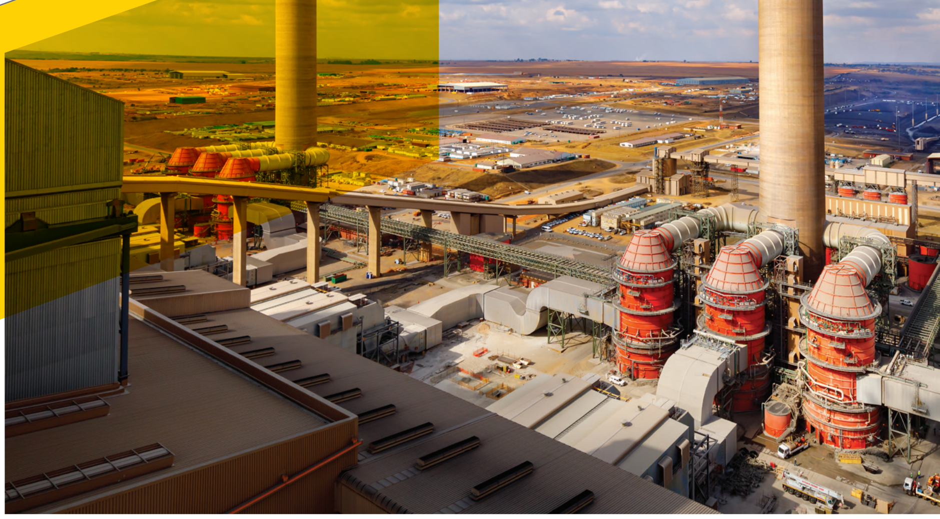
2022 Interim Results

for the six months ended
31 December 2021

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021



SALIENT FEATURES

R61,1 BILLION (FY2021 H1: R60,5 billion)	Significant, quality order book
R12,8 BILLION (FY2021 H1: R19,9 billion)	Robust near orders
R74,3 BILLION (FY2021 H1: R94,7 billion) Circa R20 billion on a sole-tender basis	Category 1 project pipeline
0.42 IMPROVED (FY2021 H1: 1.00)	Lost-time injury frequency rate improved. No fatal incidents occurred

Strong growth in revenue and earnings from continuing operations

Consistent with previous years, the Group does not pay interim dividends. The board of directors of the Company ("Board") considers a dividend on an annual basis, post year end.

FINANCIAL RESULTS

R13,3 BILLION (FY2021 H1: R10,8 billion)	Revenue from continuing operations
R337 MILLION (FY2021 H1: R117 million)	Earnings before interest and tax from continuing operations
R55 MILLION (FY2021 H1: R167 million loss)	Attributable earnings
29 CENTS (FY2021 H1: 8 cents loss per share)	Diluted headline earnings per share from continuing operations
R0,9 BILLION (FY2021 H1: R0,3 billion)	Cash, net of debt, improved
R13 PER SHARE (FY2021 H1: R11 per share)	Net asset value

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

Murray & Roberts

STAKEHOLDER REPORT – SIX MONTHS TO DECEMBER 2021#

Murray & Roberts has a proud history of more than a century as an engineering and contracting group and is recognised today as a multinational organisation. The Group's purpose is to enable clients' fixed capital investments that support the advancement of sustainable human development.

The Group's approach to sustainable value creation is embedded in its Values-led culture of *Engineered Excellence*. The Group designs and delivers projects that are financially viable and that create value for the Company and all its stakeholders, while safeguarding environmental sustainability through increased awareness and responsible use of natural resources.

The Group's exposure to the natural resources, industrial, energy, water and infrastructure markets, and its strong order book from those markets, holds the potential for meaningful earnings growth in FY2022 and in the medium term.

FINANCIAL REPORT

The Group is pleased to report strong growth in revenue and earnings in the period under review. The business impact of the COVID-19 pandemic and related restrictions has continued into FY2022, mainly in the Group's American and Australasian operations. Areas of impact include the timing of new work awards, changes to project schedules, and disruption of supply chains. The Group is actively managing these challenges.

The Group currently generates revenue from its order book of between R2,0 billion and R2,5 billion per month and is maintaining the order book value at record levels of about R60 billion through the systematic addition of new project awards.

Over the next three years, the Group expects most of its revenue and earnings to be generated by its two international business platforms, being the Mining and the Energy, Resources & Infrastructure platforms. Both platforms have established credible positions in regions and sectors with sustainable growth prospects. South Africa's renewable energy sector is expected to provide opportunity for the Power, Industrial & Water platform to return to profitability in the medium term.

Financial Results

Revenue from continuing operations increased to R13,3 billion (FY2021 H1: R10,8 billion), of which circa 85% was generated from international markets. The Group reported strong growth in earnings before interest and tax from continuing operations, to R337 million (FY2021 H1: R117 million). The Group's operating margin of 2.5% is below the targeted range of between 3% to 5%, due to the continued impact of COVID-19 on efficiencies. Diluted continuing headline earnings per share increased to 29 cents (FY2021 H1: 8 cents loss per share).

The effective tax rate remains high at 50%, but significantly down on the 73% reported for FY2021. The high tax rate is mainly due to withholding tax in foreign jurisdictions, as well as losses incurred in tax entities where future taxable earnings are uncertain, and no deferred tax assets could thus be recognised on these losses. The Group expects that the tax rate will continue to decrease to more acceptable levels in the medium term.

Earnings attributable to ordinary shareholders increased to R55 million (FY2021 H1: R167 million loss).

Cash, net of debt, improved to R0,9 billion (FY2021 H1: R0,3 billion). Cash is expected to reduce during FY2022 H2, as certain project milestone payments will be delayed into FY2023, essentially due to the continuing widespread impact of the pandemic on supply chains, and restrictive labour regulations, slowing down project progress.

The Group is pleased with the continued strength of its order book at R61,1 billion (FY2021 H1: R60,5 billion) and expects further growth in the order book throughout the 2022 calendar year.

Dividend

Consistent with previous years, the Group does not pay interim dividends. The board of directors of the Company ("Board") considers a dividend on an annual basis, post year end.

ORDER BOOK, NEAR ORDERS AND PROJECT PIPELINE

The Group reported a strong order book of R61,1 billion (FY2021 H1: R60,5 billion), which includes several multi-year contracts. The project pipeline includes robust near orders of R12,8 billion (FY2021 H1: R19,9 billion) and Category 1 project opportunities of R74,3 billion (FY2021 H1: R94,7 billion), of which circa R20 billion is being negotiated on a sole-tender basis.

		Pipeline			
R billions	Order book	Near orders	Category 1	Category 2	Category 3
Energy, Resources & Infrastructure	38,4	–	40,3	32,5	800,6
Mining	22,2	11,6	27,3	27,2	34,2
Power, Industrial & Water	0,5	1,2	6,7	32,6	9,0
31 December 2021	**61,1**	**12,8**	**74,3**	**92,3**	**843,8**
30 June 2021	**60,7**	**11,1**	**84,1**	**94,7**	**583,9**
31 December 2020	**60,5**	**19,9**	**94,7**	**116,7**	**562,7**

- **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

Energy, Resources & Infrastructure Platform

	North America		EMEA		APAC		Total	
R millions	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
Revenue	**2 640**	1 776	**262**	228	**4 450**	3 147	**7 352**	5 151
Operating profit/(loss)	**14**	88	**6**	1	**195**	(86)	**215**	3
Margin (%)	**1**	5	**2**	–	**4**	(3)	**3**	–
Order book	**5 507**	9 040	**182**	157	**32 689**	32 999	**38 378**	42 196
LTIFR (fatalities)							**0,26(0)**	0,34(0)

This multinational business is mainly focused on the Asia-Pacific region and the Americas. After several years of strategic repositioning to diversify away from its dependence on a single and cyclical market in Australian LNG, the platform recorded a strong result for the period under review.

Revenue and operating profit increased significantly to R7,4 billion (FY2021 H1: R5,2 billion) and R215 million (FY2021 H1: break-even), respectively. The strong order book reduced slightly to R38,4 billion (FY2021 H1: R42,2 billion) and there are currently no near orders (FY2021 H1: R5,0 billion). However, the largest of the Group's Category 1 project opportunities, with an order book contribution of circa R20 billion, is expected to be awarded to this platform in the current financial year.

The order book reflects the platform's thriving target markets, with Australia continuing to invest in resources and infrastructure development. The North American market remains somewhat tentative, and the platform is pursuing a strategy that will diversify its service offering to mirror the expansion of its Australian operations. This has been supported through the acquisition of JJ White Inc., an industrial maintenance and construction services specialist, headquartered in Philadelphia, United States. This strategic investment is presenting potential for market share expansion and is forecast to provide good returns in the medium term.

The platform's order book and market prospects support the expectation of strong earnings growth over at least the next three years.

Mining Platform

	Africa		Australasia		The Americas		Total	
R millions	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	1 955	1 574	1 722	1 536	1 756	1 954	5 433	5 064
Operating profit	62	90	99	32	23	54	184	176
Margin (%)	3	6	6	2	1	3	3	3
Order book	10 049	12 726	4 684	2 163	7 490	3 058	22 223	17 947
LTIFR (fatalities)	0,79(0)	1,91(0)	0,00(0)	1,12(0)	0,00(0)	0,00(0)	0,42(0)	1,28(0)

This multinational business comprises three regional businesses in Africa, the Americas and Australasia. The platform returned a strong result, considering it is the business that has been most impacted by the pandemic, especially in the Americas.

Revenue and operating profit increased to R5,4 billion (FY2021 H1: R5,1 billion) and R184 million (FY2021 H1: R176 million), respectively. The order book increased significantly to R22,2 billion (FY2021 H1: R17,9 billion) and near orders were lower at R11,6 billion (FY2021 H1: R14,7 billion). The platform has done well to grow its order book during the period under review, especially as the Kalagadi Manganese mining project has been excluded from the order book, following the consensual, early termination of the contract. The conclusion of the termination agreement remains subject to lenders' approval, which is expected to be obtained in the current financial year.

The platform is expecting further order book growth, especially from the Americas, during the second half of the current financial year. Due to the timing of these anticipated project awards, the current financial year is not expected to record earnings growth relative to the prior year. Given its high share of regional markets, the platform will continue to pursue acquisitions that will further diversify its earnings.

The forecast for increased capital investment in the mining industry is encouraging, providing support for the expected accelerated earnings growth for the platform as from FY2023.

Power, Industrial & Water Platform

	Power & Industrial		Water		Solar, Transmission & Distribution		Other		Total	
R millions	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue	235	444	11	2	234	109	–	–	480	555
Operating profit/(loss)	29	30	(6)	(13)	(22)	(23)	(66)	(61)	(65)	(67)
Margin (%)	12	7	(55)	(650)	(9)	(21)	–	–	(14)	(12)
Order book	103	85	117	114	247	201	–	–	467	400
LTIFR (fatalities)									1,12(0)	1,20(1)

This sub-Saharan focused platform faces challenging market conditions, however, confidence is starting to build that the renewable energy sector in South Africa will provide opportunity for it to return to profitability in the short to medium term.

Revenue was slightly down at R0,5 billion (FY2021 H1: R0,6 billion) and the platform recorded an operating loss of R65 million (FY2021 H1: R67 million operating loss). The order book increased marginally to R0,5 billion (FY2021 H1: R0,4 billion) and near orders increased significantly to R1,2 billion (FY2021 H1: R0,2 billion).

The platform continues to perform low value maintenance work at Medupi. Several transmission tenders invited by Eskom are under adjudication and it is anticipated that some of these projects will be secured in the short term. In addition, the platform is actively engaging with Independent Power Producers that have been shortlisted for projects as part of the continued investment in the South African renewable energy sector and is confident that several work packages will be secured in the near term.

Wade Walker Solar has been established to pursue industrial photovoltaic opportunities up to 10MW in scale, and has completed its first projects, albeit on a small scale. With the increase in the unlicensed self-generation limit from 10MW to 100MW, this business is likely to see more prospects in the medium term.

The South African water sector requires urgent and major investment in the wastewater sector, although no material investment is yet happening. The platform holds the Africa licence for the environmentally friendly Organica wastewater technology and has relocated its demonstration plant from eThekwini to the V&A Waterfront in Cape Town to supply water to the City of Cape Town under a 10-year contract. This is a significant breakthrough as it will be the first commercialised application of the Organica wastewater technology in South Africa. Significantly eThekwini Municipality have embarked on a Public Private Partnership programme for two wastewater treatment plants and the platform's water business will respond to the Request for Proposal, which is expected in the final quarter of 2022.

Investments

	Bombela Investments	
R millions	2021	2020
Revenue	–	–
Operating profit	102	107

The Group recorded a fair value profit adjustment of R102 million (FY2021 H1: R107 million) on its 50% shareholding in the Bombela Concession Company, that holds the concession for Gautrain.

In February 2022, Gautrain ridership was circa 20 000 passengers per day, compared to circa 16 000 passengers per day as reported in December 2021. The work-from-home strategy by many employers has negatively impacted ridership numbers, however, the Group is encouraged that a return to work for many corporates and an increase in local and international air travel will sustain the current increase in ridership. The potential impact of the pandemic on this investment is assessed on an ongoing basis, with the support of an independent consultant who assists with future ridership modelling.

Discontinued Operations

	Middle East		Other		Total	
R millions	2021	2020	2021	2020	2021	2020
Revenue	–	–	–	25	–	25
Operating loss	(37)	(68)	(31)	(51)	(68)	(119)

The Group recorded a reduced operating loss from discontinued operations of R68 million (FY2021 H1: R119 million loss).

As previously announced, the Group has entered into a sale and purchase agreement for the sale of two of its companies in the Middle East. This transaction remains subject to regulatory approval. As communicated at the FY2021 financial results, a foreign currency translation reserve ("FCTR") adjustment of circa R340 million (based on the exchange rate as at 31 December 2021) will be accounted for as part of discontinued operations, as and when this transaction is concluded. This FCTR adjustment is a non-cash item that will not impact the Group's equity nor its net asset value.

After the conclusion of the sale of these two companies, costs for discontinued operations are expected to reduce significantly, and will mainly be associated with the management of the remaining potential contingent liabilities in the Middle East.

UPDATE ON THE GROUP'S CLAIMS PROCESSES

The Group's uncertified revenue decreased to R0,8 billion (FY2021: R1,3 billion). The Group remains confident that revenue recognised as uncertified will be certified and paid once attendant commercial matters have been resolved.

HEALTH AND SAFETY

The Group believes that safety is a managed outcome and aspires to achieve Zero Harm, a challenging aspiration considering the nature of its project environments. The Group is pleased to report an improved lost-time injury frequency rate of 0.42 (FY2021 H1: 1.00). No fatal incidents occurred.

The COVID-19 pandemic has continued its global affliction on economies, companies, and societies. The global vaccination campaign has marked a turning point in the battle against COVID-19. Murray & Roberts and its clients facilitate access to the vaccine and continues to encourage and educate employees on the benefits of being vaccinated. Apart from maintaining relevant precautionary measures, further support is provided to employees to assist them in dealing with the mental and emotional impacts of the pandemic.

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

GROUP ESG PERFORMANCE

Current expectations from stakeholders around the world, include a requirement for organisations to significantly improve their environmental, social and governance ("ESG") outcomes, and these outcomes are important as they are being factored into capital allocation or investment decisions by financial institutions and investors.

In FY2021, CEN-ESG, based in the United Kingdom, assessed the Group's ESG performance and disclosure, providing a baseline for further improvement. The Group scored 31.5 out of 100, with the average score for the industrials sector being 30.2. Through enhancements to the measurement and disclosure of practices, the Group is expected to further exceed the global average in ESG performance for its sector. The average score for best-in-class FTSE100 companies was 57.4 at this time.

From this baseline, the Group will continue to align its practices, performance measures and reporting, to relevant international reporting frameworks.

CHANGES TO THE BOARD

There were no changes to the Board during the period under review.

PROSPECTS STATEMENT

The Group's economic future is global and diverse, with strong prospects for meaningful growth. Murray & Roberts is well positioned to enable and optimise the capital investments that corporations, governments, and institutions will need to undertake to support sustainable human development, as the world emerges from the pandemic. The Group's order book reflects these pressing global development needs, as well as significant opportunities in international markets.

The Group's strategic efforts, especially over the past five years, are starting to bear fruit. Its large order book and financial results for this period, supports its confidence in a multi-year period of strong earnings growth.

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**	**Daniël Grobler**
Chairman of the Board	Group Chief Executive	Group Financial Director

Bedfordview
2 March 2022

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MURRAY & ROBERTS HOLDINGS LIMITED
Registration number: 1948/029826/06

DIRECTORS
SP Kana* (Chairman), HJ Laas (Managing & Chief Executive), DF Grobler, JA Boggenpoel*, R Havenstein*, NB Langa-Royds*, AK Maditsi*, B Mawasha*, DC Radley* and 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 six months ended 31 December 2021.

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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.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

for the six months ended 31 December 2021

R millions	Reviewed 6 months to 31 December 2021	Reviewed 6 months to 31 December 2020	Annual 30 June 2021
Continuing operations			
Revenue (note 2)	**13 267**	10 772	21 882
Profit before interest, depreciation and amortisation	**803**	555	1 423
Depreciation	**(423)**	(398)	(806)
Amortisation of intangible assets	**(43)**	(40)	(77)
Profit before interest and taxation (note 3)	**337**	117	540
Interest expense	**(103)**	(115)	(241)
Interest income	**13**	14	33
Profit before taxation	**247**	16	332
Taxation expense	**(124)**	(66)	(243)
Profit/(loss) after taxation	**123**	(50)	89
Loss from equity accounted investments	**–**	–	(1)
Profit/(loss) from continuing operations	**123**	(50)	88
Loss from discontinued operations (note 4.1)	**(68)**	(117)	(255)
Profit/(loss) for the period	**55**	(167)	(167)
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	**55**	(167)	(180)
– Non-controlling interests	**–**	–	13
	55	(167)	(167)
Earnings/(loss) per share from continuing and discontinued operations (cents)			
– Diluted	**14**	(42)	(45)
– Basic	**14**	(42)	(46)
Earnings/(loss) per share from continuing operations (cents)			
– Diluted	**30**	(13)	18
– Basic	**31**	(13)	19

Refer to note 5 for the reconciliation of weighted average number of shares and note 6 for headline earnings/(loss) per share.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2021

R millions	Reviewed 6 months to 31 December 2021	Reviewed 6 months to 31 December 2020	Annual 30 June 2021
Profit/(loss) for the period	**55**	(167)	(167)
Items that will not be reclassified subsequently to profit or loss:			
Effects of remeasurements on retirement benefit obligations	**–**	–	7
Items that will be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations	**483**	(315)	(437)
Total comprehensive income/(loss) for the period	**538**	(482)	(597)
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	**541**	(484)	(613)
– Non-controlling interests	**(3)**	2	16
	538	(482)	(597)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2021

R millions	Reviewed at 31 December 2021	Reviewed at 31 December 2020	Annual 30 June 2021
ASSETS			
Non-current assets	**8 104**	7 021	7 101
Property, plant and equipment	**4 131**	3 386	3 548
Goodwill (note 7)	**1 370**	1 122	1 102
Deferred taxation assets	**575**	693	609
Investments in associate companies	**2**	24	2
Other non-current assets (note 9)	**2 026**	1 796	1 840
Current assets	**12 152**	11 697	11 805
Inventories	**518**	388	407
Trade and other receivables	**2 176**	2 247	2 054
Amounts due from contract customers (note 8)	**5 351**	5 574	5 545
Taxation assets	**50**	37	36
Cash and cash equivalents	**4 022**	3 380	3 697
Other current assets	**35**	71	66
Assets classified as held for sale (note 4.3)	**914**	33	833
TOTAL ASSETS	**21 170**	18 751	19 739
EQUITY AND LIABILITIES			
Total equity	**5 613**	5 092	4 985
Attributable to owners of Murray & Roberts Holdings Limited	**5 592**	5 083	4 961
Non-controlling interests	**21**	9	24
Non-current liabilities	**1 158**	1 216	1 040
Long-term liabilities[1]	**902**	927	786
Long-term provisions	**47**	52	45
Deferred taxation liabilities	**130**	135	110
Other non-current liabilities	**79**	102	99
Current liabilities	**13 556**	12 443	12 942
Amounts due to contract customers (note 8)	**4 838**	4 969	4 229
Trade and other payables	**6 439**	5 222	6 361
Taxation liabilities	**96**	66	126
Bank overdrafts[1]	**1 394**	1 267	1 430
Short-term liabilities[1]	**789**	919	796
Liabilities classified as held for sale (note 4.3)	**843**	–	772
TOTAL EQUITY AND LIABILITIES	**21 170**	18 751	19 739

[1] *Interest-bearing borrowings.*

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 31 December 2021

R millions	Reviewed 6 months to 31 December 2021	Reviewed 6 months to 31 December 2020	Annual 30 June 2021
Cash generated by operations	**1 049**	1 501	2 878
Interest received	**12**	16	35
Interest paid	**(100)**	(113)	(231)
Taxation paid	**(156)**	(202)	(288)
Taxation refund	**2**	13	28
Operating cash flow	**807**	1 215	2 422
Net cash inflow from operating activities	**807**	1 215	2 422
Purchase of intangible assets other than goodwill	**(59)**	(14)	(35)
Purchase of property, plant and equipment	**(429)**	(542)	(1 154)
– Replacements	**(35)**	(23)	(46)
– Additions	**(688)**	(637)	(1 316)
– Acquisition of assets by means of a lease (non-cash)	**294**	118	208
Proceeds on disposal of property, plant and equipment	**17**	26	50
Proceeds on disposal of intangible assets other than goodwill	**–**	4	–
Payment for acquisition of subsidiaries, net of cash acquired~	**(288)**	(6)	(6)
Acquisition of associate	**–**	(23)	–
Dividends received from the Bombela Concession Company	**155**	–	–
Proceeds on disposal of assets held for sale	**3**	–	–
Other	**–**	1	1
Net cash outflow from investing activities	**(601)**	(554)	(1 144)
Disposal of treasury shares	**72**	14	21
Acquisition of treasury shares	**(5)**	(75)	(77)
Net movement in borrowings	**(221)**	(515)	(798)
– Loans raised	**147**	57	614
– Loans repaid	**(214)**	(313)	(931)
– Leases repaid	**(154)**	(259)	(481)
Net cash outflow from financing activities	**(154)**	(576)	(854)
Total increase in net cash and cash equivalents	**52**	85	424
Net cash and cash equivalents at beginning of period	**2 291**	2 304	2 304
Effect of foreign exchange rates	**306**	(276)	(437)
Net cash and cash equivalents at end of period^	**2 649**	2 113	2 291
^Cash and cash equivalents balance comprises:			
– Cash	**4 022**	3 380	3 697
– Reclassification to held for sale	**21**	–	24
– Overdraft	**(1 394)**	(1 267)	(1 430)

~ Refer to note 16 for details relating to the business acquisition for the period.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2021

R millions	Stated capital	Other reserves	Retained earnings	**Attributable to owners of Murray & Roberts Holdings Limited**	Non-controlling interests	**Total equity**
Balance at 1 July 2020	2 596	1 621	1 394	**5 611**	8	**5 619**
Total comprehensive (loss)/income for the period	–	(317)	(167)	**(484)**	2	**(482)**
Treasury shares acquired	(75)	–	–	**(75)**	–	**(75)**
Treasury shares disposed	14	–	–	**14**	–	**14**
Recognition of share-based payment	–	17	–	**17**	–	**17**
Utilisation of share-based payment reserve	20	(20)	–	**–**	–	**–**
Acquisition of businesses	–	–	–	**–**	(1)	**(1)**
Balance at 31 December 2020 (Reviewed)	2 555	1 301	1 227	**5 083**	9	**5 092**
Total comprehensive (loss)/income for the period	–	(116)	(13)	**(129)**	15	**(114)**
Treasury shares acquired	(1)	–	–	**(1)**	–	**(1)**
Treasury shares disposed	7	–	–	**7**	–	**7**
Recognition of share-based payment	–	1	–	**1**	–	**1**
Transfer from retained earnings	–	2	(2)	**–**	–	**–**
Balance at 30 June 2021	2 561	1 188	1 212	**4 961**	24	**4 985**
Total comprehensive income/(loss) for the period	–	486	55	**541**	(3)	**538**
Treasury shares acquired	(5)	–	–	**(5)**	–	**(5)**
Treasury shares disposed	72	–	–	**72**	–	**72**
Recognition of share-based payment	–	23	–	**23**	–	**23**
Utilisation of share-based payment reserve	37	(37)	–	**–**	–	**–**
Balance at 31 December 2021 (Reviewed)	2 665	1 660	1 267	**5 592**	21	**5 613**

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

for the six months ended 31 December 2021

R millions	Reviewed 6 months to 31 December 2021	Reviewed 6 months to 31 December 2020	Annual 30 June 2021
Revenue[2]			
Bombela	–	–	–
Power, Industrial & Water	480	555	978
– Construction contracts	392	555	947
– Sale of goods	88	–	31
Mining	5 433	5 064	9 536
– Construction contracts	5 373	4 991	9 191
– Rendering of services	60	73	345
Energy, Resources & Infrastructure	7 352	5 151	11 365
– Construction contracts	7 085	4 907	10 854
– Other	267	244	511
Corporate & Properties	2	2	3
– Properties	2	2	3
Continuing operations	13 267	10 772	21 882
Discontinued operations	–	25	35
	13 267	10 797	21 917
Continuing operations			
Profit/(loss) before interest and taxation[3]			
Bombela	102	107	209
Power, Industrial & Water	(65)	(67)	(175)
Mining	184	176	473
Energy, Resources & Infrastructure	215	3	227
Corporate & Properties	(99)	(102)	(194)
Profit before interest and taxation	337	117	540
Interest expense	(103)	(115)	(241)
Interest income	13	14	33
Profit before taxation	247	16	332
Discontinued operations			
Loss before interest and taxation[3]	(68)	(119)	(256)
Interest expense	–	–	(1)
Interest income	–	2	2
Loss before taxation	(68)	(117)	(255)

[2] Revenue is disclosed net of inter-segmental revenue. Inter-segmental revenue for the Group is R43 million (FY2021 H1: R30 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.

CONDENSED SEGMENTAL ASSETS (CONTINUING & DISCONTINUED)

at 31 December 2021

R millions	Reviewed at 31 December 2021	Reviewed at 31 December 2020	Annual 30 June 2021
Bombela	1 384	1 334	1 438
Power, Industrial & Water	723	818	840
Mining	5 676	5 431	5 143
Energy, Resources & Infrastructure	7 477	6 002	6 826
Corporate & Properties[4]	141	157	119
Continuing operations	15 401	13 742	14 366
Discontinued operations[5]	1 122	899	1 031
	16 523	14 641	15 397
Reconciliation of segmental assets			
Total assets	21 170	18 751	19 739
Deferred taxation assets	(575)	(693)	(609)
Current taxation assets	(50)	(37)	(36)
Cash and cash equivalents	(4 022)	(3 380)	(3 697)
	16 523	14 641	15 397

CONDENSED SEGMENTAL LIABILITIES (CONTINUING & DISCONTINUED)

at 31 December 2021

R millions	Reviewed at 31 December 2021	Reviewed at 31 December 2020	Annual 30 June 2021
Bombela	215	258	264
Power, Industrial & Water	506	478	492
Mining	3 216	2 954	2 761
Energy, Resources & Infrastructure	8 528	7 194	8 077
Corporate & Properties[4]	425	378	411
Continuing operations	12 890	11 262	12 005
Discontinued operations[5]	1 047	929	1 084
	13 937	12 191	13 089
Reconciliation of segmental liabilities			
Total liabilities	15 557	13 659	14 755
Deferred taxation liabilities	(130)	(135)	(110)
Current taxation liabilities	(96)	(66)	(126)
Bank overdrafts	(1 394)	(1 267)	(1 430)
	13 937	12 191	13 089

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

[5] Discontinued operations include the Middle East Operation 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, energy, resources & infrastructure 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 condensed consolidated interim financial statements for the period ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standard IAS 34: Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The condensed consolidated interim financial statements were compiled under the supervision of DF Grobler CA(SA), Group financial director.

The accounting policies applied in the preparation of these results are in accordance with International Financial Reporting Standards ("IFRS") and are consistent in all material respects with those applied in the audited consolidated financial statements for the year ended 30 June 2021.

The independent auditor's review has been conducted in accordance with International Standards on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor, PricewaterhouseCoopers Inc., and their unmodified review report is available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors. The auditor's review report does not report on all of the information contained in this announcement/financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report together with the accompanying financial statements from the registered office.

The information presented in the condensed consolidated interim financial statements represents reviewed results for the six-month periods ended 31 December 2021 and 31 December 2020. The comparative information presented in respect of the year ended 30 June 2021, has been derived from the audited consolidated annual financial statements for the year then ended. A copy of the auditor's report, together with the audited consolidated annual financial statements for the year ended 30 June 2021, is available for inspection at the registered office.

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	31 December 2021	31 December 2020	30 June 2021
Construction contracts (over time)	**12 850**	10 453	20 992
Sale of goods (point in time)	**88**	–	31
Rendering of services (over time)	**60**	73	345
Properties (over time)	**2**	2	3
Other revenue[6] (over time)	**267**	244	511
	13 267	10 772	21 882

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

[6] Other revenue includes the provision of labour, information technology and other services to joint arrangements.

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

R millions	31 December 2021	31 December 2020	30 June 2021
South Africa	**2 120**	2 007	4 123
Rest of Africa	**316**	124	301
Australasia & South East Asia	**6 455**	4 911	10 003
North America & other	**4 376**	3 730	7 455
	13 267	10 772	21 882

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

3. PROFIT BEFORE INTEREST AND TAXATION

R millions	31 December 2021	31 December 2020	30 June 2021
Items by function			
Revenue	**13 267**	10 772	21 882
Cost of sales	**(11 854)**	(9 632)	(19 340)
Distribution and marketing expenses	**(18)**	(10)	(20)
Administration costs	**(1 261)**	(1 258)	(2 529)
Other operating income	**203**	245	547
Profit before interest and taxation	**337**	117	540

Depreciation of R317 million is included in cost of sales and R106 million in administration costs.

Amortisation of R10 million is included in cost of sales and R33 million in administration costs.

4. ASSETS AND LIABILITIES HELD FOR SALE AND DISCONTINUED OPERATIONS

Discontinued operations in the current period comprise the Middle East Operations, businesses included within the previous Southern Africa Infrastructure & Buildings Platform and the Genrec operations.

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. Towards the end of the prior financial year, the Group entered into discussions with a UAE-based investment company to dispose of its investments in Murray & Roberts Contractors (Abu Dhabi) LLC and Murray & Roberts Contractors (Middle East) LLC (which together constitute a significant part of its Middle East Operations). By 30 June 2021, the discussions 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.

At 31 December 2021, the sale and purchase agreement had been concluded and the transfer of shares to SALD is pending regulatory approval. The Middle East Operations continue to meet the criteria to be classified as a disposal group held for sale in terms of IFRS 5. Included in the current period loss from discontinued operations are operating costs incurred in the Middle East of R37 million.

4.1 LOSS FROM DISCONTINUED OPERATIONS

R millions	31 December 2021	31 December 2020	30 June 2021
Revenue	**–**	25	35
Loss before interest, depreciation and amortisation	**(68)**	(119)	(256)
Depreciation and amortisation	**–**	–	–
Loss before interest and taxation	**(68)**	(119)	(256)
Interest expense	**–**	–	(1)
Interest income	**–**	2	2
Loss before taxation	**(68)**	(117)	(255)
Taxation	**–**	–	–
Loss after taxation	**(68)**	(117)	(255)
Income from equity accounted investments	**–**	–	–
Loss from discontinued operations	**(68)**	(117)	(255)
Attributable to:			
– Owners of Murray & Roberts Holdings Limited	**(68)**	(117)	(254)
– Non-controlling interests	**–**	–	(1)
	(68)	(117)	(255)

4.2 CASH FLOWS FROM DISCONTINUED OPERATIONS INCLUDE THE FOLLOWING:

R millions	31 December 2021	31 December 2020	30 June 2021
Cash flow from operating activities	**(156)**	(21)	(154)
Cash flow from investing activities	**–**	–	–
Cash flow from financing activities	**–**	–	–
Net decrease in cash and cash equivalents	**(156)**	(21)	(154)

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.

R millions	31 December 2021	31 December 2020	30 June 2021
Major classes of assets comprising the assets held for sale			
Property, plant and equipment	**27**	–	28
Other receivables	**4**	–	4
Investment in joint ventures	**33**	33	33
Amounts due from contract customers	**829**	–	744
Cash and cash equivalents	**21**	–	24
	914	33	833

R millions	31 December 2021	31 December 2020	30 June 2021
Major classes of liabilities comprising the liabilities held for sale			
Trade and other payables	**177**	–	159
Subcontractor liabilities	**26**	–	62
Short-term borrowings	**640**	–	551
	843	–	772

5. WEIGHTED AVERAGE NUMBER OF SHARES

	31 December 2021	31 December 2020	30 June 2021
Number of ordinary shares in issue ('000)	**444 736**	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	444 736
Less: Weighted average number of shares held by the Letsema BBBEE trusts	**(30 910)**	(31 696)	(31 696)
Less: Weighted average number of shares held by the subsidiary companies	**(18 201)**	(17 688)	(19 379)
Weighted average number of shares used for basic per share calculation	**395 625**	395 352	393 661
Add: Dilutive adjustment	**10 511**	9 866	10 246
Weighted average number of shares used for diluted per share calculation	**406 136**	405 218	403 907

6. RECONCILIATION OF HEADLINE EARNINGS/(LOSS)

R millions	31 December 2021	31 December 2020	30 June 2021
Profit/(loss) attributable to owners of Murray & Roberts Holdings Limited	**55**	(167)	(180)
Profit on disposal of property, plant and equipment	**(9)**	(5)	(19)
Loss on disposal of property, plant and equipment	**5**	31	7
Impairment of investment in joint venture classified as held for sale	**–**	39	39
Impairment of disposal group	**–**	–	96
Fair value gain on investment in associate	**–**	(1)	(1)
Taxation effects on adjustments	**–**	(8)	3
Headline earnings/(loss)	**51**	(111)	(55)
Adjustments for discontinued operations:			
Loss from discontinued operations	**68**	117	254
Impairment of investment in joint venture classified as held for sale	**–**	(39)	(39)
Impairment of disposal group	**–**	–	(96)
Other	**–**	–	(1)
Headline earnings/(loss) from continuing operations	**119**	(33)	63
Headline earnings/(loss) per share from continuing and discontinued operations (cents)			
– Diluted	**13**	(28)	(14)
– Basic	**13**	(28)	(14)
Headline earnings/(loss) per share from continuing operations (cents)			
– Diluted	**29**	(8)	16
– Basic	**30**	(8)	16

7. GOODWILL

R millions	31 December 2021	31 December 2020	30 June 2021
Goodwill	**1 434**	1 186	1 166
Accumulated impairment losses	**(64)**	(64)	(64)
	1 370	1 122	1 102
At beginning of period	**1 102**	1 125	1 125
Acquisition of businesses~	**116**	9	8
Foreign exchange movements	**152**	(12)	(31)
	1 370	1 122	1 102

The Group tests goodwill annually for impairment or more frequently if there are indicators that goodwill might be impaired. COVID-19 was considered as an impairment indicator and it was concluded that goodwill was not impacted. No goodwill has been impaired in the current period.

~ *Refer to note 16 for details relating to the business acquisition for the period.*

8. AMOUNTS DUE FROM/TO CONTRACT CUSTOMERS

R millions	31 December 2021	31 December 2020	30 June 2021
Contracts-in-progress (cost incurred plus recognised profits, less recognised losses)	**1 470**	1 560	1 216
Uncertified claims and variations	**778**	1 083	1 260
Amounts receivable on contracts (net of impairment provisions)	**2 321**	2 409	2 413
Retentions receivable (net of impairment provisions)	**782**	522	656
	5 351	5 574	5 545
Amounts received in excess of work completed	**(4 838)**	(4 969)	(4 229)
	513	605	1 316
Disclosed as:			
Amounts due from contract customers	**5 351**	5 574	5 545
Amounts due to contract customers	**(4 838)**	(4 969)	(4 229)
	513	605	1 316

Update on the Group's claim processes

The Group's uncertified revenue decreased to R0,8 billion (FY2021: R1,3 billion). The decrease is mainly due to claims settled and revenue certified and invoiced. COVID-19 was considered when assessing the recoverability of uncertified revenue and no significant impact was noted. The Group remains confident that revenue recognised as uncertified will be certified and paid once attendant commercial matters have been resolved.

The increase in amounts received in excess of work completed are mainly due to increased overclaims in the ERI platform.

9. OTHER NON-CURRENT ASSETS

R millions	31 December 2021	31 December 2020	30 June 2021
Other non-current assets comprise of the following:			
Investment at fair value through profit or loss (note 10.1)	**1 381**	1 332	1 434
Intangible assets excluding goodwill	**641**	424	400
Other non-current receivables	**1**	2	1
Net investment in the lease	**2**	36	3
Other investments	**1**	2	2
	2 026	1 796	1 840

10. FINANCIAL INSTRUMENTS

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

The fair value of the Group's financial instruments approximate their carrying values as at 31 December 2021.

R millions	31 December 2021	31 December 2020	30 June 2021
Categories of financial instruments			
Financial assets			
Financial assets at fair value through profit or loss (level 3)	**1 381**	1 335	1 434
Financial assets measured at amortised cost	**8 763**	8 097	8 471
Financial assets measured at amortised cost – held for sale	**850**	–	707
Financial liabilities			
Financial liabilities measured at amortised cost	**8 460**	6 592	7 882
Financial liabilities measured at amortised cost – held for sale	**843**	–	772

10.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

R millions	31 December 2021	31 December 2020	30 June 2021
Investment in infrastructure service concession (level 3)[7]			
At beginning of period	**1 434**	1 225	1 225
Realisation of investment	**(155)**	–	–
Fair value adjustment recognised in the statement of financial performance[8]	**102**	107	209
	1 381	1 332	1 434

[7] *The fair value of the investment in Bombela Concession Company Proprietary Limited ("BCC") has been determined using level 3 inputs per IFRS 13: Fair Value Measurement. The investment is reflected at fair value through profit or loss as the investment meets the requirements of IAS 28.18 with regards to venture capital organisations or similar entities. The fair value of the BCC is calculated using discounted cash flow models and an effective market discount rate of 12,20% (FY2021: 11,78%). The discounted cash flow models are based on forecast patronage, operating costs, inflation and other economic fundamentals, taking into consideration the operating conditions experienced in the current financial period. The future profits from the concession are governed by a contractual agreement and are principally based on inflationary increases in the patronage revenue and operating costs of the current financial period. The higher discount rate in the current financial period is believed appropriate following the increase in the R186 bond rate. A decrease of 1% in the discount rate would result in an increase in the value of the concession investment of approximately R38 million (FY2021: R38 million).*

Operating cost includes an operating fee that is payable to the Bombela Operating Company (Pty) Ltd ("BOC"), the company responsible for the operation and maintenance of Gautrain. The fee payable to BOC, although predictable, is subject to annual inflationary increases and is subject to review every 5th year where increases of more than inflation are considered. The next and final review is due in 2023. An annual increase of 1% in the operating fee, above inflation, would result in a decrease in the value of the concession investment of approximately R11 million (FY2021: R11 million).

Operating cost includes a Railway Usage Fee ("RUF") which constitutes a fee for the use of the system owned by Gauteng Province. The fee is 50% of the concessionaire's excess free cash flow above an 18% real rate of return. The fee reduces to 35% should the concessionaire comply with certain Socio Economic Development ("SED") obligations. Historically the SED obligations have been achieved and the valuation is based on the SED obligations being achieved. If these obligations are not achieved, the result would be a decrease in the value of the concession investment of R194 million (FY2021: R196 million).

Revenue based on patronage is underpinned by the Gauteng Province. The Patronage Guarantee is the difference between the Minimum Required Total Revenue ("MRTR") and the Concessionaire Demand Forecast ("CDF") in each month. Revenue below the CDF is a BCC risk. A 1% shortfall in patronage revenue below the CDF reduces the value of the concession investment by approximately R15 million (FY2021: R14 million). The impact of COVID-19 for financial periods ending after 31 December 2021 is included in the cash flows in the discounted cash flow model. In this instance, the COVID-19 impact was based on an independent third party assessment and analysis of the patronage over the full remaining period of the concession and the time it would take patronage to return to pre-COVID levels bearing in mind the Patronage Guarantee. In this regard, annual revenue, prior to COVID-19, was predictable in nature and was in excess of CDF. Furthermore, to date, the Gauteng Province has honoured its Patronage Guarantee.

[8] *Fair value adjustment is included in other operating income (note 3).*

11. 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 advisors 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. 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 (R1,3 billion).

The increase in financial institution guarantees is mainly attributable to the ERI platform due to the raising of bonds to support the orderbook.

R millions	31 December 2021	31 December 2020	30 June 2021
Contingent liabilities	**7 053**	5 504	6 812
Financial institution guarantees given to third parties	**8 976**	9 073	7 911

12. DIVIDEND

Consistent with previous years, the Group does not pay interim dividends. The Board considers a dividend on an annual basis, post year end.

13. COVENANTS

COVID-19 impacted earnings in the current and prior financial periods, which indirectly had an impact on covenant triggers and cash flows for the period ended 31 December 2021. Covenants in RUC Cementation Mining Contractors (Pty) Ltd, Cementation Canada Inc. and Clough Limited were met at 31 December 2021.

Should a covenant be at risk of breach, a waiver will be requested from the bank in advance of a breach. However, no such instances were noted in the current financial period.

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

Facility	HSBC Facility – Clough Limited	HSBC Facility – RUC Cementation Mining Contractors (Pty) Ltd	Toronto Dominion Bank Facility – Cementation Canada Inc.
Covenant Trigger and Proximity to being breached	1) Cash: Requirement – hold unencumbered cash of AUD100 million; Actual – AUD141 million Sufficient headroom deemed available for the covenant reflected above.	1) Tangible Net Worth: Requirement – minimum AUD60 million; Actual – AUD73 million 2) Leverage Ratio: Requirement – less than 2.0 times; Actual – 0.66 times 3) Debt Service Cover Ratio: Requirement – exceeds 1.4 times; Actual – 1.95 times Sufficient headroom deemed available for all debt covenants reflected above.	1) Current Ratio: Requirement – equals or exceeds 1.25:1; Actual – 2.32:1 2) Debt Service Coverage Ratio: Requirement – equals or exceeds 1.25:1; Actual – 2.29:1 3) Total Funded Debt/ EBITDA Ratio: Requirement – does not exceed 2.5:1; Actual – 1.28:1 4) Concentration of EBITDA and fixed assets in Obligors: Requirement – minimum of 85%; Actual – 100% 5) Capital Expenditures: Requirement – maximum of CAD40 million; Actual – CAD5 million 6) Investments: Requirement – maximum of CAD12 million; Actual – CADnil 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. The Group was able to fulfil all covenants across its various subsidiaries at 31 December 2021.

14. SUPPLEMENTARY INFORMATION

	31 December 2021	31 December 2020	30 June 2021
Net asset value per share (Rands)	**13**	11	11
Dividends per share (cents)	**–**	–	–

15. RELATED PARTY TRANSACTIONS

There have been no significant changes to the nature of related party transactions since 30 June 2021 or any transactions outside the normal course of business.

16. ACQUISITION OF BUSINESS

16.1 ACQUISITION OF JJ WHITE INC.

On 20 October 2021, Clough Limited acquired a 100% shareholding in JJ White Inc. in Philadelphia, USA. JJ White is a 100 year old business that was privately owned by Jim White IV (directly and via two family trusts). JJ White is actively operating in 11 states and licenced in 22 states. JJ White's primary economic environment in which the entity operates in the USA and it has therefore been determined as their functional currency. Their core business encompasses petrochemical facility maintenance and support services, general contracting and infrastructure construction. JJ White is a 100% union operated business. This was a key attraction for Clough as it allows us to broaden our sphere of operations across the US to the union labour, northern states that our Houston based non-union business cannot access. The consideration for this acquisition was R346 million (subject to working capital true up at close as per Stock Purchase Agreement). The JJ White acquisition creates significant potential for growth in the North America market by substantially increasing the size of the addressable market to which Clough's enlarged business can now access.

At close, Clough paid a cash consideration of R288 million. In accordance with the Stock Purchase Agreement, the seller is entitled to an additional contingent consideration of R33 million (dependent on achieving above R73 million EBITDA over the three year period 2022 to 2024). At acquisition date, Clough recognised R25 million of this contingent consideration (60% probability of achieving EBITDA target). Additionally, there is a deferred consideration component of R51 million to be paid in three equal instalments on each anniversary date of acquisition.

The assets and liabilities recognised as a result of the acquisition are as follows:

	31 December 2021 Fair value
Property, plant and equipment	53
Inventory	1
Trade and other receivables	309
Amounts due from contract customers	143
Trade and other payables	(393)
Amounts due to contract customers	(50)
Deferred tax liability	(56)
Net identifiable assets acquired	7
Add: Customer Relationships	145
Add: Trade Name	20
Add: Goodwill	116
Net outflow on acquisition of business	288
Contingent consideration	25
Deferred consideration	51
Working capital true up due	(18)
Total consideration on acquisition	346

The amounts above have been measured on a provisional basis. If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition identifies adjustments to the above amounts, or any additional provisions that existed at the date of acquisition, then the accounting for the acquisition will be revised.

Goodwill is attributable to the establishment of an EPC business in North America, which is expected to become the Energy, Resources & Infrastructure platform's largest international market. Project opportunities for midstream pipelines and gas compression, processing, treatment and hook-up and commissioning are strong and growing.

In the two months to 31 December 2021, the acquiree contributed revenue of R519 million and a profit before tax of R4 million to the Group's results. If the acquisition had occurred on 1 July 2021, management estimates that the revenue would have been an additional R1 497 million and a profit before tax for the six months ending 31 December 2021 would have been an additional R73 million.

In determining these amounts, management has assumed that the fair value adjustments, determined provisionally that arose on the date of the acquisition would have been the same if the acquisition had occurred on 1 July 2021. The carrying value of assets and liabilities recognised approximates their fair value.

The total goodwill amount is capital and therefore not deductible for tax purposes in South Africa.

17. EVENTS AFTER REPORTING DATE

The directors are not aware of any other matter or circumstance arising since the end of the financial period not otherwise dealt with in the Group's interim results, which significantly affects the financial position at 31 December 2021 or the results of its operations or cash flows for the period then ended. Events that occurred after the reporting period were indicative of conditions that arose after the reporting period and did not have a material impact on the current financial period 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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Murray & Roberts

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