

WBHO MARKET UPDATE JUNE 2023

- **Markets**
- **Major awards post December**
- **April 2023 Order Books**
- **Key deliverables**
- **Australia close out**

BUILDING

- Building outlook to FY25 is strong in RSA
- Growth has been spurred by large projects
- Old clients returning to the market
- New clients particularly in data centres and logistics warehousing
- Cape Education and Health framework promising
- Development feasibilities are challenged with increased cost, high interest rates and frequency of load shedding
- Cross border African projects procured on a rifle shot basis

CIVILS

- Renewables promising – key stone manufacture
- Sliding and marine opportunities
- Ongoing activity on mines
- Water and waste water - many opportunities, but slow to market with bidding challenges
- Potential start up of Total's LNG project – Afungi, major catalyst

PROJECTS

- Renewable energy market taking off, especially solar and wind projects for private off takers
- Concessions PPP market slow. DRD completed in current period, major achievement
- REIPPP Round 7 – 9 000 MW of generation and storage capacity

ROADS AND EARTHWORKS

- With recent SANRAL awards the outlook to FY 26 is strong in RSA
- West Africa and Mozambique positive for next 18 months
- Ongoing work on mines in RSA but lower commodity pricing affecting horizon
- Many renewable energy opportunities (wind and solar farms) particularly private clients
- Eskom and water authorities offer opportunities
- Enabling works started at Afungi, with potential start up of Total's LNG project

UNITED KINGDOM

BYRNE GROUP – Byrne Brothers, Ellmers, O’Keefe’s

- Order book on the recovery
- Byrne Brothers opportunities on HS2, Commercial market in London, 2nd phase at NL Heat and Power
- Letter of Intent at Fleet Street (£20 million)
- Ellmers nearing capacity, selective in procurement of work
- O’Keefe profitable in 1st year
- Bulk earthwork and demolition contractor
- Creating early opportunity for the Group

UNITED KINGDOM

RUSSELL WBHO

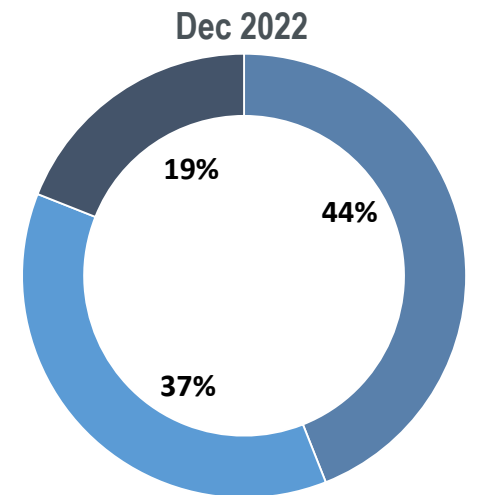
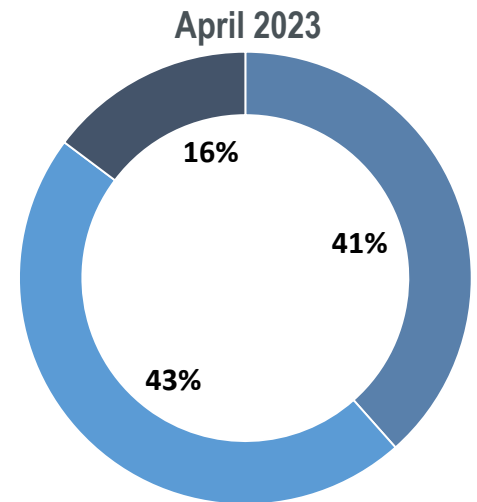
- Order book at low levels but significantly improved from a year ago
- Immediate attention is to convert projects held under LOI or PCSA Agreements into signed projects
 - Rylands (PCSA) £90 million
 - Mere (PCSA) £30 million
 - Gateshead (PCSA) £43 million
 - Old Trafford (LOI) £12 million
- Framework opportunities
- “Green shoots of recovery appearing” Tender department pricing significant opportunities
- High inflation and interest rates affected viability of projects but stability returning
- Construction material prices expected to stabilise over the short term

AVIOR WBHO MARKET UPDATE

CONSOLIDATED ORDER BOOK

ORDER BOOK BY SEGMENT

	31 Dec 2022	30 April 2023	Expected to June 2023	Expected to June 2024	Expected beyond June 2024
Building and Civil Engineering	11 743	13 643	1 974	9 506	2 163
Roads and Earthworks	9 683	14 604	1 272	6 008	7 325
United Kingdom	5 080	5 403	1 108	3 916	378
Total	26 506	33 650	4 354	19 430	9 866



- BUILDING AND CIVIL ENGINEERING
- ROAD AND EARTHWORKS
- UNITED KINGDOM

- Building and Civil Engineering order book up 12% from a high base at 31 December 2022
- Roads and Earthworks up 51%
- United Kingdom up 6% with further PCSA and LOI opportunities
- Strong order book growth of 27% in the period
- Suspended contracts – Zulti (R700m), N2 Lingeni (R1bn), Ngwadini Dam (R700m) excluded from order book

MAJOR AWARDS POST DECEMBER 2022

	WBHO Share <u>R'million</u>
Building & Civils	
• Vantage JNB 21	530
• SARB Tower	605
• Shoprite Distribution Centre (Gqeberha)	748
• Middelburg Wind Tower Precast Factory	288
• ARM 130 MW Solar Farm	1 312
• 24 Awards post December 2022	
Roads & Earthworks	
• Bhisho to N6	1 171
• N3 Key Ridge	3 981
• Afungi Enabling Works	883
• Panbult Intersection	548
• N2 Mtentu to Masiki	1 427
• 13 Awards post December 2022	

MAJOR AWARDS POST DECEMBER 2022

	WBHO Share <u>R'million</u>
United Kingdom	
• Porchester Court	407
• Care UK	230
• N6 Fit out	226
• Shinfield Studios	150
• 6 Awards post December 2022	

KEY DELIVERY

- Manage growth opportunities
- Safety, delivery and quality standards need to be maintained in growing market
- Specific targeted projects and contracts in Africa
- Staff retention and opportunities for staff to grow
- Recruiting quality staff
- Plant investment
- Guarantee facility increases and working capital management
- Delivery on VRP obligations

AUSTRALIA

CURRENT POSITION

- All obligations under CBA facility have been fulfilled
 - Unreturned guarantees to the value of A\$10 million have been cash collateralised
 - Resolution of unreturned guarantees slower than what was anticipated
- All conditions precedent to the Deed of Company Arrangement (DOCA) fulfilled on 21 September 2022
 - Effectively resolves all creditors' claims against the administration entities
 - Eliminates possibility of future claims and litigation against the Group had the companies entered into liquidation
 - Completion of the administration period moved out due to resolution of Probuild client potential insurance claim, and administrator's legal action re Debtor recovery
 - Completion previously expected July 2023, now July 2025
- No change to December 2022 cost
- Small overhead cost post June 2023, as Administration takes longer to finalise
- Recovery of spuriously called guarantees process started but slow

THANK YOU