



AUDITED RESULTS

FOR THE YEAR ENDED 30 JUNE 2019

WBHO

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PRESENTER

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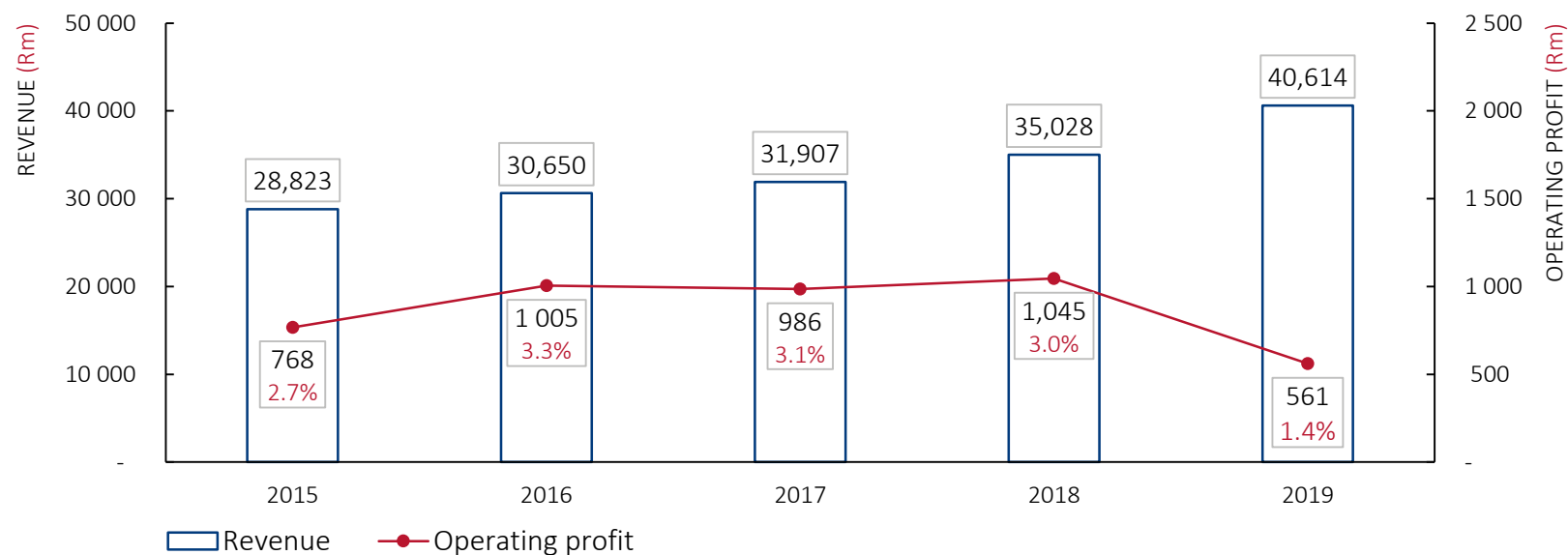
OVERVIEW AND HIGHLIGHTS

Louwtjie Nel



GROUP RESULTS FY19

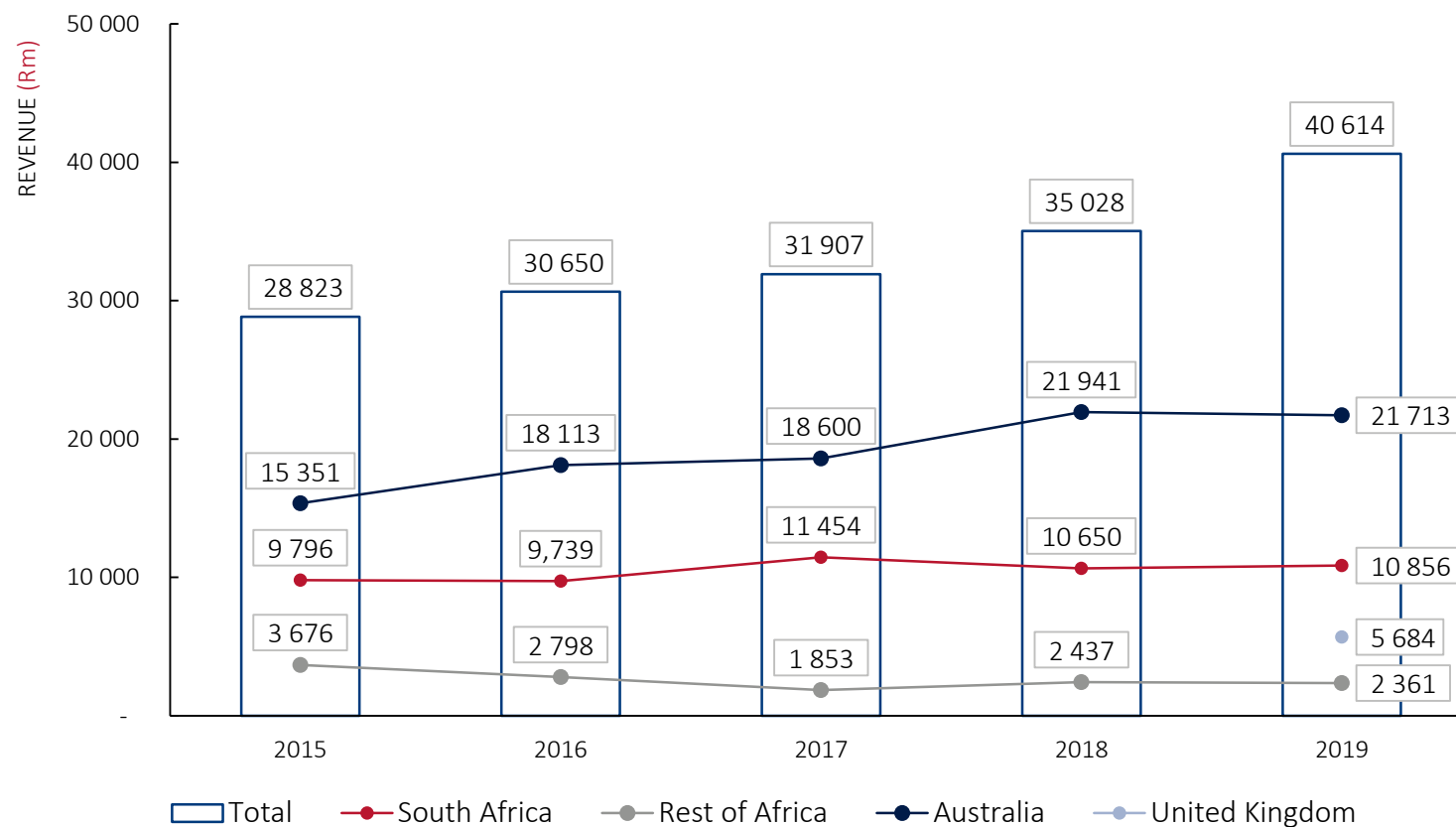
OVERVIEW AND HIGHLIGHTS



- Revenue growth of 16% (2018: 10%) attributable to first time consolidation of UK operations
- Revenue from African and Australian operations broadly in line with 2018
- 46% decline in operating profit due to significant provision for anticipated losses on WRU
- Overall margin of 1.4% (2018: 3.0%)

CONTRIBUTION BY GEOGRAPHY

FINANCIAL REVIEW



- Revenue growth over the last 5 years attributable to Australia and in FY19 to United Kingdom
- No growth across combined African operations

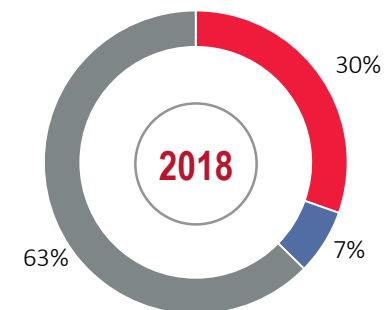
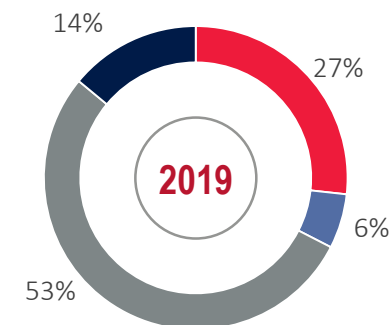
CONTRIBUTION BY GEOGRAPHY

FINANCIAL REVIEW

REVENUE (Rm)	% Growth	2019	2018
South Africa	2.1	10 856	10 650
Rest of Africa	(4.0)	2 361	2 437
Australia	(1.0)	21 713	21 941
United Kingdom		5 684	-
TOTAL	15.9	40 614	35 028

OPERATING PROFIT (Rm)	% Margin	2019	2018
South Africa	4.4	475	525
Rest of Africa	8.3	193	185
Australia	(1.5)	(335)	278
United Kingdom	4.0	228	57
TOTAL	1.4	561	1 045

REVENUE (%)



SOUTH AFRICA

- The construction environment remained under severe pressure throughout the year with fewer opportunities across all major sectors
- Capacity of the industry as a whole has been severely reduced with the spate of corporate failures and exits from the construction market
- Unrest and disruptions from communities, business forums and taxi associations have become commonplace and increasingly threatening
- Local building markets continued to decline in Gauteng
- Civil markets yet to display any sign of meaningful recovery
- Minimal activity from SANRAL – no new projects secured in 2019
- Mining and energy infrastructure projects offered some opportunities
- Steel supply business profitable but market conditions remain difficult

REST OF AFRICA

- Building and mining activity in West Africa remained heavily subdued
- Increased activity in Botswana and Zambia
- Award of first gas-related infrastructure projects in the region a positive sign

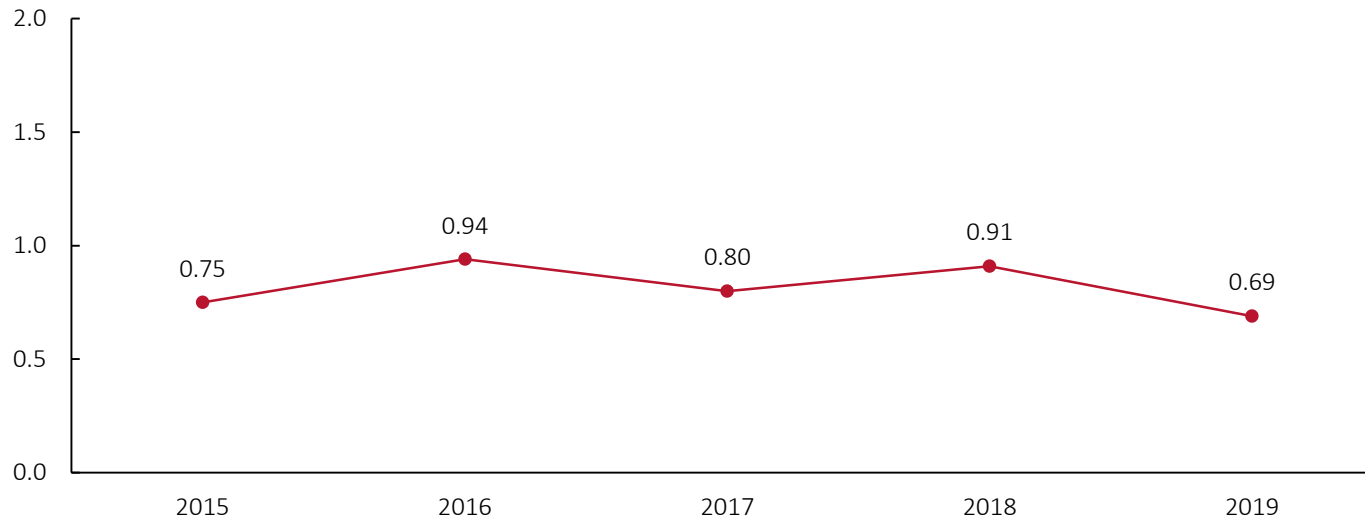
AUSTRALIA

- Construction markets remain buoyant
- Revenue growth in Probuild purposefully constrained – focus on improved project execution
- AU\$50 million provision for anticipated losses on Western Roads Upgrade project within the infrastructure business
- Results in significant first-time loss from Australian operations

UNITED KINGDOM

- Turn-around strategy for the Byrne Group complete
- Acquisition of 60% of Russells Construction and 31.7% of Russell Homes on 18 July 2018
- Strong market conditions in Manchester supported a solid result from Russells Construction
- Russell Homes also had a positive year

LTIFR (No. of lost time injuries per million man hours)



- Improved safety performance statistics achieved in 2019
- Strong improvement from local building divisions and Australian operations
- Three fatalities recorded in South Africa

- WBHO proudly became a Level 1 contributor in 2018
- Recognised as second most empowered company on the JSE
- WBHO spends 80% of its total measured procurement on B-BBEE compliant companies
 - › Total B-BBEE spend of R7.5 billion
 - › Black-owned spend of R3.7 billion
 - › Black woman-owned spend of R1.2 billion
 - › QSE spend of R1.9 billion
 - › EME spend of 1.6 billion
- Total black training spend of R40 million
- R6.4 million spent on 18 companies on enterprise development programme
- R5.3 million spent on socio-economic development initiatives
- Support of three mid-tier black contractors through VRP programme

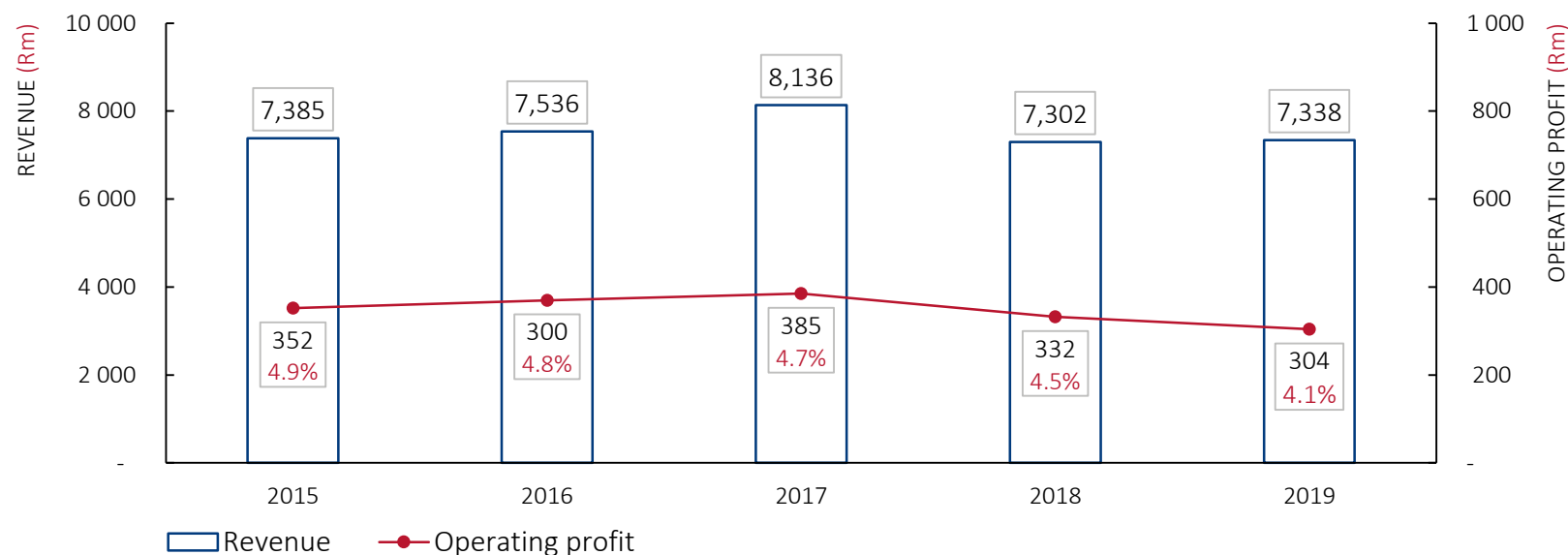
BUILDING AND CIVIL ENGINEERING

Wolfgang Neff



BUILDING AND CIVIL ENGINEERING FY19 RESULT

BUILDING AND CIVIL ENGINEERING

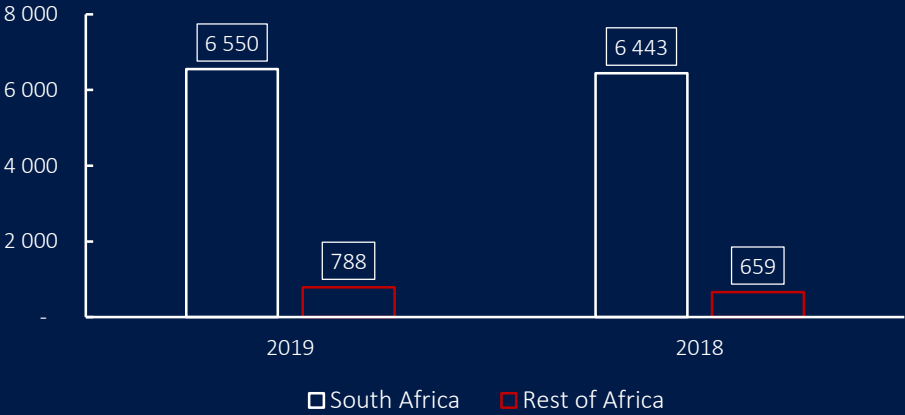


- Revenue stable in 2019 (2018: decline of 10%)
- 17% contribution to group revenue (2018: 21%)
- 2% decline in South Africa
- 20% increase from the rest of Africa
- Overall margin of 4.1% (2018: 4.5%)
- Margin pressure prevalent across all sectors
- Consistent execution of projects with no major under-performing contracts is key to profitability in current environment

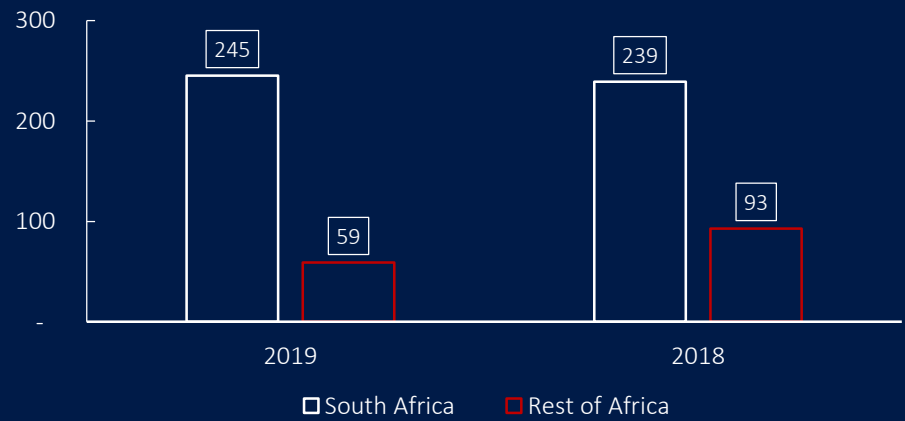
GEOGRAPHIC FOOTPRINT

BUILDING AND CIVIL ENGINEERING

REVENUE (Rm)



OPERATING PROFIT (Rm)



BUILDING

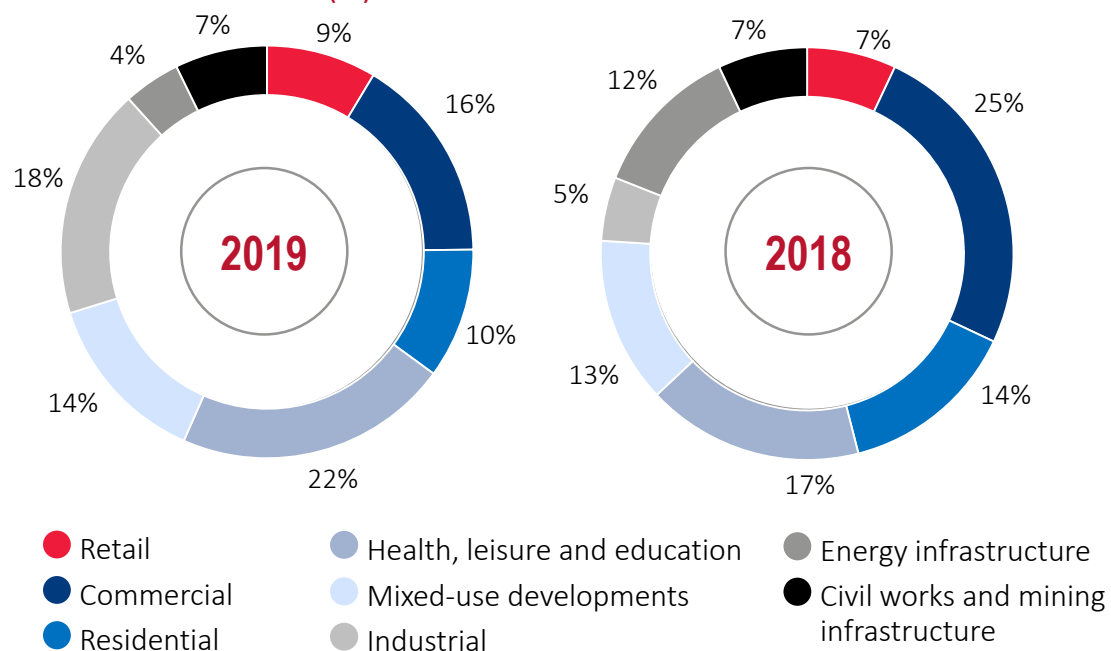
- Division performed well to sustain activity levels
- Concentration of work in commercial office sector – but sector is in decline due to over-supply
- Increase in residential-only and mixed-use developments
- Retail sector remains subdued
- Revenue sustained in Gauteng despite fewer large-scale projects available
- Diminishing building opportunities in KZN – industrial sector targeted to support activity
- Majority of projects in the Western Cape negotiated
- Healthy growth achieved in the Eastern Cape following improved order intake

CIVIL ENGINEERING

- No improvement in local civil engineering markets
- Construction of the commercial crude oil terminal facility progressing well – contractual issues still to be resolved
- Increased mining infrastructure activity following award of mid-sized project in Zambia

	At June 2019	At June 2018	% growth
South Africa	6 348	5 374	18
Rest of Africa	98	611	(84)
TOTAL	6 446	5 986	8

ORDER BOOK BY SECTOR (%)



ORDER BOOK UP 8%

- Improved order intake locally over the second six months
- Minimal building opportunities in West Africa – focus on Southern Africa
- Completion of mining infrastructure project in Zambia
- Over R2 billion secured after the reporting period
- Healthy order books in all regions

ORDER BOOK BY SECTOR

- Reduction in proportion of commercial work as activity in hotel and education sectors increases
- Significant increase in industrial warehousing in KZN and Eastern Cape
- Increase in residential and healthcare projects
- Imminent award of 9 500 man camp in Palma as gas-related infrastructure projects gain traction (not included in order book)

144 OXFORD STREET



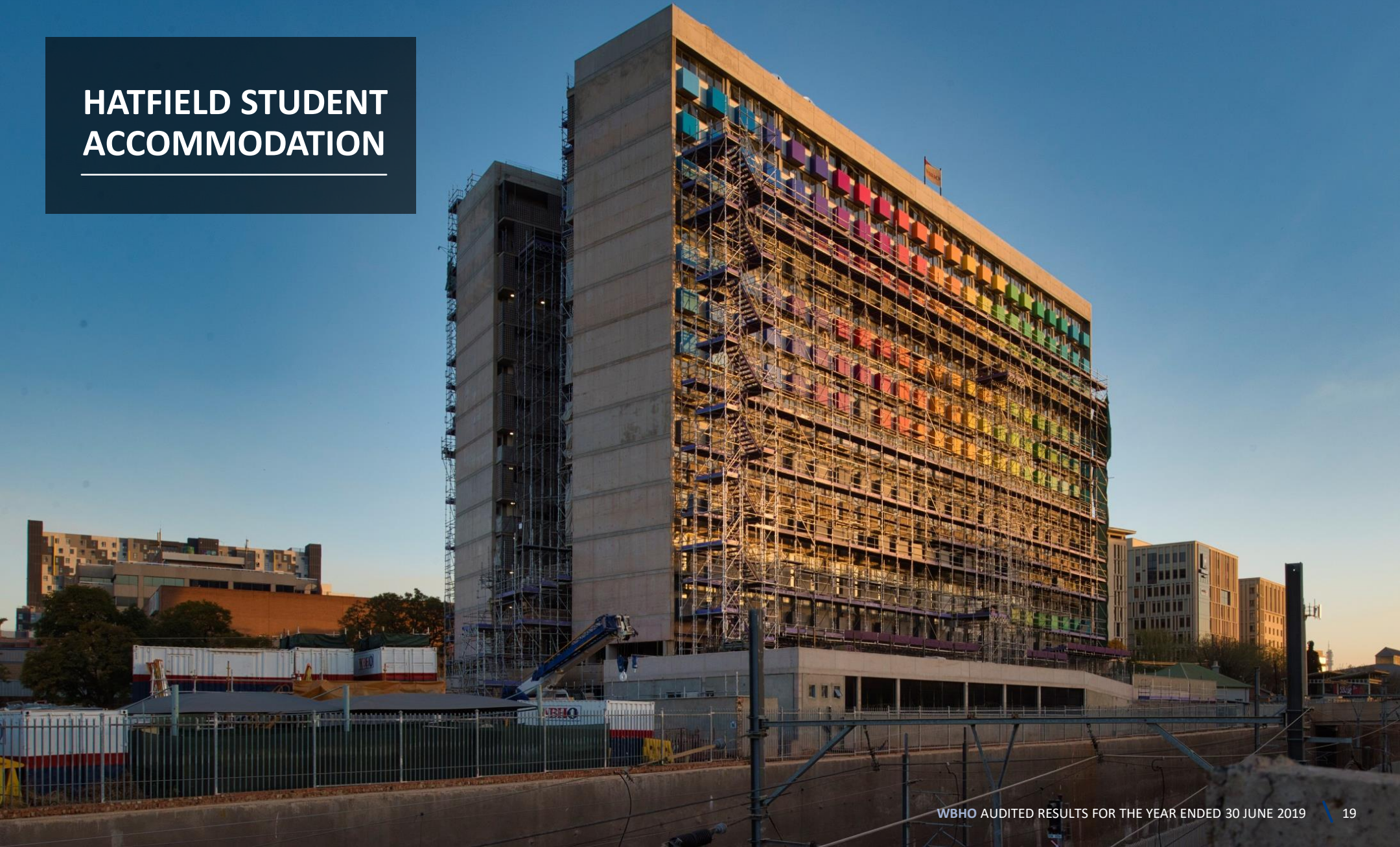
155 WEST STREET



ABSA TOWERS



HATFIELD STUDENT ACCOMMODATION



DELOITTE HEAD OFFICE



JEWEL CITY – INNER CITY REGENERATION PROJECT

An aerial photograph of a large-scale urban regeneration project. In the foreground, a multi-level construction site is visible, featuring concrete structures, scaffolding, and workers in high-visibility vests. A yellow tower crane stands prominently on the left. The middle ground shows a mix of existing buildings, some with flat roofs and others with more complex structures, interspersed with construction materials and equipment. In the background, a dense urban landscape stretches towards a hill under a clear blue sky. The overall scene depicts a major infrastructure and housing development project in progress.

An aerial photograph of a city street, likely in Johannesburg, South Africa. A large, multi-story building is under construction, its facade completely covered in a dense network of yellow and grey scaffolding. The building is situated on a corner, with a street running alongside it. To the left of the building, a multi-lane road is filled with traffic, including cars, vans, and trucks. In the background, other city buildings are visible, some with colorful facades. A large billboard featuring a portrait of a man is visible on one of the buildings in the background. The overall scene depicts a busy urban environment with significant construction activity.

JORRISSON STREET

TRILOGY APARTMENTS



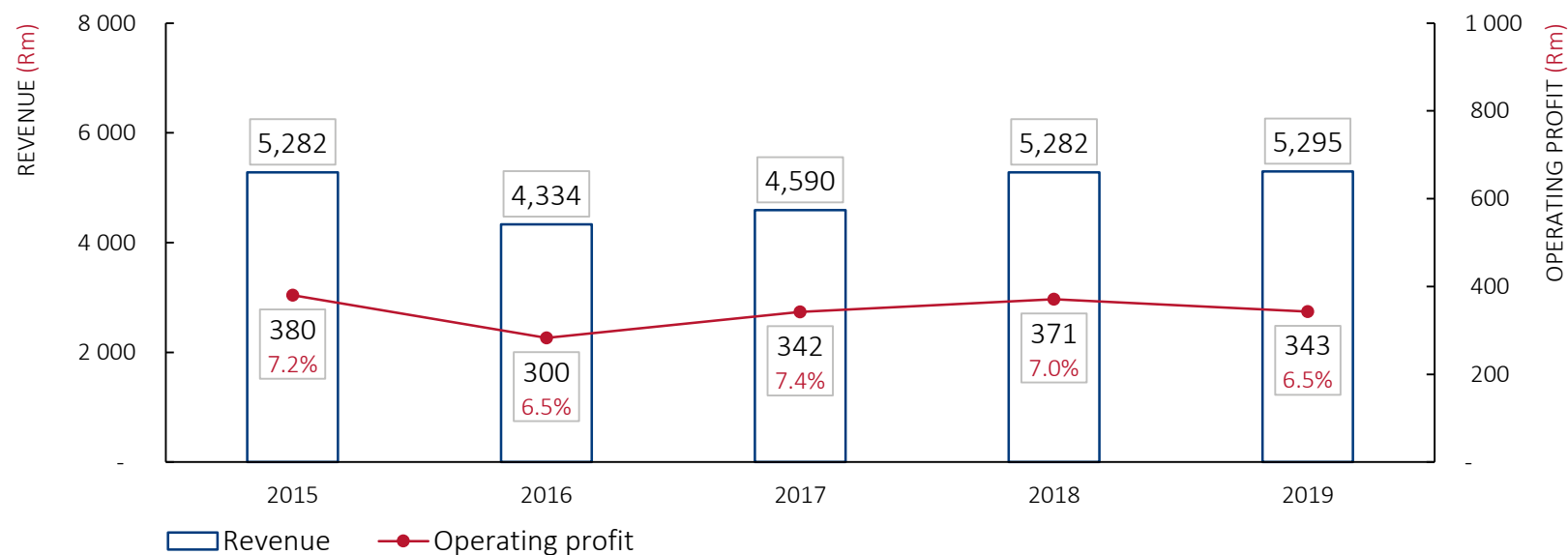
ROADS AND EARTHWORKS

Riaan De Necker



ROADS AND EARTHWORKS FY19 RESULT

ROADS AND EARTHWORKS

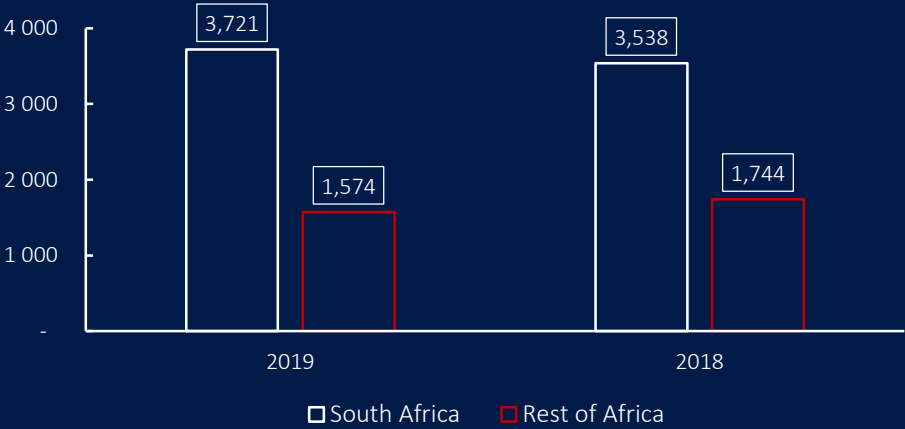


- Revenue levels stable (2018: 15%)
- 5% growth in South Africa
- 11% decline from the rest of Africa
- 14% contribution to group revenue
- Margin of 6.5% (2018: 7%) reflects challenging environment
- Further hampered by additional completion costs on projects in Guinea and Mozambique

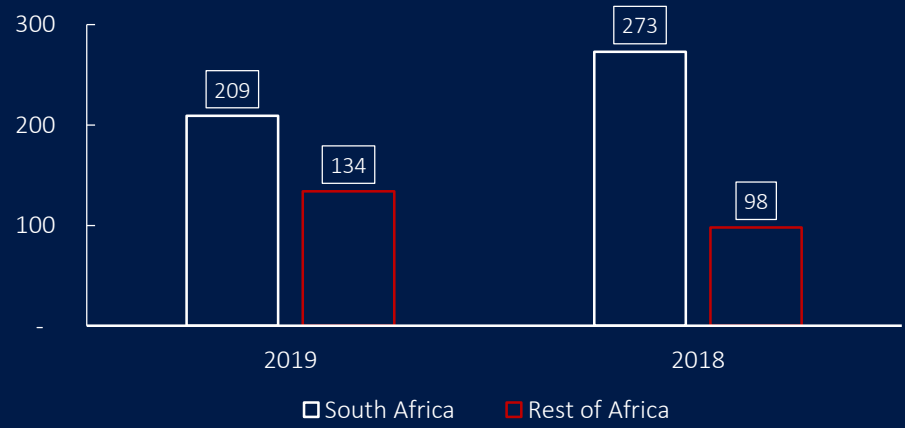
GEOGRAPHIC FOOTPRINT

ROADS AND EARTHWORKS

REVENUE (Rm)



OPERATING PROFIT (Rm)



SOUTH AFRICA

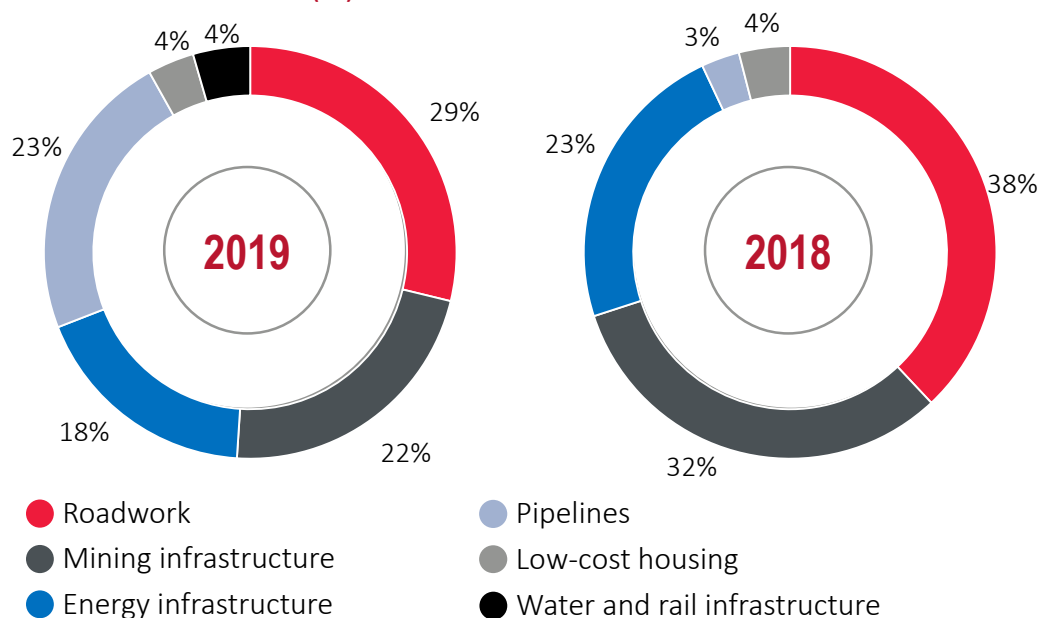
- Solid performance in a challenging market
- Growth in revenue supported by mining and energy infrastructure sectors
- Decline in roadwork – activity supported by existing projects with only three new projects secured in 2019
- Coal mining infrastructure projects for three large mining houses
- Pipeline market remains highly competitive – large proportion of work derived internally by offering clients a full suite of construction services
- Increased activity in low-cost housing market with additional projects secured in KZN and the Eastern Cape

REST OF AFRICA

- Sharp decline in activity in West Africa as existing projects completed
- Increased mining infrastructure activity in Botswana
- Award of a new road project in eSwatini (Swaziland) and early works for the Lesotho Highlands Water Project
- Construction of first gas-related infrastructure project underway – community road in Palma

	At June 2019	At June 2018	% growth
South Africa	4 290	3 323	29
Rest of Africa	1 440	841	71
TOTAL	5 730	4 164	39

ORDER BOOK BY SECTOR (%)



ORDER BOOK UP BY 39%

- Local order book bolstered by additional work awarded on mining and energy infrastructure projects as well as new Zulti Pipeline project
- Difficulty in securing new work in West Africa
- Numerous bids submitted but timing of awards remains uncertain
- Good opportunities still exist in Botswana and Mozambique

ORDER BOOK BY SECTOR

- Lower volumes of roadwork evident in order book
- Mining infrastructure and energy infrastructure continue to contribute toward activity
- Significant increase in pipeline activity due to recent award of Zulti project

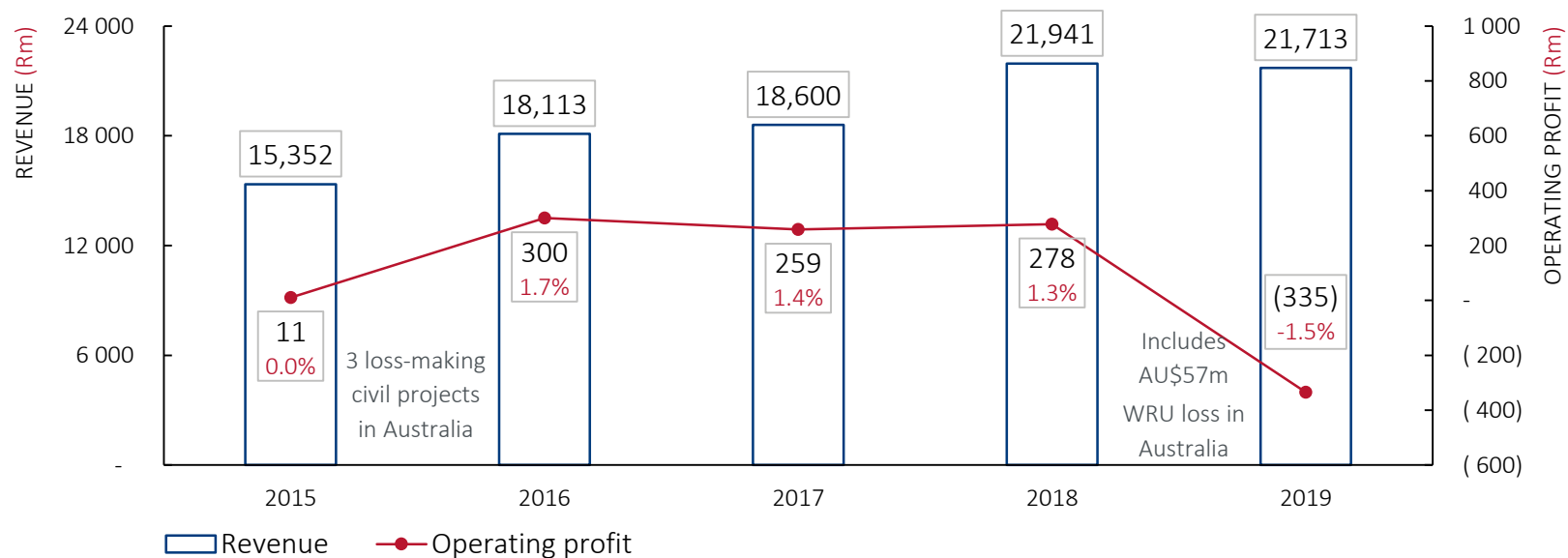
AUSTRALIA

Paul Foley



AUSTRALIA FY19 RESULT

AUSTRALIA

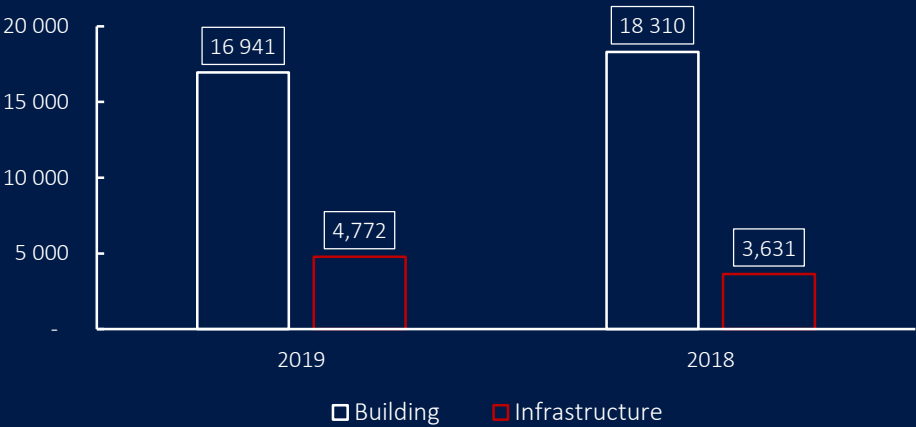


- Overall revenue sustained (2018: 22% growth)
- 8% revenue decline in building business
- 33% growth in infrastructure business
- 53% contribution to group revenue (2018: 63%)
- Unprecedented loss of R335 million
- Negative margin of -1.5% (2018: 1.3%)

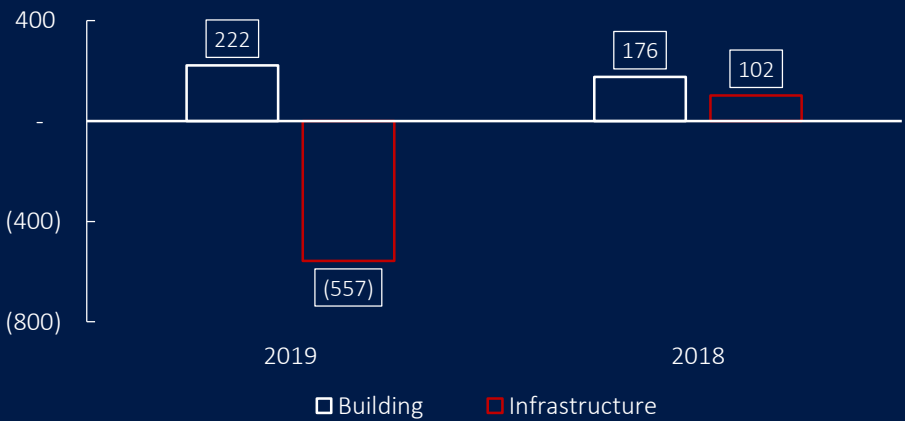
GEOGRAPHIC FOOTPRINT

AUSTRALIA

REVENUE (Rm)



OPERATING PROFIT (Rm)



WESTERN ROADS UPGRADE PROJECT

- Single design and construct contract comprising eight separate packages
- Four packages fully subcontracted – to be completed in Q1 2020
- Four packages self-executed
 - › Extensive delays in obtaining initial design approval – due diligence identifies incorrect interpretation of technical specifications
 - › Design approval substantially resolved and physical works have commenced
- Commercial focus on pursuing contractual delay claims against the design consultant and the ultimate client
- Significant impact on FY19 result - AU\$50 million loss-provision and AU\$7 million of previously recognised profit reversed

BUILDING

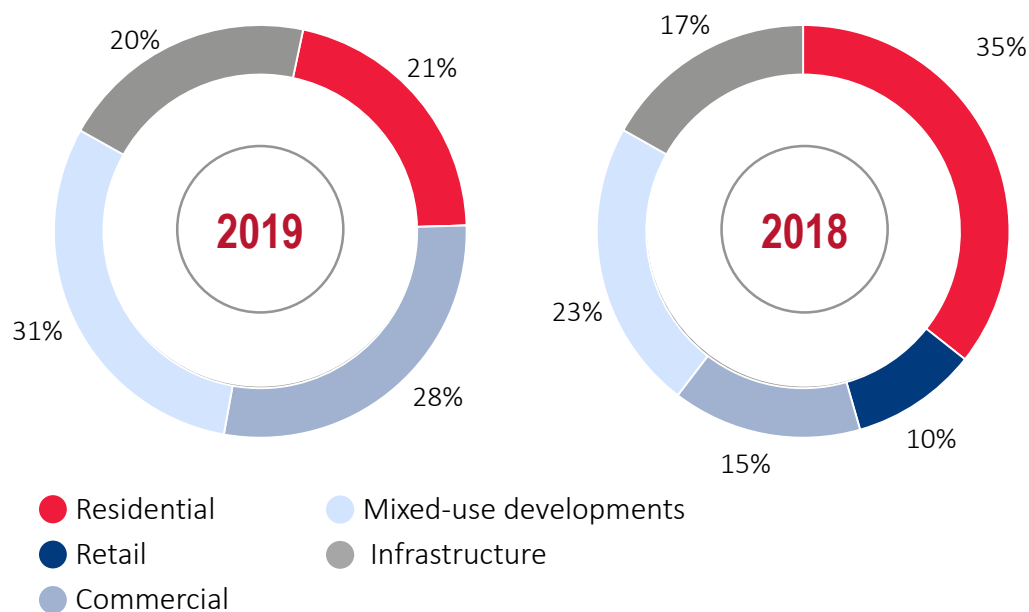
- Strong fixed investment in Melbourne and Sydney market with a focus on mixed-use development mega-projects
- Opportunities within retail and residential markets remain subdued
- Moderate decline in revenue from Probuild - focus on project execution
- Melbourne and Sydney markets comprise 63% of building revenue
- Strong growth of 76% in Perth
- Reduced bidding activity in Queensland with focus centred on delivery of challenging project

CIVIL ENGINEERING

- Infrastructure markets remain buoyant supported by increased levels of public spending
- Activity in the Eastern region concentrated on loss-making WRU project
- 30% revenue growth in the Western region and solid profit contribution

	At June 2019	At June 2018	% decline
Building	21 717	23 997	(10)
Infrastructure	5 599	8 569	(35)
TOTAL	27 316	32 566	(16)

ORDER BOOK BY SECTOR (%)



ORDER BOOK DOWN 16%

- Consolidation of building business and focused project selection reflected in lower building order book
- Building order book remains healthy with 77% concentrated in key Melbourne and Sydney markets
- Reduced bidding activity in Eastern region of the infrastructure business
- Australian order book comprises 58% of total order book
- AU\$341 million secured after the reporting period

ORDER BOOK BY SECTOR

- Decreasing residential activity
- Good growth in hotel and leisure sector
- Significant growth in proportion of infrastructure in project portfolio
- Healthy project pipeline across most markets

UNITED KINGDOM

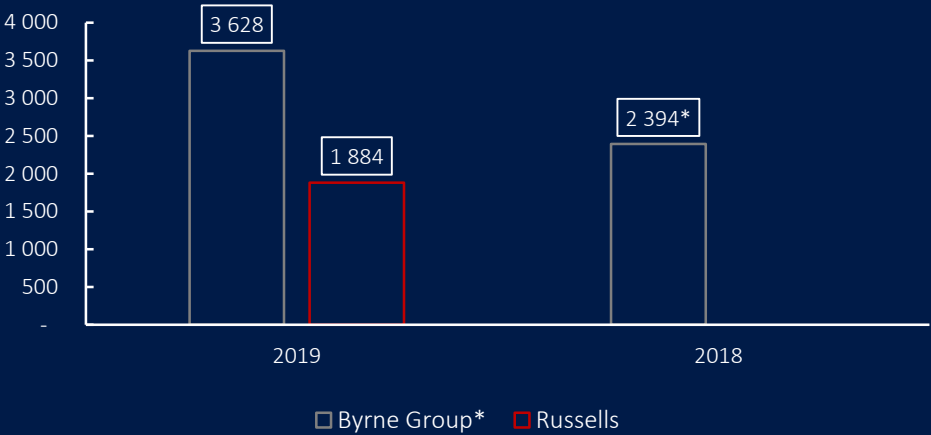
Paul Foley



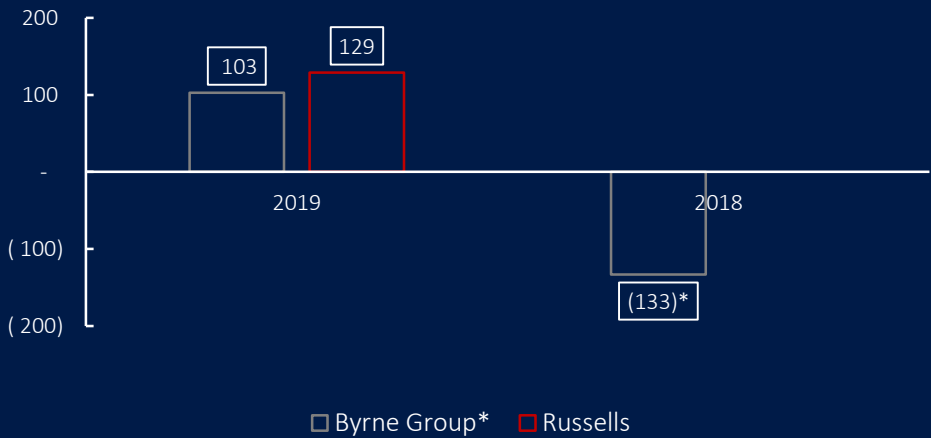
GEOGRAPHIC FOOTPRINT

UNITED KINGDOM

REVENUE (Rm)



OPERATING PROFIT (Rm)



*For comparative purposes only. Byrne group accounted for as an associate until 30 June 2018

BYRNE GROUP

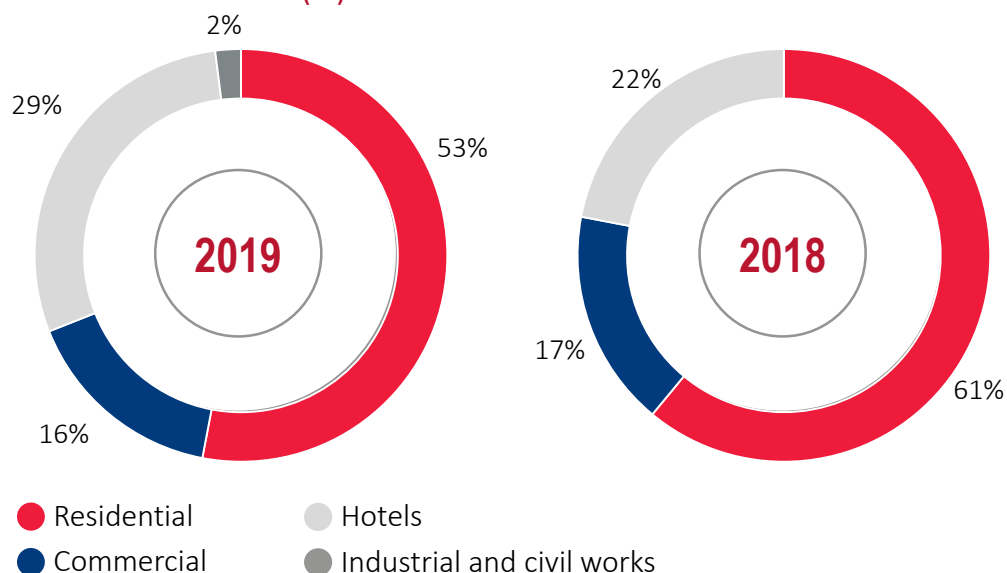
- London construction market offered sufficient opportunities in the year but softened over the last quarter
- Successful restructuring of the business
 - › 46% increase in revenue, 34% decrease in overheads and reduced restructuring costs
 - › Return to profitability in 2019
- No major under-performing contracts
- Operating profit of £6 million at a margin of 2.9%

RUSSELLS CONSTRUCTION

- Increasing population is underpinning growth in Manchester – considered one of Europe's fastest growing cities
- Residential and hotel sectors continued to drive record levels of real estate development
- Commercial office developments also on the increase
- Revenue exceeded £100 million for the first time but in line with expectations
- Operating profit of £7 million at a 7% margin

	At June 2019	At June 2018	% growth
Byrne Group	3 959	6 446	(39)
Russells Construction	3 851	-	-
TOTAL	7 810	6 446	21

ORDER BOOK BY SECTOR (%)



ORDER BOOK UP 21%

- Combined UK operations reflect 100% of FY19 revenue secured for FY20
- Declining order book for Byrne Group reflects softening markets
- Prior year included £60m project that was cancelled
- Russells order book continues to grow amid strong market conditions

ORDER BOOK BY SECTOR

- Residential sector comprises over half of future activity – predominantly apartments
- Growth in hotel sector – mainly in Manchester
- Commercial projects still offering opportunities in London and Manchester

FINANCIAL REVIEW

Charles Henwood



KEY FINANCIAL INDICATORS

FINANCIAL REVIEW

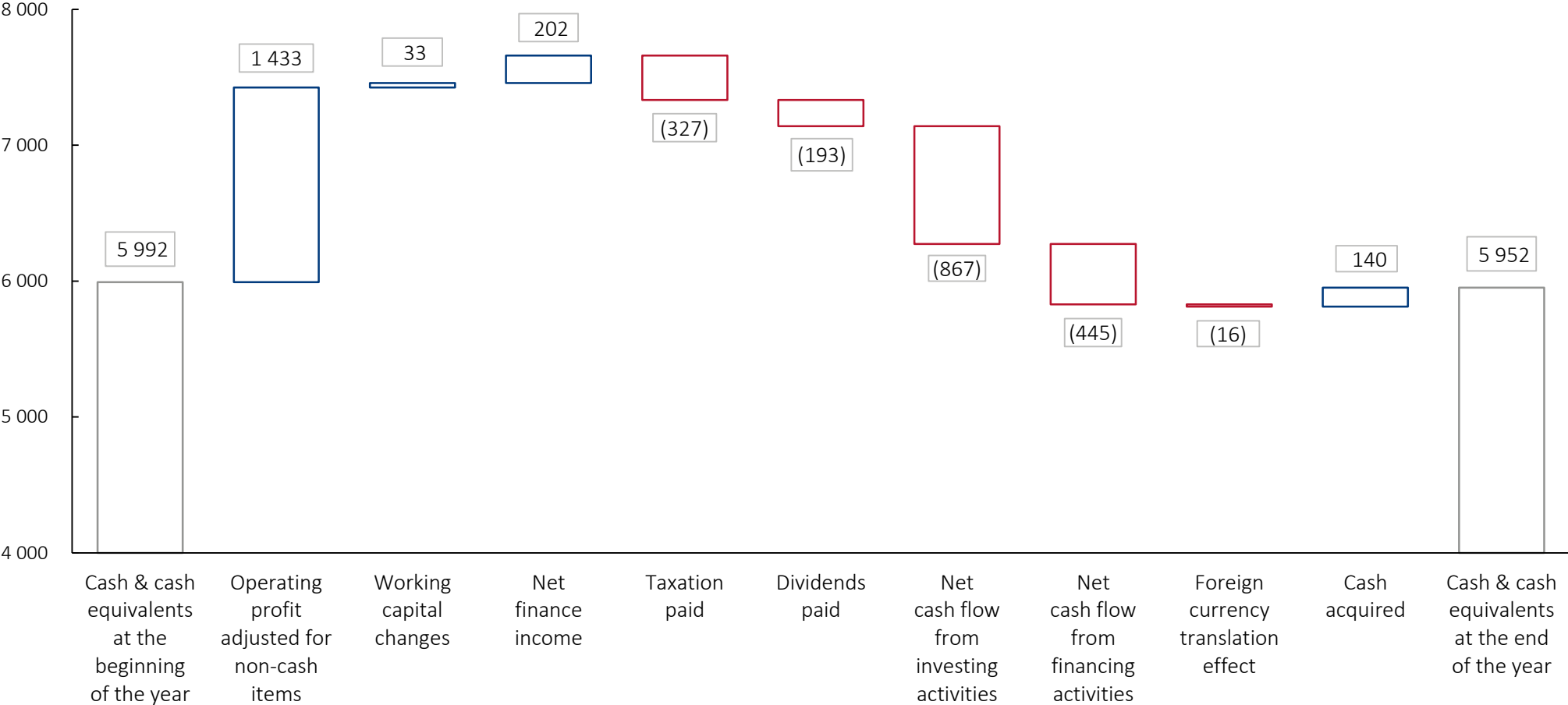
		TARGET / GROWTH	2019	2018
Revenue growth	%	>10	15.9%	9.8%
Operating profit margin	%	3 – 4.5	1.4%	3.0%
Return on capital employed	%	>20	12.4%	19.8%
Cash and cash equivalents	Rm	0%	5 952	5 992
Earnings per share	cents	(39)%	939	1 534
Headline earnings per share	cents	(34)%	932	1 415
Ordinary dividend per share	cents	(60)%	190	475

KEY FINANCIAL NUMBERS AND RATIOS

FINANCIAL REVIEW

(Rm)	% change	2019	2018
Revenue	15.9	40 614	35 028
Operating profit before non-trading items	(46.3)	561	1 045
Gain on loss of control of subsidiary		-	5
Loss on deemed disposal of equity accounted investment		-	(58)
Gain on bargain purchase of subsidiary		-	102
Share-based payments expense		(48)	(64)
Share of losses and profit from equity accounted investments		52	(5)
Net finance income		183	168
Profit before tax		748	1 195
Effective tax rate (%)		26	29

CASHFLOW MOVEMENT



NON CURRENT ASSETS

FINANCIAL REVIEW

PROPERTY, PLANT AND EQUIPMENT (Rm)	2019	2018
Property, plant and equipment	1 937	1 883
Depreciation	283	240

	APPROVED 2020	ACTUAL 2019	ACTUAL 2018
CAPITAL EXPENDITURE			
Replacement	232	294	283
Expansion	122	80	33
TOTAL	344	374	316

- Replacement CAPEX aimed at maintaining optimal performance of the fleet
- Expansion CAPEX for 2019 concentrated in Botswana to meet increased plant requirement for mining infrastructure projects

EQUITY ACCOUNTED INVESTMENTS

ENTITY	INDUSTRY	COUNTRY OF OPERATION	EFFECTIVE %	CARRYING AMOUNT OF INVESTMENT	SHARE OF PROFITS/(LOSSES)	
					2019	2018
CONCESSION INVESTMENTS:						
Gigajoule International	Gas supply	Mozambique	26.6%	167.4	18.2	10.9
Gigajoule Power	Power	Mozambique	13.0%	155.4	33.8	24.1
Dipalopalo	Concession	South Africa	27.5%	58.3	-	-
DFMS Joint Venture	Serviced accommodation	South Africa	14.6%	2.4	2.0	4.1
TOTAL				383.5	53.8	39.1
*After-tax return on investment: Gigajoule 16.5% and Dipalopalo 15.5% (including interest payments)						
CONSTRUCTION OPERATIONS:						
Edwin Construction	Road /civil construction	South Africa	49%	95.7	(0.4)	9.6
iKusasa Rail SA	Railway construction	South Africa	49%	10.5	(5.4)	(6.7)
IACS	Construction	South Africa	26%	3.8	-	-
TOTAL				110.0	(5.8)	2.9

FINANCIAL POSITION

FINANCIAL REVIEW

EQUITY ACCOUNTED INVESTMENTS

ENTITY	INDUSTRY	COUNTRY OF OPERATION	EFFECTIVE %	CARRYING AMOUNT OF INVESTMENT	SHARE OF PROFITS/(LOSSES)	
					2019	2018
PROPERTY DEVELOPMENTS:						
Catchu Trading^	Property development	South Africa	50%	102.6	-	-
Caulfield^	Property development	Australia	30%	180.6	-	-
The Glen Residential*	Property development	Australia	20%	109.3	-	-
TOTAL						
^Development profits to realise in FY2020						
* Development profit expected to realise in FY2022						
Russell Homes*	Building construction	United Kingdom	31.7%	188.7	4.0	-
*7% after-tax return on investment on existing schemes and 5% interest rate on R127m loan advanced						

TAX (Rm)	2019	2018
Net deferred tax asset	730	640
Net current tax asset	152	105

Deferred tax asset consists of:

- Tax losses of R221m (2018: R276m)
- Timing differences of R508m (2018: R364m)

Current tax asset consists of:

- Foreign tax credits of R48m (2018: R81m)
- Taxation refundable of R119m (2018: R35m)
- Tax liability of R15m (2018: R11m)

NCI MOVEMENT (Rm)	DESCRIPTION	% CHANGE	CONSIDERATION
Probuild Constructions (Aust) Pty Ltd	Share buy-back	2.0	42
Probuild Constructions (Aust) Pty Ltd	Acquisition	0.8	16
Russells Construction Limited	Put option	10.0	88

- Effective interest in Probuild 87.8% (2018: 85%)
- Effective interest in WBHO Infrastructure 90.8% (2018: 90.1%)
- Effective interest in Russells 70%

EFFECT OF NEW REPORTING STANDARDS (Rm)	2019
Total equity at 30 June 2018	6 019
Tender costs previously capitalised (IFRS 15)	(51)
Expected credit loss (IFRS 9)	(85)
Deferred tax adjustment	40
Non-controlling interest adjustment	11
Total equity at 1 July 2018	5 933

ORDER BOOK AND PROJECT PIPELINE

Louwtjie Nel



CONSOLIDATED ORDER BOOK

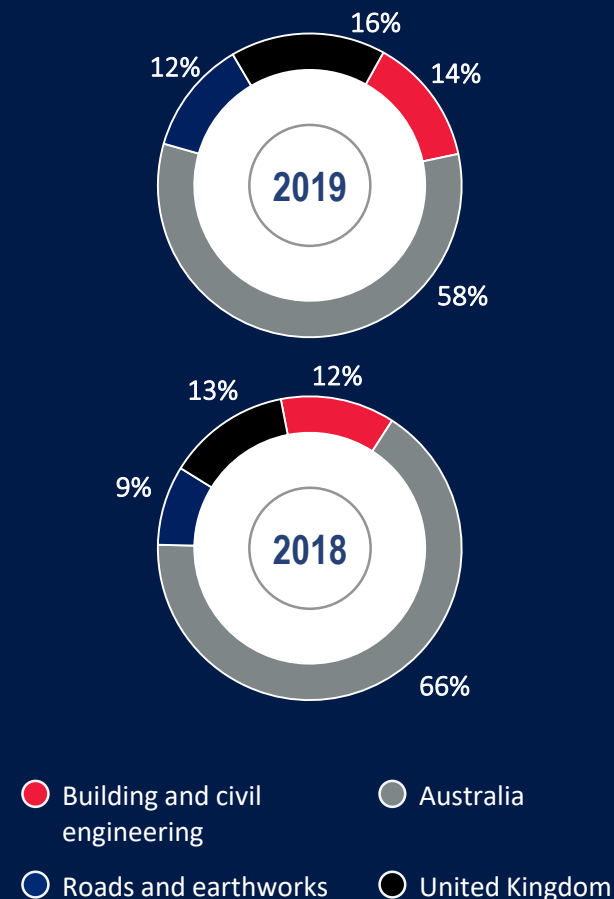
ORDER BOOK

SEGMENT (Rm)	AT JUNE 2018	AT JUNE 2019	2020	2021
Building and civil engineering	5 986	6 446	5 269	1 177
Roads and earthworks	4 164	5 730	4 334	1 396
Australia	32 565	27 316	18 215	9 102
United Kingdom	6 446	7 810	5 818	1 992
TOTAL	49 161	47 302	33 636	13 667

GROUP ORDER BOOK DOWN 4%

- 83% of FY19 revenue secured for FY20
- Growth in both the Building and civil engineering and Roads and earthworks divisions' order books
- 8% decrease in Australian order book reflects strategy
- Increase in United Kingdom due to inclusion of Russells – sufficient work for FY20

ORDER BOOK BY SEGMENT (%)



CONSOLIDATED ORDER BOOK

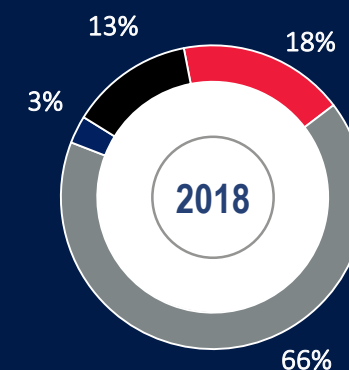
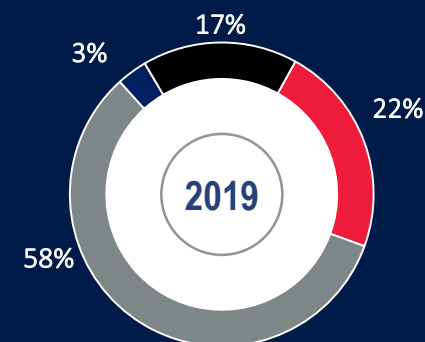
ORDER BOOK

GEOGRAPHY (Rm)	AT JUNE 2018	AT JUNE 2019	2020	2021
South Africa	8 698	10 639	8 262	2 376
Rest of Africa	1 452	1 410	1 209	121
Australia	32 565	27 316	18 215	9 102
United Kingdom	6 446	7 810	5 818	1 992
TOTAL	49 161	47 302	33 636	13 667

ORDER BOOK BY GEOGRAPHY

- 22% increase in local order book – 77% of FY19 revenue secured for FY20
- 3% decline in the rest of Africa – activity concentrated in Botswana and Zambia and Mozambique
- Australian component reduced from 66% to 58% with inclusion of Russells within UK operations
- UK operations comprise 16% (2019: 13%) of group order book

ORDER BOOK BY GEOGRAPHY (%)



- South Africa
- Rest of Africa
- Australia
- United Kingdom

PROJECT PIPELINE

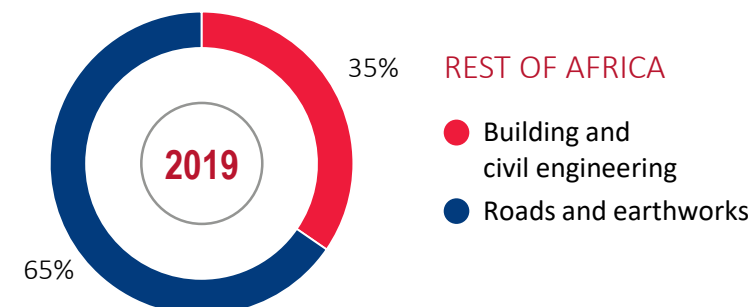
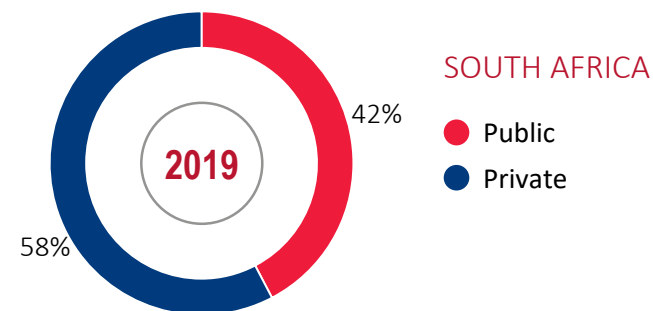
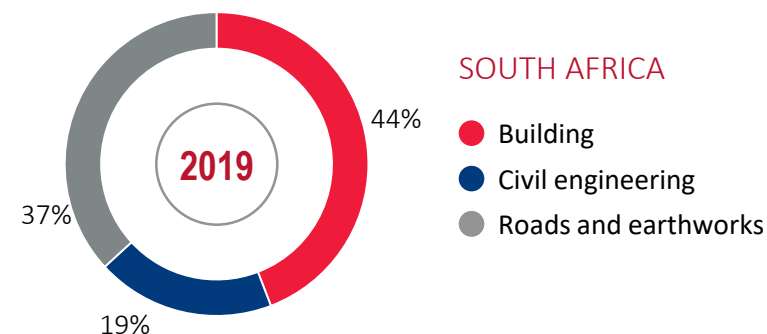
PROJECT PIPELINE

SOUTH AFRICA

	Rm
Building	26 940
Public	4 140
Private	22 800
Civil engineering	11 590
Public	3 270
Private	8 320
Roads and earthworks	22 460
Public	18 400
Private	4 060
TOTAL	60 990

REST OF AFRICA

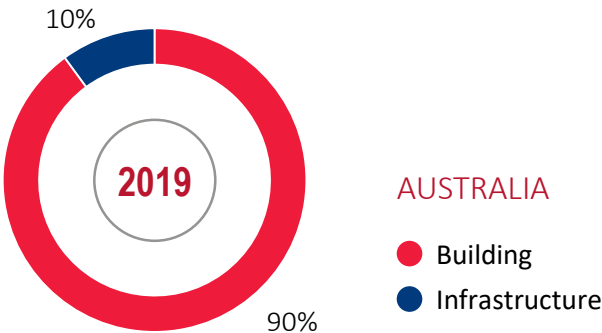
	Rm
Building and civil engineering	7 745
Roads and earthworks	14 645
TOTAL	22 390



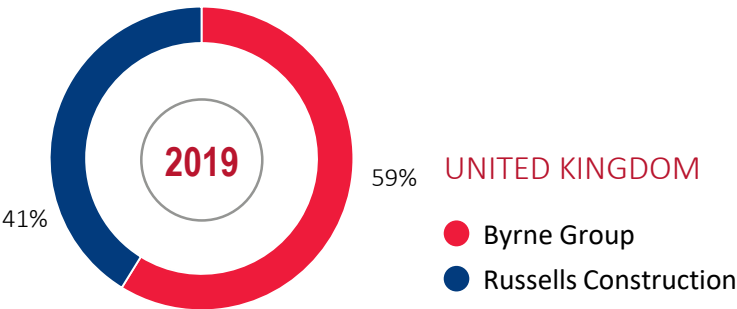
PROJECT PIPELINE

PROJECT PIPELINE

AUSTRALIA		Rm
Building		38 897
Infrastructure		4 355
TOTAL		43 252

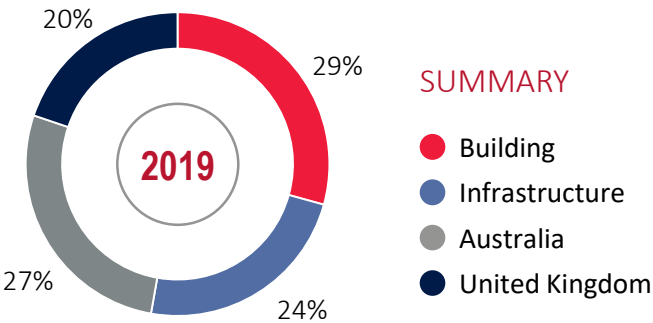


UNITED KINGDOM		Rm
Byrne Group		18 386
Russells Construction		12 880
TOTAL		31 266



SUMMARY

	Rm
Building and civil engineering	46 275
Roads and earthworks	37 105
Australia	43 252
United Kingdom	31 266
TOTAL	157 898



SOUTH AFRICA

- Local market conditions likely to remain subdued over the short term
- WBHO has sufficient work secured to manage through this period
- Progress made by government in restoring sound governance within State-owned enterprises
- Multiple multi-billion rand projects recently announced by ACSA, Transnet, ESKOM and SANRAL
 - › ACSA – Cape Town and ORT Airport
 - › Transnet – Durban Harbour and Tug Jetty
 - › ESKOM – Majuba and Kendal power stations (bids submitted)
 - › SANRAL – Announcement of R40 billion of road construction and rehabilitation projects (R8 billion imminent – N3/N2 Corridor)
- Re-emergence of large-scale public infrastructure will assist mid-term recovery of the local industry

REST OF AFRICA

- Shift toward Southern and Eastern African countries as West African markets remain subdued
- Gas-related infrastructure projects in Mozambique awarded with strong pipeline of potential new work
- Mining activity in Botswana currently upbeat

AUSTRALIA

- Market sentiment anticipated to remain positive over the mid-term, particularly Melbourne and Sydney
- Consolidation of building business and renewed focus on project selection and delivery to continue
- Public infrastructure spending will continue
- Lower risk construction-only infrastructure projects will be targeted

UNITED KINGDOM

- UK footprint firmly embedded
- Impact of BREXIT remains an unknown
- Increased opportunities in civil engineering sector for Byrne Group
- Russells Limited positioned for growth as the preferred contractor within a strong Manchester market

- Business is well positioned with healthy 12 month order book
- Construction-focused business model
- Balance sheet strength maintained despite impact of WRU project
- Increased operational cash flows
- Dividend payment resumed
- Internal succession of executives successfully implemented
- Corporate culture of the business retained through continuity of management
- Green shoots within public sector spending

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.

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THANK YOU

