



Audited annual results  for the year ended 28 February 2014



Agenda

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



The Year in Review

- Satisfactory performance given market conditions
- Competitive landscape remains difficult
- Challenging conditions persist in the road construction industry
- SANRAL tender volumes maintained
- Strike impact on construction contracts
- Improved conditions in the materials sector
- New Infrastructure division settled and performing well
- Tosas acquisition bedding down
- Zambia link 8000 award
- Order book improvement; mix



Group Financial Highlights

- Revenues up 12,2% to R6,33bn (2013: R5,64bn)
- Operating profit up 11,6% to R539,9m (2013: R483,8m)
- Normalised operating profit down 0,5% to R539,9m (2013: R542,6m)
- Group operating profit margin of 8,5% (2013: 8,6%)
- HEPS up 17,9% to 187,1 cps (2013: 158,7 cps)
- Normalised HEPS down 1,8% to 187,1 cps (2013: 190,5 cps)
- Cash flow from operations down 12,5% to R751,4m (2013: R859,0m)
- Capex spend of R483,3m (2013: R460,9m)
- Order book of R6,55bn (2013: R5,23bn)
- Final dividend of 35 cents per share declared



Income Statement

	Annual results 2014 (R'000)	Annual results 2013 (R'000)
Revenue	6 325 012	5 635 519
% growth	12,2%	12,0%
EBIT	539 875	483 805
% growth	11,6%	(9,0%)
Profit before tax	534 462	477 139
Profit after tax	379 676	318 568
Share incentive scheme expenses	27 354	26 071
Operating margin	8,5%	8,6%
Effective tax rate	29,0%	33,2%
EPS (cents)	191,3	163,2
EPS growth	17,2%	(9,1%)
DPS (cents)	65	65
ROCE	12,7%	12,7%
Weighted average shares in issue ('000)	185 900	184 536
Number of Staff	8 306	7 807



Statement of Financial Position

	Annual results 2014 (R'000)	Annual results 2013 (R'000)
Non-current assets	2 642 791	2 349 119
Property, plant and equipment	1 841 611	1 561 232
Intangible assets	763 671	763 951
Other	37 509	23 936
Current assets	2 711 171	2 508 862
Inventory	420 240	245 546
Trade and other receivables	1 097 081	1 120 250
Construction contracts in progress	322 590	307 381
Cash	871 260	835 685
Total assets	5 353 962	4 857 981
Equity	3 241 037	2 958 590
Non-current liabilities	731 100	621 078
Current liabilities	1 381 825	1 278 313
Trade and other payables	1 075 529	978 350
Other	306 296	299 963
Total equity and liabilities	5 353 962	4 857 981

Statement of Cash Flows

	Annual results 2014 (R'000)	Annual results 2013 (R'000)
Cash flows from operating activities		
Cash generated from operations	751 420	859 007
Finance costs – net	(5 413)	(5 629)
Taxation paid	(136 438)	(173 269)
Net cash generated from operating activities	609 569	680 109
Cash flows from investing activities		
Purchases of property, plant and equipment	(483 299)	(460 939)
Proceeds from sale of property, plant and equipment	52 839	49 908
Acquisition of subsidiaries	(115 040)	(14 597)
Net cash used in investing activities	(545 500)	(425 628)
Cash flows from financing activities		
Proceeds from borrowings	504 253	388 607
Repayment of borrowings	(404 319)	(311 100)
Proceeds from shares issued	14	-
Dividends paid to owners of the parent	(120 835)	(119 948)
Dividends paid to non-controlling interests	(2 308)	(1 274)
Acquisition of interest in subsidiary	(8 185)	-
Net cash used in financing activities	(31 380)	(43 715)
Net increase in cash and cash equivalents	32 689	210 766
Cash and cash equivalents at the beginning of the year	835 685	624 919
Effect of exchange rates on cash and cash equivalents	2 886	-
Cash and cash equivalents at the end of the year	871 260	835 685



Segmental analysis

Business segments	Raumix	Roadmac	Raubex Construct	Raubex Infra	Tosas	Consolidated
February 2014						
Revenue (R'000)	1 624 577	2 505 115	1 179 805	730 759	284 756	6 325 012
Operating profit (R'000)	259 152	209 260	40 026	36 966	(5 529)	539 875
Operating margin	16,0%	8,4%	3,4%	5,1%	(1,9%)	8,5%
February 2013						
Revenue (R'000)	1 501 732	2 753 772	1 217 189	162 826	-	5 635 519
Operating profit (R'000)	218 935	199 545	61 656	3 669	-	483 805
Operating margin	14,6%	7,2%	5,1%	2,3%	-	8,6%
Geographical Segments			Local	% of Group	International	% of Group
February 2014						
Revenue (R'000)			5 890 468	93,1%	434 544	6,9%
Operating profit (R'000)			459 116	85,0%	80 759	15,0%
Operating margin			7,8%		18,6%	
February 2013						
Revenue (R'000)			5 173 823	91,8%	461 696	8,2%
Operating profit (R'000)			399 591	82,6%	84 214	17,4%
Operating margin			7,7%	-	18,2%	-



Dividend Declaration

- Final cash dividend declared of 35 cents per share
 - Interim cash dividend of 30 cents per share
- 3 X cover ratio maintained
- Relevant dates
 - Last day to trade cum dividend Friday, 30 May 2014
 - Commence trading ex dividend Monday, 2 June 2014
 - Record date Friday, 6 June 2014
 - Payment date Monday, 9 June 2014

Roadmac

- Revenue down 9,0% to R2,51bn (2013: R2,75bn)
- Operating profit increased 4,9% to R209,3m (2013: R199,5m)
- Operating margin increased to 8,4% (2013: 7,2%)
- Capex of R85,5m (2013: R126,3m)
- Order book of R1,781bn
- Margins to remain in current range
- Competitive landscape to maintain pressure on margins
- Bitumen supply issues resolved
- Asphalt; new technology

Asphalt Production	2014	2013
Utilised capacity (total capacity = 1 750 kts)	927kts	967kts
Revenue	R893m	R864m
Operating profit	R54m	R50m



Raubex Construction

- Revenue down 3,1% to R1,18bn (2013: R1,22bn)
- Operating profit decreased 35,1% to R40,0m (2013: R61,7m)
- Operating margin decreased to 3,4% (2013: 5,1%)
- Capex of R51,2m (2013: R37,1m)
- Order book secured of R2,066bn
- Division impacted by strike action and adverse weather in H2
- Tough trading conditions to continue in South Africa
- Africa contracts
 - Zambia link 8000
 - Namibia

Raumix

- Revenue increased 8,2% to R1,62bn (2013: R1,50bn)
- Operating profit increased 18,4% to R259,2m (2013: R218,9m)
- Operating margin increased to 16,0% (2013: 14,6%)
- Capital expenditure of R320,3m (2013: R283,8m)
- Order book of R1,667bn
- Improved performance from commercial quarries and mining
- Margin pressure in contract crushing market
- Performance to be sustained; margins of 15% - 17%
- Acquisition opportunities in line with strategy

Production schedule (Mts)	2014	2013
Contract Crushing	4,00	5,35
Commercial Crushing	2,49	2,22
Mining	55,30	58,19



Raubex Infra

- New division specialising in infrastructure solutions
- Good performance; first full year of operations
- Revenue increased to R730,8m (2013: R162,8m)
- Operating profit increased to R37,0m (2013: R3,7m)
- Margin of 5,1% (2013: 2,3%)
- Capital expenditure of R22,8m (2013: R13,7m)
- Order book of R909,4m
- Reputation established; quality and delivery
- Margins improving slightly; range 4% - 7%
- Significant growth potential
 - Water infrastructure, Renewable energy, Housing



Raubex International

- Revenue down 5,9% to R434,5m (2013: R461,7m)
 - 6,9% of group total
- Operating profit down 4,1% to R80,8m (2013: R84,2m)
 - 15% of group total
- Operating margin increased to 18,6% (2013: 18,2%)
- Order book of R1,678bn; 26% of group total
- Operations in Namibia, Botswana, Zambia, Mozambique and the DRC

Tosas

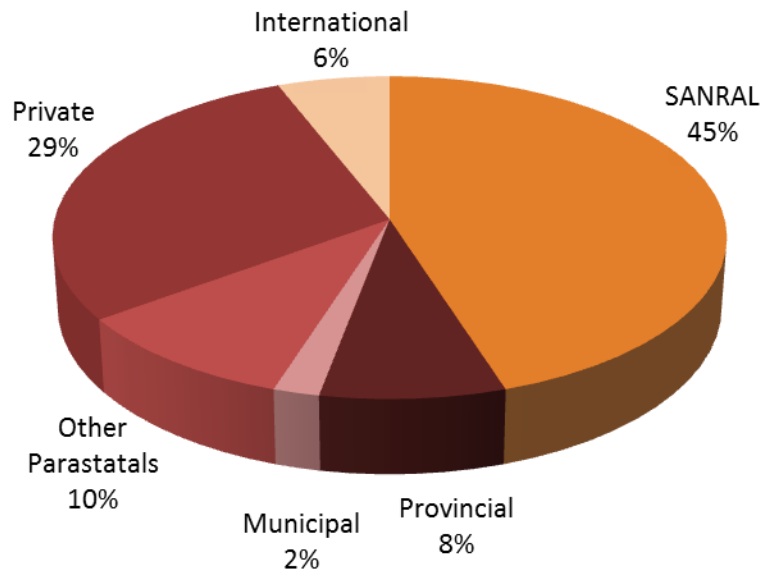
- Acquired 26 April 2013 from Sasol Oil
- Revenues of R284,8m (H1 2014: R82,8m)
- Net loss of R3,5m (H1 2014: Net loss of R5,3m)
- Revenues including inter group supply of R411,5m; 30,8% internal
- Bedding down well; synergies being realised
- Loss reduced in H2; expected to return to profitability in FY2015

Purchase consideration	R'000
Cash	120,000
Fair value of net assets acquired	120,368
Excess of fair value over purchase price	(368)



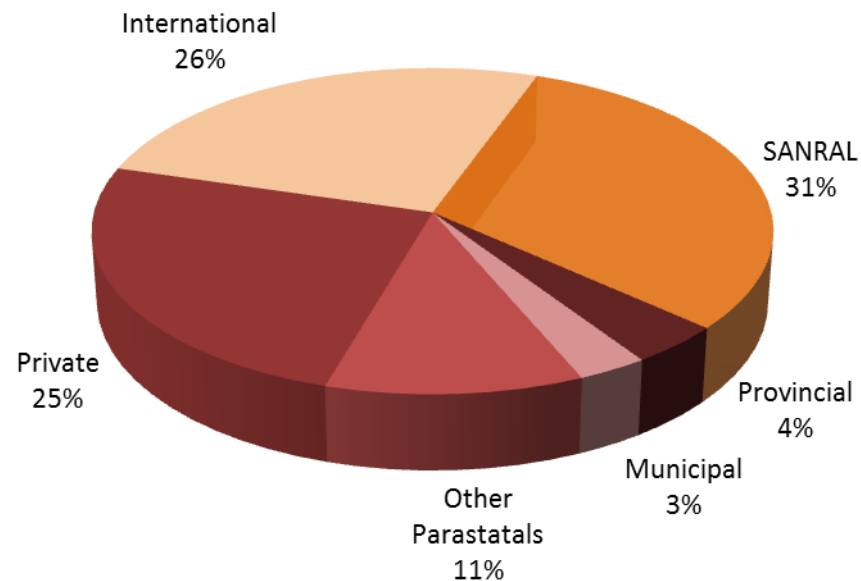
Order book

2013



Order Book	R5,235bn
FY 2014	R4,115bn
FY 2015	R1,103bn
FY 2016	R0,017bn

2014



Order Book	R6,551bn
FY 2015	R4,451bn
FY 2016	R1,509bn
FY 2017	R0,501bn
Beyond	R0,090bn



Acquisitions

OMV Crushers

- Materials
- Revenue – R122m
- Percentage acquired – 70%



Shisalanga Construction

- Asphalt
- Revenue – R165m
- Percentage acquired – 60%



Major Projects Progress



**Raubex Infra : 476 houses for Kumba Iron Ore in Kathu
R243 million**

Major Projects Progress



**Raubex Infra : 476 houses for Kumba Iron Ore in Kathu
R243 million**

Major Projects Progress



**Raubex Infra: 70MW solar farm for Scatec Solar at Dreunberg
R120 million**

Major Projects Progress



**SANRAL: N8 Sannaspos to Thaba Nchu
R463 million**

Major Projects Progress



NAMDEB: MA1 material handling

Major Projects Progress



**Queenstown Quarry : New crusher installation
R30 million**

Major Projects Progress



CLIFFDALE: Bitumen storage yard

Major Projects Progress



**PAWC: Reseal from trunk road to Rooi Els
R43 million**

Major Projects Progress



**SANRAL: R58 Reseal between Burgersdorp and Aliwal North
R33 million**

Major Projects Progress



**N3TC: Rehabilitation of N3 from Mooi River to Midway
R467 million**

Conclusion

- Satisfactory results given challenging conditions
- Strong balance sheet and positive cash generation maintained
- Short term order book secured
- Competitive conditions persist
- Upturn in the cycle dependent on:
 - Execution of government's infrastructure plan
 - Successful implementation of tolling
 - Expansion of road network administered by SANRAL
- Competition Commission update
- Acquisition strategy; materials division
- Operational and financial conditions to remain stable in the year ahead



Q&A