

A decorative graphic on the left side of the page, consisting of a grid of yellow squares of varying shades, arranged in a pattern that tapers to the right.

# REPORT TO STAKEHOLDERS

SIX MONTHS TO 31 DECEMBER 2019

# PRESENTATION OVERVIEW

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# SALIENT FEATURES

SIX MONTHS TO DECEMBER

	FY2020 H1	FY2019 H1	Comments
Revenue	R10,8 billion	R9,7 billion <sup>#</sup>	<b>Financial performance:</b> <ul style="list-style-type: none"> <li>Strong performance by the Underground Mining platform</li> <li>Performance maintained by the Oil &amp; Gas and Power &amp; Water platforms</li> <li>Projects in Middle East completed – classified as a discontinued operation (prior period restated)</li> <li>Increase in interest expense</li> </ul>
EBIT (continuing operations)	R419 million	R365 million <sup>#</sup>	
Attributable profit	R163 million	R186 million	
Diluted continuing HEPS	49 cents	51 cents <sup>#</sup>	
Order book	R50,8 billion	R31,7 billion	Strong, quality order book of R50,8 billion and near orders of R6,4 billion
Net cash	R0,8 billion	R1,0 billion	Net debt, post IFRS 16, of R0,1 billion
LTIFR	1.12	0.63	No fatal incidents recorded in the period

<sup>#</sup> Restated for discontinued operations

# ***A NEW STRATEGIC FUTURE***

Over the past few years, a stable foundation was established through the implementation of the Group's *New Strategic Future* plan and the Group is starting to gain momentum as evidenced by the significant growth in its order book.

The strong order book is expected to support growth as from FY2021, as the Oil & Gas platform has now secured a base load of work for the new financial year, which should enable it to again become a meaningful contributor towards Group earnings in the medium term. The Underground Mining platform is expected in the short term, to at least maintain earnings at current levels.

We remain optimistic about the longer-term outlook for the natural resources markets and the selected infrastructure markets should bring some mitigation to the impact of cyclicity in the natural resources market.

# OIL & GAS

## PLATFORM OVERVIEW



### Market focus:

- **Global:** LNG and petrochemical sectors
- **Australasia:** LNG, infrastructure and metals & minerals

### Market conditions:

- **USA:** LNG and petrochemical buoyant
- **Australasia:** LNG – early signs of opportunity. Infrastructure and metals & minerals buoyant

### Order book:

- December 2019: R30,6 billion

### Platform prospects:

- Increased order book is expected to support revenue growth in FY2021
- Forecast annual transport-infrastructure expenditure in Australia over the next five years is expected to peak at A\$22 billion in 2023
- Tier one miners in Australia, are forecasting a collective capital project spend of over A\$3,5 billion per annum for the next ten years
- Clough USA successfully established an EPC business in North America, which is expected to become the platform's largest international market
- Large greenfield oil and gas EPC opportunities in Australasia remain limited in the near term
- Pipeline opportunity R27,4 billion (category 1)

Office	Location
Clough	Perth, Sydney & Brisbane, Australia
Clough	Port Moresby, Papua New Guinea
e2o	Adelaide, Australia
Clough Coens	Busan, South Korea
Booth Welsh	Ayrshire, Scotland
Clough USA	Houston, USA
CH-IV	Houston, USA
Enercore	Calgary, Canada



# UNDERGROUND MINING

## PLATFORM OVERVIEW



Office	Location	Businesses
Cementation Canada	North Bay, Canada	
Merit Consultants International	Vancouver, Canada	
Cementation USA & AG	Salt Lake City, USA	
Terra Nova Technologies	Santee, USA	
Murray & Roberts Cementation	Johannesburg, South Africa	
Murray & Roberts Cementation	Kitwe, Zambia	
Murray & Roberts Cementation	Accra, Ghana	
RUC Cementation & Insig	Perth & Kalgoorlie, Australia	
GCR Mongolia	Ulaanbaatar, Mongolia	

### Market focus:

- **Global:** Underground mining services and material logistics, in global metals and minerals markets

### Market conditions:

- Growth in client capital expenditure expected to level off over the next three years, commodity cycle may have reached a plateau
- Current level of capital investment will be sufficient to maintain the order book at current levels, but prospects for organic growth are limited considering changing market conditions






### Order book:

- December 2019: R19,6 billion

### Platform prospects:

- Platform is performing well across all three regions – Africa, Australasia and the Americas
- Capital investment is mainly targeted at brownfield expansions, with few greenfield projects
- TNT is well established in the Americas and there are good opportunities to expand its services to Africa and Australasia
- The Boipelo coal-mining joint venture which undertakes mining projects exclusively in the South African coal fields, is performing well
- Pipeline opportunity R35,3 billion (category 1)



Office	Location	Businesses
Murray & Roberts Power & Energy	Johannesburg, South Africa	    
Murray & Roberts Water	Johannesburg, South Africa	
OptiPower Projects	Cape Town, South Africa	
Aquamarine Water Treatment	Johannesburg, South Africa	
Murray & Roberts Cosmos Mozambique Limitada	Maputo, Mozambique	

### Market focus:

- **Sub-Saharan Africa:** Power and water, complementary petrochemicals, metals and minerals, as well as paper and pulp markets

### Market conditions:

- Limited investment in main and complementary markets in South Africa; other than
- Substantial investment in the short to medium term expected in overland transmission and distribution sub-sector

### Order book:

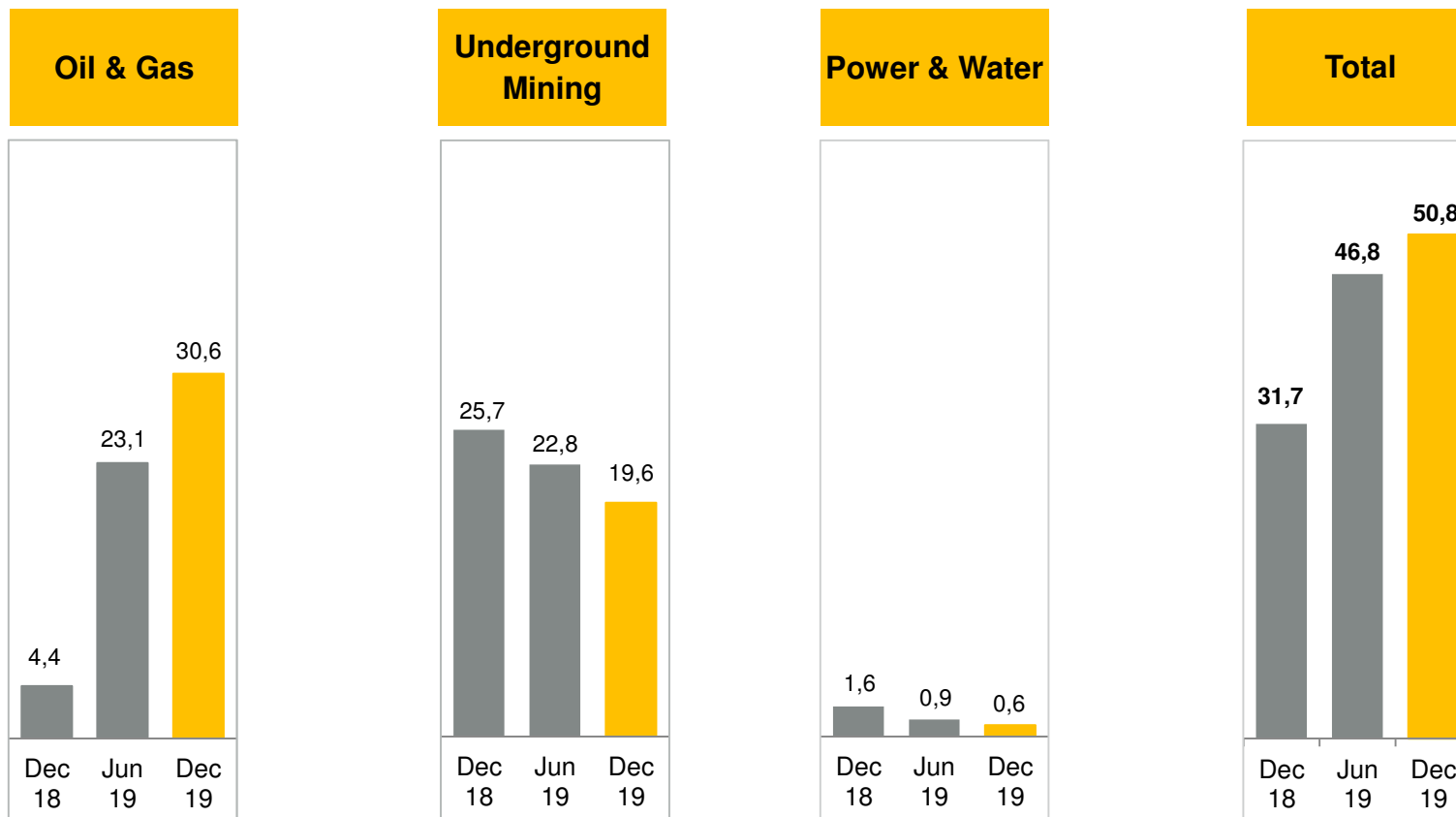
- December 2019: R0,6 billion

### Platform prospects:

- In the transmission, distribution and substation markets, several projects in sub-Saharan countries are at advanced stages of development and implementation
- Eskom currently has 800km of 400kV and 200km of 132 kV out on enquiry, with transmission tenders to an estimated value of R2,5 billion under adjudication
- The liquefied natural gas projects in Mozambique are proceeding and present substantial opportunity, albeit only as from late FY2021
- Investment in the local water sector continues to be limited and fragmented, however, the Athlone wastewater project was awarded in Cape Town
- Pipeline opportunity R7,8 billion (category 1)

# ORDER BOOK

DEPENDENT ON MARKET CYCLICALITY



1. Oil & Gas reflects significant order book growth following award of Snowy 2.0 and Next Wave projects
2. Underground Mining order book declined, although several large projects expected to be secured in the short term
3. Power & Water order book low due to Power Programme nearing completion and lack of meaningful replacement work
4. Strong, quality order book of R50,8 billion and near orders of R6,4 billion



# ORDER BOOK

GEOGRAPHY & TIME DISTRIBUTION

Platform	Order book % split		Order book Rbn		Order book Rbn		
	SADC	Int.	Dec 2019	Dec 2018	FY Time Distribution		
Oil & Gas					2020	5,0	
		100	30,6	4,4	2021	9,2	
					>2021	16,4	
Underground Mining					2020	5,1	
	65	35	19,6	25,7	2021	5,5	
					>2021	9,0	
Power & Water					2020	0,5	
	100		0,6	1,6	2021	0,1	
					>2021		
	26%	74%	50,8	31,7	10,6	14,8	25,4
					FY2020	FY2021	>FY2021

# ORDER BOOK, NEAR ORDERS & PIPELINE

STRONG PIPELINE

Rbn	Order book	Pipeline			
		Near orders	Category 1	Category 2	Category 3
Oil & Gas	30,6	0,1	27,4	46,0	440,3
Underground Mining	19,6	6,1	35,3	22,0	43,9
Power & Water	0,6	0,2	7,8	13,9	31,1
<b>31 December 2019 totals</b>	<b>50,8</b>	<b>6,4</b>	<b>70,5</b>	<b>81,9</b>	<b>515,3</b>

## PIPELINE DEFINITION

**Near orders:** Tenders where the Group is the preferred bidder and final award is subject to financial/commercial close – there is more than a 95% chance that these orders will be secured

**Category 1:** Tenders submitted or tenders the Group is currently working on (excluding near orders) – projects developed by clients to the stage where firm bids are being invited – reasonable chance of being secured as projects are a function of (1) final client approval and (2) bid win probability

**Category 2:** Budgets, feasibilities and prequalification the Group is currently working on – project planning underway, not at a stage yet where projects are ready for tender

**Category 3:** Leads and opportunities which are being tracked and are expected to come to market in the next 36 months – identified opportunities that are likely to be implemented, but still in pre-feasibility stage



# FINANCIAL RESULTS & SEGMENTAL ANALYSIS

VENETIA DIAMOND MINE PROJECT - SOUTH AFRICA

# COMPARATIVE FINANCIAL PERFORMANCE

FY2020 H1 VS. FY2019 H1

Underground Mining	↑	Strong performance across all three regional businesses
Oil & Gas	↔	Break-even result in line with expectations
Power & Water	↔	Marginal improvement in line with expectations
Investments	↑	Bombela Concession Company continues to yield solid returns
Interest	↓	Increase in interest expense
Taxation	↔	Effective tax rate of 38% in line with prior period
Discontinued operations	↓	Marginal decrease due to exchange rate movement
<b>Attributable profit</b>	↓	12% decrease, mainly due to higher interest expense

# NEW ACCOUNTING STANDARD

## IMPLEMENTATION OF IFRS 16

### IFRS 16 – Leases

1. Effective date: Periods beginning on or after 01 January 2019 (supersedes IAS 17)
2. “At the commencement date, a lessee shall recognise a **right-of-use asset and a lease liability** (paragraph 22)”
3. Recognition exemptions applicable (paragraph 5):
  - Low value assets (based on nature)
  - Short-term leases (less than 12 months)

**In terms of IFRS 16, all leases are on balance sheet**

The implementation of IFRS 16 results in the recognition of right-of-use assets and lease liabilities

Operating lease expenses are now substituted by:

- Depreciation on the right-of-use asset; and
- Interest expense on the lease liability

EBITDA and interest expense will thus increase due to the implementation of this standard

**In the current period, assets of R795m and liabilities of R886m were recorded on the balance sheet, due to the implementation IFRS 16**



# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

Rm	FY2020 H1	FY2019 H1 <sup>#</sup>	Variance
<b>Revenue</b>	<b>10 772</b>	<b>9 716</b>	<b>1 056</b>
<b>EBITDA</b>	<b>812</b>	<b>589</b>	<b>223</b>
<b>EBIT</b>	<b>419</b>	<b>365</b>	<b>54</b>
Net interest expense	(91)	(9)	(82)
Taxation	(124)	(140)	16
Loss from equity accounted investments	(2)	(1)	(1)
<b>Income from continuing operations</b>	<b>202</b>	<b>215</b>	<b>(13)</b>
Discontinued operations	(38)	(26)	(12)
Non-controlling interests	(1)	(3)	2
<b>Attributable profit</b>	<b>163</b>	<b>186</b>	<b>(23)</b>

- EBIT - Strong contribution from Underground Mining and Bombela Concession Company
- Net interest expense - variance mainly due to increased working capital and IFRS 16 implementation
- Discontinued operations - Middle East has been classified as a discontinued operation in the current period

<sup>#</sup> Restated for discontinued operations



# GROUP FINANCIALS

## NET INTEREST EXPENSE ANALYSIS

R'm	FY2020 H1	FY2019 H1	Variance
Net interest paid from continuing operations	91	9	(82)
Implementation of IFRS 16			(24)
Acquisition of additional 17% shares in Bombela Concession Company, financed post December 2018			(20)
TNT acquisition funding			(13)
Working capital management			(25)

# SEGMENTAL ANALYSIS

SIX MONTHS TO DECEMBER

## Oil & Gas

## Underground Mining

## Power & Water

## Bombela

Rm	Engineering & Construction		Global Marine		Commissioning & Maintenance		Corporate & Other		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	3 035	1 479	10	-	280	1 667	60	210	3 385	3 356
Operating profit / (loss)	47	(17)	(12)	(9)	155	281	(190)	(255)	-	-
Operating margin	2%	(1%)	(120%)	-	55%	17%	-	-	-	-
Order book	29 419	3 254	381	-	695	1 122	-	-	30 495	4 376

### Current LNG market conditions not meeting profit aspiration, but order book growth due to broader market focus

- 1. Engineering & Construction:** Revenue growth reflective of acquired Clough USA business and recently secured infrastructure contracts. Operating profit impacted by loss incurred on now completed Enterprise project, taken over from Saulsbury as part of the acquisition
- 2. Global Marine:** LNG Canada Loadout Line Trestle first marine project secured in more than two years. Revenue and order book reflects this award. The operating loss is net of increased tendering costs on several large prospects globally
- 3. Commissioning & Maintenance:** Reduction in revenue and order book due to ramp down of the Ichthys project. Operating margin includes release of risk contingencies after successful close out of completed projects
- 4. Corporate & Other:** Decrease in overheads due to cost savings and charge-out of tender costs to operations



# SEGMENTAL ANALYSIS

SIX MONTHS TO DECEMBER

Oil & Gas

**Underground Mining**

Power & Water

Bombela

Rm	Africa		Australasia		The Americas		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	1 636	1 340	1 922	1 378	2 656	2 231	6 214	4 949
Operating profit	98	107	50	77	205	162	353	346
Operating margin	6%	8%	3%	6%	8%	7%	6%	7%
Order book	12 755	12 177	2 727	4 627	4 135	8 866	19 617	25 670

**Strong result - commodity cycle might be reaching a plateau, although several large projects under adjudication**

- 1. Africa:** The progression of work at Kalagadi, Boipelo and Venetia resulted in higher revenue. Several tenders currently under adjudication. Prior period operating profit included risk contingency release from completed projects
- 2. Australasia:** Despite growth in revenue, earnings negatively impacted by losses incurred at the Mt Morgans project. Commercial terms renegotiated effective 1 January 2020
- 3. The Americas:** Revenue and earnings growth reflective of the contribution by the acquired TNT business

# SEGMENTAL ANALYSIS

SIX MONTHS TO DECEMBER

Oil & Gas

Underground Mining

**Power & Water**

Bombela

Rm	Power <sup>1</sup>		Water		Transmission & Distribution		Other <sup>2</sup>		Corporate		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	615	1 143	7	14	136	-	414	251	-	-	1 172	1 408
Operating profit / (loss)	61	131	(1)	1	22	-	(4)	(74)	(59)	(55)	19	3
Operating margin	10%	11%	(14%)	7%	16%	-	(1%)	(29%)	-	-	2%	-
Order book	153	968	-	-	266	-	225	617	-	-	644	1 585

## Power Programme profit winding down, partly offset by contribution from recently acquired OptiPower (transmission and distribution)

- Power:** Decline in revenue, operating margin and order book reflective of Power Programme coming to an end
- Water:** Limited investment in water infrastructure. However, Athlone wastewater project awarded in January 2020
- Transmission & Distribution:** OptiPower shows strong revenue and operating profit contribution. Several tenders under adjudication
- Other:** Very competitive market presenting limited opportunity. Prior period included a loss on a project for Sasol
- Corporate:** Overheads in line with the prior period

<sup>1</sup> All power sector projects, including Power Programme (Medupi & Kusile)

<sup>2</sup> Includes Resources & Industrial and Electrical & Instrumentation projects



# SEGMENTAL ANALYSIS

SIX MONTHS TO DECEMBER

Oil & Gas

Underground Mining

Power & Water

**Bombela**

Rm

Bombela Investments

	2019	2018
Revenue	-	-
Operating profit	197	114
Order book	-	-

## Operating results improvement on prior period

**1. Bombela Concession Company:** The increase in earnings is due to a revaluation of the concession, after several operational risks were successfully mitigated

# SEGMENTAL ANALYSIS

SIX MONTHS TO DECEMBER

## Discontinued Operations

Rm	Middle East		Other		Total	
	2019	2018#	2019	2018	2019	2018#
Revenue	126	66	35	45	<b>161</b>	<b>111</b>
Operating (loss) / profit	(31)	11	(17)	(37)	<b>(48)</b>	<b>(26)</b>

### Discontinued operations include:

1. Operating loss in Middle East, primarily due to negative exchange rate movements, ongoing legal costs and a small overhead cost. Prior period included a positive foreign exchange movement
2. Other relates to costs associated with the disposal of Genrec and the infrastructure and buildings businesses

# Middle East has been classified as a discontinued operation in the current period and the prior period is restated

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

Rm	Dec 2019	Jun 2019 <sup>#</sup>	Variance
<b>Total assets</b>	<b>17 694</b>	<b>16 390</b>	<b>1 304</b>
Property, plant and equipment	2 833	2 203	630
Other non-current assets	3 519	3 515	4
Current assets	8 245	7 196	1 049
Cash and cash equivalents	3 097	3 455	(358)
Assets classified as held for sale	-	21	(21)
<b>Total equity and liabilities</b>	<b>17 694</b>	<b>16 390</b>	<b>1 304</b>
Shareholders' equity	5 527	5 751	(224)
Interest bearing debt - short term	1 577	532	1 045
- long term	1 648	1 127	521
Other non-current liabilities	283	296	(13)
Current liabilities	8 659	8 684	(25)
Liabilities classified as held for sale	-	-	-
<b>Net (debt) / cash post IFRS 16</b>	<b>(128)</b>	<b>1 796</b>	<b>(1 924)</b>

- Increase in property, plant and equipment, mainly due to IFRS 16 impact (R0,6bn)
- Increase in current assets (R1bn), mainly due to timing of debtor collections. Funded by a reduction in cash (R0,4bn) and increase in bank overdraft (R0,6bn)
- Interest bearing debt increased by R1,5bn, due to IFRS 16 (R0,9bn) and bank overdraft (R0,6bn)

<sup>#</sup> Restated for measurement period adjustment

# DEBT ANALYSIS

PRUDENT GEARING LEVEL

<b>Group Gearing Ratios</b>	<b>Total Debt (Rm)</b>	<b>(3 225)</b>
	Self servicing debt	(1 196)
	Corporate debt	(1 143)
	IFRS 16	(886)
	<b>Total Equity (Rm)</b>	<b>5 527</b>
	<b>Gearing (excl. IFRS 16 &amp; self servicing debt)</b>	<b>21%</b>
	<b>Gearing (excl. IFRS 16)</b>	<b>42%</b>
	<b>Gearing (incl. IFRS 16)</b>	<b>58%</b>

<b>Group Debt</b>	<b>Total Debt (Rm)</b>	<b>(3 225)</b>
	<b>Self servicing debt</b>	<b>(1 196)</b>
	Asset based finance - project specific	(927)
	Bombela Concession Company preference shares	(269)
	<b>Corporate debt</b>	<b>(1 143)</b>
	TNT acquisition – March 19 (acquisition value R635 million)	(297)
	Overdrafts and sundry loans	(846)
	<b>IFRS 16</b>	<b>(886)</b>





# KEY PRESENTATION TAKEAWAYS

SNOWY HYDRO 2.0 PROJECT (TALBINGO DAM) - AUSTRALIA

# KEY PRESENTATION TAKEAWAYS



Murray & Roberts has established a stable base from which it can grow organically and through acquisition



The current financial year is a period of consolidation for all three business platforms, with the focus on growing the order book and on successful project delivery



Robust, quality order book of R50,8 billion and near orders of R6,4 billion



Underground Mining: Strong result delivered. TNT contributed positively to Group earnings. Growth in client capital expenditure expected to level off over the next three years



Oil & Gas: Significantly increased order book. Platform is expected to again become a meaningful contributor towards Group earnings in the short to medium term



Power & Water: OptiPower contributed positively to Group earnings. Substantial investment underway in the transmission and distribution sub-sector, which will benefit OptiPower



Group: Prospects for an improvement in operational performance are encouraging. Remains optimistic about the longer-term outlook for natural resources markets





# DISCLAIMER

- 1. This presentation includes certain various “forward-looking statements” within the meaning of Section 27A of the US Securities Act 10 1933 and Section 21E of the Securities Exchange Act of 1934 that reflect the current views or expectations of the Board with respect to future events and financial and operational performance. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: the Group’s strategy; the economic outlook for the industry and the Group’s liquidity and capital resources and expenditure. These forward-looking statements speak only as of the date of this presentation and are not based on historical facts, but rather reflect the Group’s current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “expect”, “anticipate”, “intend”, “should”, “planned”, “may”, “potential” or similar words and phrases. The Group undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of any unexpected events. Any forward-looking information contained in this presentation has not been reviewed nor reported upon by the Group’s external auditors.*
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# REPORT TO STAKEHOLDERS

SIX MONTHS TO 31 DECEMBER 2019

**APPENDIX**



# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

Rm	FY2020 H1	FY2019 H1 <sup>#</sup>	Variance
<b>Revenue</b>	<b>10 772</b>	<b>9 716</b>	<b>1 056</b>
<b>EBITDA</b>	<b>812</b>	<b>589</b>	<b>223</b>
<b>EBIT</b>	<b>419</b>	<b>365</b>	<b>54</b>
Net interest expense	(91)	(9)	(82)
Taxation	(124)	(140)	16
Loss from equity accounted investments	(2)	(1)	(1)
<b>Income from continuing operations</b>	<b>202</b>	<b>215</b>	<b>(13)</b>
Discontinued operations	(38)	(26)	(12)
Non-controlling interests	(1)	(3)	2
<b>Attributable profit</b>	<b>163</b>	<b>186</b>	<b>(23)</b>

<sup>#</sup> Restated for discontinued operations



# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

Rm	FY2020 H1	FY2019 H1 <sup>#</sup>	Variance
Revenue	10 772	9 716	1 056

### Revenue increased by 11%

1. Mainly due to a strong contribution from Underground Mining

<sup>#</sup> Restated for discontinued operations



# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

Rm	FY2020 H1	FY2019 H1 <sup>#</sup>	Variance
Revenue	10 772	9 716	1 056
<b>EBITDA</b>	<b>812</b>	<b>589</b>	<b>223</b>

### EBITDA is reflected before:

1. Depreciation of R346m (FY2019 H1: R204m)
2. Amortisation of intangible assets of R47m (FY2019 H1: R20m)

<sup>#</sup> Restated for discontinued operations



# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

Rm	FY2020 H1	FY2019 H1 <sup>#</sup>	Variance
Revenue	10 772	9 716	1 056
EBITDA	812	589	223
<b>EBIT</b>	<b>419</b>	<b>365</b>	<b>54</b>

### Increase in EBIT :

1. Mainly due to a strong contribution from Underground Mining and Bombela Concession Company

<sup>#</sup> Restated for discontinued operations



# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

Rm	FY2020 H1	FY2019 H1 <sup>#</sup>	Variance
Revenue	10 772	9 716	1 056
EBITDA	812	589	223
EBIT	419	365	54
<b>Net interest expense</b>	<b>(91)</b>	<b>(9)</b>	<b>(82)</b>

### Increase in net interest expense mainly due to:

1. Increased working capital and IFRS 16 implementation
2. Acquisition funding for 17% in Bombela Concession Company as well as TNT

<sup>#</sup> Restated for discontinued operations





# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

Rm	FY2020 H1	FY2019 H1 <sup>#</sup>	Variance
Revenue	10 772	9 716	1 056
EBITDA	812	589	223
EBIT	419	365	54
Net interest expense	(91)	(9)	(82)
<b>Taxation</b>	<b>(124)</b>	<b>(140)</b>	<b>16</b>

### Effective tax rate of 38% high mainly due to:

1. Withholding tax in foreign jurisdictions
2. Losses incurred in jurisdictions where future taxable earnings are not certain
3. Capital and non deductible expenditure

<sup>#</sup> Restated for discontinued operations



# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

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EBITDA	812	589	223
EBIT	419	365	54
Net interest expense	(91)	(9)	(82)
Taxation	(124)	(140)	16
<b>Loss from equity accounted investments</b>	<b>(2)</b>	<b>(1)</b>	<b>(1)</b>

### Loss reflective of:

1. Marginal loss from joint venture

<sup>#</sup> Restated for discontinued operations



# GROUP FINANCIALS

## STATEMENT OF FINANCIAL PERFORMANCE

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Taxation	(124)	(140)	16
Loss from equity accounted investments	(2)	(1)	(1)
Income from continuing operations	202	215	(13)
<b>Discontinued operations</b>	<b>(38)</b>	<b>(26)</b>	<b>(12)</b>

### Discontinued operations include:

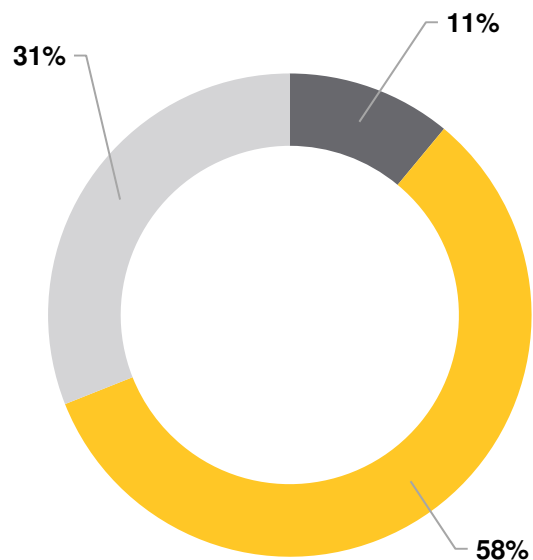
1. Operating loss in Middle East, primarily due to negative exchange rate movements, ongoing legal costs and a small overhead cost. Prior period included a positive foreign exchange movement
2. Costs associated with the disposal of Genrec and the infrastructure and buildings businesses

<sup>#</sup> Restated for discontinued operations

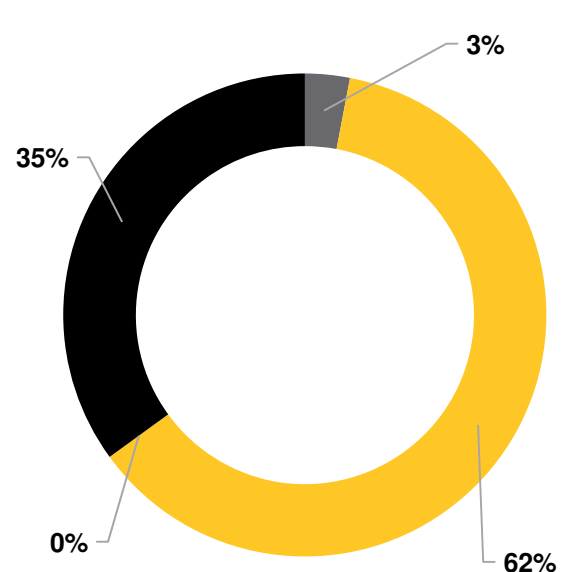
# PLATFORM CONTRIBUTION

CONTINUING REVENUE AND EBIT

**Revenue**  
(excluding Corporate)



**EBIT**  
(excluding Corporate Cost)



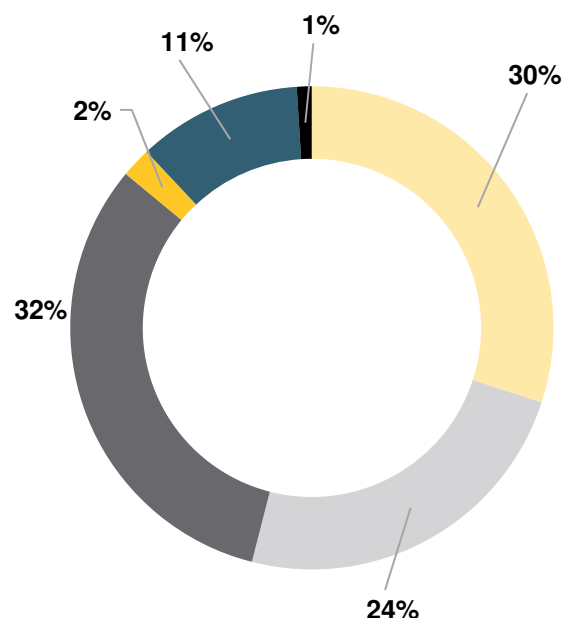
- Power & Water
- Underground Mining
- Oil & Gas
- Investments

- Strong contribution from Underground Mining platform
- Investments relate to Bombela Concession Company
- Diversification across three core market sectors brings resilience throughout economic cycles
- Oil & Gas break-even result and Power & Water marginal improvement in line with expectations

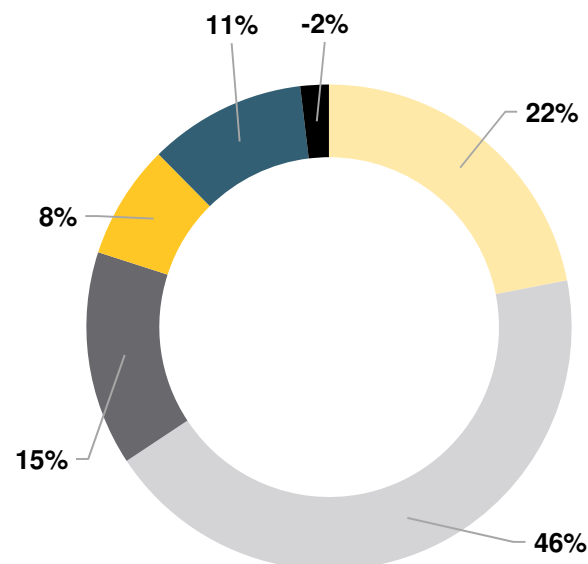
# GEOGRAPHIC DIVERSIFICATION

CONTINUING REVENUE AND EBIT

**Geographic Revenue**  
(excluding Corporate)



**Geographic EBIT**  
(excluding Corporate Cost)



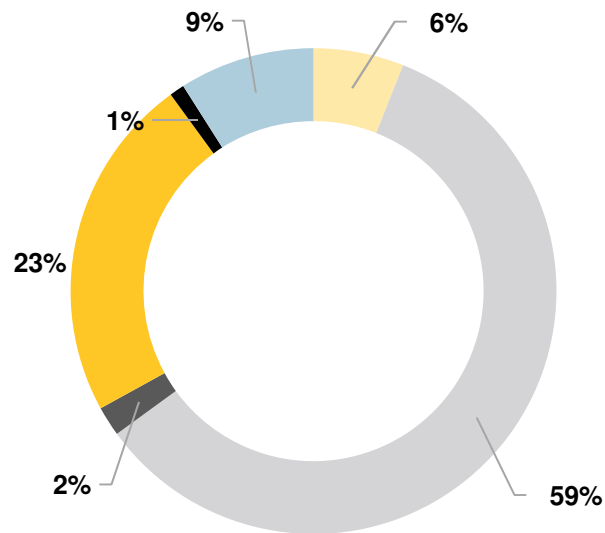
- Oceania
- South Africa
- Americas
- Rest of Africa
- Asia
- Europe

- A multinational business with 76% of revenue and 54% of EBIT generated outside of South Africa
- Geographic diversification also brings resilience throughout economic cycle

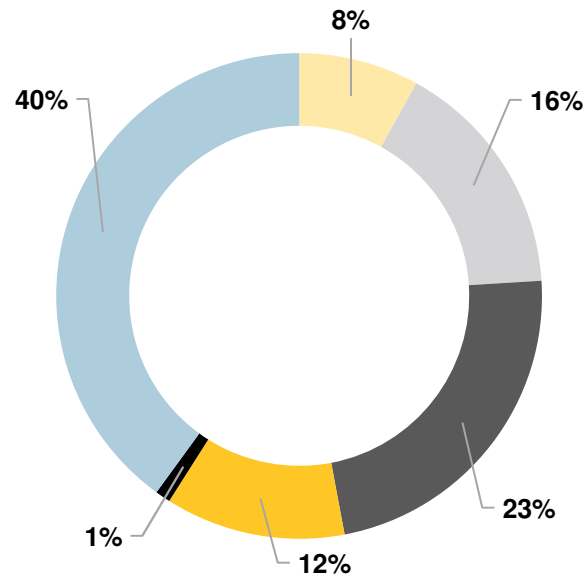
# PROJECT LIFE CYCLE DISTRIBUTION

CONTINUING REVENUE AND EBIT

**Life Cycle Revenue**  
(excluding Corporate)



**Life Cycle EBIT**  
(excluding Corporate Cost)



- Planning & Engineering
- Construction
- Commissioning
- Operations
- Maintenance & Refurbishment
- Development/Investment

• Meaningful contribution from all segments of project life cycle

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

Rm	Dec 2019	Jun 2019 <sup>#</sup>	Variance
<b>Total assets</b>	<b>17 694</b>	<b>16 390</b>	<b>1 304</b>
Property, plant and equipment	2 833	2 203	630
Other non-current assets	3 519	3 515	4
Current assets	8 245	7 196	1 049
Cash and cash equivalents	3 097	3 455	(358)
Assets classified as held for sale	-	21	(21)
<b>Total equity and liabilities</b>	<b>17 694</b>	<b>16 390</b>	<b>1 304</b>
Shareholders' equity	5 527	5 751	(224)
Interest bearing debt - short term	1 577	532	1 045
- long term	1 648	1 127	521
Other non-current liabilities	283	296	(13)
Current liabilities	8 659	8 684	(25)
Liabilities classified as held for sale	-	-	-
<b>Net (debt) / cash post IFRS 16</b>	<b>(128)</b>	<b>1 796</b>	<b>(1 924)</b>

<sup>#</sup> Restated for measurement period adjustment



# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

Rm	Dec 2019	Jun 2019 <sup>#</sup>	Variance
Total assets	17 694	16 390	1 304
Property, plant and equipment	2 833	2 203	630

### Increase in property, plant and equipment

1. Mainly due to IFRS 16 implementation (R0,6bn)

<sup>#</sup> Restated for measurement period adjustment



# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

Rm	Dec 2019	Jun 2019 <sup>#</sup>	Variance
<b>Total assets</b>	<b>17 694</b>	<b>16 390</b>	<b>1 304</b>
Property, plant and equipment	2 833	2 203	630
<b>Other non-current assets</b>	<b>3 519</b>	<b>3 515</b>	<b>4</b>

### Non-current assets comprise of:

1. Deferred taxation assets (R370m)
2. Goodwill and intangible assets (R1 452m)
3. Equity accounted and other investments (R74m)
4. Bombela Concession Company investment (R1 427m)
5. Net investment in lease - IFRS 16 (R90m)
6. Other non-current assets (R106m)

<sup>#</sup> Restated for measurement period adjustment

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

Rm	Dec 2019	Jun 2019 <sup>#</sup>	Variance
<b>Total assets</b>	<b>17 694</b>	<b>16 390</b>	<b>1 304</b>
Property, plant and equipment	2 833	2 203	630
Other non-current assets	3 519	3 515	4
<b>Current assets</b>	<b>8 245</b>	<b>7 196</b>	<b>1 049</b>

### Current assets comprise:

1. Contracts-in-progress and contract receivables (R6 154m)
2. Receivables (R1 570m)
3. Inventories (R421m)
4. Current taxation asset (R42m)
5. Net investment in lease – IFRS 16 (R58m)

Increase in current assets (R1bn), mainly due to timing of debtor collections. Funded by a reduction in cash (R0,4bn) and increase in bank overdraft (R0,6bn)

<sup>#</sup> Restated for measurement period adjustment



# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

Rm	Dec 2019	Jun 2019 <sup>#</sup>	Variance
<b>Total assets</b>	<b>17 694</b>	<b>16 390</b>	<b>1 304</b>
Property, plant and equipment	2 833	2 203	630
Other non-current assets	3 519	3 515	4
Current assets	8 245	7 196	1 049
<b>Cash and cash equivalents</b>	<b>3 097</b>	<b>3 455</b>	<b>(358)</b>

### Cash consists mainly of:

1. Unrestricted cash of R2 281m
2. Restricted cash of R816m

Reduction in cash (R0,4bn) as a result of increase in current assets, mainly due to timing of debtor collections

<sup>#</sup> Restated for measurement period adjustment

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

Rm	Dec 2019	Jun 2019 <sup>#</sup>	Variance
<b>Total assets</b>	<b>17 694</b>	<b>16 390</b>	<b>1 304</b>
Property, plant and equipment	2 833	2 203	630
Other non-current assets	3 519	3 515	4
Current assets	8 245	7 196	1 049
Cash and cash equivalents	3 097	3 455	(358)
<b>Assets classified as held for sale</b>	<b>-</b>	<b>21</b>	<b>(21)</b>
<b>Net assets classified as held for sale comprise:</b>			
1. Property in Botswana (R21m) sold in the current period			
<b>Liabilities classified as held for sale</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net cash</b>	<b>(128)</b>	<b>1 796</b>	<b>(1 924)</b>

<sup>#</sup> Restated for measurement period adjustment

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

Rm	Dec 2019	Jun 2019 <sup>#</sup>	Variance
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Assets classified as held for sale	-	21	(21)
<b>Total equity and liabilities</b>	<b>17 694</b>	<b>16 390</b>	<b>1 304</b>
<b>Shareholders' equity</b>	<b>5 527</b>	<b>5 751</b>	<b>(224)</b>

### Movement in shareholders' equity

1. Attributable earnings (R163m)
2. Dividend declared and paid (-R227m)
3. Share-based payment reserve and other movements (-R36m)
4. IFRS 16 and IFRIC 23 adjustment (-R124m)

<sup>#</sup> Restated for measurement period adjustment

# GROUP FINANCIALS

## STATEMENT OF FINANCIAL POSITION

Rm	Dec 2019	Jun 2019 <sup>#</sup>	Variance
<b>Total assets</b>	<b>17 694</b>	<b>16 390</b>	<b>1 304</b>
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Shareholders' equity	5 527	5 751	(224)
<b>Interest bearing debt - short term</b>	<b>1 577</b>	<b>532</b>	<b>1 045</b>
<b>- long term</b>	<b>1 648</b>	<b>1 127</b>	<b>521</b>

### Increase in interest bearing debt (R1,5bn) mainly due to:

1. IFRS 16 implementation (R0,9bn) and bank overdraft (R0,6bn)

<sup>#</sup> Restated for measurement period adjustment





# STRATEGY OVERVIEW & PLATFORM CAPABILITY

POLOKWANE SO<sub>2</sub> ABATEMENT PROJECT, SOUTH AFRICA

# THE MURRAY & ROBERTS GROUP

A MULTINATIONAL SPECIALIST ENGINEERING AND CONSTRUCTION GROUP FOCUSED ON THE NATURAL RESOURCES MARKET SECTOR

**STOP.THINK.ACT.24/7: SAFETY FIRST IN EVERYTHING WE DO**

## BUSINESS PLATFORMS

**OIL & GAS**

**UNDERGROUND MINING**

**POWER & WATER**

### PURPOSE

Enabling fixed capital investments that support the advancement of human development

### VISION

To be a leading multinational engineering and construction group that applies our project life cycle capabilities to optimise fixed capital investment

### VALUES

Integrity  
Respect  
Care  
Accountability  
Commitment

PLATFORMS ARE NAMED AFTER CORE MARKET SEGMENTS BUT ALSO UNDERTAKE WORK IN SELECTED COMPLEMENTARY MARKETS



# A NEW STRATEGIC FUTURE

ESSENCE OF THE *NEW STRATEGIC FUTURE* PLAN



To be a multinational specialised engineering and construction Group focused on the natural resources sector (oil & gas, metals & minerals, power & water)



To provide services across the project lifecycle



To achieve *Engineered Excellence* in all aspects of the business (health & safety, risk & commercial, project delivery)

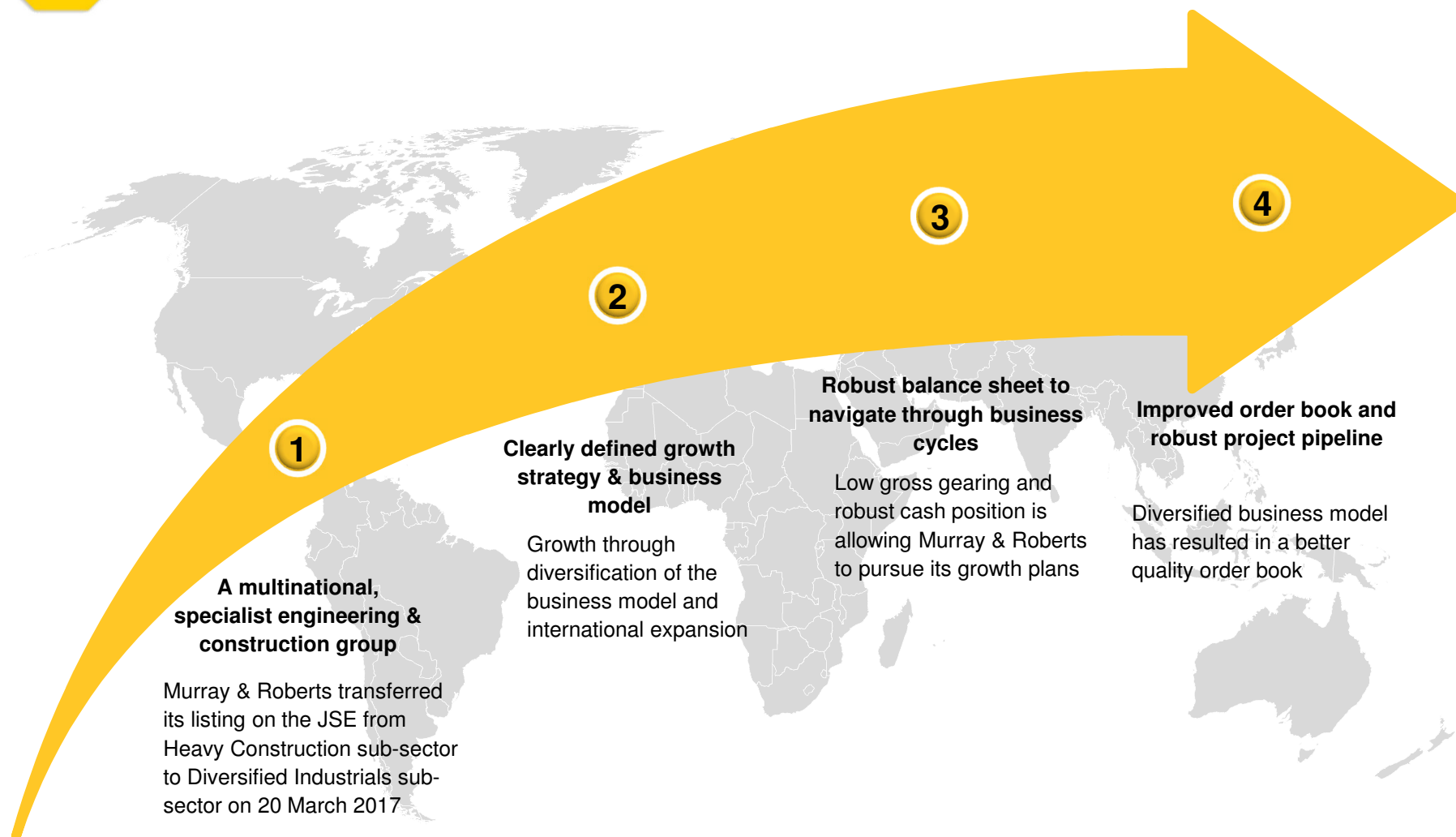


To achieve growth through acquisition and organic growth



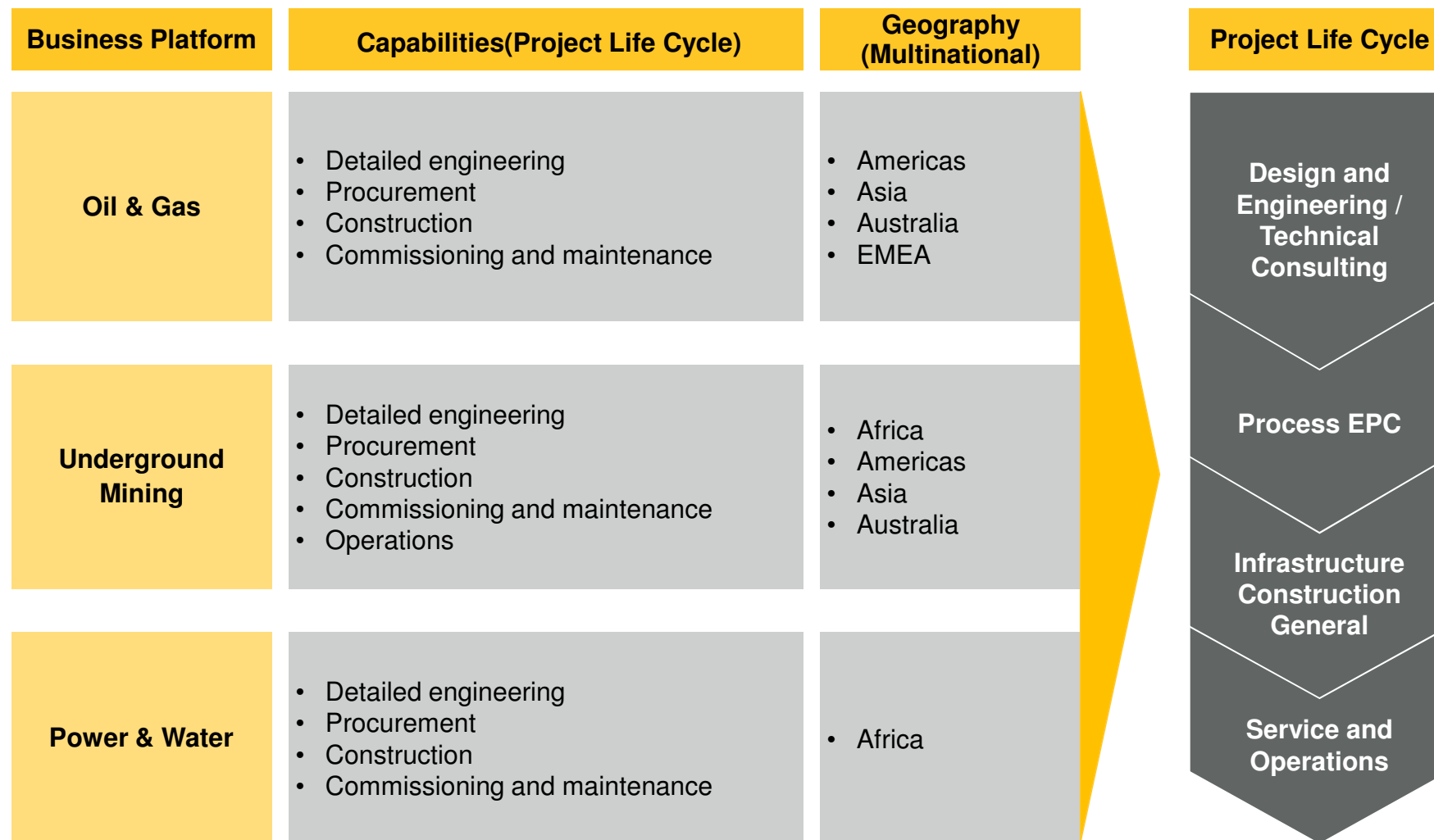
To enhance shareholder value

# A NEW STRATEGIC FUTURE UNFOLDING



# STRATEGIC DIRECTION

BUSINESS MODEL: COMPREHENSIVE SERVICE OFFERING ACROSS PROJECT LIFE CYCLE IN SELECTED NATURAL RESOURCES MARKETS





# OIL & GAS

The Oil & Gas platforms' extensive service offering spans the full asset life cycle, including specialist engineering, construction & EPC, commissioning, and operations & maintenance. Services are provided on new build facilities (greenfield) and operating facilities (brownfield)

In response to challenging oil and gas market conditions, the platform has diversified into complementary growth markets such as Australia's metals & minerals and infrastructure markets, which mitigates the impact of low activity and high competition in its core oil and gas market

The businesses within this platform are:

- Booth Welsh – Ayrshire, Scotland
- CH-IV – Houston, USA
- Clough USA – Houston, USA
- Clough – Perth, Australia
- Clough Enercore – Calgary, Canada
- Clough Murray & Roberts – Cape Town, South Africa
- e2o – Adelaide, Australia

# OIL & GAS



**Clough** works with some of the world's largest companies to engineer, construct, commission and maintain a comprehensive range of facilities for oil and gas, metals and minerals, and infrastructure projects. The company's full project lifecycle delivery model reduces risk and optimises safety, productivity and cost across every phase of a project



**Clough Enercore (Canada)** brings together leading engineering and project management contractor, Clough, with Canada's niche but renowned oil and gas EPCM contractor Enercore, to offer a fresh approach to contracting for the Canadian oil and gas sector



**Clough Murray & Roberts Marine (CMR Marine)** utilises a global network of in-house engineering centres and productivity enhancing construction methods to design and construct the full spectrum of marine facilities for the oil and gas, mining, power and related sectors



**e2o** is Australia's leading multi-discipline commissioning contractor. The company provides an independent commissioning solution across the entire project lifecycle. This service plans and integrates commissioning requirements throughout the engineering, construction, start up and handover phases of the project



**Booth Welsh (Scotland)** specialises in the provision of electrical, instrumentation and automation design, process consultancy, project management, implementation and commissioning services



**CH-IV (USA)** provides consulting services to global LNG asset developers, regulators, facility owners, operators and lenders to ensure assets are designed, developed, constructed and operated safely and in accordance with codes, regulations, and the project's technical and commercial specifications



USA

**Clough USA** is an EPC contractor in the oil and gas sector which gives Clough the ability to deliver projects to a rapidly growing market in the USA. It's a strong project controls organisation, staffed with competent people with a full EPC capability

# UNDERGROUND MINING

The Underground Mining platform's geographic footprint covers six continents and its service offering spans the project life cycle, including feasibility studies, specialist engineering, vertical and decline shaft construction, mine development, specialist mining services such as raise boring and grouting, and contract mining

The businesses within this platform are:

- Cementation AG – Salt Lake City, USA
- Cementation Canada – North Bay, Canada
- Cementation USA – Salt Lake City, USA
- Merit Consultants International – Vancouver, Canada
- Murray & Roberts Cementation – Johannesburg, South Africa
- Terra Nova Technologies – Santee, USA
- RUC Cementation Mining – Perth, Australia

# UNDERGROUND MINING



**Cementation Canada & USA** is a leading provider of underground mining contracting and engineering services throughout North and South America. The company specialises in the design and construction of underground facilities including shaft, ramp accesses, mine development and raises, as well as large diameter raise drilling



**Murray & Roberts  
Cementation**

**Murray & Roberts Cementation (Africa)** is a first-choice mining contractor providing the best value for mining development and contracting services. The company offers a comprehensive range of capabilities and services, from concept to commissioning, and is the reputed leader in exploration drilling, shaft sinking, tunnelling, contract mining, raisedrilling and specialised mining services (engineering and design), with a strong track record of successful mine project delivery



**RUC Mining (Australasia)** is a shaft sinking and raise drilling specialist. RUC is based in Western Australia and operates in Australia and the Asia Pacific region. RUC's shaft sinking capability includes blind sinking and strip and line operations and offers a complete solution from installing shaft collars and excavating pre-sinks to main sinking and equipping large diameter shafts, in some of the most challenging environments in the world. The company has offices in Australia, Hong Kong, Indonesia and Mongolia



**Merit** is based in Vancouver, Canada and provides project and construction management services. Committed to keeping the scope of a project in the "owner's control", Merit acts as an extension of a project owner's development team and assists in the selection and co-ordination of resources best suited to a particular project



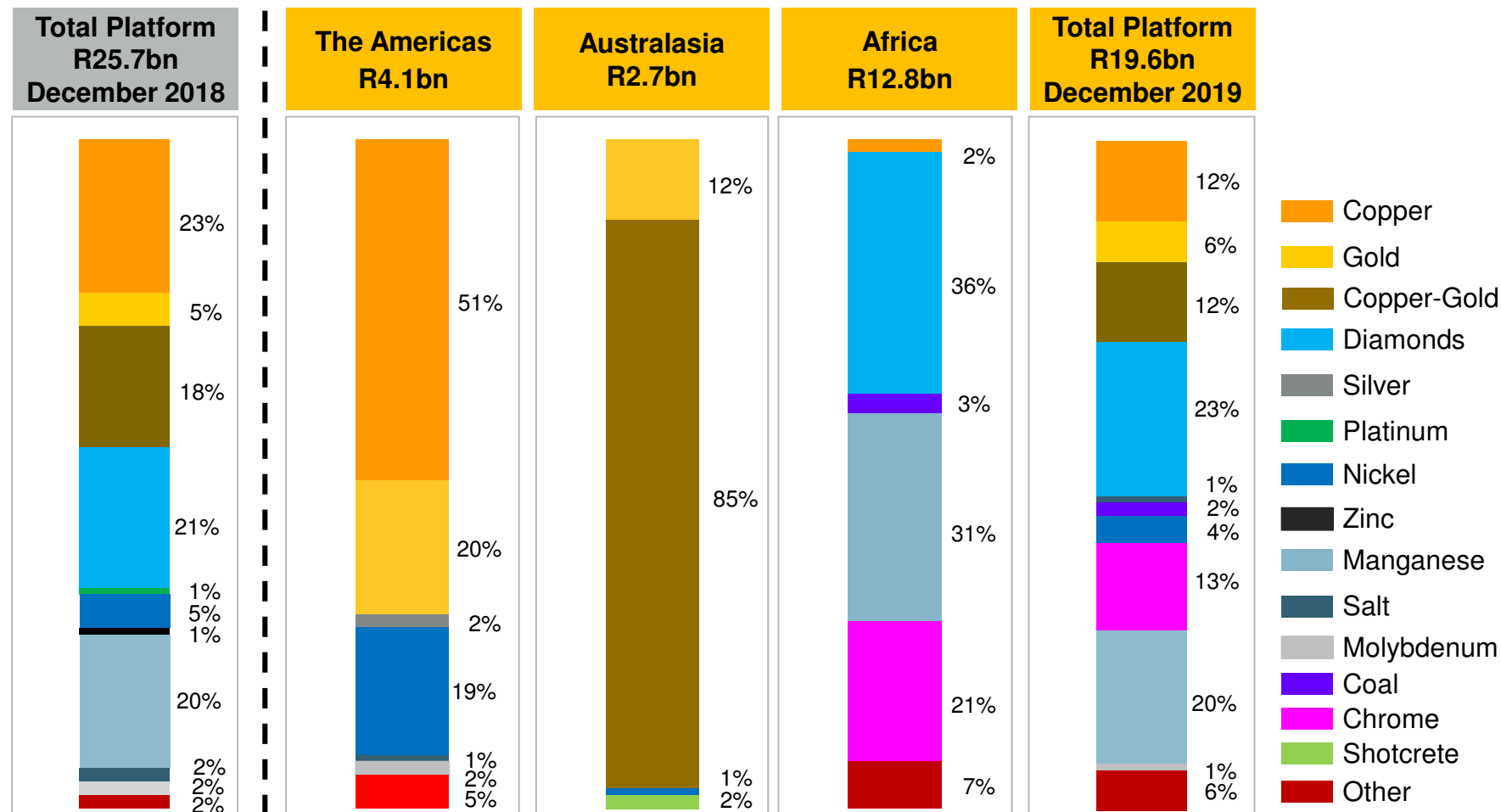
**Cementation** is an underground mine contracting and engineering company providing mine development and production services to the mining sector worldwide



**Terra Nova Technologies** is based in Santee, USA and designs, supplies and commissions overland conveyors, crushing/conveying systems, industry-renowned mobile stacking systems, heap leach systems and crushing and screening plants

# UNDERGROUND MINING PLATFORM

COMMODITY ORDER BOOK BREAKDOWN %



GOOD SPREAD OF COMMODITIES IN ORDER BOOK



# POWER & WATER

The Power & Water platform operates predominantly in Southern Africa and sub-Saharan Africa. Its service offering includes feasibility studies, detailed engineering, procurement, construction, commissioning and repairs and maintenance work. The platform has a primary focus on the power sector and extends its services to complementary markets, including:

- Repairs and maintenance
- Power transmission and distribution
- Industrial and domestic wastewater treatment
- Water sector chemical supply
- SMEIPP service offering to the mining, pulp, paper and chemical industries

The businesses within this platform are:

- Murray & Roberts Power & Energy
- Murray & Roberts Water
- Aquamarine Water Treatment
- OptiPower Projects



**Murray & Roberts  
Power & Energy**  
Engineers and Constructors

**Murray & Roberts Power & Energy** is the platform's engineering, procurement and construction ("EPC") projects implementer, adding unique value to the constructability, integration and ultimate performance of the projects it undertakes. Murray & Roberts Power & Energy offers the full spectrum of multi-disciplinary EPC services including piping, tanks farms & platework, mechanical, electrical, process equipment, structural steel & instrumentation. Murray & Roberts Power & Energy offers a comprehensive engineering and design service incorporating all the major engineering disciplines



**Murray & Roberts  
Water**  
Engineers and Constructors

**Murray & Roberts Water** has the capability and expertise to design, supply equipment, construct, commission, operate and maintain water treatment plants in Africa. Services include: mine water treatment; sea water desalination; industrial effluent treatment; municipal water & waste water re-use and water supply for power generation infrastructure. These can be offered as large scale permanent plants or modular containerised plants with the option to scale up if necessary



**Aquamarine** designs, manufactures and installs water treatment solutions. It offers a complete customised solution, including support for and maintenance of its installations. Aquamarine currently operates in a niche market for mainly small to-medium size installations and has developed a network of resellers throughout the African continent that serves as an extended business development network



**OptiPower Projects** delivers projects in the transmission, distribution and substation sectors of the power market. OptiPower also has its own in-house engineering department that offers full turn-key design and specialised construction solutions to its customers



# DISCLAIMER

- 1. This presentation includes certain various “forward-looking statements” within the meaning of Section 27A of the US Securities Act 10 1933 and Section 21E of the Securities Exchange Act of 1934 that reflect the current views or expectations of the Board with respect to future events and financial and operational performance. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: the Group’s strategy; the economic outlook for the industry and the Group’s liquidity and capital resources and expenditure. These forward-looking statements speak only as of the date of this presentation and are not based on historical facts, but rather reflect the Group’s current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “expect”, “anticipate”, “intend”, “should”, “planned”, “may”, “potential” or similar words and phrases. The Group undertakes no obligation to update publicly or release any revisions to these forward looking statements to reflect events or circumstances after the date of this presentation or to reflect the occurrence of any unexpected events. Any forward-looking information contained in this presentation has not been reviewed nor reported upon by the Group’s external auditors.*
- 2. The financial information on which this presentation is based, has not been reviewed and reported on by the Company’s external auditors.*
- 3. Neither the content of the Group’s website, nor any website accessible by hyperlinks on the Group’s website is incorporated in, or forms part of, this presentation.*

A decorative graphic on the left side of the slide, consisting of a grid of squares in various shades of yellow and orange, arranged in a pattern that tapers to the right.

# REPORT TO STAKEHOLDERS

SIX MONTHS TO 31 DECEMBER 2019

This presentation is available on [www.murrob.com](http://www.murrob.com)