MURRAY & ROBERTS ANNUAL RESULTS - 12 SEPTEMBER 2024

ED JARDIM

Good day, and welcome to the Murray & Roberts annual results for the year ended 30 June 2024. This is our results webcast. Welcome to all our stakeholders on the webcast. Just a reminder on how the questions can work for today. To the top left of your screen, there's a button called questions. If I can, please encourage our stakeholders to ask questions throughout the presentation, so we can have a constructive Q and A session towards the end of that, please click on the button on the top left of your corner to ask a question, we'll receive it in the room, and we'll make sure that those questions are answered at the end of our presentation. I'd like to ask our group, CEO Henry Laas, to please kick us off. Thank you very much, Henry.

HENRY LAAS

Thank you for the introduction, Ed. Ladies and gentlemen, good afternoon, and welcome to this meeting. Where we will be presenting to you our report for the financial year ended 30 June 2024. We do this for Murray & Roberts, which is a re-engineered, revitalized, and refocused group, as we move into the new financial year, financial year 2025. Daniel Grobler our CFO, will be co-presenting with me, and Daniel will be taking you through the financials in a bit more detail.

As I said, Murray & Roberts is an engineered or re-engineered group. It has gone through a process of right sizing the group, cost and management structures, and we look forward to entering a new financial year as a re-engineered organization. What we have achieved over the past year or so, was to redesign the group's operating model, and the management structure, and we have appropriately reduced our overhead cost across the group, including at the corporate office. You will recall that we previously had an operating model which comprised of business platforms, and given the truncated size of the group, we are no longer of the view that this is appropriate for Murray & Roberts, and we have done away with the business platform structure, and through doing so, we have removed a layer of executive management and associated cost. The re-designed structure now incorporates four operating companies, and these operating companies are under the leadership of a managing director. These managing directors report directly to myself, as the Group CEO, and each of these managing directors are also a member of the group executive committee. So it is, this new structure has brought a flatter organogram in play, and we believe that this is also more effective for managing the business as we move forward.

From a cost point of view, we've given considerable effort to analyzing our corporate cost, and we've come through this period by having reduced the cost quite substantially. For the new financial year 2025, we are estimating that our cost will be down by circa 80 to a 100 million compared to financial year 2023, and approximately 70 million less than what our cost was for financial year 2024. You'll also see on this slide, the picture is of the Murray & Roberts building. It is now called the interchange building. It is a building that we lease from Redefine, and we've entered a new lease agreement, and that agreement became effective in September this year, and we now occupy 50% less floor space than what we have occupied previously, and this has given rise to a cost saving of circa 33% on an annual basis. Now this building has got nine floors. We are occupying two and a half of this, and it is a multi-tenanted building, and the other spaces are occupied by other tenants. Just getting back to the corporate cost, you will see on the slide that we've categorized the Corporate cost into mainly four categories, Corporate cost, group shared services, external consulting services, and then also extraordinary fees. And when you look at the total cost, you will see that in 2024 we have already achieved a saving relative to 2023, with a cost for 2024 at about 180 million, and moving into 2025 we expect that cost to reduce further to about 109 million. The one cost that I would like to emphasize is the extraordinary fees. Now, these are costs that we have incurred and which were associated with our voluntary administration in Australia, but also managing the deleveraging plan that we have agreed with our lenders in South Africa. Now, at the time that the budget for 2025 was put together, and that's the numbers that you see in the forecast column for 2025, we didn't provide for any extraordinary fees, and that was on the assumption that we would have achieved a refinancing of our South African debt by June 2024. Unfortunately that had not happened at the end of June, and we are still in the process of managing an opportunity to refinance that debt, so there will certainly be some costs in 2025 associated with this process of deleveraging the business, and we're not sure what that cost is going to be, but if we do succeed in achieving a refinancing over the next couple of months, it will be a very small cost relative to what we incurred in 2024. It's a revitalized group, and that really refers to what we have achieved from a deleveraging point of view, Clough and RUC were lost to the group in December 2022, and these businesses were both strong cash contributors to the group as a whole. Now, after we've lost those businesses, obviously there were no cash coming in from them any longer, and that has left the South African group with a highly geared balance sheet, and also the high cost structure, relative to the reduced size of the group, and it’s for that reason that we had to reduce the cost that I've referred to earlier on, on one of the earlier slides.

Now as part of this deleveraging process, the board agreed a deleveraging plan with our consortium of South African banks, and this has been communicated to our stakeholders previously, but what that resulted in, is enabling the group to reduce its debt, which peaked at 2 billion in April 2023, to the current level of 409 million as at the end of June 2024. That is not the total group debt, but that is a group, it's a debt that we have with our South African banks here in South Africa, so that is the South African debt. Now, part of this deleveraging plan was that by June 2024, this 409 million of debt had to

be refinanced with an alternative financial services company. Now unfortunately, that milestone was not achieved, but we have announced on the 30th of August this year, that the board has reached a new agreement with the banking consortium, which provides for that 409 million debt for the repayment date to move out to 31 January 2026. So we have signed a credit proof term sheet, and we're currently in the process of finalizing the long form agreements. The board has further resolved that we will embark on a process to dispose of noncore assets to meet our liability to this banking consortium. And the reason for that is, we are not able, through our normal trading activity, to generate sufficient cash over the remaining period to settle that 409 million by the 31st of January 2026. The only way we can do that is by selling non-core assets. We are however, still continuing with our efforts to refinance this 409 million debt, and we believe we have made good progress in this regard, and should we be successful with the refinancing, it would not be necessary to dispose on any of the assets. But the point I want to make is, as we've moved through these deleveraging period, we've managed the business without any working capital facilities in South Africa. The 409 million is the remainder that we have on our working capital facilities with the South African banking consortium, that is fully drawn, and what that means is we don't have any additional working capital facilities, which has made it extremely difficult to manage our liquidity over the past year or so, and that pressure on liquidity will continue for as long as we haven't achieved a position where we have refinanced the South African debt. Hopefully we will get there in the not too far future, but the liquidity pressure that we operate under will continue, because we are running the business in the absence of any working capital facility, until the time that the 409 million has been repaid to the South African banks.

Murray & Roberts is also a refocused group, so at this moment in time, following what happened in Australia, we focus essentially on the mining sector, and that's on the international mining sector, and we do that through our mining company in South Africa, the mining companies that we have in the Americas, and also through the mining company that we have in the Asia Pacific region. Now a secondary focus for the group is on the renewable energy and power infrastructure markets in South Africa, and we do that through Optipower. I think our stakeholders would appreciate that the mining businesses have, for many, many years, really been a cornerstone of the group. They have been very, very good in generating cash, contributing to our earnings, and it's a specialized group of companies, and they are highly regarded in the international mining community. Optipower, again, is well positioned in what we believe is a promising sector here in South Africa, and that is for renewable energy, power generation, and also for the expected expenditure that will come through Eskom, and through the transmission division of Eskom as it upgrades its transmission lines, and create additional capacity to evacuate the renewable energy that will come from these new renewable energy power plants.

The group also delivered, as you would have seen, an improved financial performance for the year under review, that was not only for continuing operations, but also at an attributable income level. Now we'll recall in the previous financial year we had a substantial loss at an attributable income level, and that is because that loss included the impact of the deconciliation of the businesses that we previously had in Australia. We also managed to reduce our debt quite substantially, increased our earnings, and we grew the order book.

So when we look at the financial results, just the highlights, as I said, Daniel will get into a bit more detail later on, you'll notice that our revenue increased from 12 and a half billion to 13 and a half billion, and that increase was achieved across the four operating companies. Continuing EBIT, increased from a level of 91 million in the previous year, to 170 million, and that growth essentially came from our mining businesses. Attributable loss significantly down to circa 1 billion, and as I've mentioned, the prior period includes the substantial losses, all extraordinary that were part of the discontinued operations in Australia. Diluted continuing HEPS, significant improvement from a loss of 71 cents to a loss of 24 cents. We still have quite a high interest bill in the group, tax and the extraordinary fees that we had to incur, but we do expect that, that expenditure will reduce for financial year 2025. The order book, we're very pleased about the growth in the order book, from 15.4 billion to 17.2 billion. And I think it's worth to note that this was achieved against a background where our client organizations had some uncertainty about the financial stability of the group, as we have communicated our position clearly to stakeholders in the past. But notwithstanding that, the trust and the confidence that your clients have in Murray & Roberts have resulted in the, is reflected in the increase in the order book from 15.4 billion to 17.2. Our net debt position of circa 3 billion in the prior period, improved to a net cash position of circa 4 billion, and that is quite a significant swing, and that was achieved through the deleveraging plan, but also through working capital movements, or favorable working capital movements towards the end of the previous financial year. Having said that, we do expect that circa 475 million, of that working capital, will unwind in quarter one of the current financial year.

Just a bit of an overview about our mining businesses. As I said, these are all well established businesses focusing on the Americas, sub-Sahara Africa, and also Asia Pacific. In the Americas, we've got Cementation Canada that operates out of Northway. Cementation, USA that operates out of Salt Lake City, and then TNT, which operates out of Santee in California. In sub-Sahara Africa, Murray & Roberts, Cementation, headquartered in Johannesburg, also with offices in Kitwe and Accra. And then we've recently established Cementation APAC, which operates out of Perth, and that is a new company, and it has been established essentially in the short term, to serve as a business development agent for the group's other mining companies. Market conditions, we think are favorable at this stage for us to at least maintain our order book into the future, and we do expect that opportunities will really come from future facing commodities. Here we be talking about copper, nickel and the likes, and

that is due to the global energy transition that is gathering pace. I've already referred to the order book that is up to 16.7 billion, and that is due to the large order that was secured by Cementation Americas in Mexico, and Mexico gets, Mexico is managed out of our US company, quite a big increase in their order book, a 200 million US dollar contract, but also TNT, which is the company that provides material logistics services, also secured quite a large project in Chile, and each share is in joint venture with that project, but each share of the project is 100 million US dollars. As far as the South African business is concerned, we believe that Zambia has quite a revival in the Zambian copper markets, and that should present strong opportunity for us in the short to medium term, to expand, or to return our operations back into the copper regions of Zambia. When you look at 2025 the current year that we in, the order book as at the 30th of June, already included 62% of the revenue that we are planning for this new financial year, and that is quite a good position to be in, and we are quite comfortable that the budgeted revenue for the new financial year is a realistic target, considering that 62% of that had already been secured as at the end of June. And then also near orders at 7.9 billion rands, and a pipeline of 30 billion rands, which I will talk to in a little bit more detail shortly.

Optipower, that was formerly part of the power industrial and water platform that we had in the group, that business has been rationalized, and the only remaining business from that platform is Optipower. But Optipower is a leading energy infrastructure projects company in South Africa, focused on the sub-Sahara region, sub-Sahara Africa, and as I've already mentioned, we believe market conditions are favorable. There is significant investment that will happen, and continue to happen in the renewable energy sector, but also in the transmission and distribution sectors. Having said that, competition in this sector is fierce and the contractual terms are quite challenging. In the mining business, we don't have lump sum contracts. All the contracts are predominantly on a unit rates basis, which carry less commercial risk. But for this business, the contracts are secured on a lump sum basis. You can't secure it on any other basis, but lump sum, and that carries quite a bit more risk, relative to what we see for the mining businesses. We did incur a loss in the previous financial year, and that is disappointing, Daniel will elaborate on that, but that loss is largely due to the liquidity pressures that we find ourselves under, where we couldn't place orders when we had to. So that delayed some of the orders that we were equipment deliveries to site, and also delayed completion of those projects, but those losses have been fully accounted for in the current financial year, and does not carry into the new financial year. Post year end, Optipower secured in joint venture with Coxabengoa, its first solar power project, of about 1.2 billion rands, and Optipower share of that joint venture is 50%, so 600 million of that 1.2 billion order book is for Optipower.

What is also significant to note is that Eskom has, through its transmission division, decided to invite companies to pre-qualify, and to serve on a panel for new tenders that Eskom intends to bring to the market. So some of these tenders will be brought to market on an EPC basis, which is then for a complete service of engineering, procurement and construction services, others will be brought to

market only for procurement and construction, and then there's also tenders that will only require construction activity, and Optipower has qualified as a panelist for all these categories. For the EPC work, it's one of five, a panel of five, and it's one of the five, on the procurement and construction, it is one of nine companies, and for the construction scope of work it is one of 17 companies. So I think that positions Optipower strongly for participating in the rollout of transmission tenders, which we expect that Eskom will accelerate in the new term. New orders at 2.1 billion, and the pipeline of 4.7 for this business, but as I said, following year end, there was this project, this solar project, that was secured by Optipower, and with that, we reached the point that 43% of planned revenue for financial year 2025 had been secured. It leaves still a bit of a gap for us to get to the 100%, but we believe that there are opportunities in the market to enable that, the risk is more around the timing of when these opportunities will come to market. Just for a bit more detail on the order book. As I've mentioned, the group order book grew from 15.4 billion to 17.2 billion, and that growth is predominantly due to the 23% increase that we saw in the mining order book, from 13.6 billion to 16.7 billion. The Optipower order book did go down, from 1.8 to 0.5 billion, but as I've mentioned, taking into consideration the project that was secured just after year end, moves that secured order book up to 1.1 billion, and that is a good start to the new financial year.

This slide is a busy slide, but let me just explain the way in which it is set out. On the left hand side of the slide, you'll see the two businesses, or business sectors, mining and Optipower, to the right of that, what you try to depict is, how much of that order book for those businesses are in the SADC region, and how much of that order book is in the international market. For mining it is 34% in SADC, 66% International, Optipower, obviously, everything in the SADC region, and then for the group as a whole, you see the split 36% SADC and 64% International. To the right of that is just repeating the order book values that you've seen on the previous slide, and to the far right is a time distribution of this order book. So if I take the 16.7 billion for mining, the order book as at June 2024, you will see after 16.7 billion, we plan for 8.6 billion, to be executed in the current financial year, 6.5 billion in financial year 2026, and 1.6 billion after 2026, and the total then for the group currently for financial year 2025 you will see 9.1 billion, for 26, 6.5 billion, and beyond 26, 1.6 billion, and just below those numbers, you can see what the position was at the end of financial year 2022, and the end of financial year 2023. For 2025 we don't think that we'll see much growth in the top line, so revenue expected to be similar levels than what we have reported for financial year 2024, but notwithstanding that, we do expect that the earnings will strong, will reflect strong growth compared to what we have reported in the current year.

This is just again, a bit more detail, but this time around we include the pipeline. As you can see on this slide, the order book, as at 30 June 2024, was 17.2 billion, and our pipeline is over and above the order book, and the pipeline is reflected as near orders, and we define near order projects where we are the preferred bidder, and we need to convert that into orders, and you can see the breakdown between

mining and Optipower, our total near orders for the group, 10 billion. Category 1, tenders that we have submitted or tenders that we are currently working on, and that total is 34.8 billion for the group. Category 2, represents budgets, or feasibility studies that we are working on, so category 2 projects, from a timing perspective, it's further out than category 1, there we're looking at 68.8 billion. And then category 3 is for projects that we are following, but that are not in the market yet, but that we do expect will come to market within the next 36 month period. So the pipeline for an engineering and constructing company is very important to understand your pipeline, to understand the market, and to see how you're going to be able to secure these opportunities, to give a good order book for the business to execute as it moves from one financial year to the next.

Before I hand over to Daniel to take you into the financials with a bit more detail, just want to briefly talk about our safety performance. As an engineering and contracting company you would appreciate that our employees operate in a business environment that carries more risk than many other business environments. It is out in a contracting project built environment, a lot of our work is, is underground, a lot of your work is in high voltage transmission lines, so it is a higher risk environment. And your ultimate objective is, is to work without any fatal incidents in the group, and we are really pleased to say that we were able to do so in financial year 2024, and this is now the third consecutive year that these four operating companies in the group, have completed a financial year without a fatal incident. Having said that, when you look at the lost time, injury frequency rate, you'll see it's up at 1.23, and that is expressed as incidence per million man hours worked. Now the increase is not as much because of an increase in the number of incidents, there was a small increase in the number of incidents, but it's essentially due to the significant reduction in hours worked, because previously we recorded high numbers of hours through Clough and RUC, and that is no longer part of the group, so the total hours of work came down significantly, which then translated into an increase in the lost time injury frequency rate. Also significant to note, that 40 of our projects that we have in the group completed the financial year with zero incidents, absolutely zero harm to our employees, and that compares to 32 projects in the prior financial year. So that is really a very good performance, and I would like to thank all our employees for, really the effort that goes into the safe operations of our projects, because you don't, you cannot achieve such a result without a dedicated management, and the employees on your projects. And finally, we did have the unfortunate incident in the previous financial year, in September, where 20 employees, or 20 people, lost their lives in the bus accident that happened on a provincial road, and 17 of those employees, or 17 of those people that lost their lives were employees of Murray & Roberts Cementation, and we just want to acknowledge once again and honor the memory of all people that have lost their lives in this incident, and again, extend our deepest condolences to the families of those people that have lost their lives, and also to those that were injured in that incident. So with that said, I would like to hand over to Daniel, he will take you through the financials in a bit more detail.

DANIEL GROBLER

Thank you, Henry. So we're going to start off with a segmental analysis, and then we're going to go into the financial statements, and balance sheet income statement, what the impact was. We've got two segments remaining in the group. One is mining, one is Optipower. Start off with mining, as Henry explained, we've got the African operations, and we've got the America's operations, now African operations compared to prior year, fairly stable in terms of revenue, slight growth, but in terms of profitability, they have increased. So in terms of where the increase came from, we had some loss-making contracts in Namibia in the prior year, those contracts out of the system, the Venetia contract had a at a slight improvement, although that improvement was dampened, as Henry mentioned, by the tragic loss that we incurred on the Venetia bus accident. Furthermore, we had a Arnot contract where the client put themselves into business rescue. We had to impair any debt incurred, pre-commencement of the business rescue. So the operating margin for the year is 3%, we can see that growing up to 5% going forward as a sustainable margin. In terms of order book, order book is slightly down from the prior year, but as we've seen, they've got a strong pipeline to deliver on. In terms of the Americas, we can see a slight improvement in terms of turnover, they have a consistent margin of 5%. Now there's been a swing in the balance, in the prior year, Canada had a lesser performance compared to the USA. This year, Canada secured a number of contracts, and they executing quite well on those contracts, and the Americas lost two major contracts, which were highly profitable in the prior financial year. The Americas traded close to a break even in the current financial year. They have however, secured, as we announced on SENS, the contract, which is going to contribute and bring them back into a higher profitable margin. TNT in the prior year, had a loss, this year they came in with a profit. You'd have seen on SENS as well, we announced the new contract that we secured in Chile, and so we do expect an improved performance, the abilities of the Americas to go between 5 and 7% going forward. In the other column, those were the cost incurred with relation to the platform, CEO and CFO and managing the platform. As Henry mentioned, they've removed those costs now, and those costs will not be reoccurring in the new financial year. But pleasing to see at the bottom right hand corner of that table, the order book has increased from 13 billion to 16 billion, and again, that's mainly due to the new contract we secured in Mexico, and the new contract we secured in Chile.

We've gone to the Optipower division, now, formerly it was known as Power, Industrial and Water. This is the last time we will be reporting in this format. We can see power and industrial in the current year, they had turnover, they had operating margin, but you can see the order book has reduced drastically to 7 million, and that's as they wind down their contracts on the Medupi mills and the Komatipoort contract, that will disappear going forward. We've got the water division, which is also coming to an end. The only contract that they've got is the Optipower, is the, apologies, the Organica plant that they're operating at the V&A Waterfront. We're in advance discussions in terms of selling that contract to them. So what will be left is solar distribution and transmission. We can see an increase in turnover, and subsequent, as Henry mentioned, to year end in terms of order book, we

have secured a new solar PV contract, which will contribute another 650 million towards the order book. In terms of other, that's overhead costs not allocated to the departments, that includes commercial and legal costs that have been incurred, and once all outstanding claims have been settled, those will be reduced as well. But overall, it's a disappointing loss of 98 million. So the loss in solar, transmission, distribution, as Henry mentioned, we had liquidity constraints on some of the contracts, so that delayed procurement in these contracts. Now, a number of the suppliers went to a cash on delivery basis, where we get paid on milestones in the future, so that put liquidity strain on the group, and sometimes severe. So we had to find ways to pay the creditors upfront, but only be paid 30 to 60 days later. So that caused, because of those delays, it delayed some of the procurement, and it delayed our ability to execute those contracts, and then we had a time overrun on those contracts, which means that we had to pay for additional people, we had plant longer on site then expected, and that did impact the performance of that division, but within a week from now, we hope to have resolved the liquidity issues on those contracts, and they should be functioning normally.

If you move on to discontinued operations. We've divided that between Australia, Middle East, and others. Australia, as we said, that we've accounted for the discontinued, or deconciliation, of the Australian operations in FY 23. We had some final costs coming through in FY 24, which related to legal fees, advisory fees, close down fees, that we had to incur, that's not expected to reoccur in the new financial year. In the Middle East we incurred some administrative and legal fees of 31 million. We are in the process of closing down those entities, the aim is to have them closed down by December. So the cost for the Middle East in the new financial year, we expecting to be no near then the 31 incurred in FY 24. In terms of other, we see the revenue figure of 117, that relates to our genric division, which we discontinued. They finished final work on the power program, they were reimbursed on a cost basis. We had some legal fees that we had to incur and related cost. But in the Bombela concession, Bombela joint venture company that built the Gautrain railway, we had provided in the previous year for future cost to be incurred. Some of those costs haven't realized, and there was a 27 million release of provision in the current year, which brings the other column into a positive number instead of a negative number, but overall, a loss of 55 million for the discontinued operations, and again, that's expected to reduce in the new financial year.

If you go on to the income statement we've discussed, revenue increased by almost a billion, driven by the mining division, 400 million driven by an increase in the Optipower business, EBITDA increase, we talked about the increased in EBIT, both in well, mainly in the mining platform. And if we look at the interest expense, it's almost half compared to the prior year. Now the debt incurred by the group has come down significantly, accordingly, you would expect a decrease in interest expense for the group. Taxation still running at a high effective tax rate. You can see it's more or less in prior years, whilst the EBIT have increased. Now, once your EBIT number goes above 400, closer to 500 million, your effective tax rate drops down to about 38%, and the higher your EBIT number, the lower your expected tax rate.

So the effective tax rate is driven by your level of profitability, which in this year was depressed. If we look at discontinued operations, we've talked through that number now, we did incur an attributable loss of 138. What items are not going to repeat are the APEC costs that we incurred for the platform overheads, that won't be repeated in the new financial year. The loss in discontinued operations will be significantly less. The corporate overhead costs, as we mentioned, will reduce significantly compared to the prior year, there is an element outstanding as to what will be non-recurring cost by finalizing debt facilities, but we do expect that number to go into the black in the new financial year, but a significant improvement compared to the prior financial year.

If we look at the balance sheet, property, plant and equipment, there is about 900 million of PPE sitting in the Americas. Mining operations is about 500 million, sitting in the African operations, very little sitting in the Optipower division. If we look at cash, we had a strong cash balance of 1.6 billion rand. Now that has been slightly inflated by advanced payments received and early close of contracts. As Henry mentioned, 475 of that amount is expected to flow out in Q1, Q2 of the new financial year. So they do have the Mexican contract, which is expected to start ramping up from next month going forward, that contract will be cash negative for the first three to four months, and eating into the working capital, thereafter, adjusting and starting to contribute to the cash balance. In terms of assets and liabilities held for sale that mainly relates to the Middle East operations. Assets held for sale have some assets in Cementation in Africa, where contracts have come to an end in Namibia, and on some of the coal projects, these assets are being held for sale, and they're expected to be sold in the near future. All in all, we finish the year with a net cash position of 378, that means that your total levels of debt, and we'll unpack that on the next slide, has been exceeded by the cash in the group, and we're sitting with the net cash position for the group of 378, and a shareholder’s equity position of 1.559.

If we unpack the debt, and we normally split the debt into corporate gearing, self servicing debt, as well as our IFRS 16. If we start from the bottom, our IFRS 16, a 129, that relates mainly to office leases, and that's previously was recorded as operating expenses, we've now brought that onto balance sheet. Self servicing debt relates mainly to asset-based finance. As we mentioned, if you incur debt on an asset that you buy for specific project, you don't service that debt through the profit on that project. It's a line item in your revenue that you utilize to pay that debt. So we don't see that as using EBITDA to service, self servicing debt, but to us as financing. What is being serviced through EBITDA and cash generated through the business, is your corporate debt. As we can see, the TNT debt has been repaid in full. We've got overdraft debts in South Africa of circa 400 million, and we've got additional debt that has been incurred in the Americas operation of 400 million. Now, just to refresh the memories, and it's disclosed in our press release, is that the Americas agreed new financing facilities with TD Bank, as part of that they incurred a term loan over a period of four years. Some of those loan proceeds have been paid over to South Africa to reduce the debt in the South African operations, but the debt levels in the Americas is no higher than what it's been five years ago, and pre COVID, and they've managed to

service their debt through COVID, and through tough times, but the total corporate debt in the group is sitting at 800. So in terms of gearing ratios, corporate debt sitting at 51%, we do expect that to come down, and as we repay our debts, and get those debt levels down, but the total gearing ratio is 81%, but as I mentioned, you know, if self servicing debt increases by another 300 million, but it's repaid by profits, by the revenue on the contract, not profits in the group, I'm not concerned. It's the corporate deadline item that we do need to keep an eye on, and that concludes the financial section.

HENRY LAAS

Thank you very much, Daniel. We will shortly get to a Q and A session, but before we do, let me just wrap up this presentation. I think the first point, the first takeaway, is that Murray & Roberts is a different company to what it's been in the past. It has been re-engineered, revitalized and refocused, and the board and the leadership team and all our employees are committed to achieve strong growth for the company moving forward. In terms of our sustainable capital structure, we believe we've made meaningful progress. The corporate debt did come down, as Daniel has explained. At the group level, we reported a total net cash position as opposed to a net debt position, as per the prior period. We've reached an agreement with South African lenders to repay the remaining debt of 409 million in January 2026, and we remain committed to refinance this debt, and negotiations with potential funders are continuing. Our financial performance is certainly not at the level where we want it to be, but it is a strong improvement relative to the prior reporting period. The discontinued operation, costs are expected to come further down in 2025, other than the accounting for the foreign currency translation reserve, and that is subject to the close out of the Middle East operations. As we've mentioned before, this is a non-cash item. It does not impact equity or net asset value. It is purely a foreign currency translation reserve that needs to work through the income statement, and we will do so when we have exited the Middle East. Now, the Middle East assets, are assets and liabilities held for sale. We still have a binding sale and purchase agreement in play, but we're getting to a stage that unless that is successfully sold, those businesses, we will probably move towards a liquidation position. But whether we sell it or whether we liquidate it, it's not going to have any impact on our financial statements, other than for the foreign currency translation reserve that will have to be processed. Our order book, up from where it was before is creating potential for us to improve our results into financial year 2025, and we do believe that we could get to pre-pandemic levels of earnings as from 2027, in other words, not this financial year or the next financial year, but the year thereafter. Our estimates indicate that we should be able to return to pre-pandemic earnings levels. Before I hand over to Ed to facilitate the Q and A session for us, I think I would like to make use of this opportunity to thank our stakeholders, and this includes our shareholders, our creditors, our clients, and all our employees, for their support during these difficult times, and we look forward to rely on your support as we move into the new financial year, and as I've mentioned earlier on, our liquidity will remain under pressure until we reach a point where we have refinanced the remaining debt in South Africa, and we have repaid the 409

million to the South African banking consortium. Ladies and gentlemen thank you very much. I'm going to hand over to Ed now, and Ed, if you could facilitate the Q and A for us, please.

ED JARDIM

Thank you very much. Henry, Daniel. Just a reminder to our stakeholders, if you'd like to ask a question, there's a button to the top left of your screen called questions. Please click on that, your question will come through to us here in the room, which we'll then answer. We received a couple of questions, Daniel, if I can perhaps start with you. The gross cash is one 6 billion, net cash circa 400 million, given the strong cash position, can't Murray & Roberts pay off SA debt, given available cash, if the North American business pays a dividend to SA, and if not possible, does that mean that not all cash is available to the group. Thank you, Daniel,

DANIEL GROBLER

Thank you, Ed. So not all cash is available to the group. As I've mentioned, there's about 475 cash that will unwind in the new financial year. So there's a few elements that Cementation needs, America's needs to cater for. The first is that they've got intra month movements within the month, which is about 30 million Canadian dollars, where you incur expenses, but you only get paid later in the month by the client. Then there's additional cash required for the ramp up of the Mexican new contract that we secured, and they do need cash for new projects. They are expecting new contracts, other than the Mexican contract to be secured. So they do need working capital to be secured going forward. Now, the dividend policy out of the Americas is, they pay 50% after tax profit as a dividend back to Murray & Roberts. There's number of dividends that have been paid to the Murray & Roberts group to settle the SA lenders, but there's not much scope left to utilize. So even though the cash is unencumbered, it will be used for growth in the Americas business, which is currently doing quite well, and there are future dividends coming into the group, but it's not immediate. So, it's, the 1.6 billion is inflated by about 475 million, and then there’s working capital required going forward.

ED JARDIM

Thank you. Daniel, another question to you, please, free cash flow to equity in FY 24 appears to be around R1.50 per share. Is this correct, and are there any one off items that boosted FY 24 free cash flow.

DANIEL GROBLER

So if you look at free cash flow, we take EBITDA, we deduct, or add working capital movements. We've got interest payments, tax, and Capex that has been incurred, now that comes to about 150, which is correct, that has been again inflated in the working capital movement, where some of the cash generated in working capital, will unwind in the new financial year. So if you adjust your free cash flow, the number will come down quite, quite significantly, to maybe about 50 cents to 70 cents.

ED JARDIM

Thank you. Daniel, one final question for you, please, guidance that the group targets a return to pre-covid earnings per share. Please can you provide a target EPS number, could it be around R1.00 per share.

DANIEL GROBLER

It could be, so pre-covid earnings, but that included both Clough and RUC, were between 7 and 800 million, and then you've got to deduct interest and tax. So it could be close to R1.00, slightly north of R1.00.

ED JARDIM

Thank you, Daniel. Perhaps Henry, a question for you. Could you please provide some guidance on the Optipower GP margin.

HENRY LAAS

Ja, the Optipower GP margin is a function of, in the first instance, the margins that we tender at. And I don't want to disclose publicly at what level of margin do we submit our tenders, but we do expect the Optipower business to achieve a margin of around 10%, maybe 11% at the GP level, and that is after taking into consideration the operational risk that, that needs to be accounted for and deducted from the tendered margin.

ED JARDIM

Henry, perhaps a three-part question on the Middle East, can you add more color on the Middle East contingent liability, that's question number one. Question number two, could you please clarify what does the back-to-back arrangement refer to. And three, finally, do you have any update on any court proceedings with regards to the contingent liability.

HENRY LAAS

Ja. The contingent liability relates to a project that we completed in Abu Dhabi in 2018, the El-Mafraq Hospital. It was commissioned and handed over to the client before COVID, and during the COVID period, it was it was fully occupied. Notwithstanding that, in 2021 the client decided to call our bonds on this project, and the bonds were paid out by a bank that issued these bonds, and obviously that moved our joint venture account into a deficit, and the bank, which paid out these bonds, are now claiming, that value from the joint venture that built the project, and Murray & Roberts is a 33% partner in that joint venture. Now our position on that is, is that there was no actual basis for the bonds to be called. The hospital was handed over, and it was operational pre-covid, and these bonds were called subsequent to that. So there was no factual basis for these bonds to be called. And

secondly, we also believe that the bank that paid out these bonds didn't follow the correct procedures in doing so. As far as the back-to-back arrangement is concerned, we believe that this is not a claim against Murray & Roberts, it is actually a claim against the client. The client has been the recipient of this cash, which we believe was not paid out correctly. So the claim is not against Murray & Roberts, the claim must actually be against the client. Now that matter has been brought by the bank, that in cash, these bonds have been brought against Murray & Roberts Limited here in South Africa, in the High Court, and the reason for that is that the company in Abu Dhabi, which built this project in joint ventures with others, is a subsidiary of Murray & Roberts Limited, and Murray & Roberts Limited issued parent company guarantees against the bonds that were provided by the bank. So they are pursuing Murray & Roberts for each 33% share of the value of the bonds that were paid out. Now we don't believe there's any legal reason, or right, that the bank has to recover those monies from Murray & Roberts, that's also on the strength of the legal advice that we've received here in South Africa. In terms of progress with this court case, what we have achieved thus far, is to join the client to these court proceedings. In other words, it's not only between the bank and Murray Roberts Limited, but it's also now the client which has been joined to these proceedings, on the basis that we believe, if the money has to be repaid to the bank, it has to be repaid by the client, who we believe have called on those bonds incorrectly. We don't think that this matter will be settled in the courts soon. We think it will be a drawn-out process, and it may take several years before it is eventually decided.

ED JARDIM
Thank you very much, Henry, just another question for you, please. To what extent does Murray & Roberts expect improved political stability in terms of the government of national unity, and any expected uplift in construction or infrastructure projects to benefit the group.

HENRY LAAS
Ja, Murray & Roberts is no longer a construction company, so we're not really going to benefit from any future investment in infrastructure projects, apart from the investment that need to flow from, through Eskom. Now, I think the government of national unity has brought some stability, and I think some, it has increased the, or reduced the risk for potential investors into South Africa. But as I said, our opportunity is essentially through Optipower to undertake work that Eskom would bring to market. And as we all know, the power generation capacity of South Africa is under significant pressure, so investment in renewable energy will continue to address this pressure point, and we also believe that the transmission sector requires significant investment, first of all, to upgrade the existing lines, but secondly, also to provide new capacity for the renewable projects that are currently under construction and those that will be built into the future.

ED JARDIM

Thank you, Henry. Daniel, a question for you, please, very strong cash generation, excluding working capital, going forward, is the total working capital drag expected to be the 400 million swing that Henry mentioned earlier, or is there more.

DANIEL GROBLER

The swing that we mentioned is a 475, that we expect to flow out. The operations in South Africa are bid on a cash neutral basis, or cash positive. So we don't expect outflows in the South African operations. In the Americas, as we said, they normally bid on a cash negative basis for the first three to four months, on their contracts, but thereafter they return to profitability. So on a normalized basis, you would see a neutral working capital going forward, but at the moment, because of these advanced payments coming in and flowing out, and some of the early advances that we received, in the new financial year there will be a bit of an outflow, but on a normalized basis, it should be neutral to slightly positive.

ED JARDIM

Thank you, Daniel. Henry, looking at the time distribution slide of the order book, you're looking at Optipowers order book, and nothing much showing for the next two financial years. Can you provide any commentary on Optipower's ability to improve its order book.

HENRY LAAS

Yes, I think the opportunity is there. As I've mentioned, a significant position for Optipower is that it has been selected to serve on these panels that will respond to inquiries that Eskom will bring to market for transmission lines and for substations, and we believe that there will be opportunity for Optipower in that regard. I must say that in the recent past, we have, on a few projects, achieved a position of preferred bidder, but we weren't able to close those projects out due to the fact that we had not yet concluded our refinancing of the remaining debt in South Africa. So reaching that point, I think, it’s also important for the group as a whole, because as soon as we get to that point, we will find that the chances of us being successful as a bidder on projects through Optipower, will also increase.

Just to add to the answer that Daniel gave on the earlier question regarding working capital and whether that's going to move out, and what the extent of that's going to be. As I mentioned during earlier part of the presentation, our South African businesses, we are operating under quite a bit of pressure from a liquidity point of view, due to the fact that we don't really have working capital facilities available. And as we all know, in business, sometimes you get maybe paid late by a client, by a week or two or three, as you try to resolve, or to agree a certificate, and that introduces quite a bit of stress into the system. So from a liquidity point of view, we will continue to operate in South Africa

under pressure, until we have refinanced the 409 million debt, or until the South African banking consortium has been repaid.

ED JARDIM
Thank you, Henry. A question for Daniel, and just picking up on your last point about Optipowers ability to secure projects, or be preferred bidders on projects. Can we assume that the delayed refinancing and restrictions on liquidity has affected Murray & Roberts ability to provide guarantees, and secure renewable energy and transmission line projects. If this is the case, it seems unlikely that Murray & Roberts group will be able to prove profitability and resolve the tax issue. When is the tax issue expected to be resolved. Thank you. Daniel.

DANIEL GROBLER
So, the ability to secure bonding facilities is not the issue. We have got capacity in terms of bonding. It's in terms of day-to-day liquidity, as Henry mentioned. So in the previous financial year, we've had liquidity constraints, which led to delays in procurement, and that is where the issue is. Now we believe that within two weeks, that would be resolved, and liquidity on the projects would be restored, but, so the bonding capacity does not impact the group. In terms of transmission lines, we haven't lost the job as yet, with regards to liquidity constraints, the jobs we've lost are due to the fact that the group hasn't secured a refinance with the banks, or a new financier in the group. Now, there are a large number of tenders out with Eskom. We've got about 6 tenders that are on adjudication. So if those tenders are awarded, we one of but a few handful contractors in the country that can actually execute that work. So we do expect some of that work to flow in, but the timing thereof may be questionable in FY 25, but there's a significant improvement in the mining platform expected in the new financial year. So Optipower is a small contributor in terms of earnings for the group. So we do believe that the growth in earnings would come from Cementation Africa, and Cementation Americas, and as long as they produce, even if Optipower comes in with the break-even results, your effective tax rate will come down. So it will come down some in FY 25, but by FY 26 we should get into the realms of a mid 30s to slightly higher 30s tax rate.

ED JARDIM
Thank you very much, Henry, thank you, Daniel. That concludes the questions on the webcast. So thank you very much for answering those, and thank you to our stakeholders for the questions. Henry, over to you to wrap up, please.

HENRY LAAS
Thank you very much. And again, I would like to repeat my thanks to our creditors, employees, shareholders, and all other stakeholders for the support during the past year or two years, which have been difficult for Murray & Roberts, and we really appreciate that. Maybe just as a final comment, I did

mention earlier that we've established Cementation APAC in Perth, as a mining company to provide services into the Asia Pacific market. And I'm very pleased to say that we have very recently reserved our first tender to respond to. It is quite a significant scope of work, and we will respond to that tender as a joint venture between Cementation APAC, and one of our mining companies in the Americas.

ED JARDIM
Thank you very much, Henry, thank you, Daniel, with that, we conclude the results presentation. Thank you very much for your time in viewing the webcast. Thank you.

HENRY LAAS
Thank you very much.

DANIEL GROBLER
Thank you.