



Unaudited Interim Results

For the six months ended 31 August 2015

Agenda



- Group Financial Highlights
- The Period in Review
- Financial Review
- Divisional Review
- Order Book
- Acquisitions
- Major Projects Progress
- Conclusion

Group Financial Highlights



- Revenues up 4,3% to R3,89bn (H1 2015: R3,73bn)
- Operating profit up 9,5% to R329,3m (H1 2015: R300,8m)
- Group operating profit margin of 8,5% (H1 2015: 8,1%)
- HEPS up 5,3% to 107,0 cps (H1 2015: 101,6 cps)
- Cash flow from operations down 30,2% to R375,0m (H1 2015: R537,4m)
- Capex spend of R278,5m (H1 2015: R273,8m)
- Order book of R8,2bn (H1 2015: R7,5bn)
- Interim dividend of 36 cents per share declared

- Consistent results under challenging conditions
 - Bitumen supply affected by unplanned refinery shutdowns
- Strong results from the Materials Division
 - Positive contributions from acquisitions; all bedded down well
- Roads Division executing well; better quality order book
 - Focus on selective tendering to further improve order book quality
- Slow start for Infrastructure Division
 - Timing of solar project work
- Zambia contracts; adopted a cautious approach to execution
 - Operationally sound
 - Currency depreciation in September

Income Statement



	Interim results 2016 (R'000)	Interim results 2015 (R'000)	Annual results 2015 (R'000)
Revenue	3 887 747	3 725 793	7 245 259
% growth	4,3%	15,7%	14,5%
EBIT	329 251	300 766	622 171
% growth	9,5%	9,6%	15,2%
Profit before tax	303 216	298 487	606 637
Profit after tax	214 657	211 597	428 074
Share incentive scheme expenses	10 006	14 013	27 797
Operating margin	8,5%	8,1%	8,6%
Effective tax rate	29,2%	29,1%	29,4%
EPS (cents)	108,0	103,5	213,4
EPS growth	4,3%	5,9%	11,6%
DPS (cents)	36	35	71
ROCE	12,6%	13,2%	12,3%
Shares in issue ('000)	189 250	187 330	187 330
Number of Staff	9 369	9 059	9 598

Statement of Financial Position – Assets



	Interim results 2016 (R'000)	Interim results 2015 (R'000)	Annual results 2015 (R'000)
Non-current assets	3 403 002	2 930 060	3 240 794
Property, plant and equipment	2 271 755	2 012 857	2 171 829
Intangible assets	829 814	784 524	795 098
Investment in associates and JV's	42 907	-	10 708
Deferred tax asset	49 993	39 663	43 136
Non-current inventory	86 355	93 016	90 668
Non-current trade and receivables	122 178	-	129 355
Current assets	3 096 581	2 962 431	3 032 588
Inventory	466 372	444 760	438 330
Construction contracts in progress	423 362	378 714	362 351
Trade and other receivables	1 417 363	1 249 238	1 294 632
Cash	789 484	889 719	937 275
Total assets	6 499 583	5 892 491	6 273 382

Statement of Financial Position – Equity and Liabilities



	Interim results 2016 (R'000)	Interim results 2015 (R'000)	Annual results 2015 (R'000)
Equity	3 687 271	3 400 859	3 533 417
Attributable to shareholders	3 563 153	3 280 692	3 422 629
Non-controlling interest	124 118	120 167	110 788
Non-current liabilities	1 144 779	867 565	1 115 456
Borrowings	696 880	453 814	672 320
Deferred tax liabilities	308 233	308 862	311 621
Other	139 666	104 889	131 515
Current liabilities	1 667 533	1 624 067	1 624 509
Borrowings	377 194	285 150	427 620
Trade and other payables	1 242 967	1 320 516	1 170 248
Current income tax liabilities	47 372	18 401	26 641
Total equity and liabilities	6 499 583	5 892 491	6 273 382
Total borrowings	1 074 074	738 964	1 099 940
Gearing (Debt/Equity)	29,1%	21,7%	31,1%
Net debt	284 590	(150 755)	162 665
Gearing (Net Debt/Equity)	7,7%	(4,4%)	4,6%

Statement of Cash Flows



	Interim results 2016 (R'000)	Interim results 2015 (R'000)	Annual results 2015 (R'000)
Cash flows from operating activities			
Cash generated from operations	375 002	537 384	785 053
Finance costs – net	(21 316)	(2 279)	(11 380)
Taxation paid	(72 674)	(84 743)	(188 848)
Net cash generated from operating activities	281 012	450 362	584 825
Cash flows from investing activities			
Purchases of property, plant and equipment	(278 491)	(273 748)	(510 599)
Proceeds from sale of property, plant and equipment	26 586	17 641	40 267
Acquisition of subsidiaries	(46 638)	(94 926)	(202 485)
Loans granted to associates and joint ventures	(32 200)	-	(10 500)
Net cash used in investing activities	(330 743)	(351 033)	(683 317)
Cash flows from financing activities			
Proceeds from borrowings	247 872	191 333	752 827
Repayment of borrowings	(274 295)	(203 153)	(411 642)
Dividends paid	(71 340)	(69 271)	(164 373)
Other	219	14	(12 280)
Net cash used in financing activities	(97 544)	(81 077)	164 532
Net (decrease) /increase in cash and cash equivalents	(147 275)	18 252	66 040
Cash and cash equivalents at the beginning of the year	937 275	871 260	871 260
Effect of exchange rates on cash and cash equivalents	(516)	207	(25)
Cash and cash equivalents at the end of the period	789 484	889 719	937 275

Segmental analysis



Business segments	Materials	Road surfacing and rehab (incl Tosas)	Road construction	Raubex Infra	Consolidated
August 2015					
Revenue (R'000)	1 197 363	1 350 888	778 507	560 989	3 887 747
Operating profit (R'000)	220 325	40 224	57 174	11 528	329 251
Operating margin	18,4%	3,0%	7,3%	2,1%	8,5%
August 2014					
Revenue (R'000)	968 231	1 497 950	774 875	484 737	3 725 793
Operating profit (R'000)	162 544	90 275	20 400	27 547	300 766
Operating margin	16,8%	6,0%	2,6%	5,7%	8,1%

Geographical segments	Local	% of Group	International	% of Group
August 2015				
Revenue (R'000)	3 273 497	84,2%	614 250	15,8%
Operating profit (R'000)	240 825	73,1%	88 426	26,9%
Operating margin	7,4%		14,4%	
August 2014				
Revenue (R'000)	3 426 085	92,0%	299 708	8,0%
Operating profit (R'000)	252 231	83,9%	48 535	16,1%
Operating margin	7,4%		16,2%	

- Interim cash dividend declared of 36 cents per share
- 3 X cover policy
- Relevant dates
 - Last day to trade cum dividend - Friday, 27 November 2015
 - Commence trading ex dividend - Monday, 30 November 2015
 - Record date - Friday, 4 December 2015
 - Payment date - Monday, 7 December 2015

- Revenue increased 23,7% to R1,20bn (H1 2015: R968,2m)
- Operating profit increased 35,6% to R220,3m (H1 2015: R162,5m)
- Operating margin increased to 18,4% (H1 2015: 16,8%)
- Capital expenditure of R171,6m (H1 2015: R204,8m)
- Order book of R1,72bn (H1 2015: R1,58bn)
- Strong performance from commercial quarries and material handling
 - Acquisitions all bedded down well
 - Solid results from Belabela Quarries; established a footprint in Botswana
 - Favourable conditions for material handling and processing operations expected to continue
 - Contract crushing in Mozambique progressing well
- Further geographical expansion opportunities being explored

Road Surfacing and Rehabilitation



- Revenue decreased 9,8% to R1,35bn (H1 2015: R1,50bn*)
- Operating profit decreased 55,4% to R40,2m (H1 2015: R90,3m*)
- Operating margin decreased to 3,0% (H1 2015: 6,0%*)
- Capex of R55,8m (H1 2015: R25,4m*)
- Order book of R2,83bn (H1 2015: R1,91bn*)
- Challenging conditions for the asphalt operations
 - Bitumen and aggregate supply issues; subsequently resolved
 - Aggressive pricing from new entrants
- Asphalt plant acquired in the Western Cape; R22m
- Improved results from Tosas; returned to profitability
- Solid order book for the period ahead
 - Encouraging increase in provincial work

Asphalt Production	H1 2016	H1 2015	FY 2015
Utilised capacity (total capacity = 2 250 kts)	474kts	543kts	1 009kts
Revenue	R534,2m	R602,2m	R1,120bn
Operating (loss) / profit	(R5,6m)	R42,2m	R75,7m

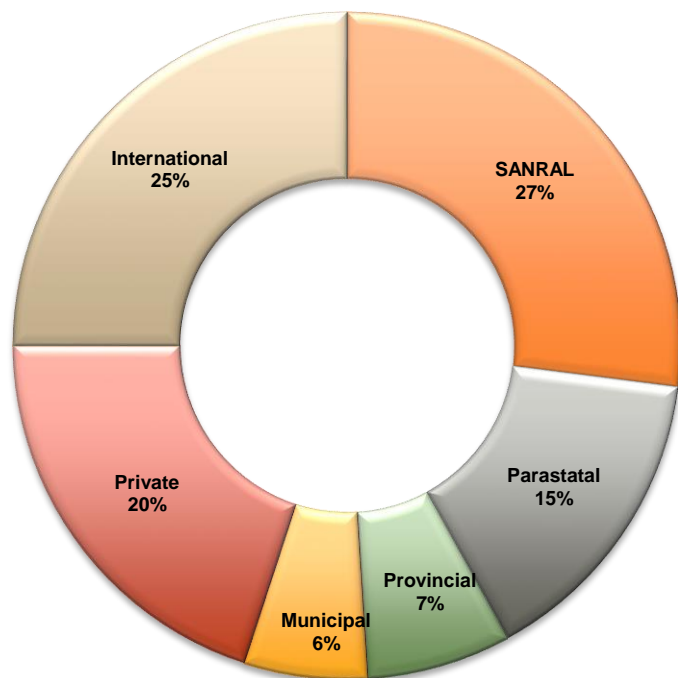
* prior period figures restated to include Tosas

- Revenue flat at R778,5m (H1 2015: R774,9m)
- Operating profit increased 180,3% to R57,2m (H1 2015: R20,4m)
- Operating margin increased to 7,3% (H1 2015: 2,6%) (H2 2015: 5,0%)
- Capex of R29,4m (H1 2015: R19,0m)
- Order book secured of R2,74bn (H1 2015: R3,03bn)
 - Includes Zambia link 8000 of R975,0m
 - Better quality South African order book being realised
 - Healthy volume of work out to tender; selective tendering for replacement work
- Teams executing well operationally; no problem contracts

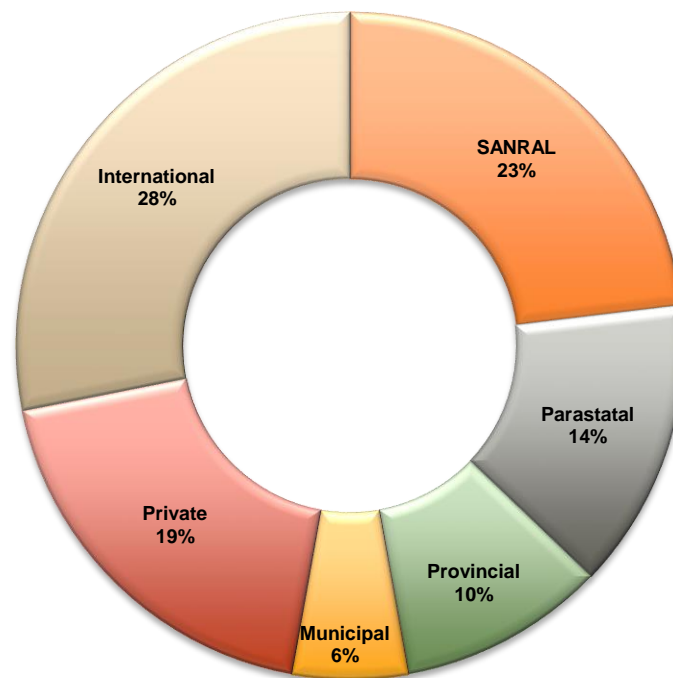
- Revenue increased 15,7% to R561,0m (H1 2015: R484,7m)
- Operating profit decreased 58,2% to R11,5m (H1 2015: R27,5m)
- Operating margin decreased to 2,1% (H1 2015: 5,7%)
- Capital expenditure of R21,7m (H1 2015: R24,6m)
- Order book of R945,9m (H1 2015: R1,02bn)
- Slow start to the year
 - Delayed solar projects;
 - Commodity prices affecting mining capital expenditure
- Stable order book
 - Good mix of solar, water infrastructure and housing developments
- Expecting stronger second half results

- Revenue increased 105,0% to R614,3m (H1 2015: R299,7m)
 - 15,8% of group total
- Operating profit increased 82,2% to R88,4m (H1 2015: R48,5m)
 - 26,9% of group total
- Operating margin decreased to 14,4% (H1 2015: 16,2%)
- Order book of R2,31bn (H1 2015: R2,23bn); 28,1% of group total
 - Includes Zambia Link 8000 of R975,0m
- Revenue streams more diversified geographically
 - Road construction in Botswana, Namibia and Zambia
 - Material handling and processing operations in Namibia and Botswana
 - Contract crushing in Mozambique
- Looking for long term replacement contracts at high margin
- Zambia Link 8000 update

FY 2015



H1 2016



Timing	R8,679bn
FY 2016	R5,966bn
FY 2017	R2,190bn
FY 2018	R0,523bn
Beyond	-

Timing	R8,238bn
FY 2016	R3,521bn
FY 2017	R3,853bn
FY 2018	R804,3m
Beyond	R60,0m

Belabela Quarries

- Revenue (6 months) – R45,7m
- Net profit (6 months) – R9,1m
- Purchase price – R43m
- Percentage acquired – 74%
- Effective - 18 March 2015



Major Projects Progress



SANRAL: N1 Bloemfontein bypass – R614m



SANRAL: N8 Thaba Nchu to Sannaspos – R463m



SANRAL: N5 Harrismith to Kestell - R308m



TRAC N4 Toll: New Carriageway - R377m



N1 Waterfall Development Overpass Bridge – R91m



Zambia RDA: Mpika to Mfuwe – ZMW 541m



Zambia RDA: Safwa to Chinsali – ZMW 265m



Namibia Roads Authority: Rosh Pinah to Oranjemund – R559m



Tschudi Copper Mine: Purpose built plant and crushing contract – R524m



Namdeb: Seawall maintenance contract



Tom Burke Solar Farm – R30m



Prieska Solar Farm – R94m



- Quality short term order book secured
- Continued focus on execution and selective tendering for replacement work
- Healthy volume of road work out for tender; but conditions still very competitive
- Increasing proportion of provincial work
- Successful revenue stream diversification
 - Materials Division; favourable conditions expected to continue
 - Infrastructure Division; solar prospects encouraging
- Bitumen and aggregate supply issues resolved in H1
- Currency risk in Zambia contracts to be managed
- Continue to pursue long term work flow in Africa at high margin
- Strong balance sheet and positive cash generation to be maintained
- Expecting an improved performance in the second half

Q&A