

MURRAY & ROBERTS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1948/029826/06

JSE Share Code: MUR

ADR Code: MURZY

ISIN: ZAE000073441

(“Murray & Roberts” or the “Company” or the “Group”)

TRADING STATEMENT FOR THE YEAR ENDED 30 JUNE 2020

Stakeholders are referred to the business update and trading statement published by the Group on SENS on 25 May 2020.

The Group’s global portfolio of projects experienced a significant COVID-19 profit impact during the reporting period, as a result of the measures implemented to limit the spread of the virus. Few projects continued with little or no disruption, some were suspended and others were placed on care and maintenance. Globally, most office-based employees continue to work remotely, whilst the majority of projects have now resumed operations.

The Group entered the COVID-19 period of disruption and uncertainty with a strong balance sheet and took early and proactive action to preserve its financial position. Prudent cash and working capital management initiatives were implemented across the Group and no client has defaulted on payments as a result of COVID-19.

In terms of overall financial performance and prior to the impact of COVID-19, the Group was tracking well to meet its guidance of an improved performance in FY2020, relative to the previous reporting period. The direct profit impact of this pandemic on projects during the year is estimated at R622 million. This negative impact, combined with the impairment of an R80 million vendor loan relating to the sale of Genrec, now in business rescue, the impairment of R63 million relating to goodwill on two Group companies due to market uncertainty, and the impairment of R46 million of uncertified revenue on a claim, created a perfect storm for the Group. Execution challenges on a few projects, also disappointed.

The Company expects to report FY2020 results within the following ranges:

| | 30 June 2020 | 30 June 2019 |
|---|------------------------------|------------------------|
| | Expected range (cps loss) | Actual (cps profit) |
| (LOSS)/PROFIT PER SHARE | | |
| Basic | (95) – (83) | 85 |
| Diluted | (95) – (83) | 83 |
| HEADLINE (LOSS)/PROFIT PER SHARE | | |
| Basic | (86) – (74) | 80 |
| Diluted | (86) – (74) | 78 |

The Group has a significant, quality order book of R54,2 billion and near orders of R11,4 billion, which underscores the Board's confidence in the Group's strategy. The project opportunity pipeline includes a significant value of near orders and Category 1 opportunities include four projects which are being negotiated on a sole-source basis, with a combined value of approximately R40 billion.

The Group's financial position is robust and sufficient to fund its growth plans and debt is within its targeted range.

In the year ahead, the focus will be on at least maintaining the order book at current levels, if not growing the order book, improving project execution, reducing working capital, progressing digitalisation, and exiting the Middle East – which the Board believes will support a return to profitability in FY2021 and a path to earnings growth beyond.

PUBLICATION OF ANNUAL FINANCIAL RESULTS

Murray & Roberts intends to publish its annual financial results, for the year to 30 June 2020 on SENS on Wednesday, 26 August 2020, before 17:00 (CAT).

The information contained in this announcement has not been reviewed and reported on by Murray & Roberts' external auditors.

Bedfordview

19 August 2020

Sponsor
The Standard Bank of South Africa Limited