



2017 AUDITED RESULTS FOR THE
YEAR ENDED 30 JUNE 2017

WBHO

WBHO

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OVERVIEW AND HIGHLIGHTS

LOUWTJIE NEL

THE YEAR IN PERSPECTIVE

SOUTH AFRICA

- Low-growth environment and political instability impact business confidence
- Record revenue achieved by local building divisions
- Civil engineering division secures key anchor project while overall market remains challenging
- Roads and earthworks division delivers strong second half performance on improved order intake
- No significant under-performing contracts across all construction divisions
- Reinforced Mesh Solutions (RMS) faced another tough year including a difficult loss-making project in KZN

REST OF AFRICA

- Further decline in revenue from the region in FY17
- Encouraging to see increased activity in West Africa
- Roads and earthworks and civil engineering divisions partner to deliver two new projects in Ghana and Guinea
- Activity in Botswana and Mozambique tapers sharply
- Activity in Zambia remains subdued

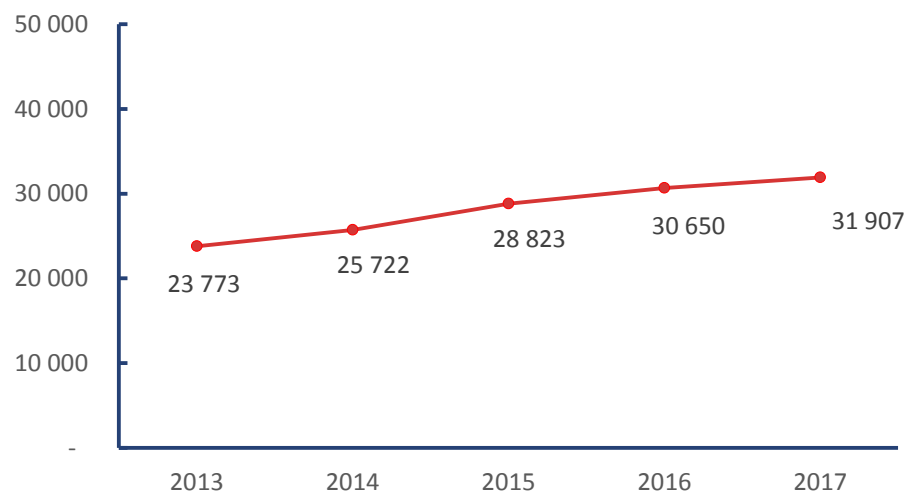
THE YEAR IN PERSPECTIVE

AUSTRALIA

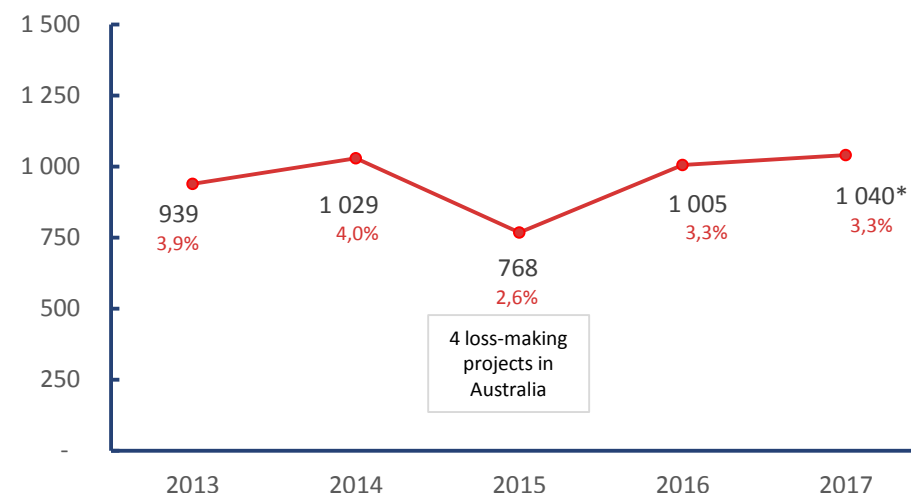
- High activity levels of recent years sustained
- Strong Asian demand continues to support growth
- Revenue growth of 6% in Australian dollar terms
- Major projects secured in all key states
- One loss-making building project in Queensland impacts profitability
- Infrastructure markets continue to offer opportunities in the Eastern region – two additional infrastructure projects secured this year and Western Region performs well

NEW MARKETS

- UK construction market offers opportunities for growth
- Acquisition of 40% interest in the Byrne Group (June 2017)
- Rail infrastructure markets targeted (maintenance and new-build)
- Acquisition of controlling interest in iKusasa Rail (formerly Grindrod Rail) alongside key partner (June 2017)

REVENUE (Rm)

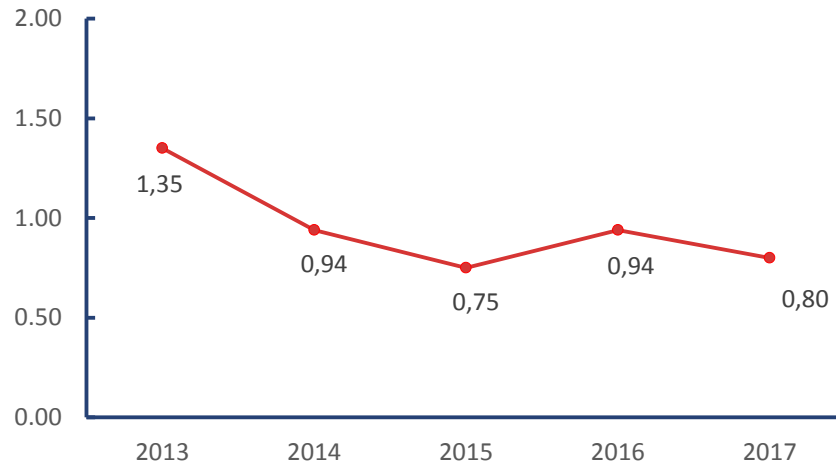
- Compound annual growth of 7% over five years
- Revenue growth of 4% in 2017 (2016: 6%)
- Strong revenue growth of 18% in South Africa
- Offset by declining revenue from the rest of Africa
- Revenue maintained in Australia after two consecutive years of approximately 20% growth

OPERATING PROFIT (Rm)

- Growth in operating profit of 3,5% (*including development profit of R54m from Australia)
- Overall margin of 3,3% (2016: 3,3%)
- Earnings largely sustained over five-year period despite challenging conditions

SAFETY

LTIFR (Number of lost time injuries per million man hours)



- Improvement in LTIFR from 0,94 to 0,80 in 2017
- Best ever safety performance in Africa with an LTIFR of 0,54 reflects impact of recent safety initiatives
- Group safety performance impacted by a subcontractor fatality in Australia – rigorous safety awareness campaigns implemented
- Large volume of roadwork in SA together with poor driving habits resulted in four fatalities caused by third parties

TRANSFORMATION AND EMPOWERMENT

PROCUREMENT

- Inconsistent implementation of PFMA guidelines
- Additional transformation requirements imposed by individual SOEs
- WBHO has a proven track record in creating successful joint ventures with emerging contractors

CONSTRUCTION SECTOR CODES

- WBHO involved in negotiating revised sector codes with all stakeholders
- Final agreed codes submitted to the dti – should be gazetted imminently
- Strategic focus on regaining Level 2 status

SETTLEMENT AGREEMENT

- Settlement agreement signed between seven listed construction companies and government on 11 October 2016
- Has resulted in radical transformation within the construction industry
- Provides a forum to discuss industry matters with Government and regain trust
- Removes potential for civil damages and costly litigation for all parties

A nighttime photograph of a large-scale construction project in an urban setting. The central focus is a multi-story building under construction, its concrete frame and steel reinforcement visible. Several large yellow tower cranes are positioned around the building, their booms extending into the dark sky. The scene is illuminated by the warm lights of the construction site and the cool, blurred light trails of city traffic in the foreground. To the left, a portion of a modern building with a glass facade is visible, featuring a logo. The overall atmosphere is one of active development and engineering.

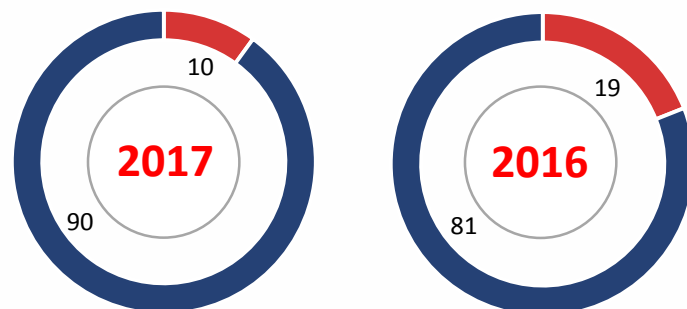
CITY

BUILDING AND CIVIL ENGINEERING

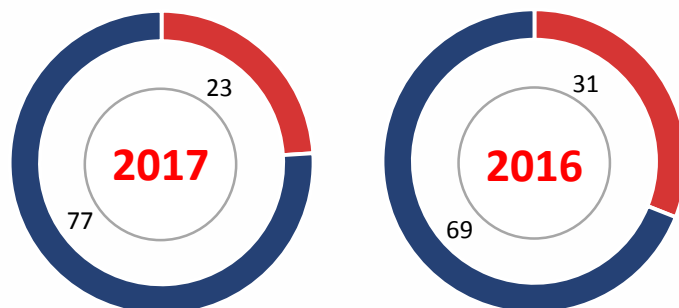
LOUWTJIE NEL

GEOGRAPHIC FOOTPRINT

REVENUE (%)



OPERATING PROFIT (%)



● Rest of Africa ● South Africa



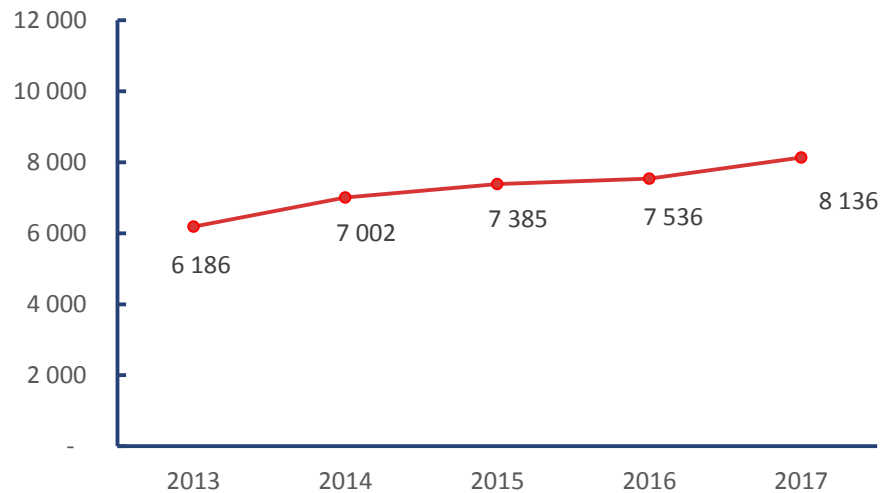
THE YEAR IN PERSPECTIVE

BUILDING

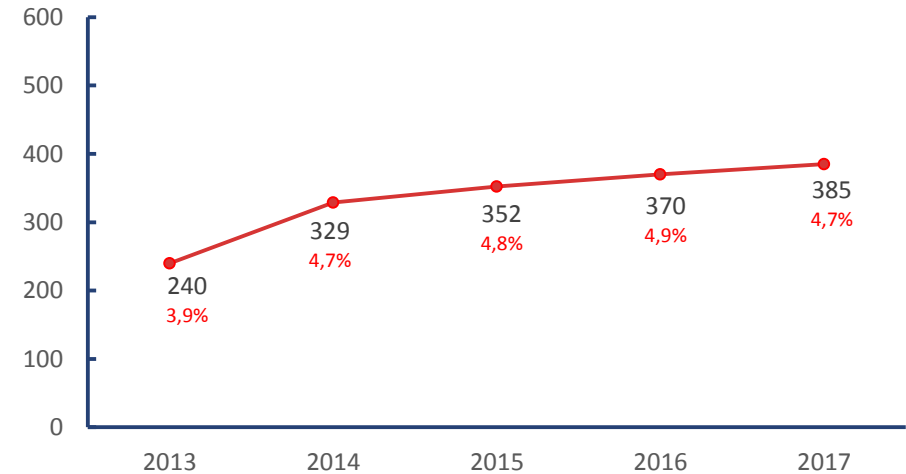
- Record revenue delivered by Gauteng and KZN building divisions
- Lower revenue from the Western Cape following completion of a number of projects at V&A Waterfront and low order intake over the first six months
- Activity in the Eastern Cape satisfactory
- Strong project execution and consistent on-time delivery
- 90% of work remains negotiated
- Softening of commercial and retail markets reflected in lower revenues generated over the second six months and a declining order book
- Hotel and casino markets contributed strongly toward activity in FY17

CIVIL ENGINEERING

- Secured vital anchor project to construct a commercial crude oil terminal facility in first half of the year
- Despite improved commodity prices and an increase in enquiries, large-scale mining projects have yet to materialise
- Ongoing work at Kusile till 2019
- Entry into West Africa together with Roads and earthworks division

REVENUE (Rm)

- Revenue growth of 8% (2016:2%)
- 20% growth in South Africa
- 43% decline from the rest of Africa
- 25% contribution to group revenue

OPERATING PROFIT (Rm)

- Overall margin of 4.7%
- 37% contribution to group operating profit
- Upward trend in operating profit despite earnings pressure within Civil engineering division
- Margin slippage in FY17 represents lower component of higher margin design and construct work
- Consistent margin over time demonstrates ability to deliver and absence of loss-making projects

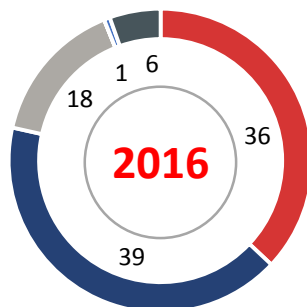
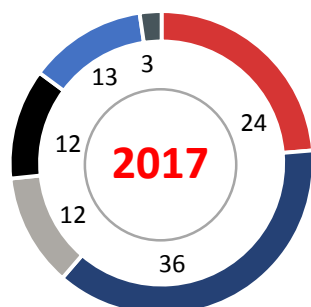
ORDER BOOK

BUILDING AND CIVIL ENGINEERING (Rm)	% GROWTH	AT JUNE 2017	AT JUNE 2016
South Africa	(16)	6 738	7 977
Africa	(36)	451	706
TOTAL	(17)	7 189	8 683

ORDER BOOK ↓ 17%

- 73% of FY17 revenue secured for FY18
- Lower building order book still healthy
- Improvement in Western Cape and Civil engineering divisions' order books
- Replacement of building work in the rest of Africa challenging

ORDER BOOK BY SECTOR (%)



- Retail
- Commercial
- Healthcare and leisure
- Residential
- Energy infrastructure
- Civil works and mining infrastructure

ORDER BOOK BY SECTOR

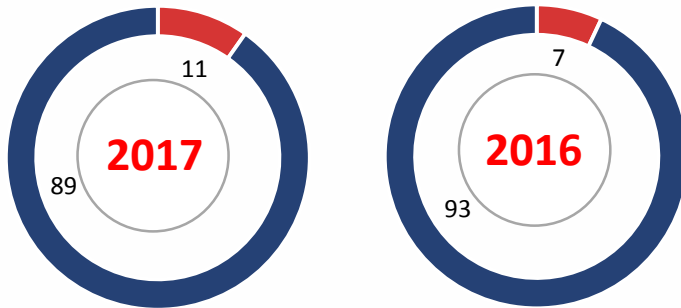
- Lower retail activity evident in order book
- Proportion of commercial work remains strong due to work-on-hand
- Increase in residential activity, mostly in Western Cape
- Casino work supported by award of Sun Coast casino project
- Civil engineering projects concentrated in energy sector

A photograph of a modern, curved glass building at night. The building has multiple floors with lit windows, and its curved facade reflects the surrounding environment. In the foreground, there is a road with light trails from moving vehicles, indicating a long exposure. To the right, there is a covered walkway or entrance area with a palm tree. The sky is a deep blue, suggesting dusk or dawn. A large white diagonal line runs across the image from the top right to the bottom left.

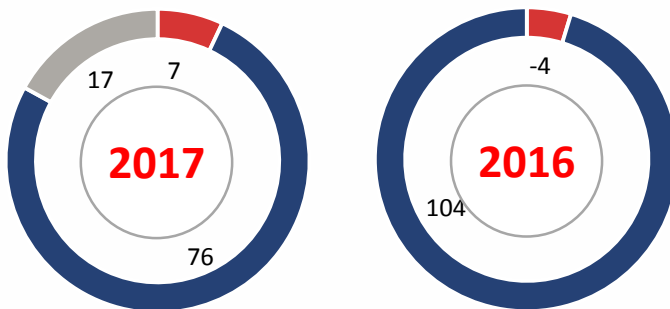
AUSTRALIA
LOUWTJIE NEL

GEOGRAPHIC FOOTPRINT

REVENUE (%)



OPERATING PROFIT (%)



● Infrastructure ● Building ● Property developments



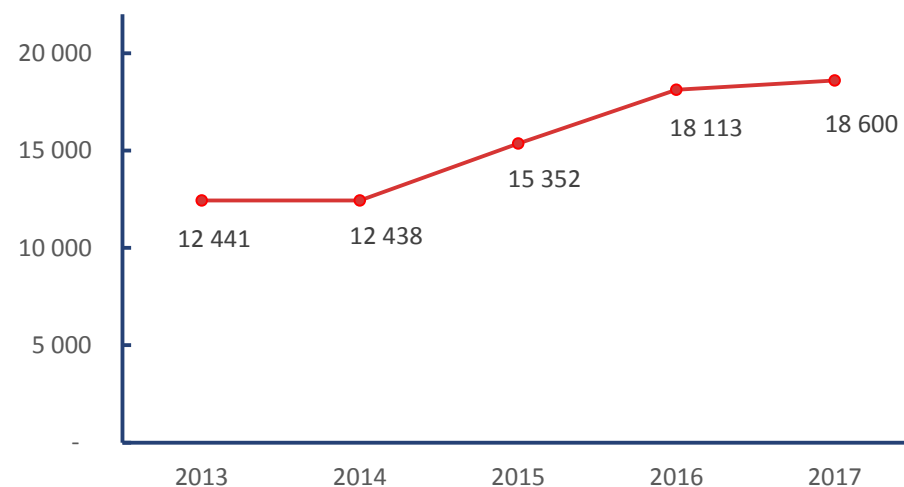
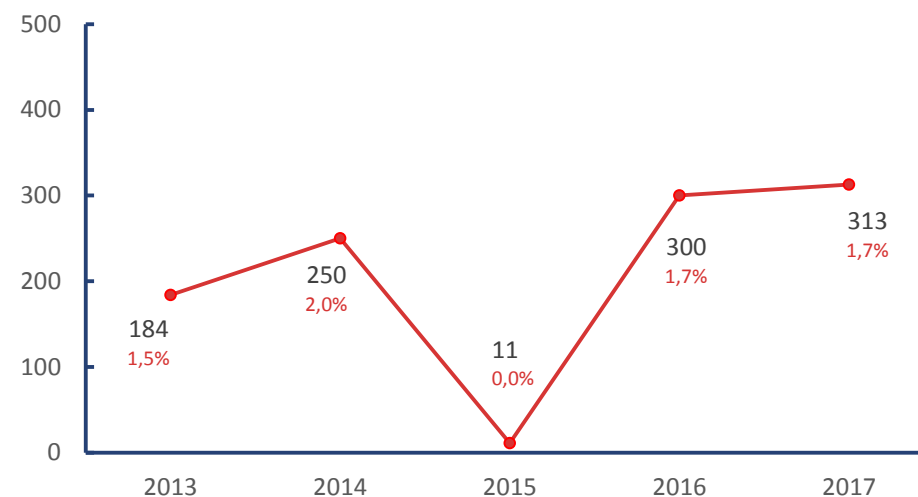
THE YEAR IN PERSPECTIVE

BUILDING

- Melbourne and Sydney markets comprise 68% of building revenue
- Activity underpinned by multi-level residential projects
- Increased activity in hotel and leisure markets as Chinese tourism rises
- Three large-scale retail projects in Victoria and Queensland successfully delivered
- Losses on Coorparoo project in Brisbane due to delays in letting subcontractor packages in a climbing market
- Increased activity in Perth following award of AU\$400m hotel and residential project at Elizabeth Quay
- Monaco Hickey successfully penetrating sub AU\$50m residential and commercial markets

CIVIL ENGINEERING

- Solid revenue growth as roadwork and renewable energy projects secured in Eastern region
- Activity in Western region supported by industrial maintenance projects together with road and telecommunications infrastructure

REVENUE (Rm)**OPERATING PROFIT (Rm)**

- Revenue growth of 6% in AU\$ terms (2016:18%)
- 58% contribution to group revenue
- Infrastructure business grows by 63%
- FY17 growth impacted by delayed project commencement

- Operating profit growth of 4%
- Margin of 1,7%
- 30% contribution to group operating profit
- Steady performance over time with exception of four loss-making civils projects in FY15

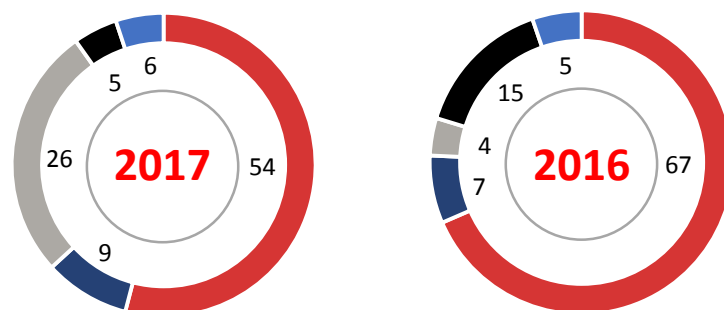
ORDER BOOK

AUSTRALIA (Rm)	% GROWTH	AT JUNE 2017	AT JUNE 2016
Building	1,5	29 740	29 302
Infrastructure	6,7	1 786	1 674
TOTAL	1,8	31 526	30 976

ORDER BOOK 2%

- High volume of work maintained going into FY18
- Building order book well diversified both by sector and state
- Margin outlook stable

ORDER BOOK BY SECTOR (%)



- Residential
- Retail
- Commercial
- Healthcare and leisure
- Infrastructure

ORDER BOOK BY SECTOR

- Lower retail activity following completion of projects – next wave of projects visible in pipeline
- Good growth in commercial sector
- Mixed-use residential and hotel sectors strong
- Transport and renewable energy sectors will continue to drive infrastructure activity



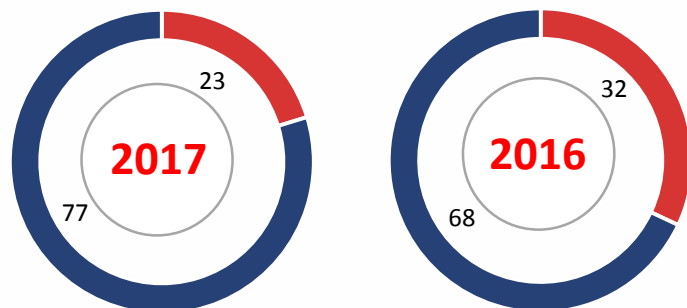


ROADS AND EARTHWORKS

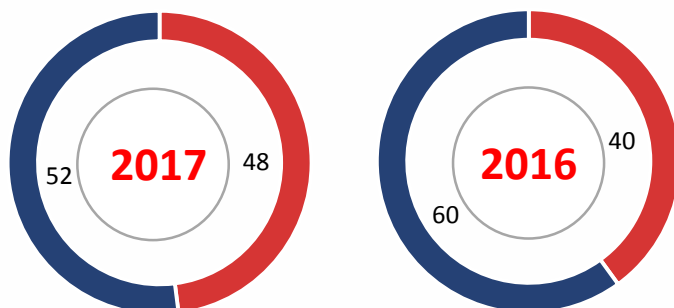
RICHARD SMITH

GEOGRAPHIC FOOTPRINT

REVENUE (%)



OPERATING PROFIT (%)



● Rest of Africa ● South Africa



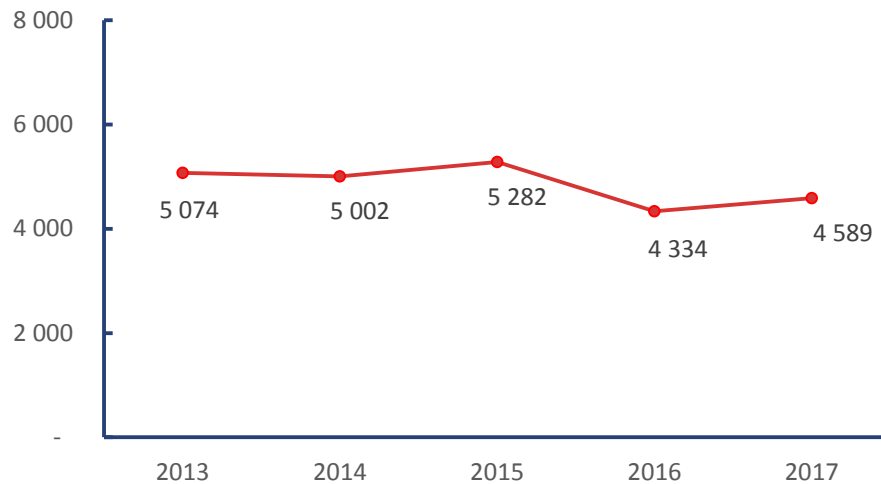
THE YEAR IN PERSPECTIVE

SOUTH AFRICA

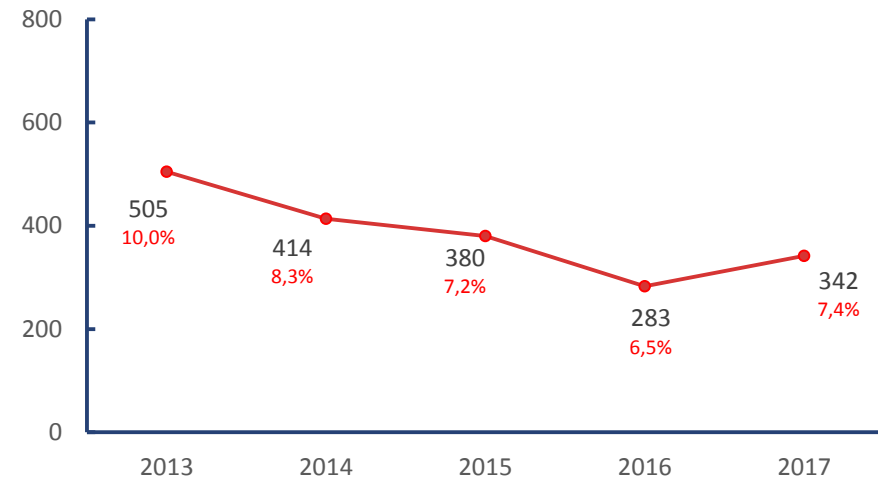
- Increase in private sector work over the second six months
- Strong activity in local roads sector – comprises 60% of SA revenue
- Large-scale road projects across most provinces
- Strong growth from Roadspan surfacing division on the strength of roadwork activity
- Muted activity in provincial road markets impacts Edwin Construction
- Energy sector offers opportunities as key projects secured for SASOL and OTMS at Saldanha
- Pipeline activity maintained in a difficult market – increase in SA projects as activity in Botswana subsides
- Some mining activity but at substantially reduced levels
- Low-cost housing market continues to offer opportunities

REST OF AFRICA

- Reduced mining activity in Botswana and Mozambique impacts revenue streams
- Partially offset by new roads projects in Mozambique and water projects in Botswana and Namibia
- Significantly improved activity in West Africa

REVENUE (Rm)

- Revenue growth of 6% (2016: **-18%**)
- 7% growth in South Africa
- 23% decline in rest of Africa
- 14% contribution to group revenue
- Mining activity effectively replaced with local roadwork through the 'commodity price slump'

OPERATING PROFIT (Rm)

- Operating profit growth of 21%
- Overall margin 7,4%
- 33% contribution to group operating profit
- Declining margins reflect increase in lower margin roadwork
- Margin improvement in FY17 demonstrates adaptability of procurement and execution strategies in competitive road markets

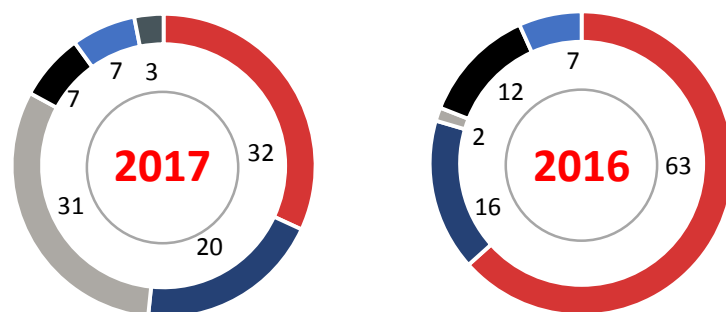
ORDER BOOK

ROADS AND EARTHWORKS (Rm)	% GROWTH	AT JUNE 2017	AT JUNE 2016
South Africa	95	4 969	2 554
Africa	145	1 192	487
TOTAL	103	6 161	3 041

ORDER BOOK 103%

- 100% of FY17 revenue secured for FY18
- 55% public versus 45% private work
- Key anchor projects to support activity through FY18 and early FY19
- Potential for additional mining infrastructure work in West Africa

ORDER BOOK BY SECTOR (%)



- Roadwork
- Mining infrastructure
- Energy infrastructure
- Pipelines
- Low-cost housing
- Rail infrastructure

ORDER BOOK BY SECTOR

- Projects from Roadwork and energy sectors continue to underpin future activity
- Additional projects from these sectors targeted for FY18
- Entry in to rail infrastructure markets



FINANCIAL REVIEW

CHARLES HENWOOD

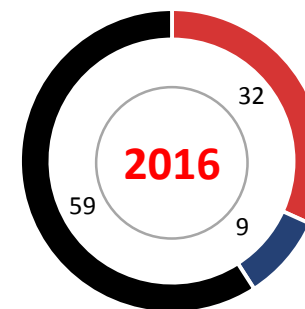
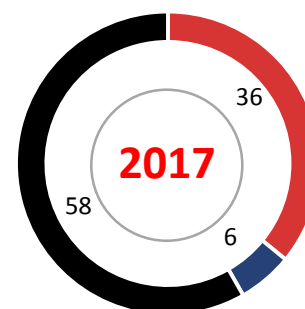
FINANCIAL PERFORMANCE

KEY FINANCIAL INDICATORS		TARGET/ GROWTH	2017	2016
Revenue growth	%	>10	4,1%	6,3%
Operating profit margin	%	3 – 4,5	3,1%	3,3%
Return on capital employed	%	>20	22,3%	22,9%
Net cash on hand	Rm	(3,5%)	5 546	5 752
Earnings per share	cents	1,8%	1 346	1 322
Headline earnings per share	cents	1,1%	1 308	1 294
Adjusted earnings per share	cents	19,1%	1 574	1 322
Adjusted headline earnings per share	cents	18,7%	1 536	1 294
Ordinary dividend per share	cents	6%	475	448

CONTRIBUTION BY GEOGRAPHY

REVENUE (Rm)	% Growth	2017	2016
South Africa	17,6	11 454	9 739
Rest of Africa	(33,8%)	1 852	2 798
Australia	2,7%	18 600	18 113
TOTAL	4,1%	31 907	30 650

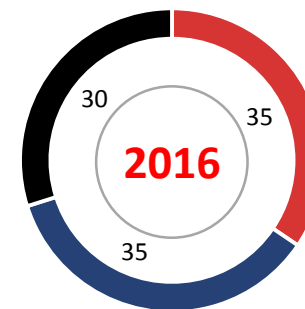
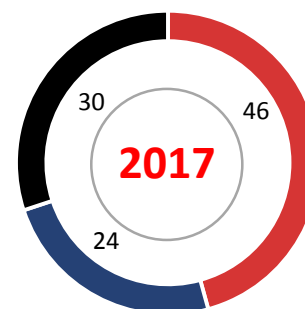
REVENUE (%)



● South Africa ● Rest of Africa ● Australia

OPERATING PROFIT (Rm)	% Margin	2017	2016
South Africa	4,2%	476	346
Rest of Africa	13,6%	252	358
Australia	1,7%	313*	300
TOTAL	3,3%	1 040	1 005

OPERATING PROFIT (%)



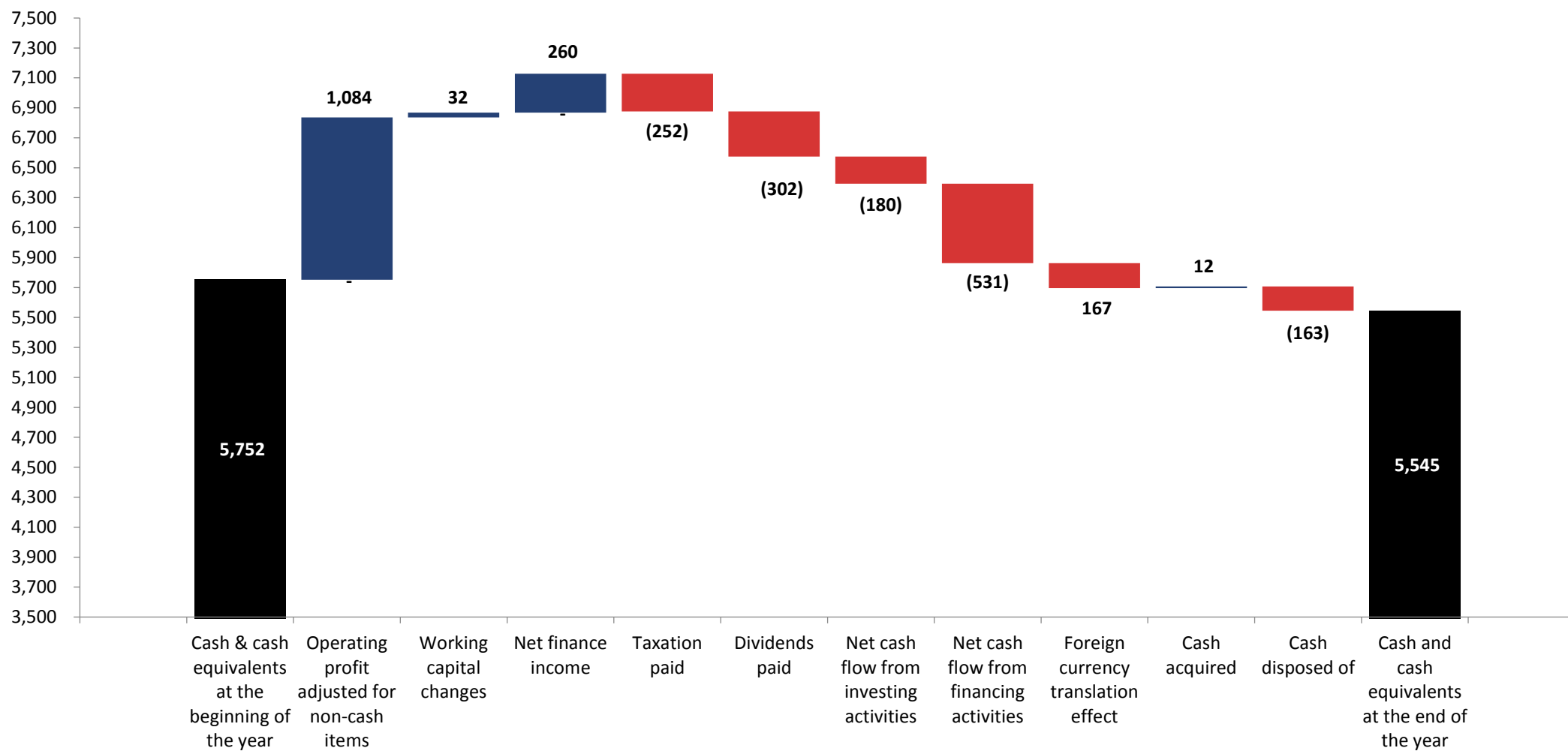
*Including equity accounted development profit of R54m

FINANCIAL PERFORMANCE

KEY FINANCIAL NUMBERS AND RATIOS	% change	2017	2016
Revenue	4,1	31 907	30 650
Operating profit before non-trading items	(1,8)	986	1 005
Settlement agreement expense		(170)	–
Profit on disposal of shares		13	–
Gain on loss of control of subsidiary		9	–
Share-based payments expense	38,1	(58)	(42)
Share of profit from associates	50,0	69	46
Net finance income	18,7	241	203
Profit before tax	(12,1)	1 090	1 240
Effective tax rate (%)		29	32

- Growth driven by strong local activity
- Operating profit lower due to loss-making project in Australia, but up 3,5% including Caulfield development profit
- R170m present value of total Settlement agreement expense of R255m
- R13m profit on sale of PPC shares and R9m gain on the loss of control in Edwin Construction
- Increase in SBP due to award of 1,9 million new share options to employees in December 2016
- Development profit of R38m included in after-tax profit from associates
- Increase in net finance income reflects strong cash balances and mezzanine finance opportunities

FINANCIAL POSITION



FINANCIAL POSITION

PROPERTY, PLANT AND EQUIPMENT (Rm)	2017	2016
Property, plant and equipment	1 635	1 710
Depreciation	211	258

CAPITAL EXPENDITURE	APPROVED 2018	ACTUAL 2017	ACTUAL 2016
Replacement	303	262	88
Expansion	52	47	309
TOTAL	355	309	127

- The fleet size has been carefully managed in recent years amid lower revenue and profitability from the Roads and earthworks division
- Increased spend for in FY17 and approved spend for FY18 reflects improvement in Roads and earthworks performance and order book growth

FINANCIAL POSITION

INVESTMENTS (Rm)	2017	2016
Investments	0,3	202
Investments in associates	650	347

- Funding from Precint 1 of the Caulfield development repaid during the year
- AU\$3 invested in Precinct 2 and classified as investment in associate
- £12m investment in WBHO UK for 40% interest in Byrne Group PLC
- Remaining balance consists of R54m in Dipalopalo (STATS SA), 115m in Gigawatt Power, R143m in Gigajoule International and R96m in Edwin Construction

LOANS (Rm)	2017	2016
Long-term receivables	447	96

- Mezzanine financing arrangements of R264m
- R40m in escrow relating to the sale of 3Q Mahuma Concrete
- Consideration receivable of R25m from the buy-back of shares in Edwin Construction
- Employee loans for shares of R118m

FINANCIAL POSITION

TAX (Rm)	2017	2016
Net deferred tax asset	575	534
Net current tax asset	124	243

Deferred tax asset consists of:

- Asset of R42m raised on future settlement agreement expense
- Tax losses of R114m (2016: R147m)
- Timing differences of R461m (2016: R388m)

Current tax asset consists of:

- Foreign tax credits of R82m (2016: R91m)
- Taxation refundable of R60m (2016: R205m)
- Tax liability of R18m (2016: R51m)

NCI MOVEMENT (Rm)	DESCRIPTION	% CHANGE	CONSIDERATION
Probuild	Share buy-back	2,1	38
Probuild	Acquisition	0,8	15
Probuild	Share issue	(5,1)	(118)
Capital Africa Steel	Acquisition	44,4	96
Renniks	Acquisition	17,5	3

- Effective interest in Probuild now 80,7% following share buy-back transactions and sale of shares to management
- 100% interest in Capital Africa Steel
- 100% interest in Renniks Construction



ORDER BOOK AND PROJECT PIPELINE
LOUWTJIE NEL

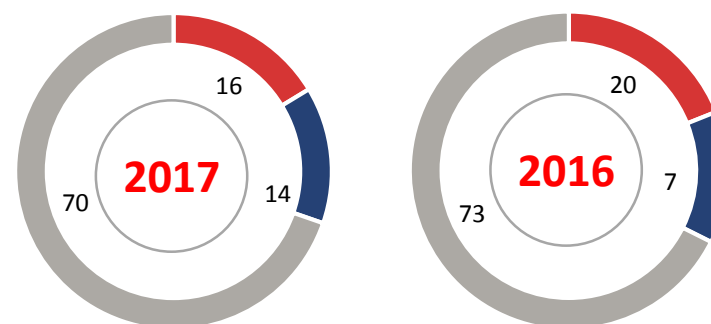
CONSOLIDATED ORDER BOOK

SEGMENT (Rm)	AT JUNE 2016	AT JUNE 2017	2018	2019 →
Building and civil engineering	8 683	7 189	5 945	1 244
Roads and earthworks	3 041	6 161	4 631	1 530
Australia	30 976	31 526	17 094	14 432
TOTAL	42 700	44 876	27 670	17 206

ORDER BOOK ↑ 5%

- 84% of FY17 revenue secured for FY18
- Decrease in Building order books offset by growth in Civil engineering and Roads and earthworks
- Australian order book comprises 61% of FY18 total with a longer horizon into FY19

ORDER BOOK BY SEGMENT (%)

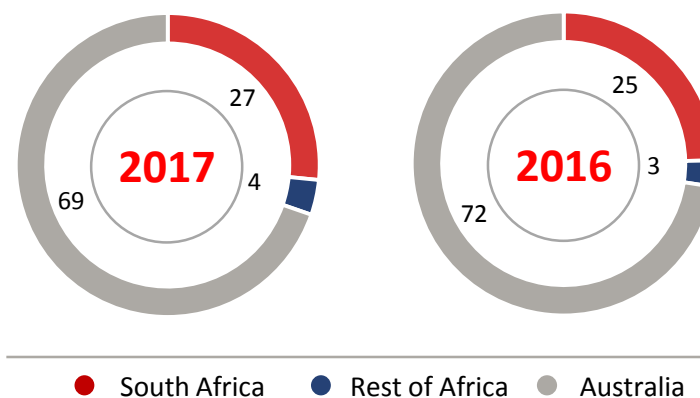


- Building and civil engineering
- Roads and earthworks
- Australia

CONSOLIDATED ORDER BOOK

GEOGRAPHY (Rm)	AT JUNE 2016	AT JUNE 2017	2018	2019 →
South Africa	10 532	11 707	9 042	2 665
Rest of Africa	1 192	1 643	1 534	109
Australia	30 976	31 526	17 094	14 432
TOTAL	42 700	44 876	27 670	17 206


ORDER BOOK BY GEOGRAPHY (%)



ORDER BOOK BY GEOGRAPHY

- 11% growth in local order book – 79% of FY17 revenue secured for FY18
- 38% growth in Rest of Africa – additional R700m project secured post year-end
- Africa order book increases to 31% of total book

PROJECTS SECURED AFTER 30 JUNE 2017

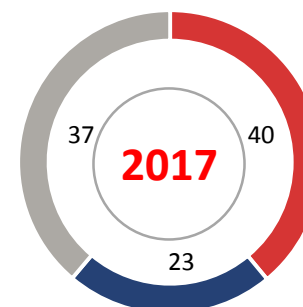
SUMMARY (Rm)	Awards after 30 June 2017 
Building and civil engineering	1 370
Roads and earthworks	1 700
Australia	8 650
TOTAL	11 720

- R470m commercial office project secured in Tshwane
- R900m mixed-use development secured in KZN
- R700m mining infrastructure project secured in Botswana
- Two projects comprising R1b secured in Edwin Construction
- Five infrastructure projects totalling AU\$165m secured in Australia
- AU\$700m mixed-use development secured in Melbourne
- Preferred bidder on R480m hotel in KZN and R450m healthcare project in Jhb

PROJECT PIPELINE

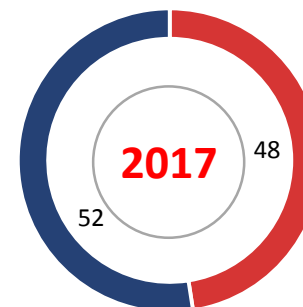
SOUTH AFRICA	Rm
Building	20 930
Public	3 900
Private	17 030
Civil engineering	12 470
Public	6 220
Private	6 250
Roads and earthworks	21 850
Public	16 150
Private	5 700
TOTAL	55 250

REST OF AFRICA	Rm
Building and civil engineering	3 200
Roads and earthworks	17 000
TOTAL	20 200



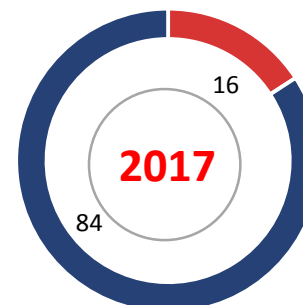
SOUTH AFRICA

- Building
- Civil engineering
- Roads and earthworks



SOUTH AFRICA

- Public
- Private

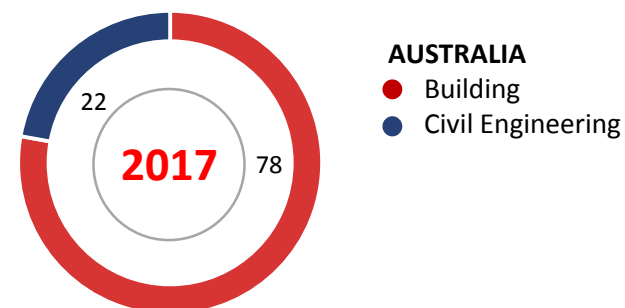


REST OF AFRICA

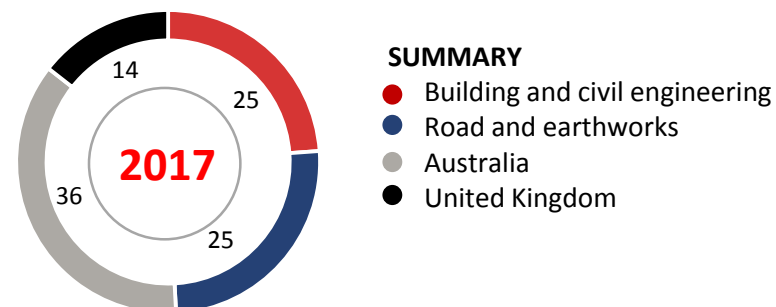
- Building and civil engineering
- Road and earthworks

PROJECT PIPELINE

AUSTRALIA	Rm
Building	43 467
Civil engineering	12 400
TOTAL	55 867



SUMMARY	Rm
Building and civil engineering	36 600
Roads and earthworks	38 850
Australia	55 867
United Kingdom	22 168
TOTAL	153 485



OUTLOOK

SOUTH AFRICA

- Outlook for FY18 stable with current volume of work
- Country risk concerning amid technical recession, low growth forecast and persistent political instability
- Challenging industry conditions likely to persist – impact on order intake for FY19 unpredictable
- Building margins under pressure in current market – pipeline remains adequate and key projects will be targeted
- Civil engineering markets yet to recover – mining opportunities exist but timing uncertain
- Positive outlook for Roads and earthworks over the short-term
- VRP agreement offers potential opportunities and access to government to address industry issues

REST OF AFRICA

- Building opportunities remain – prolonged time-frame required to conclude projects
- Design and construct offering remains attractive to prospective clients
- Civil engineering division seeking increased exposure to the region
- Gold and bauxite mines in West Africa offering opportunities
- Potential roadwork in Tanzania
- Projects team continue to explore infrastructure opportunities in various territories

OUTLOOK

AUSTRALIA

- Overall market sentiment remains positive
- Asian investment into Australian residential real estate market is significant – particularly inner-city apartment developments
- Housing affordability and restrictions on capital outflows from China has potential to impact residential activity and timing of projects
- Commercial markets offering growth – increased exposure is being pursued
- Chinese tourism driving activity in hotel and leisure markets
- Increase in iron-ore price is positive for mining infrastructure opportunities in WA
- Metropolitan infrastructure is positive and we are well-positioned

OUTLOOK

UNITED KINGDOM

- UK markets have been strong for some time, particularly London and the North West
- Limited impact from BREXIT at this stage
- Strong demand for residential and commercial developments
- Familiarity with construction environment – similar to Australia
- Byrne Group an established contractor with sound track record
- Three loss-making projects (all completed in FY17) resulted in a weakened balance sheet
- Impacted ability to secure future work resulting in a lower order intake for FY18
- Provided opportune time to invest
- Balance sheet has been recapitalised strengthening financial covenants which has been positively received by UK clients

STRATEGY

FLEXIBILITY AND DIVERSIFICATION

- Capability to pursue opportunities across numerous sectors and geographies
- Mitigates risk and reduces earnings volatility
- Evident in sustained growth and essentially consistent earnings over time throughout fluctuating building, civil and road markets

PROCUREMENT AND OPERATIONAL EXCELLENCE

- Strict procurement controls and tender evaluation
- Highly skilled and dedicated management teams
- Effective quality systems

REPUTATION AND RELATIONSHIPS

- Strong culture of delivery, professionalism and respect embedded within the group
- Responsive senior management with extensive industry experience
- High percentage of projects negotiated
- Instrumental in initiative to rebuild industry relationship with government

STRATEGY

CAPACITY AND TALENT MANAGEMENT

- Ability to attract top talent and grow next generation of leaders
- Significant investment in training each year

SAFETY AND ENVIRONMENTAL MANAGEMENT

- Responsibility to safeguard our employees and suppliers and minimise our impact on the environment
- Highest international standards ingrained on all sites
- Strong safety record and steadily improving statistics

TRANSFORMATION AND LOCALISATION

- Fundamental to long-term sustainability
- Increased prevalence in the rest of Africa
- Transformation Exco implements and monitors programmes and performance within the group
- VRP committee established to drive and monitor performance against obligations

DISCLAIMER

Certain statements contained within this presentation may be classified as forward-looking statements. Words, including but not limited to, “believe”, “anticipate”, “expect”, “seek”, “intend”, “estimate”, “project”, “plan”, or “predict” are used to identify such statements. Forward-looking statements, by their very nature, contain known and unknown risks as well as other uncertainties, the outcome of which may have a material impact on the future predictions expressed or implied therein.

No assurance can be given that future-looking statements will prove to be correct. Furthermore, no obligation is undertaken by the group to update or revise any forward-looking statements contained within this presentation and investors are cautioned not to place any reliance thereon.



THANK YOU

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