



**2023**

**AUDITED SUMMARY GROUP  
FINANCIAL RESULTS**  
FOR THE YEAR ENDED 28 FEBRUARY 2023

# Financial highlights

Felicia Msiza, CEO of Raubex Group, commented:

“In my first year as CEO of Raubex, it is with great pleasure that I report on the Group’s results for the year ended 28 February 2023. The Group has delivered an exceptional set of results with record earnings achieved from our diversified portfolio, reflecting solid execution of our strategy.

The performance is largely attributable to the successful completion of our flagship Beitbridge Border Post Project, a full year contribution from Bauba, while SANRAL projects in KwaZulu-Natal gained momentum. The Western Australian operations contributed 19% to the Group’s total operating profit, demonstrating the robust performance of these operations.

The Group’s performance for the year was not without its challenges, with the country as well as the industries in which we operate facing severe headwinds. However, Raubex’s diversified business model, supported by its strong management team, robust balance sheet and healthy cash balance, positioned the Group extremely well in taking advantage of opportunities, both locally and offshore, in unlocking value for our stakeholders as well as navigating the challenging market landscape.

Looking ahead, our focus is on delivering excellent quality to our customers, securing additional high-margin infrastructure projects, containing costs and enhancing efficiencies whilst building on our diversification strategy.

I am grateful for the support and guidance of my predecessor, Rudolf Fourie, and to our Board for their sound counsel and excellent contribution during my first year as CEO.

Across both our African and international operations, Raubex continues to invest in our people. Our employees are key to the success of our Group. I wish to sincerely thank our employees for their unwavering support and loyalty. It is my view that our industry knowledge, operational excellence and teamwork are what will continue to drive Raubex’s business performance over the long term and establishing the Group as a key differentiator in the markets we operate in.”



Revenue increased 32.2% to **R15.31 billion**  
(2022: R11.58 billion)



Operating profit increased 35.0% to **R1.28 billion**  
(2022: R945.3 million)



Headline earnings per share increased 32.1% to **392.8 cents per share**  
(2022: 297.4 cents per share)



Earnings per share increased 27.4% to **391.1 cents per share**  
(2022: 306.9 cents per share)



Cash generated from operations increased 144.9% to **R1.96 billion**  
(2022: R800.1 million)



Net asset value of **R5.80 billion**  
(2022: R5.22 billion)



Capital expenditure of **R1.15 billion**  
(2022: R695.9 million)



Order book of **R20.04 billion**  
(2022: R17.13 billion)



Final dividend of **76 cents per share** declared  
(2022: 54 cents per share)

# Commentary

## Financial overview

Group revenue for the reporting period was 32.2% higher than the prior year at R15.31 billion, supported mainly by increased activity on the SANRAL projects in KwaZulu-Natal (“KZN”), the Beitbridge Border Post project and our operations in Western Australia. The full year results for Bauba Resources (Pty) Ltd (“Bauba”) were also consolidated into the results for the first time.

Operating profit increased 35.0% to R1.28 billion and the Group operating margin was 8.3% (2022: 8.2%), with the main contributors to the increase being the Beitbridge Border Post project and Bauba. Furthermore, profit before tax increased 33.5% to R1.22 billion (2022: R915.1 million).

The Group’s earnings per share increased 27.4% to 391.1 cents (2022: 306.9 cents) and headline earnings per share rose 32.1% to 392.8 cents (2022: 297.4 cents). Net finance costs increased to R47.2 million (2022: R24.1 million), which was largely attributable to the increase in bank borrowings. Interest on bank borrowings increased to R75.0 million (2022: R34.3 million).

Included in the net impairment gains/(losses) on financial and contract assets is R47.3 million bad debt recovery received from the Zambia Roads Authority.

Cash generated from operations before finance charges and taxation was strong at R1.96 billion (2022: R800.1 million). The inflow for the year was mainly attributable to the increased profits generated at Bauba, the Australian entities and the Beitbridge Border Post project in Zimbabwe. Working capital demand also reduced compared to the previous year.

The Group had a net cash inflow for the year of R155.3 million, with the largest outflows being the acquisition of interest in subsidiaries of R138.1 million and the capitalisation of mine infrastructure and stripping assets at Bauba totalling R268.4 million. Cash and cash equivalents ended the year at R1.70 billion (2022: R1.50 billion).

Trade and other receivables decreased by 5.1% to R1.89 billion (2022: R1.99 billion) for the year, while the average debt collection days improved to 39 days (2022: 54 days).

Inventories were 29.6% higher at R1.31 billion (2022: R1.01 billion) owing mainly to the increase in development land as well as greater ore levels at Bauba.

Trade and other payables increased by 41.7% to R2.65 billion (2022: R1.87 billion).

Capital expenditure on property, plant and equipment grew to R1.15 billion (2022: R695.9 million). Included in the increased capex requirements are the capitalisation of mining infrastructure development and stripping cost of R268.4 million required at Bauba during the year. The Namdeb project in Namibia also required R180.0 million worth of expansion capex during the year.

Borrowings increased by 26.5% to R1.21 billion (2022: R959.9 million), largely to support financing requirements at Bauba and B&E International Namibia.

## Operational overview

Historically, and in the prior year, the Group reported against three operating segments, being Materials, Roads and Earthworks and Infrastructure. During the current year, the information reported to the Group’s chief operating decision-maker (Exco) was amended in line with the restructuring of the executive committee to better reflect the increasing scale and complexity of the Group. Accordingly, the Group now reports against four operating segments with the aggregation of segments based on the nature of services and products provided to the market, production processes, and type of customer for the products and services.

The four operating divisions are therefore as follows:

- Materials Handling and Mining;
- Construction Materials;
- Roads and Earthworks; and
- Infrastructure.

### Materials Handling and Mining Division

This division comprises four main disciplines including (i) contract crushing; (ii) materials handling and processing services for the mining industry; (iii) contract mining; and (iv) specialised resource ownership. Results from the operations of newly acquired Bauba are reported under this division.

B&E International's margins reflect continued weak demand experienced by contract crushing operations for the construction sector. The recent award of a 60-month contract with Namdeb Diamond Corporation (Pty) Ltd for the provision of mining services at Southern Coastal Mines in Namibia secures a good baseload of work over the next five years. Establishment is progressing well, and production should ramp up to full capacity in May 2023.

Work in Mozambique which was suspended in the previous financial year due to the terrorist insurgency remained suspended throughout the current year. At Pemba's quarry operations, holding costs of around R1 million per month are being incurred in anticipation of work restarting in the area. In light of the continued uncertainty in Mozambique, the Group also made a decision to write down the full stockpile at Pemba in February 2023 to the value of R50.4 million.

At SPH Kundalila ("SPH"), materials handling operations had a slow start to the year and projects at Kloof and Driefontein came to an end, while strike action at Sibanye negatively affected the results for the year. Material handling operations at Bauba's Kookfontein mine are performing well.

SPH will focus on successfully executing current projects and will also focus on development of its current exploration projects and opportunities where key investments were made, including Arcadia, Bauba, Dune Resources and VR8. These opportunities should sustain and secure good returns into the future.

At OMV, extraordinary increases in fuel and energy-related expenses placed pressure on margins and sales prices. The company is focused on driving production efficiencies and reducing input costs to maximise margins. Diversifying the product range is expected to support an increase in turnover and profitability going forward.

The bulk of the division's profit for the year was generated by Bauba, supported by the successful turnaround strategy and working capital injection by the Group, which positively impacted production at both the Moeijeljik and Kookfontein mines. Bauba continues to explore opportunities to increase its mineral resources and improve production efficiencies through improved maintenance and standardisation of plant as well as enhancing mine capital infrastructure to reduce operating costs. In-house product beneficiation will further increase margins and sales volumes.

Revenue for the division increased 78.6% to R2.88 billion (2022: R1.61 billion) and operating profit increased by 35.8% to R168.6 million (2022: R124.1 million) while the operating profit margin was 5.9% (2022: 7.7%).

The division incurred capital expenditure of R693.9 million during the year (2022: R318.3 million) and has secured an order book of R3.65 billion (2022: R1.89 billion). Included in the R693.9 million capital expenditure is the capitalisation of mining infrastructure development and stripping cost of R268.4 million at Bauba.

### Construction Materials Division

This division specialises in the production and supply of materials to the construction market, including aggregates from commercial quarries, asphalt and value-added bituminous products.

The fuel price increase and continued loadshedding during the year had a negative impact on production and profit margins across the whole division. Initiatives aimed at expanding volumes and reducing costs remain a key focus across all operations.

The commercial quarry operations in South Africa performed well with increased volumes in the Northern and Southern region, delivering strong operating cash flows despite lower margins. The Transkei quarry operations returned to profitability following the completion of the plant upgrade in Mthatha during March this year. Quarry operations in Botswana were challenged by margin pressures and lower sales volumes in the region due to a slowdown in demand and increased competition.

Adverse weather conditions as well as a slower-than-expected take-off on the N3 road construction projects negatively impacted the KwaZulu-Natal (KZN) asphalt operations in the reporting year. Going forward, however, demand for asphalt on the current N3 projects will be high and a key focus for the year will be the delivery of a quality product on time to support the roads contractors.

Demand for asphalt in the rest of KZN is however lower and the Group made a decision to geographically reposition the footprint in the province to align with the market demand. This should result in a reduced cost base and improved margins going forward.

In the rest of South Africa, asphalt operations performed well, exceeding budget expectations. Looking ahead, 70% of the order book for the 2024 financial year is already secured.

Due to a shortage of bitumen in South Africa, Tosas had to resort to imports during the reporting year. Securing a supplier with good quality and reliable delivery time was challenging but was ultimately successfully managed. The increased demand for the supply and application of bitumen products during the summer months resulted in a good second half of the year. This also assisted in reducing the elevated stock levels from earlier in the year and supported an improvement in working capital.

Prospects arising from the recent award of SANRAL tenders are positive, and we anticipate a potential increase in volumes in the new financial year.

Revenue for the division increased 1.9% to R1.88 billion (2022: R1.84 billion) and operating profit decreased by 54.4% to R81.5 million (2022: R178.9 million) while the operating profit margin was 4.3% (2022: 9.7%).

The division incurred capital expenditure of R138.7 million during the year (2022: R179.9 million) and has a secured order book of R1.00 billion (2022: R0.87 billion).

### Roads and Earthworks Division

This division specialises in road construction and earthworks as well as road surfacing and rehabilitation. This includes the laying of asphalt, chip and spray, surface dressing, enrichments, and slurry seals.

The division is primarily dependent on the South African road construction sector through its construction capacity and is directly and indirectly exposed to government expenditure on road construction and maintenance in the country.

Most of the major SANRAL projects in KZN are running at full capacity and are performing well. The division was also well supported by various concession projects (N3TC, Bakwena and TRAC) throughout South Africa during the reporting year.

In addition, this division participated in the upgrade and expansion of the Beitbridge Border Post in Zimbabwe which contributed to the results for the year. The Senqu River Bridge joint venture project in Lesotho for LHDA which was awarded at the end of last year will start to contribute to the profits of the division in the new financial year and should replace some of the Beitbridge Border Post profits.

The Group is encouraged by increased activity in tender awards in this sector over the last few months – Raubex has specifically been awarded SANRAL contracts to the value of R2.0 billion since October 2022. Looking ahead, margins in this sector remain under pressure, however the secured order book provides a solid baseload of work over the next 18 months, enabling the division to seek higher margin opportunities.

Revenue for the division increased 31.9% to R6.04 billion (2022: R4.58 billion) and operating profit increased by 91.3% to R510.9 million (2022: R267.0 million) while the operating profit margin was 8.5% (2022: 5.8%). Revenue for the division, excluding the Beitbridge Border Post, is R5.25 billion (2022: R4.0 billion).

The division incurred capital expenditure of R105.3 million during the year (2022: R104.7 million) and has a secured order book of R7.81 billion (2022: R9.74 billion). Of the R7.81 billion secured order book, R4.56 billion is secured for the February 2024 financial year.

### Infrastructure Division

This division specialises in disciplines outside of the road construction sector, including energy (with a specific focus on renewable energy), facilities management, telecommunications, housing infrastructure projects and commercial building refurbishment and construction.

Global economic conditions continue to place pressure on margins in the commercial building and housing operation, however the secured order book is encouraging with several new projects awarded for housing developments in the Orlando and New Modder (Benoni) areas. Residential development projects in the Western Cape are progressing well and the focus remains on affordable housing projects given the current economic climate.

Due to delays in the award of the South African Government's IPP programmes, the renewable energy segment did not contribute to the current results and none of the IPP programme prospects are included in the current order book, however increased activity was experienced in the private renewable energy space and focus has therefore shifted to this market.

The Group recently signed a balance of plant EPC contract for three wind power generation plants in the Western Cape with a combined value of R2.1 billion for African Clean Energy Developments Pty Ltd ("ACED"). Financial close should be achieved within the next few months. This project is not included in the current secured order book.

The design and build of the mechanical and electrical works for the upgrade and expansion of Potsdam wastewater treatment plant which was awarded at the end of last year, is now also officially signed by the City of Cape Town and was added to the Group's order book. It was awarded to a consortium and the Group's portion of the work amounts to R978 million over a period of 55 months.

The division's results were supported by a strong performance from the operations in Western Australia as well as the upgrade and expansion of the Beitbridge Border Post in Zimbabwe, a project the division jointly participates in.

Revenue for the division increased 27.2% to R4.51 billion (2022: R3.55 billion) and operating profit increased by 37.3% to R515.2 million (2022: R375.3 million) while the operating profit margin was 11.4% (2022: 10.6%).

The division incurred capital expenditure of R214.7 million during the year (2022: R93.0 million) and has a secured order book of R7.58 billion (2022: R4.63 billion).

## **International**

### **Rest of Africa**

The Group's African operations consist of materials supply and mining services as well as construction activities. These operations are located in the African jurisdictions of Botswana, Mozambique, Namibia, Zambia, Lesotho, Swaziland and Zimbabwe ("Rest of Africa").

The biggest contributor to the Group's earnings was the flagship Beitbridge Border Post project in Zimbabwe, which was awarded at the end of 2020. The Taking over certificate of the final section, Section 4 – the Staff Village, was received in February 2023 and only minor works need to be completed in the new financial year to hand over a high-quality final product to the client. Furthermore, Raubex will also participate in a 17-year maintenance project for the border post.

The WRES Senqu River Bridge JV in which the Group has a 21% stake, was recently awarded for the construction of the Senqu Bridge in Lesotho to the value of R2.4 billion. The recent award of the Namdeb project in Namibia for the provision of mining services to Southern Coastal Mines also contributed to the increased order book in Africa. Establishment on both these projects is progressing well and will start contributing to the divisions results during the new financial year.

Revenue increased 29.2% to R1.99 billion (2022: R1.54 billion) and operating profit more than doubled to R592.0 million (2022: R288.2 million) while the operating profit margin improved to 29.8% (2022: 18.8%).

The secured order book totals R3.79 billion (2022: R3.05 billion).

### **Western Australia**

In Western Australia, all operations performed well as the Group continues to gain market share in the region. The order book recently increased to record levels following various contract awards. During the year, Westforce Construction was awarded its first windfarm project to the value of AUD38 million, having leveraged experience gained in the South African renewable energy market to enhance competitiveness in country. The Group is pleased with the profitability and progress in construction to date.

Revenue increased 53.9% to R2.52 billion (2022: R1.64 billion) and operating profit was 39.4% higher at R247.4 million (2022: R177.5 million) and the operating profit margin decreased to 9.8% (2022: 10.8%).

The secured order book in Australia totals R2.37 billion (2022: R1.03 billion).

## **Prospects**

We are pleased that the secured order book of R20.04 billion (2022: R17.13 billion) is indicative of future prospects for the Group. The current unsecured contract opportunities tendered on by the Group are still pending adjudication but are both significant in value and encouraging from a market perspective.

Raubex's Infrastructure division is well positioned to participate in Government's drive to increase power generation capacity, and we have seen an uptick in activity in the private renewable space with a number of tender submissions.

The Group recently signed a balance of plant EPC contract for three wind power generation plants in the Western Cape – with the combined value of the three projects being R2.1 billion. This will replace some of the lost earnings from Beitbridge going forward.

The Roads and Earthworks division, having secured a significant base load of work, will continue to focus on the efficient execution of these contracts while looking for higher margin opportunities to supplement the current order book. Tender activity remains encouraging and numerous contract opportunities have been tendered by the Group but are pending adjudication. Award of these projects should benefit the production and supply of aggregates from the commercial quarry operations and will lead to increased asphalt and bitumen supply in the Construction Materials Division.

The Materials and Mining Division will continue to explore opportunities to increase its specialised mineral resources and to improve production efficiencies. While the Construction Materials Division will continue to pursue strategic acquisitions of commercial quarries to afford the opportunity to increase its materials base.

The Group also continues to explore opportunities to selectively participate in Public Private Partnership (“PPP”) projects. These projects can yield good returns with limited competition.

The Group will also focus on participating in other possible border post projects with a similar risk profile to that of the Beitbridge Border Post project in Zimbabwe. The Group gained valuable experience in the successful execution of this project, delivering a high-quality product on time.

Raubex continues to adopt a more conservative strategy to working in the Rest of Africa and will only consider projects with suitable risk and reward profiles. The mining services project for Namdeb Diamond Corporation (Pty) Ltd in Namibia and the Senqu River Bridge joint venture in Lesotho for LHDA are two such projects, and they are expected to contribute nicely to revenues and profits.

The outlook for Western Australia is positive, with the construction sector continuing to show high levels of activity across the country. The mining sector remains the main contributor to economic growth and the Government continues to implement its infrastructure development stimulus programme. Wind and solar produced energy are also gaining momentum in Western Australia, representing an opportunity for the Group to capture further growth at a measured pace.

Underpinned by its diversified business model, talented workforce, strength in leadership, and healthy balance sheet, Raubex is well-positioned to take advantage of the various opportunities across the sectors it services and continue to deliver value to its stakeholders.



## Dividend declaration

The directors declared a gross final cash dividend from income reserves of 76 cents per share for the year ended 28 February 2023.

|                                |                        |
|--------------------------------|------------------------|
| Last day to trade cum dividend | Tuesday, 30 May 2023   |
| Commence trading ex dividend   | Wednesday, 31 May 2023 |
| Record date                    | Friday, 2 June 2023    |
| Payment date                   | Monday, 5 June 2023    |

No share certificates may be dematerialised or rematerialised between Wednesday, 31 May 2023 and Friday, 2 June 2023, both dates inclusive.

In terms of Dividends Tax (“DT”), the following additional information is disclosed:

- The local DT rate is 20%.
- The number of ordinary shares in issue at the date of this declaration is 181 750 036.
- The dividend to utilise for determining the DT due is 76 cents per share.
- The DT amounts to 15.20000 cents per share.
- The net local dividend amount is 60.80000 cents per share for shareholders liable to pay the DT.
- Raubex Group Limited’s income tax reference number is 9370/905/151.

In terms of the DT legislation, the DT amount due will be withheld and paid over to the South African Revenue Service by a nominee-company, stockbroker or Central Securities Depository Participant (collectively “Regulated Intermediary”) on behalf of shareholders. All shareholders should declare their status to their Regulated Intermediary, as they may qualify for a reduced DT rate or exemption.

# Independent Auditor's Report on the Summary Consolidated Financial Statements

To the shareholders of Raubex Group Limited

## Opinion

The summary consolidated financial statements of Raubex Group Limited, contained in the accompanying provisional report, which comprise the summary group statement of financial position as at 28 February 2023, summary group statement of profit or loss, the summary group statement of comprehensive income, summary group statement of changes in equity and summary group statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Raubex Group Limited for the year ended 28 February 2023.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in the notes to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## Summary consolidated financial statements

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

## The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 12 May 2023. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

## Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in the notes to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

## Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



**PricewaterhouseCoopers Inc.**

**Director: Louis Rossouw**

*Registered Auditor*

Bloemfontein, South Africa

12 May 2023

## Summary Group Statement of Financial Position

|   | Audited<br>12 months<br>28 February<br>2023<br>R'000 | Restated<br>Audited<br>12 months<br>28 February<br>2022<br>R'000 <sup>1</sup> |
|---|--|---|
| <b>ASSETS</b>   |  |   |
| <b>Non-current assets</b>                             |  |   |
| Property, plant and equipment                         | 3 668 216  | 3 073 703   |
| Investment property                                   | 113 974  | 114 495   |
| Right-of-use assets                                   | 335 472  | 377 188   |
| Intangible assets                                     | 1 002 301  | 978 155   |
| Investment in associates and joint ventures           | 9 073  | 12 359  |
| Investment in service concessions                     | 77 049   | 23 153  |
| Deferred income tax assets                            | 171 216  | 132 474   |
| Inventories   | 27 419   | 31 726  |
| Trade and other receivables                           | 3 892  | 13 516  |
| Other financial assets – debt                         | 323 998  | 224 269   |
| Other financial assets – equity                       | 103 944  | 90 977  |
| <b>Total non-current assets</b>                       | <b>5 836 554</b>                                     | <b>5 072 015</b>  |
| <b>Current assets</b>                                 |  |   |
| Inventories   | 1 278 357  | 975 461   |
| Contract assets                                       | 615 743  | 461 158   |
| Trade and other receivables                           | 1 889 356  | 1 981 991   |
| Other financial assets – debt                         | 7 129  | 17 938  |
| Current income tax receivable                         | 18 357   | 11 844  |
| Cash and cash equivalents (excluding bank overdrafts) | 1 697 292  | 1 504 801   |
| <b>Total current assets</b>                           | <b>5 506 234</b>                                     | <b>4 953 193</b>  |
| <b>Total assets</b>                                   | <b>11 342 788</b>                                    | <b>10 025 208</b>   |
| <b>EQUITY</b>   |  |   |
| Share capital   | 1 817  | 1 817   |
| Share premium   | 2 059 688  | 2 059 688   |
| Treasury shares                                       | (78 801)   | (47 077)  |
| Other reserves  | (1 007 709)  | (1 096 014)   |
| Retained earnings                                     | 4 322 910  | 3 879 482   |
| <b>Equity attributable to owners of the parent</b>    | <b>5 297 905</b>                                     | <b>4 797 896</b>  |
| Non-controlling interest                              | 504 985  | 425 161   |
| <b>Total equity</b>                                   | <b>5 802 890</b>                                     | <b>5 223 057</b>  |
| <b>LIABILITIES</b>                                    |  |   |
| <b>Non-current liabilities</b>                        |  |   |
| Borrowings  | 684 125  | 557 578   |
| Lease liabilities                                     | 349 117  | 392 719   |
| Provisions for liabilities and charges                | 134 965  | 134 876   |
| Deferred income tax liabilities                       | 317 181  | 265 130   |
| Other financial liabilities                           | 56 193   | 74 775  |
| <b>Total non-current liabilities</b>                  | <b>1 541 581</b>                                     | <b>1 425 078</b>  |
| <b>Current liabilities</b>                            |  |   |
| Trade and other payables                              | 2 645 718  | 1 867 002   |
| Contract liabilities                                  | 594 136  | 937 858   |
| Borrowings  | 530 339  | 402 313   |
| Lease liabilities                                     | 56 089   | 63 003  |
| Current income tax liabilities                        | 117 368  | 67 842  |
| Provisions for liabilities and charges                | 28 186   | 3 012   |
| Other financial liabilities                           | 26 481   | 36 043  |
| <b>Total current liabilities</b>                      | <b>3 998 317</b>                                     | <b>3 377 073</b>  |
| <b>Total liabilities</b>                              | <b>5 539 898</b>                                     | <b>4 802 151</b>  |
| <b>Total equity and liabilities</b>                   | <b>11 342 788</b>                                    | <b>10 025 208</b>   |

1. Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer to the “Business combination and asset acquisitions” note.

## Summary Group Statement of Profit or Loss

|  | Audited<br>12 months<br>28 February<br>2023<br>R'000 | Restated<br>Audited<br>12 months<br>28 February<br>2022<br>R'000 <sup>1</sup> |
|--|--|---|
| Revenue  | 15 307 479   | 11 577 951  |
| Cost of sales  | (13 197 757)   | (9 985 567)   |
| <b>Gross profit</b>                                    | <b>2 109 722</b>                                     | 1 592 384   |
| Other income   | 13 820   | 13 783  |
| Other gains/(losses) – net                             | 28 591   | 35 987  |
| Administrative expenses                                | (852 929)  | (672 702)   |
| Net impairment losses on financial and contract assets | (23 065)   | (24 136)  |
| <b>Operating profit</b>                                | <b>1 276 139</b>                                     | 945 316   |
| Finance income   | 81 219   | 60 323  |
| Finance costs  | (128 384)  | (84 407)  |
| Share of loss of equity accounted investments          | (7 013)  | (6 172)   |
| <b>Profit before income tax</b>                        | <b>1 221 961</b>                                     | 915 060   |
| Income tax expense                                     | (363 327)  | (287 845)   |
| <b>Profit for the year</b>                             | <b>858 634</b>                                       | 627 215   |
| <b>Profit for the year attributable to:</b>            |  |   |
| Owners of the parent                                   | 704 344  | 553 737   |
| Non-controlling interest                               | 154 290  | 73 478  |
|  | <b>858 634</b>                                       | 627 215   |
| Basic earnings per share (cents)                       | <b>391.1</b>   | 306.9   |
| Diluted earnings per share (cents)                     | <b>388.9</b>   | 304.7   |

1. Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer to the “Business combination and asset acquisitions” note.

## Summary Group Statement of Comprehensive Income

|   | Audited<br>12 months<br>28 February<br>2023<br>R'000 | Restated<br>Audited<br>12 months<br>28 February<br>2022<br>R'000 <sup>1</sup> |
|---|--|---|
| <b>Profit for the year</b>  | 858 634  | 627 215   |
| <b>Other comprehensive income for the year, net of tax:</b>                 |  |   |
| <b><i>Items that may be subsequently reclassified to profit or loss</i></b> |  |   |
| Currency translation differences  | 50 940   | (320)   |
| <b><i>Items that will not be reclassified to profit or loss</i></b>         |  |   |
| Change in fair value of investments held at FV through OCI                  | 58 540   | 15 274  |
| Remeasurement of post-employment benefit obligations                        | 414  | (826)   |
| <b>Total comprehensive income for the year</b>                              | <b>968 528</b>                                       | 641 343   |
| <b>Comprehensive income for the year attributable to:</b>                   |  |   |
| Owners of the parent  | 803 639  | 568 450   |
| Non-controlling interest  | 164 889  | 72 893  |
| <b>Total comprehensive income for the year</b>                              | <b>968 528</b>                                       | 641 343   |

1. Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer to the “Business combination and asset acquisitions” note.

## Summary Group Statement of Changes in Equity

|  | Share capital<br>R'000 | Share premium<br>R'000 | Treasury shares<br>R'000 | Other reserves<br>R'000 | Retained earnings<br>R'000 | Total attributable to owners of parent company<br>R'000 | Non-controlling interest<br>R'000 | Total equity<br>R'000 |
|--|------------------------|------------------------|--------------------------|-------------------------|----------------------------|---|-----------------------------------|-----------------------|
| <b>Balance at 28 February 2021</b>                             | 1 817                  | 2 059 688              | (16 002)                 | (1 120 424)             | 3 478 306                  | 4 403 385   | 270 839                           | 4 674 224             |
| Share option reserve   | -                      | -                      | -                        | 17 248                  | -                          | 17 248  | -                                 | 17 248                |
| Share option reserve utilised during the year                  | -                      | -                      | -                        | (9 286)                 | 9 286                      | -   | -                                 | -                     |
| Treasury shares issued in terms of equity-settled share scheme | -                      | -                      | -                        | -                       | (10 715)                   | -   | -                                 | -                     |
| Acquisition of treasury shares                                 | -                      | -                      | 10 715                   | -                       | -                          | (41 790)  | -                                 | (41 790)              |
| Acquisition of shares of non-controlling interest              | -                      | -                      | (41 790)                 | -                       | -                          | (12 328)  | (7 914)                           | (20 242)              |
| Acquisition of subsidiary <sup>1</sup>                         | -                      | -                      | -                        | 909                     | (13 237)                   | -   | 130 409                           | 130 409               |
| Disposal of subsidiary   | -                      | -                      | -                        | -                       | -                          | -   | (4 837)                           | (4 837)               |
| Profit for the year <sup>1</sup>                               | -                      | -                      | -                        | -                       | 553 737                    | 553 737   | 73 478                            | 627 215               |
| Other comprehensive income for the year                        | -                      | -                      | -                        | 15 539                  | (826)                      | 14 713  | (585)                             | 14 128                |
| Dividends paid   | -                      | -                      | -                        | -                       | (137 069)                  | (137 069)   | (86 229)                          | (173 298)             |
| <b>Restated balance at 28 February 2022<sup>1</sup></b>        | 1 817                  | 2 059 688              | (47 077)                 | (1 096 014)             | 3 879 482                  | 4 797 896   | 425 161                           | 5 223 057             |
| Share option reserve   | -                      | -                      | -                        | 5 741                   | -                          | 5 741   | -                                 | 5 741                 |
| Share option reserve utilised during the year                  | -                      | -                      | -                        | (16 317)                | 16 317                     | -   | -                                 | -                     |
| Treasury shares issued in terms of equity-settled share scheme | -                      | -                      | 30 026                   | -                       | (30 026)                   | -   | -                                 | -                     |
| Acquisition of treasury shares                                 | -                      | -                      | (61 750)                 | -                       | -                          | (61 750)  | -                                 | (61 750)              |
| Acquisition of shares from non-controlling interest            | -                      | -                      | -                        | -                       | (41 399)                   | (41 399)  | (97 678)                          | (138 077)             |
| Disposal of shares to non-controlling shareholders             | -                      | -                      | -                        | -                       | (3 362)                    | (3 362)   | 40 861                            | 37 499                |
| Share buy-back from non-controlling shareholders of subsidiary | -                      | -                      | -                        | -                       | 429                        | 429   | (7 123)                           | (6 694)               |
| Rights offer by subsidiary                                     | -                      | -                      | -                        | -                       | (11 058)                   | (11 058)  | 11 058                            | -                     |
| Acquisition of subsidiaries                                    | -                      | -                      | -                        | -                       | -                          | -   | 19 238                            | 19 238                |
| Profit for the year  | -                      | -                      | -                        | -                       | 704 344                    | 704 344   | 154 290                           | 858 634               |
| Other comprehensive income for the year                        | -                      | -                      | -                        | 98 881                  | 414                        | 99 295  | 10 599                            | 109 894               |
| Dividends paid   | -                      | -                      | -                        | -                       | (192 231)                  | (192 231)   | (62 421)                          | (244 652)             |
| <b>Balance at 28 February 2023</b>                             | 1 817                  | 2 059 688              | (78 801)                 | (1 007 709)             | 4 322 910                  | 5 297 905   | 504 985                           | 5 802 890             |

1. Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer to the “Business combination and asset acquisitions” note.

## Summary Group Statement of Cash Flows

|   | Audited<br>12 months<br>28 February<br>2023<br>R'000 | Audited<br>12 months<br>28 February<br>2022<br>R'000 |
|---|--|--|
| <b>Cash flows from operating activities</b>                 |  |  |
| Cash generated from operations                              | 1 959 176  | 800 090  |
| Interest received   | 62 143   | 43 923   |
| Interest paid   | (111 702)  | (65 249)   |
| Income tax paid   | (318 558)  | (212 635)  |
| <b>Net cash generated from operating activities</b>         | <b>1 591 059</b>                                     | <b>566 129</b>                                       |
| <b>Cash flows from investing activities</b>                 |  |  |
| Purchases of property, plant and equipment                  | (1 152 670)  | (695 874)  |
| Purchases of investment property                            | –  | (5 110)  |
| Proceeds from sale of property, plant and equipment         | 64 060   | 171 348  |
| Acquisition of subsidiaries                                 | (18 040)   | (63 817)   |
| Acquisition of associates and joint ventures                | (1 227)  | (71 441)   |
| Acquisition of equity instruments (other financial assets)  | (429)  | (64 379)   |
| Disposal of subsidiaries                                    | –  | 15 185   |
| Loan repayments from associates and joint ventures          | 44 969   | 33 679   |
| Loans granted to associates and joint ventures              | (115 866)  | (2 844)  |
| <b>Net cash used in investing activities</b>                | <b>(1 179 203)</b>                                   | <b>(683 253)</b>                                     |
| <b>Cash flows from financing activities</b>                 |  |  |
| Proceeds from borrowings                                    | 1 102 186  | 546 127  |
| Repayment of borrowings                                     | (866 605)  | (531 174)  |
| Repayment of lease liabilities (capital repayments)         | (66 141)   | (38 344)   |
| Acquisition of non-controlling interest                     | (138 077)  | (20 242)   |
| Dividends paid to owners of the parent                      | (192 231)  | (137 069)  |
| Dividends paid to non-controlling interests                 | (52 421)   | (36 229)   |
| Disposal of interest in a subsidiary                        | 37 499   | –  |
| Contingent consideration settled                            | (12 282)   | –  |
| Acquisition of treasury shares                              | (61 750)   | (41 790)   |
| Share buy-back transaction by subsidiary                    | (6 694)  | –  |
| <b>Net cash used in financing activities</b>                | <b>(256 516)</b>                                     | <b>(258 721)</b>                                     |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>155 340</b>                                       | <b>(375 845)</b>                                     |
| Cash and cash equivalents at the beginning of the year      | 1 504 799  | 1 883 691  |
| Effects of exchange rates on cash and cash equivalents      | 37 151   | (3 047)  |
| <b>Cash and cash equivalents at the end of the year</b>     | <b>1 697 290</b>                                     | <b>1 504 799</b>                                     |

# Notes

## Basis of preparation

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements (“Listings Requirements”) for abridged reports and the requirements of the Companies Act (2008) applicable to summary financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, to contain the information required by IAS 34: *Interim Financial Reporting*.

The principal accounting policies used in the preparation of the audited annual results for the year ended 28 February 2023 are consistent with those applied for the year ended 28 February 2022 in terms of IFRS.

These summary consolidated financial statements for the year ended 28 February 2023 have been prepared under the supervision of the Financial Director, Mr SJ Odendaal CA(SA) and audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived. A copy of the auditor’s report on the summary consolidated financial statements and of the auditor’s report on the annual consolidated financial statements are available for inspection at the company’s registered office and on the company’s website at [www.raubex.com](http://www.raubex.com).

The auditor’s report does not necessarily report on all of the information contained in this announcement. Any reference to pro forma or future financial information included in this announcement has not been reviewed or reported on by the auditors. Shareholders are advised that in order to obtain a full understanding of the nature of the auditor’s engagement they should obtain a copy of that report together with the accompanying financial information from the company’s registered office.



## Summary segmental analysis

|                           | Materials Handling and Mining R'000 | Construction Materials R'000 | Roads and Earthworks R'000 | Infrastructure R'000 | Consolidated R'000 |
|---------------------------|-------------------------------------|------------------------------|----------------------------|----------------------|--------------------|
| <b>Operating segments</b> |                                     |                              |                            |                      |                    |
| <b>28 February 2023</b>   |                                     |                              |                            |                      |                    |
| Segment revenue           | 2 877 958                           | 1 877 175                    | 6 037 985                  | 4 514 361            | 15 307 479         |
| Operating profit          | 168 589                             | 81 511                       | 510 859                    | 515 180              | 1 276 139          |
| Margin                    | 5.9%                                | 4.3%                         | 8.5%                       | 11.4%                | 8.3%               |
| <b>28 February 2022</b>   |                                     |                              |                            |                      |                    |
| Segment revenue           | 1 611 100                           | 1 842 024                    | 4 576 198                  | 3 548 629            | 11 577 951         |
| Operating profit          | 124 124                             | 178 909                      | 267 016                    | 375 267              | 945 316            |
| Margin                    | 7.7%                                | 9.7%                         | 5.8%                       | 10.6%                | 8.2%               |

|                                 | South Africa R'000 | Rest of Africa R'000 | Australia R'000 | Consolidated R'000 |
|---------------------------------|--------------------|----------------------|-----------------|--------------------|
| <b>Geographical information</b> |                    |                      |                 |                    |
| <b>28 February 2023</b>         |                    |                      |                 |                    |
| Segment revenue                 | 10 798 190         | 1 985 429            | 2 523 860       | 15 307 479         |
| Operating profit                | 436 740            | 592 038              | 247 361         | 1 276 139          |
| Margin                          | 4.0%               | 29.8%                | 9.8%            | 8.3%               |
| <b>28 February 2022</b>         |                    |                      |                 |                    |
| Segment revenue                 | 8 401 483          | 1 536 389            | 1 640 079       | 11 577 951         |
| Operating profit                | 479 679            | 288 169              | 177 468         | 945 316            |
| Margin                          | 5.7%               | 18.8%                | 10.8%           | 8.2%               |

## Calculation of diluted earnings per share

|  | Audited<br>12 months<br>28 February<br>2023<br>R'000 | Restated<br>Audited<br>12 months<br>28 February<br>2022<br>R'000 <sup>1</sup> |
|--|--|---|
| Profit attributable to owners of the parent entity                               | 704 344  | 553 737   |
| Weighted average number of ordinary shares in issue ('000)                       | 180 104  | 180 422   |
| <i>Adjustments for:</i>  |  |   |
| Shares deemed issued for no consideration (share options) ('000)                 | 1 016  | 1 293   |
| Weighted average number of ordinary shares for diluted earnings per share ('000) | 181 120  | 181 715   |
| Diluted earnings per share (cents)   | 388.9  | 304.7   |

1. Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer to the “Business combination and asset acquisitions” note.

## Calculation of headline earnings per share

|  | Audited<br>12 months<br>28 February<br>2023<br>R'000 | Restated<br>Audited<br>12 months<br>28 February<br>2022<br>R'000 <sup>1</sup> |
|--|--|---|
| Profit attributable to owners of the parent entity   | 704 344  | 553 737   |
| <i>Adjustments for:</i>  |  |   |
| Profit on sale of property, plant and equipment  | (10 103)   | (14 538)  |
| Impairment on property, plant and equipment  | 3 300  | –   |
| Bargain purchase on acquisition of joint venture   | –  | (6 173)   |
| Bargain purchase on acquisition of subsidiary  | (8 790)  | –   |
| Loss/(profit) on remeasurement of associate  | 3 769  | (11 233)  |
| Goodwill and intangible asset impairment   | 13 493   | 5 400   |
| Profit on disposal of joint venture  | –  | (84)  |
| Loss on disposal of subsidiary   | –  | 4 524   |
| <i>Add back:</i> Non-controlling interests' portion of profit on sale of property, plant and equipment | (646)  | 470   |
| Total tax effects of adjustments   | 2 043  | 4 535   |
| Basic headline earnings  | 707 410  | 536 638   |
| Weighted average number of shares ('000)   | 180 104  | 180 422   |
| Headline earnings per share (cents)  | 392.8  | 297.4   |
| Diluted headline earnings per share (cents)  | 390.6  | 295.3   |

1. Measurement period adjustment – during the current year, the comparative information for February 2022 was retrospectively adjusted on finalisation of the accounting for the business combination with regards to the acquisition of Bauba. Refer to the “Business combination and asset acquisitions” note.

## Revenue disaggregation

The following disclosures are provided in terms of IAS 34.16A(i) and IFRS 15.114:

| Disaggregation of revenue by activity and segment     | Materials                 |                              |                            |                      | Consolidated R'000 |
|---|---------------------------|------------------------------|----------------------------|----------------------|--------------------|
|   | Handling and Mining R'000 | Construction Materials R'000 | Roads and Earthworks R'000 | Infrastructure R'000 |                    |
| <b>28 February 2023</b>                               |                           |                              |                            |                      |                    |
| Contracting revenue                                   | 1 147 042                 | 14 789                       | 6 037 985                  | 4 458 811            | 11 658 627         |
| Sale of ore   | 1 359 851                 | –                            | –                          | –                    | 1 359 851          |
| Commercial quarry aggregates and gypsum revenue       | 369 602                   | 629 331                      | –                          | –                    | 998 933            |
| Bitumen and emulsion products                         | –                         | 682 264                      | –                          | –                    | 682 264            |
| Asphalt supply revenue                                | –                         | 550 791                      | –                          | –                    | 550 791            |
| Property sales, property rentals and development fees | 1 463                     | –                            | –                          | 55 550               | 57 013             |
| <b>Total revenue</b>                                  | <b>2 877 958</b>          | <b>1 877 175</b>             | <b>6 037 985</b>           | <b>4 514 361</b>     | <b>15 370 479</b>  |
| <b>28 February 2022</b>                               |                           |                              |                            |                      |                    |
| Contracting revenue                                   | 1 114 360                 | 40 557                       | 4 576 198                  | 3 477 619            | 9 208 734          |
| Sale of ore   | 21 569                    | –                            | –                          | –                    | 21 569             |
| Commercial quarry aggregates and gypsum revenue       | 433 359                   | 878 980                      | –                          | –                    | 1 312 339          |
| Bitumen and emulsion products                         | –                         | 521 630                      | –                          | –                    | 521 630            |
| Asphalt supply revenue                                | –                         | 400 857                      | –                          | –                    | 400 857            |
| Plant hire revenue                                    | 41 537                    | –                            | –                          | –                    | 41 537             |
| Property sales, property rentals and development fees | 275                       | –                            | –                          | 71 010               | 71 285             |
| <b>Total revenue</b>                                  | <b>1 611 100</b>          | <b>1 842 024</b>             | <b>4 576 198</b>           | <b>3 548 629</b>     | <b>11 577 951</b>  |

| Disaggregation of revenue by activity and geography   | South Africa<br>R'000 | Rest of Africa<br>R'000 | Australia<br>R'000 | Consolidated<br>R'000 |
|---|-----------------------|-------------------------|--------------------|-----------------------|
| <b>28 February 2023</b>                               |                       |                         |                    |                       |
| Contracting revenue                                   | 7 391 902             | 1 742 865               | 2 523 860          | 11 658 627            |
| Sale of ore   | 1 359 851             | –                       | –                  | 1 359 851             |
| Commercial quarry aggregates and gypsum revenue       | 905 501               | 93 432                  | –                  | 998 933               |
| Bitumen and emulsion products                         | 533 287               | 148 977                 | –                  | 682 264               |
| Asphalt supply revenue                                | 550 636               | 155                     | –                  | 550 791               |
| Property sales, property rentals and development fees | 57 013                | –                       | –                  | 57 013                |
| <b>Total revenue</b>                                  | <b>10 798 190</b>     | <b>1 985 429</b>        | <b>2 523 860</b>   | <b>15 307 479</b>     |
| <b>28 February 2022</b>                               |                       |                         |                    |                       |
| Contracting revenue                                   | 6 361 819             | 1 206 836               | 1 640 079          | 9 208 734             |
| Sale of ore   | 21 569                | –                       | –                  | 21 569                |
| Commercial quarry aggregates and gypsum revenue       | 1 111 463             | 200 876                 | –                  | 1 312 339             |
| Bitumen and emulsion products                         | 399 524               | 122 106                 | –                  | 521 630               |
| Asphalt supply revenue                                | 394 286               | 6 571                   | –                  | 400 857               |
| Plant hire revenue                                    | 41 537                | –                       | –                  | 41 537                |
| Property sales, property rentals and development fees | 71 285                | –                       | –                  | 71 285                |
| <b>Total revenue</b>                                  | <b>8 401 483</b>      | <b>1 536 389</b>        | <b>1 640 079</b>   | <b>11 577 951</b>     |

| Disaggregation of revenue by customer sector and segment | Materials Handling and Mining<br>R'000 | Construction Materials<br>R'000 | Roads and Earthworks<br>R'000 | Infrastructure<br>R'000 | Consolidated<br>R'000 |
|--|--|---------------------------------|-------------------------------|-------------------------|-----------------------|
| <b>28 February 2023</b>                                  |  |                                 |                               |                         |                       |
| Public sector  | –                                      | 26 109                          | 4 549 552                     | 974 272                 | 5 549 933             |
| Private sector   | 2 877 958                              | 1 851 066                       | 1 488 433                     | 3 540 089               | 9 757 546             |
| <b>Total revenue</b>                                     | <b>2 877 958</b>                       | <b>1 877 175</b>                | <b>6 037 985</b>              | <b>4 514 361</b>        | <b>15 307 479</b>     |
| <b>28 February 2022</b>                                  |  |                                 |                               |                         |                       |
| Public sector  | –                                      | 37 896                          | 2 881 689                     | 1 123 549               | 4 043 134             |
| Private sector   | 1 611 100                              | 1 804 128                       | 1 694 509                     | 2 425 080               | 7 534 817             |
| <b>Total revenue</b>                                     | <b>1 611 100</b>                       | <b>1 842 024</b>                | <b>4 576 198</b>              | <b>3 548 629</b>        | <b>11 577 951</b>     |

| Disaggregation of revenue by customer sector and geography | South Africa<br>R'000 | Rest of Africa<br>R'000 | Australia<br>R'000 | Consolidated<br>R'000 |
|--|-----------------------|-------------------------|--------------------|-----------------------|
| <b>28 February 2023</b>                                    |                       |                         |                    |                       |
| Public sector  | 4 653 052             | 82 732                  | 814 149            | 5 549 933             |
| Private sector   | 6 145 138             | 1 902 697               | 1 709 711          | 9 757 546             |
| <b>Total revenue</b>                                       | <b>10 798 190</b>     | <b>1 985 429</b>        | <b>2 523 860</b>   | <b>15 370 479</b>     |
| <b>28 February 2022</b>                                    |                       |                         |                    |                       |
| Public sector  | 3 222 527             | 7 001                   | 813 606            | 4 043 134             |
| Private sector   | 5 178 956             | 1 529 388               | 826 473            | 7 534 817             |
| <b>Total revenue</b>                                       | <b>8 401 483</b>      | <b>1 536 389</b>        | <b>1 640 079</b>   | <b>11 577 951</b>     |

## Finance income and costs

|  | Audited<br>12 months<br>28 February<br>2023<br>R'000 | Audited<br>12 months<br>28 February<br>2022<br>R'000 |
|--|--|--|
| <b>Finance income:</b>                                 |  |  |
| <i>Cash finance income</i>                             |  |  |
| Interest income on cash resources                      | 49 325   | 39 913   |
| Other interest   | 12 818   | 4 010  |
| <i>Non-cash finance income</i>                         |  |  |
| Accrued interest                                       | 19 076   | 16 400   |
| <b>Total finance income</b>                            | <b>81 219</b>  | <b>60 323</b>  |
| <b>Finance costs:</b>                                  |  |  |
| <i>Cash finance costs</i>                              |  |  |
| Bank borrowings  | (75 011)   | (34 325)   |
| Interest expense on lease liabilities                  | (33 104)   | (29 443)   |
| Other interest   | (3 587)  | (1 481)  |
| <i>Non-cash finance costs</i>                          |  |  |
| Unwinding of discount – rehabilitation provision       | (3 985)  | (2 622)  |
| Unwinding of discount – voluntary rebuilding programme | (5 520)  | (6 301)  |
| Significant financing component on advance payment     | (7 177)  | (10 235)   |
| <b>Total finance costs</b>                             | <b>(128 384)</b>                                     | <b>(84 407)</b>                                      |
| <b>Net finance costs</b>                               | <b>(47 165)</b>                                      | <b>(24 084)</b>                                      |

## Cash and cash equivalents

|  | Audited<br>12 months<br>28 February<br>2023<br>R'000 | Audited<br>12 months<br>28 February<br>2022<br>R'000 |
|--|--|--|
| For purposes of the consolidated cash flow, cash and cash equivalents consists of: |  |  |
| Cash on hand   | 1 697 292  | 1 504 801  |
| Bank overdrafts  | (2)  | (2)  |
| <b>Total cash and cash equivalents as stated on the statement of cash flows</b>    | <b>1 697 290</b>                                     | <b>1 504 799</b>                                     |

## Capital expenditure and depreciation

|  | Audited<br>12 months<br>28 February<br>2023<br>R'000 | Audited<br>12 months<br>28 February<br>2022<br>R'000 |
|--|--|--|
| Capital expenditure for the year                           | 1 152 670  | 695 874  |
| Depreciation for the year on property, plant and equipment | 577 036  | 375 392  |
| Depreciation for the year on right-of-use assets           | 53 081   | 43 668   |
| Amortisation of intangible assets for the year             | 15 256   | 15 367   |

## Business combinations and asset acquisitions

*Acquisition made during the previous financial period*

### Bauba Resources (Pty) Ltd (“Bauba”)

In the prior year, on 29 March 2021, the Group, through its subsidiary Raubex (Pty) Ltd, acquired 147 811 073 shares of Bauba for R54.7 million. This acquisition amounts to a 23.08% shareholding in Bauba and represents a significant influence in terms of IAS 28 and the Group's interest in Bauba was accounted for using the equity method. Pursuant to a claw back offer made by Bauba to raise additional capital during the year, the Group acquired an additional 41 734 851 shares for R13.4 million. Raubex (Pty) Ltd underwrote the claw back offer which resulted in an additional percentage being obtained due to some shareholders not taking up their offers. The Group's shareholding moved from 23.08% to 26.39% subsequent to the claw back offer effective 1 December 2021. The Group's ownership still represented significant influence, in terms of IAS 28. R3.3 million in transaction costs were capitalised to the cost of the investment in associate.

On 31 January 2022, with approval from the competition commission, the Group acquired an additional 185 217 699 shares of Bauba, from existing shareholders, for R68.9 million. This resulted in the Group's effective shareholding increasing to 51.09%. The Group is deemed to exercise control in terms of IFRS 10 effective 31 January 2022. Bauba has been consolidated as part of the Group since 31 January 2022.

Bauba is a mining company, with various mineral reserves under licence. This acquisition will afford the Group the opportunity to participate in materials handling and processing opportunities for Bauba's open cast mining operations in the future. Bauba also has the potential to further diversify the Group's operations through its mining operations.

The goodwill has been allocated to the materials handling and mining operating segment and is attributable to the business diversification options Bauba presents to the Group, synergies that are expected to arise from integrating Bauba into the materials handling and mining division and the nature and geographical location of the mineral reserves under licence.

During the current year, the information pertaining to the fair value of tangible and intangible assets acquired was finalised. The Group made the respective measurement period adjustments as indicated below. The adjustments relate to the fair values of the intangible assets and the mineral rights in production acquired as determined by an independent expert. The corresponding deferred tax effects have also been adjusted for. The measurement period adjustments have also impacted the non-controlling interest, remeasurement profit and goodwill amounts recognised on acquisition that were previously reported.

Details of the purchase consideration and fair value of net assets acquired are set out below:

|   | As previously<br>reported<br>2022<br>R'000 | Measurement<br>period<br>adjustments<br>2022<br>R'000 <sup>1</sup> | Restated<br>2022<br>R'000 |
|---|--|--|---------------------------|
| <b>Consideration</b>  |  |  |                           |
| Fair value of previously held shares prior to control transaction                 | 68 601                                     | 1 782  | 70 383                    |
| Cash consideration  | 68 996                                     | –  | 68 996                    |
| <b>Total consideration</b>  | <b>137 597</b>                             | <b>1 782</b>   | <b>139 379</b>            |
| <b>Recognised amounts of identifiable assets and acquired liabilities assumed</b> |  |  |                           |
| Property, plant and equipment   | 508 712                                    | 30 418   | 539 130                   |
| Right-of-use assets   | 102 945                                    | –  | 102 945                   |
| Intangible assets   | 20 161                                     | (20 161)   | –                         |
| Inventories   | 88 464                                     | –  | 88 464                    |
| Trade and other receivables   | 49 572                                     | –  | 49 572                    |
| Cash and cash equivalents   | 3 028                                      | –  | 3 028                     |
| Deferred tax asset  | 90 122                                     | 17 060   | 107 182                   |
| Deferred tax liability  | (70 386)                                   | (20 563)   | (90 949)                  |
| Borrowings  | (157 968)                                  | –  | (157 968)                 |
| Lease liabilities   | (91 951)                                   | –  | (91 951)                  |
| Provisions  | (6 038)                                    | –  | (6 038)                   |
| Trade and other payables  | (276 680)                                  | –  | (276 680)                 |
| <b>Total identifiable net assets</b>  | <b>259 981</b>                             | <b>6 754</b>   | <b>266 735</b>            |
| Non-controlling interest  | (127 160)                                  | (3 304)  | (130 464)                 |
| Goodwill attributable to owners of the parent                                     | 4 776                                      | (1 668)  | 3 108                     |
| <b>Total</b>  | <b>137 597</b>                             | <b>1 782</b>   | <b>139 379</b>            |

1. Measurement period adjustments – during the current year, the comparative information for February 2022 was retrospectively adjusted to recognise the final fair values of the intangible and tangible assets and the final value of goodwill. The effects on the prior year profit relate to share of profit from equity accounted investments.

The acquisition of Bauba was made in stages, therefore the equity interest in Bauba of 26.39% was remeasured to fair value immediately before the share purchase that resulted in the Group obtaining control over Bauba, with the remeasurement profit being recognised in profit or loss.

The revenue included in the consolidated income statement since 31 January 2022 contributed by Bauba in the prior year was R21.6 million with a net loss contribution of R5.4 million over the same period. Had Bauba been consolidated from the beginning of the prior year, Bauba would have contributed revenue of R333.4 million and a net loss of R66.4 million.

|  | As previously<br>reported<br>2022<br>R'000 | Measurement<br>period<br>adjustments<br>2022<br>R'000 <sup>1</sup> | Restated<br>2022<br>R'000 |
|--|--|--|---------------------------|
| Carrying value of initial 26.39% equity interest immediately before additional share acquisition           | (59 150)                                   | –  | (59 150)                  |
| Acquisition date fair value  | 68 601                                     | 1 782  | 70 383                    |
| <b>Remeasurement profit on equity interest held</b>  | <b>9 451</b>                               | <b>1 782</b>   | <b>11 233</b>             |
| Total purchased consideration settled in cash  | 68 996                                     | –  | 68 996                    |
| Less: Cash and cash equivalents in the business combination acquired                                       | (3 028)                                    | –  | (3 028)                   |
| <b>Cash outflow on acquisition for cash flow statement</b>   | <b>65 968</b>                              | <b>–</b>   | <b>65 968</b>             |
| Total cash outflow split as follows under cash flows from investing activities in the cash flow statement: |  |  |                           |
| Acquisition of associates  | 71 441                                     | –  | 71 441                    |
| Acquisition of subsidiaries  | 65 968                                     | –  | 65 968                    |

1. Measurement period adjustments – during the current year, the comparative information for February 2022 was retrospectively adjusted to recognise the final fair values of the intangible and tangible assets and the final value of goodwill. The effects on the prior year profit relate to share of profit from equity accounted investments.

The fair value of trade and other receivables is R49.6 million which is the same as the gross contractual amount. The full amount is expected to be recoverable.

Acquisitions made during the current financial period

### Attacloy (Pty) Ltd (“Attacloy”)

On 1 July 2022, the Group, through its subsidiary OMV (Pty) Ltd, acquired 49% of Stopetek Properties (“Stopetek”) for R18 million. The Group has assessed that in terms of IFRS 10 it controls Stopetek. Stopetek holds 51.8% in Attacloy which produces bentonite and attapulgite through its open cast mining operations.

The revenue included in the consolidated income statement since 1 July 2022 contributed by Attacloy was R23.2 million with a net profit contribution of R2.9 million over the same period. Had Attacloy been consolidated from the beginning of the year, Attacloy would have contributed revenue of R33.6 million and a net profit of R4.1 million.

### Centremark Roadmarking (Pty) Ltd (“Centremark”)

Effective 1 February 2023, the Group, through its subsidiary Raubex Roads and Earthworks Holdings (Pty) Ltd acquired the remaining 56% of Centremark for R560. This increased the groups effective ownership from 44% to 100% giving the group control in terms of IFRS 10, therefore changing Centremark from an associate to a subsidiary.



### Dune Resources (Pty) Ltd (“Dune Resources”)

Effective 1 April 2022, the Group, through its subsidiary SPH Kundalila (Pty) Ltd, acquired 61.8% of Dune Resources for a total cost of R6.9 million. R3.9 million was paid in cash, while the other R3 million was for exploration costs incurred on behalf of Dune Resources. The Group has assessed that in terms of IFRS 10 it controls Dune Resources. Dune Resources owns 65% of Namli Exploration and Mining (Pty) Ltd (“Namli Exploration”), which holds an exploration right.

Dune Resources and Namli Exploration have been consolidated into the Group effective 1 April 2022, neither have contributed any revenue or net profit to date.

Details of the net assets acquired, purchase consideration and goodwill/bargain purchase from acquisitions are set out below:

|   | Dune Resources<br>R'000 | Attaclay<br>R'000 | Centremark<br>R'000 | Total<br>R'000 |
|---|-------------------------|-------------------|---------------------|----------------|
| <b>Consideration</b>  |                         |                   |                     |                |
| Cash consideration  | 3 900                   | 18 000            | 1                   | 21 901         |
| Exploration costs incurred for shares   | 3 000                   | –                 | –                   | 3 000          |
| <b>Total consideration</b>  | <b>6 900</b>            | <b>18 000</b>     | <b>1</b>            | <b>24 901</b>  |
| <b>Recognised amounts of identifiable assets and acquired liabilities assumed</b> |                         |                   |                     |                |
| Property, plant and equipment   | –                       | 1 000             | 8 226               | 9 226          |
| Intangible assets   | 9 821                   | 33 820            | –                   | 43 641         |
| Inventories   | –                       | 5 034             | 1 725               | 6 759          |
| Trade and other receivables   | –                       | 7 733             | 1 343               | 9 076          |
| Contract assets   | –                       | –                 | 23                  | 23             |
| Current tax receivable  | –                       | 1 279             | –                   | 1 279          |
| Cash and cash equivalents   | –                       | 5 282             | 1 579               | 6 861          |
| Deferred tax asset  | 111                     | 1 596             | 110                 | 1 817          |
| Deferred tax liability  | (110)                   | (9 516)           | (2 236)             | (11 862)       |
| Provisions  | –                       | (3 339)           | –                   | (3 339)        |
| Trade and other payables  | (1 204)                 | (8 537)           | (1 979)             | (11 720)       |
| <b>Total identifiable net assets</b>  | <b>8 618</b>            | <b>34 352</b>     | <b>8 791</b>        | <b>51 761</b>  |
| Non-controlling interest  | (1 718)                 | (17 520)          | –                   | (19 238)       |
| Goodwill/(Bargain Purchase) attributable to owners of the parent                  | –                       | 1 168             | (8 790)             | (7 622)        |
| <b>Total</b>  | <b>6 900</b>            | <b>18 000</b>     | <b>1</b>            | <b>24 901</b>  |
| Total purchased consideration settled in cash                                     | 6 900                   | 18 000            | 1                   | 24 901         |
| Less: Cash and cash equivalents in the business combination acquired              | –                       | (5 282)           | (1 579)             | (6 861)        |
| <b>Cash outflow/(inflow) on acquisition for cash flow statement</b>               | <b>6 900</b>            | <b>12 718</b>     | <b>(1 578)</b>      | <b>18 040</b>  |

### *Transactions with non-controlling interests ("NCI")*

#### **Bauba Resources (Pty) Ltd ("Bauba")**

##### **Transaction 1:**

As previously disclosed, the acquisition of Bauba in the prior year, triggered a mandatory offer in terms of section 123 of the Companies Act, 71 of 2008 (read together with section 117 of the Companies Act, 71 of 2008 and regulation 86 of the Takeover Regulations), as a result of the Group owning more than 35% of Bauba. On 28 March 2022, the mandatory offer of 42 cents per share was opened to shareholders. After an extension of the original closing date, the mandatory offer closed on 10 June 2022 resulting in the Group acquiring an additional 79 412 185 shares (10.59%) of Bauba for R33.4 million.

##### **Transaction 2:**

On 28 June 2022, the Group opened a general offer to purchase shares from shareholders for 42 cents per share. The general offer closed on 19 August 2022 resulting in an additional 99 637 746 shares (13.29%) of Bauba being acquired by the Group for R41.8 million. The net effect of the above transactions has resulted in the Group's effective ownership in Bauba increasing to 74.97% as at 31 August 2022.

##### **Transaction 3:**

On 7 October 2022, the Group effectively sold 89.3 million shares in Bauba to a non-controlling shareholder for R37.5 million (42 cents per share). The Group's effective ownership of Bauba decreased to 63.06%. The Group is deemed to still exercise control in terms of IFRS 10.

##### **Transaction 4:**

In terms of the circular issued to shareholders on 27 October 2022, Bauba cancelled 15.9 million non-controlling shareholders' shares effective 6 December 2022 (closing date). Of the 15.9 million shares cancelled, 9.9 million elected their exit and were paid R6.7 million (42 cents per share). The balance of shares were default exits based on no responses being received. The amount owed to these shareholders has been provided for and will expire three years from circular date (27 October 2025). The Group's effective ownership of Bauba increased to 64.43% as a result of the cancelled shares.

##### **Transaction 5:**

On 19 November 2022, Bauba A Hlabirwa Mining Investments (Pty) Ltd ("BAH"), a subsidiary of Bauba, issued additional shares in terms of a rights offer, where a loan of R130 million, owed to Bauba, was capitalised in return for additional shares. Bauba's effective ownership of BAH increased to 73.68% as a result of the transaction.

#### **Metadynamics (Pty) Ltd ("Metadynamics")**

Effective 1 June 2022, the Group, through its subsidiary OMV (Pty) Ltd, acquired the remaining 30% of Metadynamics from non-controlling shareholders for R25 million cash. This transaction increased the Group's effective shareholding from 49% to 70%.

#### **Donkerhoek Quarry (Pty) Ltd ("Donkerhoek")**

On 1 August 2022, the Group, through its subsidiary Raumix Aggregates (Pty) Ltd, acquired the remaining 26% of Donkerhoek from a non-controlling shareholder for R16.5 million cash. The Group's effective shareholding increased from 74% to 100%.

#### **B&E International (Namibia) (Pty) Ltd ("B&E Namibia")**

Effective 1 December 2022, the Group restructured the Namibian operations of its subsidiary B&E International (Pty) Ltd. The Group acquired an additional 6% in B&E Namibia for R3.8 million cash. The Group's effective shareholding increased from 74% to 80%. Subsequently, the Group has established an employee trust for the entity and allocated 10% of its shareholding to the trust.

### Dune Resources (Pty) Ltd (“Dune Resources”)

On 1 November 2022, the Group, through its subsidiary SPH Kundalila (Pty) Ltd, acquired the remaining 38.2% of Dune Resources non-controlling shareholders for R17.5 million cash. The Group’s effective shareholding in Dune Resources increased from 61.8% to 100%, therefore also increasing the effective ownership of Namli from 40.1% to 65%.

Details of each of the above mentioned transactions are set out below:

|  | Change in ownership – Increase/(decrease) in equity R’000 | NCI (acquired)/disposed of R’000 | Total equity effect and cash flow effect R’000 |
|--|---|----------------------------------|--|
| Bauba – Transaction 1 (purchase)                                       | (373)   | (33 064)                         | (33 437)                                       |
| Bauba – Transaction 2 (purchase)                                       | 3 506   | (45 270)                         | (41 764)                                       |
| Bauba – Transaction 3 (sale)   | (3 362)   | 40 861                           | 37 499   |
| Bauba – Transaction 4 (share buy back from NCI)                        | 429   | (7 123)                          | (6 694)  |
| Bauba – Transaction 5 (rights offer by subsidiary)                     | (11 058)  | 11 058                           | –  |
| Metadynamics   | (17 721)  | (7 279)                          | (25 000)                                       |
| Donkerhoek   | (2 593)   | (13 907)                         | (16 500)                                       |
| Dune Resources   | (16 095)  | (1 401)                          | (17 496)                                       |
| B&E Namibia  | (8 123)   | 4 243                            | (3 880)  |
| <b>Total</b>   | <b>(55 390)</b>   | <b>(51 882)</b>                  | <b>(107 272)</b>                               |
| <b>Total movements/cash (outflow)/inflow on transactions with NCI:</b> |   |                                  |  |
| Acquisition of shares from non-controlling shareholders                | (52 457)  | (85 620)                         | (138 077)                                      |
| Disposal of shares to non-controlling shareholders                     | (3 362)   | 40 861                           | 37 499   |
| Share buy-back from non-controlling shareholders of subsidiary         | 429   | (7 123)                          | (6 694)  |
| Rights offer by subsidiary   | (11 058)  | 11 058                           | –  |

### Reclassification of comparative figures

In the prior year, the Group reported three operating segments, being Materials, Roads and Earthworks and Infrastructure. During the current year, the information reported to the Group’s chief operating decision-maker (Exco) was amended in line with the restructuring of the executive committee to better reflect the increasing scale and complexity of the Group. Accordingly, the Group now reports four operating segments with the aggregation of segments based on the nature of services and products provided to the market, production processes, and type of customer for the products and services.

The four operating divisions are therefore as follows:

- Materials Handling and Mining;
- Construction Materials;
- Roads and Earthworks; and
- Infrastructure.

The prior year comparatives have also been amended to reflect the above.

**Summary segment analysis as previously reported:**

|                           | Materials<br>R'000 | Roads and<br>Earthworks<br>R'000 | Infrastructure<br>R'000 | Consolidated<br>R'000 |
|---------------------------|--------------------|----------------------------------|-------------------------|-----------------------|
| <b>Operating segments</b> |                    |                                  |                         |                       |
| <b>28 February 2022</b>   |                    |                                  |                         |                       |
| Segment revenue           | 2 491 841          | 5 537 481                        | 3 548 629               | 11 577 951            |
| Operating profit          | 272 697            | 297 352                          | 375 267                 | 945 316               |
| Margin                    | 10.9%              | 5.4%                             | 10.6%                   | 8.2%                  |

**Disaggregation of revenue by activity and segment as previously reported:**

|  | Materials<br>R'000 | Roads and<br>Earthworks<br>R'000 | Infrastructure<br>R'000 | Consolidated<br>R'000 |
|--|--------------------|----------------------------------|-------------------------|-----------------------|
| <b>28 February 2022</b>                                  |                    |                                  |                         |                       |
| Contracting revenue                                      | 1 116 121          | 4 614 994                        | 3 477 619               | 9 208 734             |
| Commercial quarry aggregates and<br>gypsum revenue       | 1 312 339          | –                                | –                       | 1 312 339             |
| Sale of ore  | 21 569             | –                                | –                       | 21 569                |
| Bitumen and emulsion products                            | –                  | 521 630                          | –                       | 521 630               |
| Asphalt supply revenue                                   | –                  | 400 857                          | –                       | 400 857               |
| Plant hire revenue                                       | 41 537             | –                                | –                       | 41 537                |
| Property sales, property rentals and<br>development fees | 275                | –                                | 71 010                  | 71 285                |
| <b>Total revenue</b>                                     | <b>2 491 841</b>   | <b>5 537 481</b>                 | <b>3 548 629</b>        | <b>11 577 951</b>     |

**Events after the reporting period**

No material events after the reporting period occurred up to the date of preparation of these Group financial statements.

On behalf of the board:

**RJ Fourie**  
Chairman

**NF Msiza**  
Chief Executive Officer

**DC Lourens**  
Chief Operating Officer

**SJ Odendaal**  
Financial Director

15 May 2023

# Company information

## Directors

NF Msiza

DC Lourens

SJ Odendaal

BH Kent\*

SR Bogatsu\*

RJ Fourie#

N Fubu\*

*\* Independent non-executive*

*# Non-executive*

## Company secretary

GM Chemaly

## Registered office

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## Transfer secretaries

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## Auditors

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## Sponsor

Investec Bank Limited

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