to creating shareholder value from the current low base; and to ensure that Murray & Roberts excels as a leading engineering and contracting services provider in the global mining market sector and in its chosen power and energy market sector in Southern Africa.

Any forward-looking information contained in this announcement has not been reviewed and reported on by the Group's external auditors.

On behalf of the directors:

Suresh Kana	**Henry Laas**	**Daniel Grobler**
Chairman of the Board	Group Chief Executive	Group Financial Director

Bedfordview
30 August 2023

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MURRAY & ROBERTS HOLDINGS LIMITED
Registration No. 1948/029826/06

DIRECTORS:
SP Kana** (Chairman) HJ Laas (Managing & Chief Executive)
DF Grobler JA Boggenpoel** R Havenstein** AK Maditsi**
A Muller** CD Raphiri**

SECRETARY:
L Kok

*** Independent non-executive.*
 # The operating performance information disclosed has been extracted from the Group's operational reporting systems. The Corporate & Properties segment has been excluded from the operational narrative. Unless otherwise noted, all comparisons are to the Group's performance as at and for the 12 months ended 30 June 2022.

DISCLAIMER
This announcement includes certain various "forward-looking statements" within the meaning of Section 27A of the US Securities Act 10 1933 and Section 21E of the Securities Exchange Act of 1934 that reflect the current views or expectations of the Board with respect to future events and

financial and operational performance. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: the Group's strategy; the economic outlook for the industry; and the Group's liquidity and capital resources and expenditure. These forward-looking statements speak only as of the date of this announcement and are not based on historical facts, but rather reflect the Group's current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "expect", "anticipate", "intend", "should", "planned", "may", "potential" or similar words and phrases. The Group undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement or to reflect the occurrence of any unexpected events. Neither the content of the Group's website, nor any website accessible by hyperlinks on the Group's website is incorporated in, or forms part of, this announcement.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 30 June 2023

R millions	Annual 30 June 2023	Restated Annual* 30 June 2022
Continuing operations		
Revenue (note 2)	12 460	8 755
Profit before interest, depreciation and amortisation	451	483
Depreciation	(337)	(381)
Amortisation of intangible assets	(23)	(20)
Profit before interest and taxation (note 3)	91	82
Interest expense	(281)	(197)
Interest income	14	11
Loss before taxation	(176)	(104)
Taxation expense	(106)	(74)
Loss after taxation	(282)	(178)
Loss from equity accounted investments	–	–
Loss from continuing operations	(282)	(178)
(Loss)/profit from discontinued operations (note 4.1)	(2 897)	311
(Loss)/profit for the year	(3 179)	133
Attributable to:		
– Owners of Murray & Roberts Holdings Limited	(3 181)	135
– Non-controlling interests	2	(2)
	(3 179)	133
(Loss)/earnings per share from continuing and discontinued operations (cents)		
– Diluted	(789)	33
– Basic	(789)	34
Loss per share from continuing operations (cents)		
– Diluted	(71)	(44)
– Basic	(71)	(44)

Refer to note 6 for the reconciliation of weighted average number of shares and note 7 for headline earnings/(loss) per share.

** Restated for discontinued operations. Refer to note 4 for further details.*

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2023

R millions	Annual 30 June 2023	Restated Annual* 30 June 2022
(Loss)/profit for the year	(3 179)	133
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translating foreign operations	576	483
Translation of foreign entities reclassified through profit or loss on derecognition (note 5)	(1 250)	–
Total comprehensive (loss)/income for the year	(3 853)	616
Total comprehensive (loss)/income attributable to:		
– Owners of Murray & Roberts Holdings Limited	(3 854)	618
– Non-controlling interests	1	(2)
	(3 853)	616

** Restated for discontinued operations. Refer to note 4 for further details.*

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

R millions	Annual 30 June 2023	Annual 30 June 2022
ASSETS		
Non-current assets	2 419	8 431
Property, plant and equipment	1 572	4 397
Goodwill (note 8)	442	1 372
Deferred taxation assets	93	563
Investments in associate companies	–	2
Other non-current assets (note 10)	312	2 097
Current assets	4 903	10 860
Inventories	240	495
Trade and other receivables	398	1 768
Amounts due from contract customers (note 9)	2 965	6 292
Taxation assets	36	47
Cash and cash equivalents	1 264	2 256
Other current assets	–	2
Assets classified as held for sale (note 4.3)	1 065	1 012
TOTAL ASSETS	8 387	20 303
EQUITY AND LIABILITIES		
Total equity	1 841	5 713
Attributable to owners of Murray & Roberts Holdings Limited	1 808	5 662
Non-controlling interests	33	51
Non-current liabilities	1 080	1 390
Long-term loans[1]	706	1 193
Long-term provisions	8	25
Deferred taxation liabilities	147	89
Other non-current liabilities	219	83
Current liabilities	4 485	12 355
Amounts due to contract customers (note 9)	702	2 514
Trade and other payables	2 931	7 505
Taxation liabilities	25	187
Bank overdrafts[1]	479	1 526
Short-term loans[1]	348	623
Liabilities classified as held for sale (note 4.3)	981	845
TOTAL EQUITY AND LIABILITIES	8 387	20 303

[1] *Interest-bearing borrowings.*

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2023

R millions	Annual 30 June 2023	Restated Annual* 30 June 2022
Cash generated by operations	538	255
Interest received	19	23
Interest paid	(317)	(223)
Taxation paid	(186)	(253)
Taxation refund	58	23
Operating cash inflow/(outflow)	112	(175)
Dividends paid to non-controlling interests	(19)	–
Net cash inflow/(outflow) from operating activities	93	(175)
Purchase of intangible assets other than goodwill	(6)	(113)
Purchase of property, plant and equipment	(652)	(884)
– Replacements	(136)	(97)
– Additions	(767)	(1 703)
– Acquisition of assets by means of a lease (non-cash)	251	916
Proceeds on disposal of property, plant and equipment	43	81
Proceeds on disposal of intangible assets	17	9
Proceeds on disposal of investment in BCC (net of transaction costs)	1 217	–
Payment for acquisition of subsidiaries, net of cash acquired	(6)	(288)
Dividends received from the Bombela Concession Company	255	185
Cash and cash equivalents in deconsolidated subsidiaries	(1 298)	–
Proceeds on disposal of assets held for sale	127	3
Other	(1)	(2)
Net cash outflow from investing activities	(304)	(1 009)
Disposal of treasury shares	59	94
Acquisition of treasury shares	(67)	(5)
Net movement in borrowings	56	(631)
– Loans raised	1 981	635
– Loans repaid	(1 800)	(845)
– Leases repaid	(125)	(421)
Net movement in bank overdraft*	(904)	68
– Overdraft drawdowns	1 303	1 415
– Overdraft repayments	(2 207)	(1 347)
Net cash outflow from financing activities	(856)	(474)
Total decrease in net cash and cash equivalents	(1 067)	(1 658)
Net cash and cash equivalents at beginning of year	2 123	3 603
Effect of foreign exchange rates	217	178
Net cash and cash equivalents at end of year^	1 273	2 123
^ Cash and cash equivalents balance comprises:		
– Cash	1 264	2 256
– Reclassification to held for sale	12	13
*– Overdraft**	(3)	(146)

** During the current year, the Group reassessed the classification of bank overdrafts as a component of cash and cash equivalents which resulted in the restatement of the statement of cash flows for the prior year. Please refer to note 17 for further information.*

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2023

R millions	Stated capital	Other reserves	Retained earnings	Attributable to owners of Murray & Roberts Holdings Limited	Non-controlling interests	Total equity
Balance at 30 June 2021	2 561	1 188	1 212	4 961	24	4 985
Total comprehensive income/(loss) for the year	–	483	135	618	(2)	616
Treasury shares acquired	(6)	–	–	(6)	–	(6)
Treasury shares disposed	94	–	–	94	–	94
Recognition of share-based payment	–	24	–	24	–	24
Utilisation of share-based payment reserve	37	(37)	–	–	–	–
Increase in shareholding of subsidiary	–	–	(29)	(29)	29	–
Balance at 30 June 2022	2 686	1 658	1 318	5 662	51	5 713
Total comprehensive (loss)/income for the year	–	(673)	(3 181)	(3 854)	1	(3 853)
Treasury shares acquired	(67)	–	–	(67)	–	(67)
Treasury shares disposed	59	–	–	59	–	59
Recognition of share-based payment	–	8	–	8	–	8
Utilisation of share-based payment reserve	17	(17)	–	–	–	–
Dividends declared and paid	–	–	–	–	(19)	(19)
Balance at 30 June 2023	2 695	976	(1 863)	1 808	33	1 841

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

for the year ended 30 June 2023

R millions	Annual 30 June 2023	Restated Annual* 30 June 2022
Revenue[2]		
Bombela	–	–
Power, Industrial & Water	1 331	810
– Construction contracts	881	641
– Sale of goods	450	169
Mining	11 126	7 941
– Construction contracts	10 834	7 694
– Rendering of services	292	247
Corporate & Properties	3	4
– Properties	3	4
Continuing operations	12 460	8 755
Middle East	–	–
Mining Australia	2 070	3 828
– Construction contracts	2 040	3 826
– Rendering of services	30	2
Clough	9 858	17 286
– Construction contracts	9 245	16 560
– Rendering of services	613	726
Other	36	–
– Construction contracts	36	–
Discontinued operations	11 964	21 114
Continuing operations		
Profit/(loss) before interest and taxation[3]		
Bombela	30	193
Power, Industrial & Water	(47)	(155)
Mining	313	234
Corporate & Properties	(205)	(190)
Profit before interest and taxation	91	82
Interest expense	(281)	(197)
Interest income	14	11
Loss before taxation	(176)	(104)
Taxation	(106)	(74)
Loss from continuing operations	(282)	(178)
Discontinued operations		
(Loss)/profit before interest and taxation[3]		
Middle East	(198)	(62)
Mining Australia	45	224
Clough	(1 266)	406
Other	(56)	(58)
(Loss)/profit before interest and taxation	(1 475)	510
Interest expense	(37)	(28)
Interest income	10	13
(Loss)/profit before taxation	(1 502)	495
Taxation expense	(83)	(184)
(Loss)/profit from discontinued operations	(1 585)	311
Loss on loss of control of MRPL Group and Insig (note 5)	(1 157)	–
Derecognition of net asset value	(2 407)	–
Translation of foreign entities reclassified through profit or loss on derecognition	1 250	–
Related costs of voluntary administration (note 4)	(155)	–
(Loss)/profit from discontinued operations per the statement of financial performance	(2 897)	311

[2] Revenue is disclosed net of inter-segmental revenue. Inter-segmental revenue for the Group is Rnil million (FY2022: R96 million).

[3] The chief operating decision makers, being the Group Executives, utilise profit/(loss) before interest and taxation in the assessment of a segment's performance.

** Restated for discontinued operations. Refer to note 4 for further details.*

SUMMARISED SEGMENTAL ASSETS (CONTINUING & DISCONTINUED)

at 30 June 2023

R millions	Annual 30 June 2023	Restated Annual* 30 June 2022
Bombela	–	1 444
Power, Industrial & Water	793	649
Mining	4 967	4 357
Corporate & Properties[4]	113	64
Continuing operations	5 873	6 514
Discontinued operations[5]	1 121	10 923
	6 994	17 437
Reconciliation of segmental assets		
Total assets	8 387	20 303
Deferred taxation assets	(93)	(563)
Current taxation assets	(36)	(47)
Cash and cash equivalents	(1 264)	(2 256)
	6 994	17 437

SUMMARISED SEGMENTAL LIABILITIES (CONTINUING & DISCONTINUED)

at 30 June 2023

R millions	Annual 30 June 2023	Restated Annual* 30 June 2022
Bombela	–	214
Power, Industrial & Water	713	466
Mining	3 235	1 761
Corporate & Properties[4]	740	394
Continuing operations	4 688	2 835
Discontinued operations[5]	1 207	9 952
	5 895	12 787
Reconciliation of segmental liabilities		
Total liabilities	6 546	14 589
Deferred taxation liabilities	(147)	(89)
Current taxation liabilities	(25)	(187)
Bank overdrafts	(479)	(1 526)
	5 895	12 787

[4] Corporate segmental assets and liabilities include the inter-segment eliminations of group balances and transactions.

[5] Discontinued operations include the MRPL Group and Insig, Middle East Operations as well as retained assets and liabilities, following the sale of Genrec Operations and the Southern African Infrastructure & Building businesses.

NOTES

1. BASIS OF PREPARATION

The Group operates in the mining and power, industrial & water markets and as a result the revenue is not seasonal in nature but is influenced by the nature of the contracts that are currently in progress. Refer to commentary for a more detailed report on the performance of the different operating platforms within the Group.

The summarised consolidated financial statements for the year ended 30 June 2023 have been prepared in compliance with the Listings Requirements of the JSE Limited, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS"), the minimum requirements of the International Accounting Standards ("IAS") 34, Interim Financial Reporting, SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act, No. 71 of 2008 ("Act"). The summarised consolidated financial statements were compiled under the supervision of DF Grobler CA(SA), Group financial director. The director takes full responsibility for the preparation of the summarised consolidated financial statements and that the information has been correctly extracted from the underlying consolidated financial statements.

The accounting policies applied in the preparation of the consolidated financial statements from which the summarised financial statements were derived are in accordance with IFRS and are consistent in all material respects with those applied in the audited consolidated financial statements for the year ended 30 June 2022.

The external auditors, PricewaterhouseCoopers Inc., have issued their opinion on the consolidated financial statements for the year ended 30 June 2023. The audit was conducted in accordance with International Standards on Auditing. The auditor responsible for the audit is JFM Kotzé. They have issued an unmodified audit opinion, which includes an emphasis of matter in respect of a material uncertainty related to going concern and other key audit matters, on the consolidated financial statements. A copy of the auditor's report together with a copy of audited consolidated financial statements are available for inspection at the Company's registered office. These summarised consolidated financial statements have been derived from the audited consolidated financial statements but are not audited themselves.

The information presented in the summarised consolidated financial statements represents results for year ended 30 June 2023. The comparative information presented in respect of the year ended 30 June 2022, has been derived from the audited consolidated annual financial statements for the year then ended. Comparative information has been restated for discontinued operations where required (refer to note 4 for further details).

2. REVENUE

2.1 REVENUE IN TERMS OF TYPE OF GOOD OR SERVICE FOR THE GROUP'S CONTINUING OPERATIONS HAS BEEN RECOGNISED AS FOLLOWS:

R millions	30 June 2023	30 June 2022*
Construction contracts (over time)	11 715	8 335
Sale of goods (point in time)	450	169
Rendering of services (over time)	292	247
Properties (over time)	3	4
	12 460	8 755

Revenue is recognised at a point in time for the sale of goods and over time for all other categories of revenue.

2.2 REVENUE IN TERMS OF GEOGRAPHIC REGION FOR THE GROUP'S CONTINUING OPERATIONS HAS BEEN RECOGNISED AS FOLLOWS:

R millions	30 June 2023	30 June 2022*
South Africa	5 129	4 106
Rest of Africa	227	536
Australasia & South East Asia	23	20
North America & other	7 081	4 093
	12 460	8 755

Refer to the summarised consolidated segmental analysis for revenue disaggregation per platform.

** Restated for discontinued operations. Refer to note 4 for further details.*

3. PROFIT BEFORE INTEREST AND TAXATION

R millions	30 June 2023	30 June 2022*
Items by function		
Revenue	12 460	8 755
Cost of sales	(11 163)	(7 854)
Distribution and marketing costs	(22)	(20)
Administration costs	(1 406)	(1 125)
Other operating income	222	326
Profit before interest and taxation	91	82

Depreciation of R267 million is included in cost of sales and R70 million in administration costs. Amortisation of R15 million is included in cost of sales and R8 million in administration costs.

** Restated for discontinued operations. Refer to note 4 for further details.*

4. DISCONTINUED OPERATIONS, ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE

The discontinued operations comprise Mining Australia (RUC Cementation Mining Group ("RUC") and Insig Technologies ("Insig")), the Energy, Resources & Infrastructure Platform (Clough Limited Group ("Clough")), Murray & Roberts Pty Limited ("MRPL"), together referred to as "MRPL Group and Insig", the Middle East Operations, the Southern Africa Infrastructure & Buildings Platform and Genrec.

MRPL GROUP AND INSIG

On 5 December 2022, Clough and MRPL were placed in voluntary administration. As a result of this, the Group lost control of MRPL and its subsidiaries, RUC and Clough, and the MRPL Group was deconsolidated on 5 December 2022. Subsequent to this, on 16 June 2023, Insig, which predominantly serviced RUC, was placed in voluntary liquidation, as a result of the Group being unable to provide the necessary investment required to support Insig's growth trajectory.

Clough formed the entire Energy, Resources & Infrastructure ("ERI") platform within the Group which was seen as a separate major line of business. RUC and Insig, formed the entire Mining Australia business and together was seen as a separate major line of business. The voluntary administration process of the MRPL Group has effectively resulted in the entire Australasian geographical area of operations being disposed of. As the MRPL Group and Insig formed separate major lines of businesses and a separate geographical area of operations that was disposed of in the year, these businesses met the criteria in terms of IFRS 5 – Non-current assets held for sale and discontinued operations (IFRS 5), to be classified as discontinued operations.

The financial results of the MRPL Group are reported under discontinued operations in the Statement of Financial Performance from the start of the financial period until 5 December 2022. The financial results of Insig are reported under discontinued operations in the Statement of Financial Performance from the start of the financial period until 16 June 2023.

The loss of control of the MRPL Group and Insig resulted in a loss of R2,4 billion on deconsolidation of the net asset value and a reclassification of foreign currency translation reserve ("FCTR") profit of R1,2 billion. This has been disclosed as a loss on loss of control of MRPL Group and Insig of R1,2 billion below. Refer to note 5 for further detail. The operating losses, disclosed as "loss from discontinued operations" of R1,6 billion includes a Clough trading loss of R1,3 billion and a RUC and Insig trading profit of R45 million. Related costs as a result of the voluntary administration are a further expense attributable to discontinued operations of R155 million.

MIDDLE EAST OPERATIONS

The Middle East Operations were classified as a discontinued operation in the 2020 financial year as a result of being abandoned, as defined in terms of IFRS 5. By 30 June 2021, the discussions to dispose of the Middle East Operations had progressed to an advanced stage of negotiations and as a result thereof these companies met the criteria, in terms of IFRS 5, to be classified as a disposal group held for sale. The sale and purchase agreement to dispose of the operations was subsequently executed on 30 August 2021. At 30 June 2023, the sale and purchase transaction had not concluded, as it is pending conclusion of ongoing litigation and regulatory approval. The long stop date has therefore been extended to 15 September 2023. The Middle East Operations continue to meet the criteria to be classified as a disposal group held for sale in terms of IFRS 5, even though the one-year period has been exceeded as the delay in sale is due to circumstances beyond the Group's control.

Subsequent to year end, a claim has been lodged by a UAE-based bank ("the bank"), and a summons has been issued in South Africa against Murray & Roberts Limited (a subsidiary in the Group), in relation to the parent company guarantee it issued in favour of the bank. The bank had issued a bond on the Al Mafraq Hospital project, on behalf of the Middle East Operations, which was called on by the client. As a result of the bank paying out on the call of the bond, the overdraft account of the Middle East Operations was drawn down on. The claim lodged by the bank in relation to the parent company guarantee, is to recover the pay out on the call of the bond made by the client. Refer to note 19 for further details.

Included in the current year loss from discontinued operations are operating costs of R28 million incurred mainly on legal fees and an impairment of a joint operation partner receivable of R170 million relating to the Middle East Operations.

SOUTHERN AFRICA INFRASTRUCTURE & BUILDINGS PLATFORM AND GENREC

During the 2017 financial year, the Group disposed of its South African construction businesses held within the Southern Africa Infrastructure & Buildings Platform and Genrec. These businesses formed a separate major line of business that was disposed of and constituted a discontinued operation in terms of IFRS 5. As part of the disposal, certain assets and liabilities of the business, relating to ongoing litigation matters were retained in the Group. These items continue to be reported under discontinued operations until the matters are closed out.

4. DISCONTINUED OPERATIONS, ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE continued

4.1 RESULTS FROM DISCONTINUED OPERATIONS

R millions	30 June 2023	30 June 2022*
Revenue	11 964	21 114
(Loss)/profit before depreciation, amortisation, interest and taxation	(1 104)	1 210
Depreciation	(344)	(623)
Amortisation of intangible assets	(27)	(77)
(Loss)/profit before interest and taxation	(1 475)	510
Interest expense	(37)	(28)
Interest income	10	13
(Loss)/profit before taxation	(1 502)	495
Taxation expense	(83)	(184)
(Loss)/profit after taxation	(1 585)	311
Loss from equity accounted investments	–	–
(Loss)/profit from discontinued operations	(1 585)	311
Loss on loss of control of MRPL Group and Insig	(1 157)	–
Derecognition of net asset value	(2 407)	–
Translation of foreign entities reclassified through profit or loss on derecognition	1 250	–
Related costs of voluntary administration	(155)	–
(Loss)/profit from discontinued operations per the statement of financial performance	(2 897)	311
Attributable to:		
– Owners of Murray & Roberts Holdings Limited	(2 897)	311
– Non-controlling interests	–	–
	(2 897)	311

4.2 CASH FLOWS FROM DISCONTINUED OPERATIONS INCLUDE THE FOLLOWING:

R millions	30 June 2023	30 June 2022*
Cash flow from operating activities	(359)	(163)
Cash flow from investing activities	(1 554)	(1 096)
Cash flow from financing activities	381	(358)
Net decrease in cash and cash equivalents	(1 532)	(1 617)

4.3 ASSETS AND LIABILITIES CLASSIFIED AS HELD FOR SALE:

The assets and liabilities classified as held for sale below relate mainly to the Middle East Operation as well as Cementation Africa where property, plant and equipment has been classified as held for sale after meeting the requirements of IFRS 5.

R millions	30 June 2023	30 June 2022
Major classes of assets comprising the assets held for sale		
Property, plant and equipment	68	114
Other receivables	6	3
Investment in joint ventures	–	33
Amounts due from contract customers	979	849
Cash and cash equivalents	12	13
	1 065	1 012

R millions	30 June 2023	30 June 2022
Major classes of liabilities comprising the liabilities held for sale		
Trade and other payables	155	143
Subcontractor liabilities	8	18
Short-term borrowings	818	684
	981	845

** Restated for discontinued operations.*

5. LOSS OF CONTROL OF SUBSIDIARIES

As a result of delays in numerous milestone payments and slower than anticipated close out of disputes, cash flow pressures in the ERI business resulted in it needing a capital injection to realise its full potential value. As the Group was not able to provide the capital injection, it commenced a process to sell Clough. When the transaction terminated at a late stage, cash requirements that hinged on the sale did not materialise and Clough went into voluntary administration on 5 December 2022.

Clough held a loan receivable from MRPL, the Group's Australian holding company, which also held the shares in RUC. As the receivable could be called by Clough, and MRPL could not settle the receivable on demand, MRPL also went into voluntary administration. The Group lost effective control over MRPL and its Australian subsidiaries through this development.

Subsequently, Insig which formed part of Mining Australia (RUC and Insig), went into liquidation on 16 June 2023 as it required further investment to support its growth trajectory, which the Group was not able to provide.

In the Group accounts, the MRPL Group has been deconsolidated with effect from 5 December 2022 and Insig has been deconsolidated with effect from 16 June 2023. The financial results of these four companies, and the impact of the deconsolidation, are reported under discontinued operations as from the start of the comparative period for Statement of Financial Performance and the Statement of Cash Flows up to 5 December 2022 and 16 June 2023 respectively.

Included in the disposal group are the assets and liabilities of the MRPL Group and its subsidiaries, Clough and RUC as well as Insig. The carrying amounts of these assets and liabilities on deconsolidation were as follows:

	Mining Australia	Clough	Other	Total
Non-current assets				
Property, plant and equipment	897	2 360	(10)	3 247
Goodwill	14	854	–	868
Other intangible assets	10	322	–	332
Deferred taxation asset	–	–	393	393
Non-current receivables	–	2	–	2
Total	921	3 538	383	4 842
Current Assets				
Inventories	160	178	–	338
Amounts due from contract customers	652	4 401	–	5 053
Trade and other receivables	483	1 227	(32)	1 678
Bank balances and cash	342	998	8	1 348
Total	1 637	6 804	(24)	8 417
Assets classified as held-for-sale	21	–	–	21
Total Assets	2 579	10 342	359	13 280
Non-current liabilities				
Long-term loans	286	382	(117)	551
Long-term provisions	–	20	–	20
Total	286	402	(117)	571
Current liabilities				
Amounts due to contract customers	158	2 098	–	2 256
Trade and other payables	671	5 861	60	6 592
Short-term loans	333	224	124	681
Subcontractor liabilities	–	594	–	594
Provisions for obligations	7	51	6	64
Current taxation liabilities	44	22	–	66
Bank overdrafts	–	49	–	49
Total	1 213	8 899	190	10 302
Total liabilities	1 499	9 301	73	10 873
Net assets	1 079	1 041	287	2 407
Consideration received	–	–	–	–
	1 079	1 041	287	2 407
Translation of foreign entities reclassified through profit or loss on derecognition				(1 250)
Loss on loss of control of subsidiaries				1 157

6. WEIGHTED AVERAGE NUMBER OF SHARES

R millions	30 June 2023	30 June 2022
Number of ordinary shares in issue ('000)	444 736	444 736
Reconciliation of weighted average number of shares in issue ('000)		
Weighted average number of ordinary shares in issue	444 736	444 736
Less: Weighted average number of shares held by the Letsema BBBEE trusts	(25 055)	(28 922)
Less: Weighted average number of shares held by the share incentive schemes	(16 566)	(17 671)
Weighted average number of shares in issue used in the determination of basic per share figures	403 115	398 143
Add: Dilutive adjustment	5 299	7 416
Weighted average number of shares in issue used in the determination of diluted per share figures	408 414	405 559

7. HEADLINE EARNINGS/(LOSS)

R millions	30 June 2023	30 June 2022*
(Loss)/profit attributable to owners of Murray & Roberts Holdings Limited	(3 181)	135
Profit on disposal of property, plant and equipment	(17)	(15)
Loss on disposal of property, plant and equipment	–	1
Impairment of associate	2	–
Impairment/(impairment reversal) of property, plant and equipment	10	(1)
Impairment of Goodwill	126	–
Compensation income from insurance	(2)	–
Loss on loss of control of subsidiaries	2 407	–
Translation of foreign entities reclassified through profit or loss on derecognition	(1 250)	–
Taxation effects on adjustments	–	4
Headline (loss)/earnings	(1 905)	124
Adjustments for discontinued operations:		
(Loss)/profit from discontinued operations	2 897	(311)
Profit on disposal of property, plant and equipment	5	3
Loss on disposal of property, plant and equipment	–	(1)
Impairment of Goodwill	(126)	–
Loss on loss of control of subsidiaries	(2 407)	–
Translation of foreign entities reclassified through profit or loss on derecognition	1 250	–
Taxation effects on adjustments	(2)	(1)
Headline loss from continuing operations	(288)	(186)
Headline (loss)/earnings per share from continuing and discontinued operations (cents)		
– Diluted	(473)	31
– Basic	(473)	31
Headline loss per share from continuing operations (cents)		
– Diluted	(71)	(47)
– Basic	(71)	(47)

** Restated for discontinued operations. Refer to note 4 for further details.*

8. GOODWILL

R millions	30 June 2023	30 June 2022
Goodwill	471	1 436
Accumulated impairment losses	(29)	(64)
	442	1 372
At beginning of year	1 372	1 102
Acquisition of businesses^	5	110
Loss of control of subsidiaries*	(868)	–
Foreign exchange movements	59	160
Impairment	(126)	–
	442	1 372

^ Acquisition of business relates to the acquisition of Turan which was subsequently disposed of as part of the MRPL Group voluntary administration.

** The loss of control of subsidiaries relates to the Group placing MRPL Group into voluntary administration and the liquidation of Insig. Refer to note 5 for further details.*

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired. Based on impairment tests performed in the current year, prior to deconsolidation of the MRPL Group, an impairment of R126 million relating to the Clough USA CGU was recognised. Upon placing the MRPL Group into voluntary administration, the Goodwill relating to the Mining Australia, Clough Limited, e2o Pty Ltd, Booth Welsh Pty Ltd and JJ White Inc., totalling R868 million were de-recognised (refer to note 5 for further details). No changes in key assumptions relating to the balance at 30 June 2023 that would cause the carrying amount to exceed the recoverable amount were noted.

9. AMOUNTS DUE FROM/TO CONTRACT CUSTOMERS

R millions	30 June 2023	30 June 2022
Contracts-in-progress (cost incurred plus recognised profits, less recognised losses)	989	1 742
Uncertified claims and variations	445	1 159
Amounts receivable on contracts (net of impairment provisions)	1 338	2 656
Retentions receivable (net of impairment provisions)	193	735
	2 965	6 292
Amounts received in excess of work completed^	(702)	(2 514)
	2 263	3 778
Disclosed as:		
Amounts due from contract customers	2 965	6 292
Amounts due to contract customers	(702)	(2 514)
	2 263	3 778

The decrease in amounts due from/to contract customers relates to the Group placing MRPL into voluntary administration. Refer to note 5 for further details.

^ The Group uses legal experts, engineers and quantity surveyors to assess and apply probabilities when necessary in determining the amounts to be recognised relating to underclaims, uncertified revenue and contract debtors. The recoverability of amounts recognised are considered highly probable and where amounts are not considered to be highly probable, such amounts are impaired. The assessment of recoverability and impairment of the amounts due from contract customers has been performed. The impairments recognised in the current year were not significant. The Group remains confident that revenue recognised as uncertified will be certified and paid once attendant commercial matters have been resolved.

10. OTHER NON-CURRENT ASSETS

R millions	30 June 2023	30 June 2022
Other non-current assets comprise the following:		
Investment at fair value through profit or loss (note 11.1)	–	1 442
Intangible assets excluding goodwill	311	650
Other non-current receivables	–	2
Net investment in lease	–	1
Other investments	1	2
	312	2 097

11. FINANCIAL INSTRUMENTS

The Group's financial instruments consist mainly of deposits with banks, short term investments, accounts receivable and payable and interest-bearing borrowings.

The fair value of the Group's financial instruments approximate their carrying values at 30 June 2023.

R millions	30 June 2023	30 June 2022
Categories of financial instruments		
Financial assets		
Financial assets at fair value through profit or loss (level 3)	–	1 442
Financial assets measured at amortised cost	2 981	7 036
Financial assets measured at amortised cost - held for sale	992	862
Financial liabilities		
Financial liabilities measured at amortised cost	4 047	9 427
Financial liabilities measured at amortised cost - held for sale	981	845

11.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

R millions	30 June 2023	30 June 2022
At beginning of year	1 442	1 434
Realisation of investment	(255)	(185)
Fair value adjustment recognised in the statement of financial performance[6]	30	193
Disposal of investment[7]	(1 217)	
	–	1 442

[6] The fair value of the investment in Bombela Concession Company ("BCC") was previously determined using level 3 inputs per IFRS 13: Fair Value Measurement. In the current year, the Group entered into a sale agreement with Intertoll International Holdings B.V (Intertoll). Due to the sale agreement, the Group's investment in BCC has been classified as level 1 in the fair value hierarchy as per IFRS 13 (FY2022: level 3 in the fair value hierarchy) as a quoted market price was accessible to the Group through means of the sale agreement. The purchase price of the investment in BCC per the sale agreement amounted to R1,4 billion. The Group completed the transaction relating to the disposal of its Investment in the BCC on 03 April 2023. The proceeds received were R1,2 billion (net of dividend distribution of R130 million and transaction costs of R44 million). As a consequence of the transaction having been concluded at fair value, no profit or loss on disposal was recognised in the Consolidated Statement of Financial Performance, for the disposal of the shares.

[7] The Group completed the transaction relating to the disposal of its investment in the BCC on 03 April 2023.

12. CONTINGENT LIABILITIES

As a contracting Group, Murray & Roberts is in the ordinary course of its business involved in various disputes, a number of which arise when operations and projects are closed out and finalised. Depending on the merits, disputes can translate into claims and legal proceedings, which Murray & Roberts always rigorously defends. Where Murray & Roberts, in consultation with its legal advisers and counsel, believes the claims are predicated on weak and/or spurious grounds, and Murray & Roberts has sound and strong defences, no provision is made for any such claim, and they are aggregated and disclosed as contingent liabilities. In relation to contingent liabilities, the reduction noted is due to a resolution of certain claims. The Board does not believe that adverse decisions in any pending proceeding or claims against the Group will have a material adverse effect on the financial condition or future of the Group. The Group does not account for any potential contingent liabilities where a back-to-back arrangement exists with the clients or subcontractors and there is a legal right to offset (R1,6 billion). The decrease in financial institution guarantees is mainly attributable to the Group placing MRPL into voluntary administration as well as a reduction in local facilities.

R millions	30 June 2023	30 June 2022
Contingent liabilities	3 005	5 334
Financial institution guarantees given to third parties$	2 522	8 518

$ Until the airport claim in the Middle East is resolved, which is now 15 years post delivery of the project, through existence of a parent company guarantee, the Group has a potential contingent liability for any adverse determination against the Group by a tribunal. No such tribunal has been established and it is the Group's expectation that the matter should be resolved in its favour. No amount is included above due to the unlikelihood of any such claim and no tribunal being established to determine any such amount.

13. DIVIDEND

The board of directors of the Company ("Board") considers a dividend on an annual basis, post year end. Considering the Group's current liquidity constraints, the Board resolved not to declare a dividend this year.

14. COVENANTS

The Group has covenants in Cementation Canada Inc. and its South African operations.

The deconsolidation of the MRPL Group had an impact on covenant triggers and cash flows for the period ended 30 June 2023. As a result, the South African Group would have been in breach of covenants in place for the term loan with the South African lender consortium as at 30 June 2023. A covenant measurement waiver was therefore obtained for the measurement period of 30 June 2023. It was also agreed that the covenants would be renegotiated, considering the current Group structure.

Details of all debt covenants in the Group have been reflected in the table below:

Facility	SA Lenders – SA Group	Toronto Dominion Bank Facility – Cementation Canada Inc.
Covenant Trigger and Proximity to being breached	1) Interest Cover: Requirement – equals or exceeds 1.65x; Actual – [-0.6x] 2) Debt to EBITDA: Requirement – does not exceed 7.5x; Actual – [-8.75x] 3) Overdraft Facility Headroom: Requirement – equals or exceeds R50 million on a six-month forward looking basis; Actual – six month forecast indicate headroom equals or exceeds R50 million 4) Unprovided for capital expenditure: Requirement – does not exceed R10 million; Actual – Rnil million 5) Guarantor Threshold Test: (i) Requirement – Aggregate EBITDA and Revenue the Obligors (excl. MRUK) greater than 90% of the aggregated EBITDA and Revenue of SA Group; Actual - 99% (ii) Requirement – Gross assets of the Obligors (excl. MRUK) greater than 85% of aggregated gross assets of the SA Group; Actual – 99% A covenant measurement waiver was obtained for the measurement period of 30 June 2023.	1) Current Ratio: Requirement – equals or exceeds 1.25:1; Actual – 1.67:1 2) Debt Service Coverage Ratio: Requirement – equals or exceeds 1.25:1; Actual – 2.33:1 3) Total Funded Debt/EBITDA Ratio: Requirement – does not exceed 2.5:1; Actual – 0.98:1 4) Concentration of EBITDA and fixed assets in Obligors: Requirement – minimum of 100%; Actual – 102% 5) Capital Expenditures: Requirement – maximum of CAD40 million; Actual – CAD27,6 million 6) Investments: Requirement – maximum of CAD15 million; Actual – CAD13,3 million 7) Acquisitions: Requirement – maximum of CAD25 million; Actual – CADnil Sufficient headroom deemed available for all debt covenants reflected above.

The Board reviews the Group's debt usage and considers the risk thereof. The Group is subject to externally imposed capital requirements in the form of financial covenants which are actively managed by the Board.

15. SUPPLEMENTARY INFORMATION

	30 June 2023	30 June 2022
Net asset value per share (Rands)	4	13
Dividends per share (cents)	–	–

16. RELATED PARTY TRANSACTIONS

There have been no significant changes to the nature of related party transactions since 30 June 2022 or any transactions outside the normal course of business.

17. PRIOR PERIOD RESTATEMENT

During the current year, the Group reassessed the classification of bank overdrafts as a component of cash and cash equivalents and identified that a portion of the bank overdraft did not fluctuate in the current and prior financial year from being overdrawn to a positive balance. It has therefore been concluded that the bank overdraft should not have formed an integral part of the Group's cash management, and instead represents a form of financing and the related cash flow movements should be presented as cash flows from financing activities.

The errors noted above resulted in the Statement of Cash Flows being restated as per below:

Consolidated Statement of Cash Flows

R millions	Previously reported	Adjustment	Restated
Cash flows from operating activities	(175)	–	(175)
Cash flows from investing activities	(1 009)	–	(1 009)
Cash flows from financing activities	(542)	68	(474)
Net disposal of treasury shares	89	–	89
Net movement in borrowings	(631)	–	(631)
Net movement in bank overdraft	–	68	68
– Overdraft drawdowns	–	1 415	1 415
– Overdraft repayments	–	(1 347)	(1 347)
Total (decrease)/increase in net cash and cash equivalents	(1 726)	68	(1 658)
Net cash and cash equivalents at beginning of year	2 291	1 312	3 603
Effect of exchange rates	178	–	178
Net cash and cash equivalents at end of year^	743	1 380	2 123
^ Cash and cash equivalents balance comprises:			
– Cash	2 256	–	2 256
– Reclassification to held for sale	13	–	13
– Overdraft	(1 526)	1 380	(146)

18. GOING CONCERN

DEVELOPMENTS IN THE BUSINESS

The Group's liquidity position started coming under pressure during the 2020 and 2021 COVID-19 pandemic years, as the Group received no dividends from its investment in the BCC or from its international businesses. With the Group's liquidity position already strained, the cumulative impacts of the COVID-19 pandemic and the effects of the war in Ukraine on projects, resulted in a continuing and increasing liquidity challenge for the Group. Specific areas of impact, among others, included disruption in supply chains and border restrictions which delayed project progress and resulted in the associated deferral of milestone payments, as well as an increase in project cost resulting from unforeseen price escalations caused by higher levels of global inflation, which all added to an already difficult commercial environment.

Energy, Resources & Infrastructure and Mining Australia

These impacts were particularly pronounced in the ERI platform, which had several large, fixed price projects under construction. These unprecedented impacts on projects and the challenging commercial environment placed rapidly increasing pressure on the working capital requirements of the ERI platform, and consequently the Group's liquidity position. As a result of delays in numerous milestone payments, slower than anticipated settlement of project claims, and increased project costs, cash flow pressures in the ERI platform gave rise to the need for a capital injection for this business to realise its full potential value. As the Group did not have the capacity to provide the required capital injection, it commenced a process to sell Clough. This potential transaction unfortunately failed at a late stage of the negotiations, and the directors of Clough had no alternative but to place Clough into voluntary administration on 5 December 2022.

Clough held a loan receivable from MRPL, the Group's Australian holding company at the time. MRPL did not have the capacity to settle the receivable which was payable on demand, and as the receivable would have been called by the administrators of Clough as part of the liquidation process, MRPL also had to be placed into voluntary administration. The Group lost control of MRPL as a result, and of its two Australian subsidiaries, Clough and RUC. In the Group financial statements for the year ended 30 June 2023, MRPL, Clough and RUC have been deconsolidated with effect from 5 December 2022. The FY2023 financial results of these three companies, up to 5 December 2022, and the impact of the deconsolidation, are reported as part of discontinued operations. Similarly, as required in terms of IFRS, results for the comparative period (FY2022), have been restated accordingly (with MRPL, Clough and RUC being reported as part of discontinued operations).

18. GOING CONCERN continued

Following the deconsolidation of the three companies in Australia, the Group now delivers projects through two business platforms: the Mining platform, comprising its two regional businesses in Africa and the Americas, and the Power, Industrial & Water ("PIW") platform which focuses on Sub-Saharan Africa.

Mining Africa and Americas

As a mature business and working in a sector which contracts under less onerous commercial terms, the Mining platform does not experience the same levels of demand on working capital. It is also operating in a strong performing sector with growth potential.

Power, Industrial & Water

During the current financial year, the PIW platform experienced more favourable market conditions and its order book of R1,8 billion (FY2022: R0,4 billion) is reflective of opportunities in the renewable energy and transmission market sectors.

Middle East Operations

In relation to the Al Mafraq Hospital project in Abu Dhabi, delivered by a joint operation in which Murray & Roberts Contractors (Abu Dhabi) LLC (MRCAD) is a member, the Review Application lodged with the Court of Cassation, the highest court in the Emirate, against its previously issued ruling in favour of the client's claim, was unsuccessful. Based on further evidence, the legal advisers representing MRCAD have recommended that a new application be lodged with the Court of Cassation for it to reconsider its Review Application decision, considering this new evidence. This application is in the process of being prepared.

In the intervening period, a claim has been lodged by the respective UAE-based bank ("the bank"), and a summons has been issued in South Africa against Murray & Roberts Limited, in relation to the Parent Company Guarantee it issued in favour of the bank for a bond that was issued to the respective bank on the Al Mafraq Hospital project, which was called by the client. The claim is in relation to a circa AED150 million fully drawn facility (R770 million at year end) and is tied to the legal dispute in Abu Dhabi. In response, a notice of intention to defend has been lodged on behalf of Murray & Roberts Limited. Legal advice is that strong and compelling defences are available and will be formulated in the weeks ahead. The legal process in South Africa is expected to be protracted and will take several years to conclude.

OVERDRAFT AND TERM DEBT FACILITIES

The Group previously had a short-term overdraft facility in South Africa, and due to increasing liquidity pressure, concluded a debt refinancing and restructuring process with four South African banks in November 2022. The R1,675 million overdraft facility was restructured into an overdraft facility of R0,65 billion and a Term Loan of R1,35 billion resulting in a term loan facility of R1,35 billion and a short-term overdraft facility of R0,65 billion – totalling a combined facility of R2 billion.

The sale of the Group's investment in BCC closed on 03 April 2023, and R1 billion of the proceeds were applied to significantly deleverage the Group by reducing the term debt to R350 million. This remaining balance of the term debt is repayable in two tranches, R50 million in September 2023 and R300 million in August 2024. The overdraft facility terms were unchanged.

The deconsolidation of MRPL, Clough and RUC negatively impacted the Group's ability to meet the covenants that were agreed with the four South African banks for its South African Operations. If financial covenants were assessed at 30 June 2023, covenants would not have been met and a covenant measurement waiver was thus obtained on 30 June 2023. It was also agreed with the banks that the covenants would be renegotiated, considering the current Group structure. Based on the covenant waiver obtained, the Group did not breach its covenants at 30 June 2023.

The Group performed a going concern assessment at year end, taking the above developments into consideration.

CASH FLOW FORECASTS

The Group is dependent on the utilisation of the overdraft facility to meet its liquidity requirements. Cash flow forecasts for each of the two remaining platforms to the end of the 2024 financial year have been prepared and subsequently stress-tested for key judgements and assumptions relating to forecast revenue and project margins, the secured and unsecured order book and the timing of cash flows. Based on these cash flow forecasts, the Group has considered the following in assessing its liquidity needs and ongoing working capital requirements, its ability to repay the term debt as it falls due, and its ability to continue as a going concern:

- Term Debt Repayment: To settle the term debt, the Group requires dividend payments from its international mining subsidiaries, to Murray & Roberts Limited in South Africa. Based on forecasts, these international mining subsidiaries are performing well, and it is expected that they will generate enough cash inflows to be able to declare sufficient dividends going forward, thereby assisting in the repayment of the South African term debt. The Group is currently renegotiating covenants with the banks of these international mining subsidiaries to enable such dividend payments to be made.
- Banking Facilities: As at 30 June 2023, the Group had the following facilities in place:
  - Direct banking facilities in South Africa (including asset-based finance and term loans) in place of R1,5 billion, with R0,3 billion of unutilised facilities available.
  - Direct foreign banking facilities (including asset-based finance and term loans) in place were R1,3 billion with R1,0 billion of unutilised facilities available.
  - Indirect local banking facilities (which relate mainly to guarantees disclosed under contingent liabilities in note 12) in place were R1,9 billion with R0,0 billion of unutilised facilities available. Currently, the four South African lending banks are permitting drawdowns against the overdraft facilities. However, the remaining facilities which are currently fully drawn are not available for utilisation as they reduce, and the Group is exploring alternative facility providers.
  - Indirect foreign banking facilities in place (which relate to guarantees disclosed under contingent liabilities in note 12) were R1,2 billion with R0,5 billion of unutilised facilities available.
  - Some of these facilities have limited availability for Group-wide use due to dividend distribution and intra-group limitations.
- Order Book: The Group has a healthy secured order book, which includes high-profile, multi-year projects.
- Outstanding Claims: There are several unresolved and long outstanding claims, some of which are expected to be settled within the next 12 months.
- Working Capital Management: The Group is constantly reviewing working capital utilisation on projects and seeking ways to improve working capital management, which include the conversion of certain contracts to new, less onerous commercial arrangements.
- Deleveraging Requirements: The Group is working closely with the four South African lenders to meet their deleveraging expectations and is assisted by Deloitte as advisors in this regard together with the development of a sustainable capital structure. The implementation of the deleveraging plan is expected to be completed within a 12 to 18 month time period following South African lender approval.

CONCLUSION

The Group is confident that it would be able to implement the actions outlined above, and any potential financial restructuring that may be required, for it to realise its assets and discharge its liabilities in the normal course of business. As at the date of the financial statements, should these actions not achieve the desired outcome, especially as it relates to the inflow of sufficient dividends from its international mining subsidiaries to repay the term debt, or the South African banks rejecting the deleveraging plan, these conditions give rise to a material uncertainty which may cast significant doubt on the Group and the Group's ability to continue as a going concern and, therefore may be unable to realise its assets and discharge its liabilities in the normal course of business.

19. EVENTS AFTER REPORTING DATE

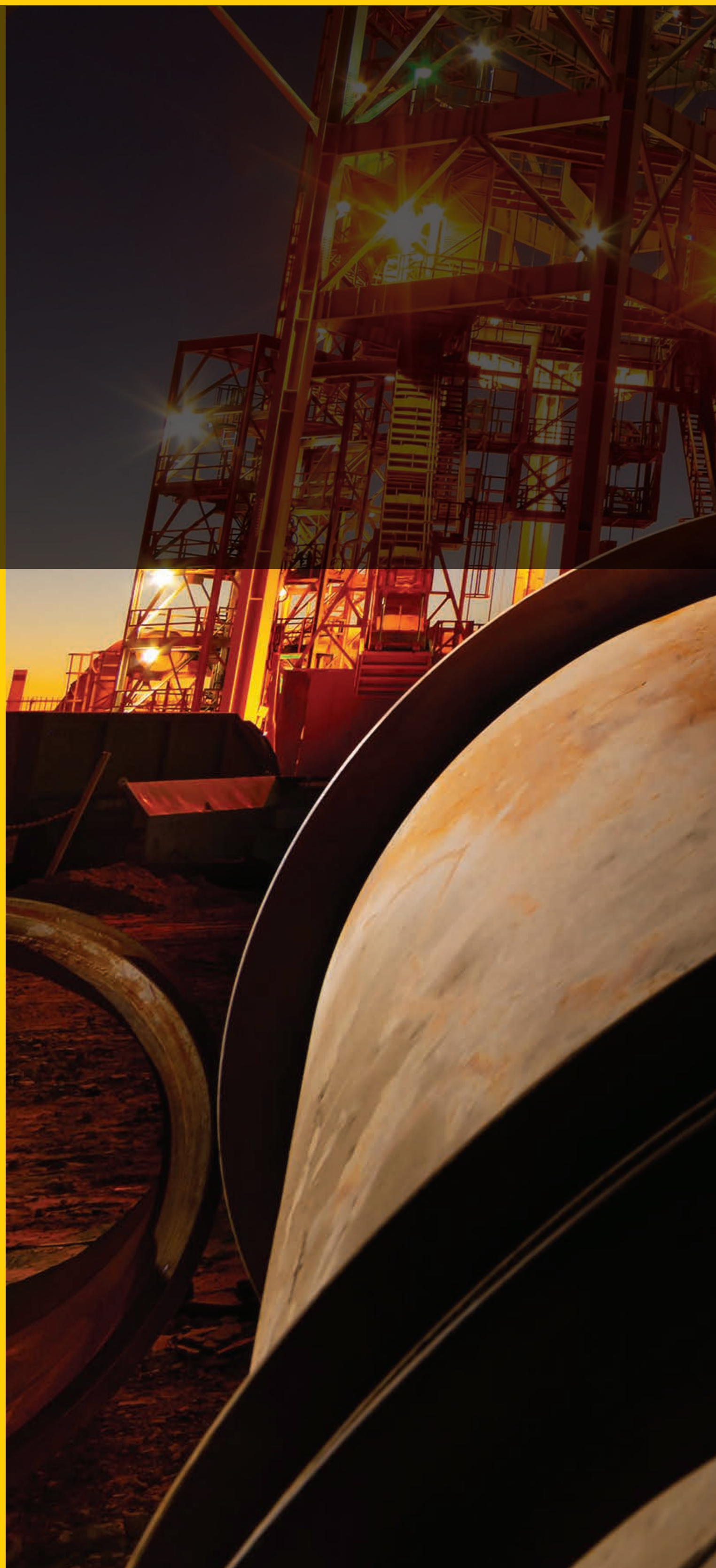
In relation to the Al Mafraq Hospital project in Abu Dhabi, delivered by a joint operation in which Murray & Roberts Contractors (Abu Dhabi) LLC (MRCAD) is a member, the Review Application lodged with the Court of Cassation, the highest court in the Emirate, against its previously issued ruling in favour of the client's claim, was unsuccessful. Based on further evidence of misrepresentation that has recently come to light from a related case before the courts, the legal advisors representing MRCAD have recommended that a new application be lodged with the Court of Cassation for it to reconsidered its Review Application decision, considering this new evidence. This application is in the process of being prepared.

In the intervening period, a claim has been lodged by a UAE-based bank ("the bank"), and a summons has been issued in South Africa against Murray & Roberts Limited, in relation to the Parent Company Guarantee it issued in favour of the bank. The bank had issued a bond on the Al Mafraq Hospital project, on behalf of the Middle East Operations, which was called on by the client. The claim is for circa AED150 million facility (R770 million at year end) and is tied into the legal dispute in Abu Dhabi. A notice of intention to defend has been lodged in response, by Murray & Roberts Limited. Legal advice is that strong and compelling defences are available and will be formulated in the weeks ahead, the grounds of which are clear from the way in which this legal matter has been handled in the Emirate. The legal process in South Africa is expected to be protracted and will take several years to conclude. The occurrences post year end were not considered to be adjusting events. No liability has been recognised with respect to the Parent Company Guarantee. The drawdown on the bank overdraft continues to be recognised as short-term borrowings in liabilities held for sale.

Subsequent to year end, the Group, through its wholly owned subsidiary Murray & Roberts Ltd ("MRL"), entered into a Sale of Business Agreement with Main Road Centurion 30311 (Pty) Ltd ("the Acquirer"), in terms of which MRL will dispose of its 80% interest in Aarden Solar, a joint operation. Aarden Solar requires further investment to support its growth trajectory, which the acquirer will provide. As a wholesale business, Aarden Solar is not strategic to Murray & Roberts. The transaction consideration is R73 million and will be applied to MRL's working capital requirements. The above occurrence is not considered to be an adjusting event.

The directors are not aware of any other matter or circumstance, other than noted above, arising since the end of the financial year not otherwise dealt with in the Group and Company annual financial statements which significantly affects the financial position at 30 June 2023 or the results of its operations or cash flows for the year then ended. Events that occurred after the reporting period were indicative of conditions that arose after the reporting period in the normal course of business and did not have a material impact on the current financial year results.

Engineered Excellence demands that we strive for **excellence** in everything that we do. This requires deliberate planning, measurement and control to drive continuous improvement towards our aim of being a **contractor of choice** in our markets.



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