Financial Director's Report

Sam Odendaal
Financial Director

"The Group continued to execute its strategic plan with discipline, creating value for stakeholders in a year characterised by significant challenges. Despite the prevailing headwinds, we delivered another strong performance for the year ended 28 February 2026."

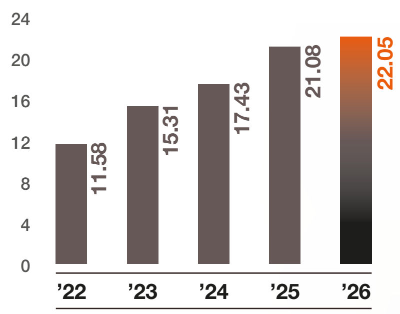
Financial overview

Revenue and profitability

Revenue increased by 4.6% to R22.05 billion (2025: R21.08 billion), underpinned by solid performances across most divisions. A marked improvement in Bauba Resources' second-half performance and a strong contribution from the Roads and Earthworks as well as the Infrastructure Divisions were key drivers of this growth.

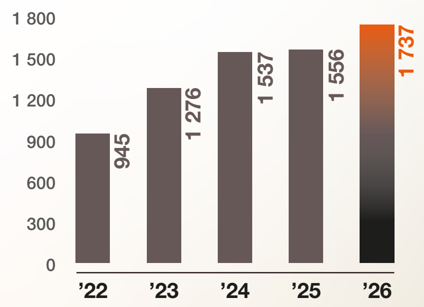
Operating profit increased by 11.6% to R1.74 billion (2025: R1.56 billion) with the Group operating margin improving to 7.9% (2025: 7.4%) due to the strong recovery in the Materials Handling and Mining Division.

Revenue (R'bn)



Five-year CAGR: 20.0%

Operating profit (R'm)



Five-year CAGR: 36.7%

For the comprehensive financial overview and operational performance of each division, please refer to pages 52 to 63 of this report.

Profit before tax increased by 7.9% to R1.64 billion (2025: R1.52 billion), reflecting the combined effect of revenue growth and improved operating margins.

Earnings per share was 1.4% higher at 610.2 cents (2025: 601.7 cents) and headline earnings per share increased by 1.9% to 611.3 cents (2025: 599.8 cents).

Net finance costs

Net finance costs increased by 186.2% to R91.4 million (2025: R31.9 million) mainly due to consolidation of acquisition-related borrowings following acquisitions concluded during the year as well as lower interest earned on cash and cash equivalents. Finance costs include R9.7 million (2025: R29.5 million) interest attributable to lease payments accounted for in terms of IFRS 16: Leases.

Taxation

The taxation charge for the year amounted to R477.0 million (2025: R453.1 million), with the effective tax rate marginally decreasing to 29.0% (2025: 29.8%).

Cash generated from operations, cash and cash equivalents as well as working capital movements

Cash generated from operations before finance charges and taxation decreased by 30.3% to R1.75 billion (2025: R2.51 billion). Cash and cash equivalents ended the year at R1.87 billion (2025: R2.12 billion), a decrease of 11.4%.

Trade and other receivables increased by 17.2% to R2.98 billion (2025: R2.54 billion) reflecting the higher level of revenue recognised during the year, together with an increase in average debtor collection days to 43 days (2025: 38 days). Inventories were 36.0% higher at R2.24 billion (2025: R1.65 billion) primarily as a result of increased ore levels at Bauba Resources. Trade and other payables decreased by 10.2% to R2.82 billion (2025: R3.14 billion).

Capital expenditure

Capital expenditure on property, plant and equipment decreased by 10.9% to R1.20 billion (2025: R1.35 billion). The decrease is due to lower capital investment at the Bauba Resources mining operations and the Australian operations.

Acquisitions and disposals

Acquisitions made during the current financial year.

Mowcop Silica (Pty) Ltd (Mowcop)

Effective 1 July 2025, the Group, through its wholly owned subsidiary, Raumix Aggregates (Pty) Ltd (Raumix), acquired a 49% equity interest in Mowcop for a purchase consideration of R32.0 million. The Group has assessed that in terms of IFRS 10 it controls Mowcop.

Mowcop is a silica quarts quarry, near the Bronkhorstspruit Dam in Gauteng that produces washed and dried silica sand and commercial aggregates.

A prepayment of R48.0 million was made for the acquisition of the remaining 51% shares which is subject to approval by the Department of Mineral Resources and Energy of a section 11 transfer of ownership application with regards to Mowcop's mining right.

The goodwill is attributable to the strategic geographical location of the operations, the product diversification opportunities, and the expansion of the Group's commercial quarry activities.

Axis Mineral Services (Axis)

Effective 1 August 2025, the Group, through its wholly owned subsidiary Raubex (Pty) Ltd in Australia, obtained control of Axis Mineral Holdings (Pty) Ltd (AMH), by purchasing 66.7% of the shares for a total purchase consideration of R165.2 million. AMH holds 100% interest in Axis and Resource Processing Partners (Pty) Ltd (RPP) (together, the "Axis Group").

Axis Group is a mineral services company located in Perth, which specialises in contract crushing for both the mining and construction industries in Western Australia.

The goodwill is attributable to the Group's business diversification and expansion of its operational footprint in Western Australia, as well as the local market knowledge and industry experience of the existing management team.

Put option obligation

A put option has been written on the remaining 33.3% in favour of the non-controlling shareholders of AMH. The put option was recognised as a financial liability in terms of IFRS 9, at an initial value of R92.2 million.

Hlumisa Engineering Services (Pty) Ltd (Hlumisa)

Effective 1 September 2025, the Group, through its wholly owned subsidiary Raubex Infrastructure Holdings (Pty) Ltd, obtained control of Hlumisa by acquiring a 70% equity interest for a total purchase consideration of R13.3 million. Hlumisa is a mechanical engineering company specialising in water and wastewater treatment.

Put option obligation

A put option has been written on the remaining 30% in favour of the non-controlling shareholders of Hlumisa. The put option was recognised as a financial liability in terms of IFRS 9, at an initial value of R5.2 million.

Borrowings and gearing

Borrowings increased by 20.6% to R2.73 billion (2025: R2.27 billion), mainly due to the acquisition of the Axis Group, which contributed R255.4 million in additional borrowings. The debt:equity ratio increased to 34.7% (2025: 31.7%) at 28 February 2026.

Financial Director's Report (continued)

Financial facilities and covenants

The Group's current banking facilities are subject to the Group maintaining certain bank defined gearing ratios. These being a debt to equity ratio of below 0.7 and a total liability to equity ratio of below 1.25. These ratios and calculations have been set out in further detail in note 9 on page 132 of the Annual Financial Statements. The Group's strong Balance Sheet and cash generation have enabled it to operate well within these covenants, leaving sufficient headroom to capitalise on opportunities that may present themselves in the year ahead.

Dividends

The directors have declared a gross final cash dividend from income reserves of 121 cents per share on 11 May 2026 for the year ended 28 February 2026.

The total dividend per share for the year amounted to 202 cents (2025: 198 cents). This dividend consists of the final dividend of 121 cents per share and the interim dividend of 81 cents per share. The Group has maintained its dividend cover policy of three times.

Contingencies

Total financial institution backed contract guarantees provided to third parties on behalf of subsidiary companies amounted to R4.88 billion (2025: R5.15 billion). The directors do not believe that any exposure to loss is likely. Total available facilities in this regard amount to R9.33 billion (2025: R7.86 billion).

Appreciation

I would like to express my sincere appreciation to the finance teams across all Group subsidiaries, as well as to the Head Office support functions, including Finance, Information Technology, Human Resources, and Company Secretarial, for their unwavering dedication and hard work. Your commitment to delivering the Integrated Report with such accuracy, professionalism, and timeliness once again is truly commendable. Your contributions are highly valued, and your efforts are both recognised and deeply appreciated.

Sam Odendaal
Financial Director

17 June 2026

Raumix Aggregates