



# **BUSINESS PLATFORM PRESENTATIONS**

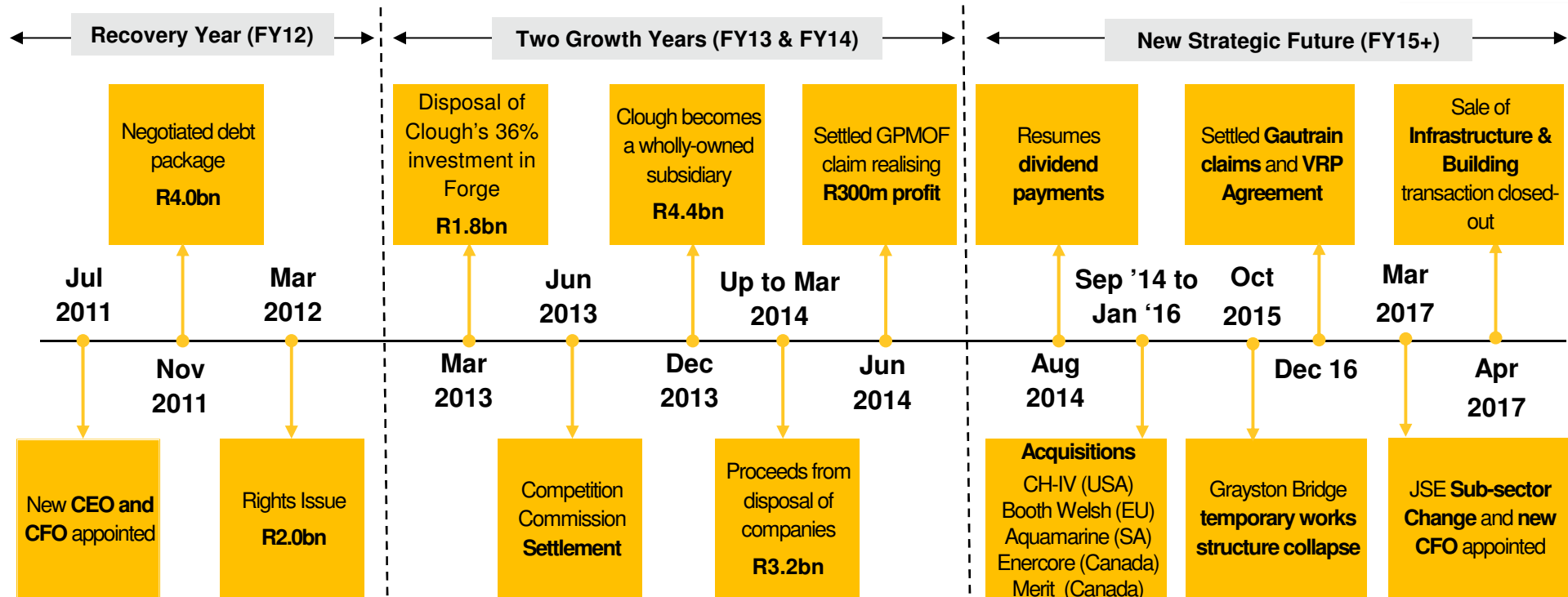
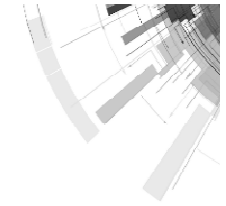
Group Overview – Henry Laas

26 June 2017



# THE ROAD WE HAVE TRAVELLED

## MAJOR MOMENTS DURING THE PAST SIX YEARS

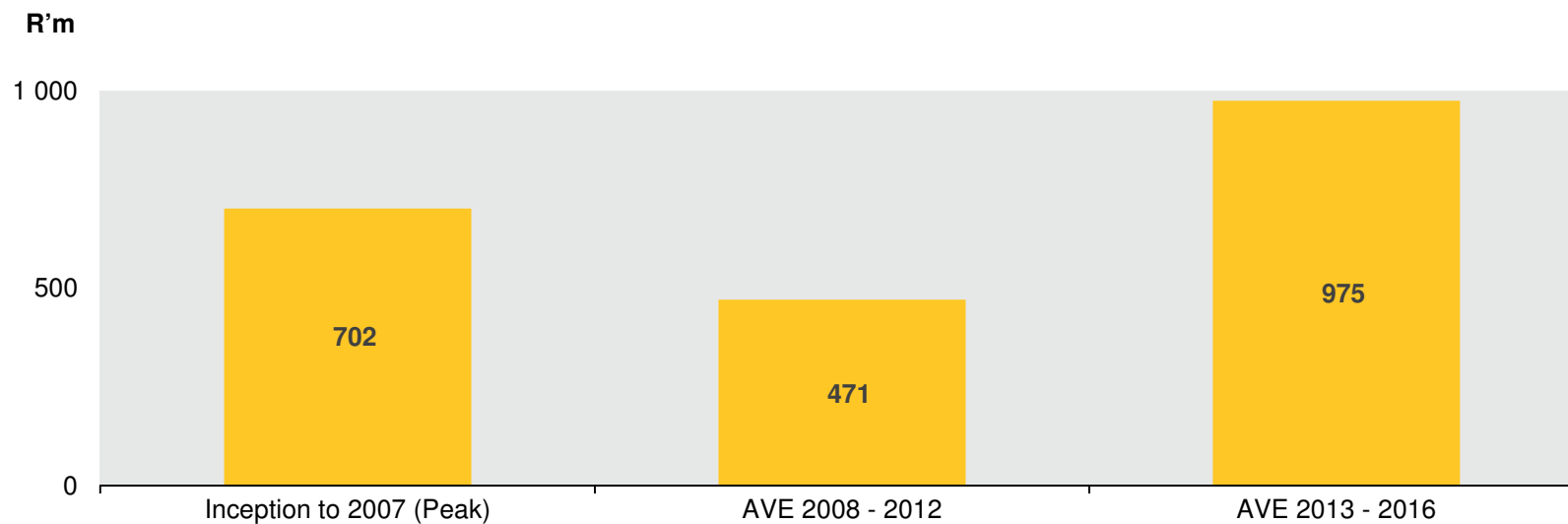
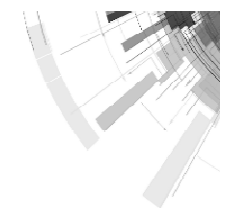


### KEY ACHIEVEMENTS/OBSERVATIONS:

- Successfully delivered Recovery & Growth strategy between FY12 and FY14
- Restored financial stability, returned to sustainable profitability and resumed dividend payments
- Created a focused international engineering and construction group
- Competition Commission and Grayston Bridge crises effectively managed
- Settled GPMOF and Gautrain major claims
- Strong financial results in FY13 and FY14
- Satisfactory financial results in FY15 and FY16 following oil price collapse in November 2014
- Dubai International Airport claim arbitration progressing and is expected to realise future value
- Transferred company's listing on the JSE from the Heavy Construction to Diversified Industrials sub-sector
- Sale of Infrastructure & Building transaction closed-out

# THE ROAD WE HAVE TRAVELLED

## ATTRIBUTABLE EARNINGS\*: A GLANCE BACK IN HISTORY



\* Attributable earnings: Nominal terms

\*\* Accounted for in FY17

## 1 A multinational, specialist engineering and construction group

- Murray & Roberts has transformed from being predominantly a South African construction company, to a multinational projects group focused on the natural resources market sector
- Murray & Roberts has received approval to reclassify its listing on the JSE from Heavy Construction sub-sector to Diversified Industrials sub-sector on 20 March 2017

## 2 Clearly defined growth strategy and business model

- Murray & Roberts is focused on the full project lifecycle service offering, exposure to select natural resources market sectors, and international diversification
- Growth opportunity exists from expected medium-term recovery of the commodity cycle through diversification of the business model and international expansion

## 3 Strong balance sheet allows M&R to navigate through the commodity down cycle

- Low leverage and strong cash position is assisting Murray & Roberts to survive in an environment where producers are cutting back on projects with demand only expected to return in the medium-term

## 4 Robust near orders and project pipeline

- Diversified business model has resulted in a better quality order book
- Despite the Oil & Gas order book coming under pressure, Underground Mining order book more resilient



# 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

By 2025, to be a leading multinational group that applies its project lifecycle capabilities to optimise clients' fixed capital investment

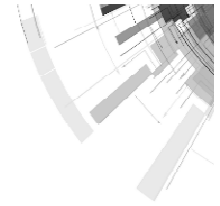
### VALUES

Integrity  
Respect  
Care  
Accountability  
Commitment



## ORDER BOOK & NEAR ORDERS

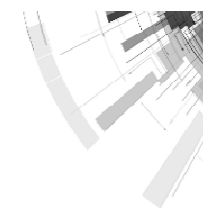
AS AT 30 APRIL 2017



Rbn	Order Book	Near Orders
Oil & Gas	4,0	0,9
Underground Mining	15,4	6,9
Power & Water	4,2	0,3
Middle East	0,5	-
<b>Continuing Operations Totals</b>	<b>24,1</b>	<b>8,1</b>

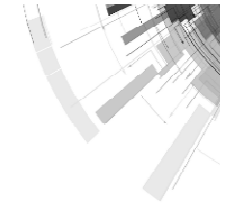
### NEAR ORDER DEFINITION

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



## KEY BUSINESS RISKS

<b>Oil &amp; Gas</b>	<ul style="list-style-type: none"><li>• Ongoing weakness in the oil and gas market – lack of large project opportunities</li></ul>
<b>Underground Mining</b>	<ul style="list-style-type: none"><li>• Organic growth with turn in the commodity cycle – resource constraints</li></ul>
<b>Power &amp; Water</b>	<ul style="list-style-type: none"><li>• Commercial close-out with MHPSA on Medupi and Kusile</li><li>• Replacement work post completion of Medupi and Kusile (FY2019)</li></ul>
<b>Middle East</b>	<ul style="list-style-type: none"><li>• Completion of Mafrq and al Raha projects</li><li>• Close-out of business in the Middle East – substantial contingent liability on legacy projects</li></ul>
<b>Operational Excellence</b>	<ul style="list-style-type: none"><li>• Not being able to achieve Engineered Excellence in all platforms – project losses</li></ul>
<b>Growth</b>	<ul style="list-style-type: none"><li>• Not being able to undertake value creating acquisitions – inorganic growth</li></ul>

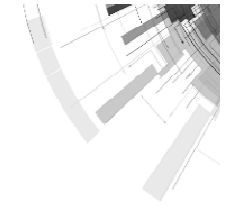


1. FY2017 EBIT is expected to be at a low point:
  - Continuing Operations
    - Middle East loss – R445m provided in FY17 (FY17 H1 – R130m) against claims and variations on close-out of last four construction projects and 2011 arbitration award against the Group
  - Discontinued Operations
    - Voluntary Rebuild Programme – R170m
    - Infrastructure & Building Platform retained liabilities – R100m
    - Genrec – R40m
2. FY2018 is expected to be the start of a new EBIT growth period, supported by analyst and third party research citing the current turn in the metals and minerals cycle. Based on the same research, oil and gas cycle turn expected in the medium term
3. Acquisitions are key to the growth agenda
4. Engineered Excellence is not negotiable
5. Middle East will continue to be a major risk until final exit from the region is achieved





## DISCLAIMER



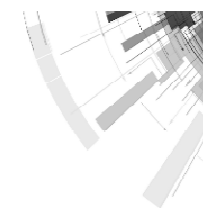
- 1. This presentation includes certain various “forward-looking statements” within the meaning of Section 27A of the US Securities Act 10 1933 and Section 21E of the Securities Exchange Act of 1934 that reflect the current views or expectations of the Board with respect to future events and financial 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 information disclosed in this presentation does not contain full or complete details. Any investment decisions should be based on the consideration of the full reviewed results announcement (“results”). Murray & Roberts’ results were released on SENS on 22 February 2017 and are available on the Company’s website [www.murrob.com](http://www.murrob.com).*
- 3. The financial information on which this presentation is based, has not been reviewed and reported on by the Company’s external auditors.*
- 4. 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.*



# **BUSINESS PLATFORM PRESENTATIONS**

Group Overview – Henry Laas

Appendix



## OUR GROUP BRANDS

### Oil & Gas



### Underground Mining



**Murray & Roberts  
Cementation**



### Power & Water



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



**Murray & Roberts  
Water**  
Engineers and Constructors





## OIL & GAS

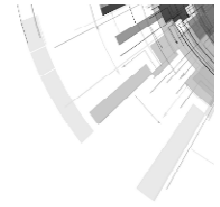
The Oil & Gas platform works with some of the world's largest energy and resources companies to engineer, construct, commission and maintain a comprehensive range of infrastructure for energy, chemical, mining and mineral projects.

The platform operates from offices in Australia, South Africa, Scotland, the USA and Canada and comprises the following businesses: Clough (Perth), e2o (Adelaide), CMR Marine (Cape Town), Booth Welsh (Ayrshire) and CH-IV (Hanover, Maryland).

The platform comprises three primary divisions: Oil & Gas EPC, Oil & Gas Commissioning and Brownfields, and Infrastructure & Marine. The platform's full project lifecycle delivery model reduces risk and optimises safety, productivity and cost across every phase of a project.



## 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.



**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.



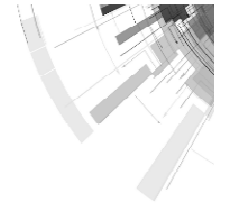
**CH-IV (USA)** provides consulting services to global LNG asset developers, regulators, facility owners, operators and lenders to ensure assets are designed, developed, constructed and operated safely and in accordance with codes, regulations, and the project's technical and commercial specifications.



**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.



# FLAGSHIP PROJECTS



**PNG LNG Jetty**



**Wheatstone Jetty**



**NAAN 3 Ammonium Nitrate Plant**



**Pluto LNG Jetty**



**Wheatstone Hook-up & Commissioning**



**Chevron's Gorgon Project**



**Woodside  
Offshore  
Maintenance**



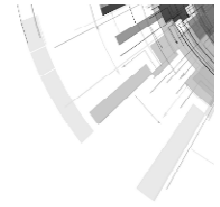
## UNDERGROUND MINING

The Underground Mining platform provides specialist engineering, construction and operational services in the underground mining environment to the global mining and metals sector. The platform comprises the following businesses: Murray & Roberts Cementation (Johannesburg); Cementation Canada (North Bay); Cementation USA (Salt Lake City); and RUC Cementation Mining (Perth).

Its geographic footprint is one of the largest globally, with a service offering that spans the project life cycle including specialist engineering, shaft construction, mine development, raise drilling and contract mining.



## 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.



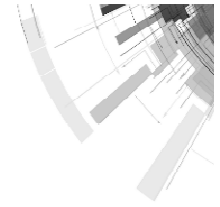
**RUC Mining (Australasia)** is a shaft sinking and raise drilling specialist. RUC is based in Western Australia and operates in Australia and the Asia Pacific region. RUC's shaft sinking capability includes blind sinking and strip and line operations and offers a complete solution from installing shaft 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.



## FLAGSHIP PROJECTS



**Hecla Mining Company**



**Potash Corp**



**Xstrata Nickel**



**De Beers Canada**



**De Beers Venetia**



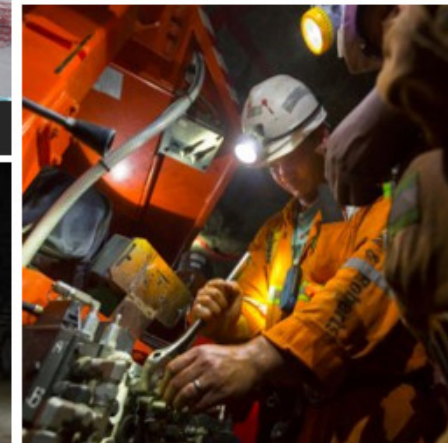
**AuRico Gold Inc.**



**Freeport Indonesia**



**Xstrata Zinc**



**Northam Booyesendal**



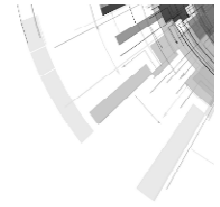
## POWER & WATER

The Power & Water platform, which is focused on engineering, procurement, construction and maintenance services, is playing a major role in building two of the world's largest coal-fired power stations in South Africa, Eskom's Medupi and Kusile Projects. The platform comprises three businesses: Aquamarine (Cape Town), Murray & Roberts Power & Energy (Johannesburg) and Murray & Roberts Water (Johannesburg).

The platform is structured as a project execution business in the power and water sectors, offering EPC, as well as operations and maintenance services. Murray & Roberts Water has the capability and expertise to undertake feasibility studies, design, supply equipment, construct, commission, operate and maintain water treatment plants in Africa, and to supply modular plants globally.



## POWER & WATER



**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.



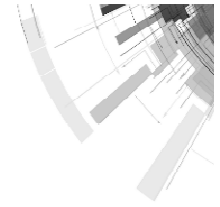
**Murray & Roberts  
Water**  
Engineers and Constructors

**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.





**Medupi Power Station**



**Kusile Power Station**



**Morupule A Refurbishment**



**Tarkwa Water Treatment**



**Sasol Environment**



**Kusile FGD Units**



**NMPP Tank Farm**



**Morupule A Power Station**



**Wastewater Treatment**



**Vale Water Treatment**

# STRATEGIC DIRECTION: MULTINATIONAL

INTERNATIONAL DIVERSIFICATION INTO MAIN GEOGRAPHIC MARKETS



● Corporate Office  
● Underground Mining

● Oil & Gas  
● Power & Water

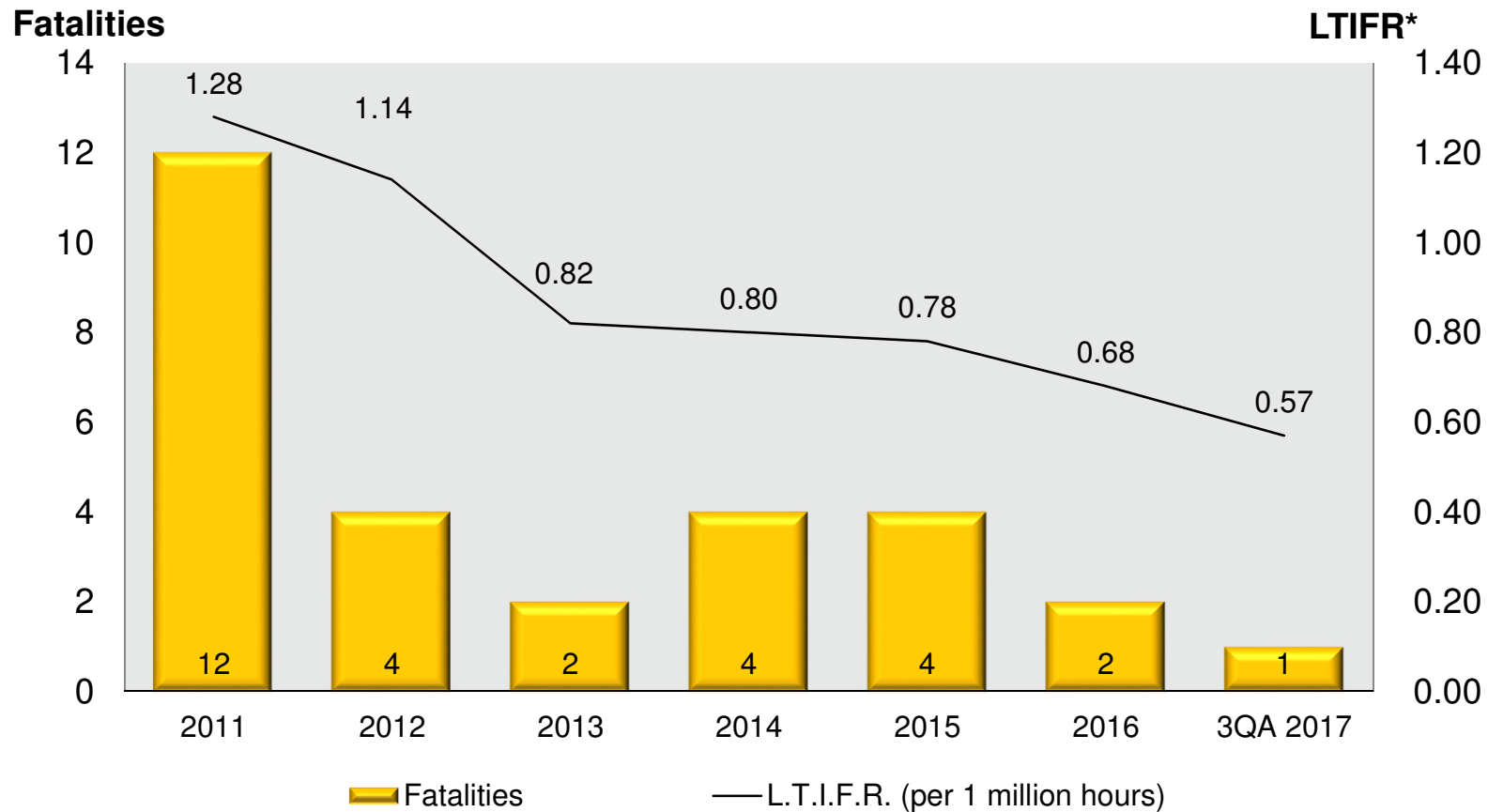
## • International diversification approach

- Permanent presence (offices) in regions with major opportunity in selected natural resources market segments
- Follow clients on an ad hoc basis into regions without a permanent presence



## TOGETHER TO ZERO HARM

SIGNIFICANT IMPROVEMENT OF SAFETY PERFORMANCE WITH SEVERAL KEY INITIATIVES INTRODUCED AND EMBEDDED

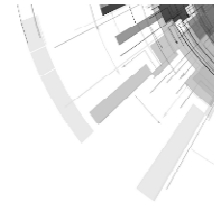


**Record-low LTIFR**

\* Lost Time Injury Frequency Rate per million man-hours worked



## AMERICAN DEPOSITORY RECEIPTS



**Murray & Roberts has a sponsored Level 1 ADR programme (Since 2009)**

**Bloomberg ticker:** MURZY

**CUSIP:** 626805204

**Ratio: 1 ADR:** 1 Ordinary Share

**Exchange Traded:** Over-the-counter (OTC) market

**Depository bank:** Deutsche Bank Trust Company Americas

**Depository bank contact:** James Eaves

**ADR broker helpline:** +1 212 250 9100 (New York)

+44 207 547 6500 (London)

**E-mail:** [adr@db.com](mailto:adr@db.com)

**ADR website:** [www.adr.db.com](http://www.adr.db.com)

**Depository bank's local custodian:** Computershare, South Africa



# **BUSINESS PLATFORM PRESENTATIONS**

Group Overview – Henry Laas

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