

WBHO

INTEGRATED REPORT 2024



OUR REPORTING JOURNEY

The directors of Wilson Bayly Holmes-Ovcon Limited (WBHO) hereby present the 2024 Integrated Report. This report is prepared in accordance with the International Integrated Reporting Council's (IIRC) International Integrated Reporting Framework (IR framework) and provides stakeholders with a concise and transparent assessment of WBHO's ability to use its expertise to create sustainable value.

1 UNDERSTANDING WHO WE ARE

This section gives a broad insight into who we are and the key facets that make us a unique participant in the market.



- 3 2024 highlights
- 4 About our Integrated Report
- 5 Message from the Chairman
- 7 WBHO at a glance
- 8 What differentiates WBHO

2 EXPLORING WHAT WE DO

This section details the key activities we undertake to create value and deliver our products and services to clients.

- 10 Value creating business model

3 THE CONTEXT WE OPERATE IN

This section takes a look at the key performance outcomes we have achieved this year.

- 13 Material issues and operating context
- 23 Creating value for stakeholders
- 24 Stakeholders relationships
- 25 Engaging our stakeholders
- 26 Value-added statement
- 27 Strategic objectives
- 34 Risk management

4 THE VALUE WE DELIVERED

This section describes our strategies and how we performed against them.

- 40 Message from the CEO
- 43 Operational reports
- 53 Order book and outlook
- 57 Message from the CFO



5 HOW WE PROTECT VALUE

This section captures the key mechanisms and processes we have in place to protect the value we generate on a yearly basis.



- 64 Message from the Lead Independent Director
- 65 Board of Directors
- 66 Governance Report
- 69 Message from the Audit Committee Chairman
- 70 Audit Committee Report
- 73 Message from the Remuneration Committee Chairman
- 74 Remuneration Committee Report
- 75 Remuneration and Implementation Report

6 SUPPLEMENTARY INFORMATION

- 85 Reference information
- 85 Shareholders' diary
- 85 Statutory information

UNDERSTANDING WHO WE ARE

- 3 2024 highlights
- 4 About our Integrated Report
- 5 Message from the Chairman
- 7 WBHO at a glance
- 8 What differentiates WBHO

NAVIGATIONAL ICONS

The following icons are applied throughout the report to improve usability and to highlight integration between relevant content elements:

NAVIGATION



Indicates a page or note reference of information which can be found elsewhere in the report



Indicates a reference for information available online at www.wbho.co.za

MATERIAL ISSUES



MARKET DYNAMICS



PROJECT PROCUREMENT
& DELIVERY



SKILLS SHORTAGES &
CAPACITY CONSTRAINTS



LABOUR & COMMUNITY
UNREST



SAFETY & ENVIRONMENTAL
MANAGEMENT



REPUTATION & CULTURE



TRANSFORMATION &
LOCALISATION



COMPLIANCE

STRATEGIC OBJECTIVES

S01

FLEXIBILITY &
DIVERSIFICATION

S02

PROCUREMENT &
EXECUTION
EXCELLENCE

S03

REPUTATION &
RELATIONSHIPS

S04

CAPACITY & TALENT
MANAGEMENT

S05

SAFETY &
ENVIRONMENTAL
MANAGEMENT

S06

TRANSFORMATION
& LOCALISATION

CAPITALS



FINANCIAL
CAPITAL



HUMAN
CAPITAL



INTELLECTUAL
CAPITAL



MANUFACTURED
CAPITAL



NATURAL
CAPITAL



SOCIAL AND
RELATIONSHIP
CAPITAL

STAKEHOLDERS



CLIENTS



INVESTORS



EMPLOYEES



SUPPLIERS AND SUBCONTRACTORS



FINANCIAL INSTITUTIONS



GOVERNMENT



COMMUNITIES

COMMITTEES



REMUNERATION
COMMITTEE



RISK
COMMITTEE



AUDIT
COMMITTEE



NOMINATIONS
COMMITTEE



SOCIAL AND ETHICS
COMMITTEE

2024 HIGHLIGHTS



FINANCIAL PERFORMANCE

REVENUE

R28 billion

2023: R24 billion

OPERATING PROFIT MARGIN

4,5%

2023: 4,4%

HEADLINE EARNINGS PER SHARE

Continuing operations

2 021 cents

2023: 1 703 cents

TOTAL DIVIDEND

460 cents

2023: Nil

CASH GENERATED FROM OPERATIONS

R1,0 billion

2023: R1,6 billion

ORDER BOOK

R31 billion

2023: R33 billion



SOCIAL PERFORMANCE

LTIFR PER 1 MILLION HOURS

0.24 record low

2023: 0.27

WORK-RELATED FATALITIES

NIL

2023: 1

TRIR/RCR

0.22

2023: 0.18

ALL OPERATIONS

ISO 45001 certified

SPEND ON BLACK-OWNED COMPANIES

R10 billion

2023: R7.2 billion

B-BBEE

LEVEL 1



ENVIRONMENTAL PERFORMANCE

ALL OPERATIONS

ISO 45001 certified

REPORTABLE INCIDENTS

NIL

2023: Nil

WATER USAGE

1,1 gegalitres

2023: 1,9 gegalitres

CARBON EMISSIONS

99 796 tonnes

2023: 95 255 tonnes

ABOUT OUR INTEGRATED REPORT

The directors of Wilson Bayly Holmes-Ovcon Limited (WBHO/the Group) hereby present the 2024 Integrated Report (IR). This report is prepared in accordance with the International Integrated Reporting Council's (IIRC) International Integrated Reporting Framework (IR framework) and applies the principles set out in the King Report on Corporate Governance™ (King IV™). It provides stakeholders with a concise and transparent assessment of WBHO's value creation.

SCOPE AND BOUNDARY

Reporting period

The WBHO IR is prepared and published annually. This report provides material information relating to our strategy and business model, operating context, material risks, stakeholder interests, performance, outlook, and governance, encompassing the year 1 July 2023 to 30 June 2024. Any material events after this date and up to the Board approval date of 29 October 2024 have also been included.

Operating business

The report covers the primary activities of the Group, its business clusters, key support areas, and subsidiaries in Africa and the UK.

Financial and non-financial reporting

The report extends beyond financial reporting and includes non-financial performance, opportunities, risks, and outcomes attributable to, or associated with, key stakeholders that have a significant influence on WBHO's ability to create value.

Targeted readers

The report is the primary communication to stakeholders and is intended to address the information requirements of our shareholders. The Group also presents information relevant to other key stakeholders, including staff, clients, government, and communities.

Integrated thinking and materiality

The value creation story (see pages 9 to 11) is structured to reflect the relationship between the various elements involved in achieving stakeholder goals. By analysing the risks and opportunities identified in the operating context, stakeholder engagement process and internally identified risks and opportunities, the Group has determined which matters are most important to WBHO's value creation over the short, medium and long term. WBHO has used these as points of reference to ensure only those matters that could have a substantial effect on the ability to deliver stakeholder value are reported on.

WBHO is one of the largest construction companies in southern Africa and is listed on the Johannesburg Stock Exchange (JSE). Our vision is to be the leading construction company wherever we operate. The driving force behind WBHO is a core of dedicated, hands-on management professionals whose experience spans decades of major construction projects.

Construction activities covering the full construction spectrum, are divided into three main operating divisions: Building construction, Civil engineering and Roads and earthworks. WBHO's African offices are strategically located in Johannesburg, Cape Town, Durban and Gqeberha in South Africa as well as Gaborone in Botswana, Maputo in Mozambique, and Accra in Ghana. Our United Kingdom (UK) operations provide services out of London and Manchester.

Combined assurance

WBHO applies a combined assurance model to assess and assure various aspects of business operations, including elements of external reporting. These assurances are provided by management and the Board, internal audit, and independent external auditors PricewaterhouseCoopers South Africa Incorporated (PwC). External assurance has not been sought on the non-financial disclosures made in this report. The Audit Committee is responsible for overseeing the content of this report and recommended the IR to the Board for its approval.

Forward-looking statements

This report contains certain forward-looking statements with respect to WBHO's financial position, results, operations, and businesses. These statements and forecasts involve risk and uncertainty as they relate to events, and depend on circumstances, that occur in the future. There are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements. Consequently, any forward-looking statements have not been reviewed or reported on by the Group's auditors.

BOARD RESPONSIBILITY

The Board acknowledges its responsibility of ensuring the integrity and completeness of this IR and its supplementary information, which in the Board's opinion addresses all the issues that are material to the Group's ability to create value and fairly presents the integrated performance of WBHO. Assisted by its Audit Committee, the Board has applied its collective mind to the preparation and presentation of this report and concluded that it is presented in accordance with the IR Framework. This IR was approved by the Board of Directors on 29 October 2024 and is signed on its behalf by:

Louwtjie Nel
Chairman
29 October 2024

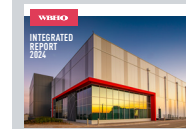
Wolfgang Neff
Chief Executive Officer

STATEMENT OF COMPLIANCE BY COMPANY SECRETARY

I confirm that the company has lodged all returns, in respect of the year ended 30 June 2024, that are required to be lodged by a public company in terms of the Companies Act of South Africa with the Registrar of Companies, and that all such returns are true, correct and up to date.

Donna Msiska
Company Secretary
29 October 2024

REPORTING SUITE



Integrated Report (IR)

The IR is the primary report to the stakeholders. It is structured to show the relationship between the interdependent elements involved in the value creation story, in compliance with:

- The <IR> Framework
- The Companies Act, No. 71 of 2008, as amended (Companies Act of South Africa)
- The JSE Listings Requirements
- King IV Report on Corporate Governance for South Africa 2016 (King IV™).



Audited Consolidated Financial Statements (AFS)

A comprehensive report of the Group's financial performance for the year, in compliance with:

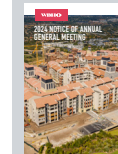
- The Companies Act of South Africa
- The JSE Listings Requirements
- International Financial Reporting Standards (Accounting standards)
- SAICA Headline Earnings Circular 1/2023
- Financial Pronouncements as issued by the Financial Reporting Standards Council.



Environmental, Social and Governance Report (ESG)

A detailed account of WBHO's performance for the year, including environmental, social and governance elements, in compliance with:

- The Companies Act of South Africa
- The JSE Listings Requirements
- King IV™
- Global Reporting Initiative (GRI) core).



Notice of annual general meeting (AGM)

Supporting information for shareholders to participate in the AGM, in compliance with:

- The Companies Act of South Africa
- The JSE Listings Requirements
- King IV™.

For further information, please direct your questions, comments or suggestions to the Group Company Secretary, Donna Msiska on 011 321 7200 or Donna.Msiska@wbho.co.za.

MESSAGE FROM THE CHAIRMAN



Dear Valued Stakeholder

I take immense pride in what we have accomplished as a business this year. It reflects the hard work and commitment of all our teams. Over the last five years, we have successfully navigated a global pandemic, civil unrest, looting, large-scale flooding, and a difficult but necessary exit from Australia. Reporting record revenue and profit from continuing operations for the second consecutive year is a testament to our resilience and strategic agility. These achievements position us well to continue building on this momentum and deliver sustainable growth in the years to come.

LOUWTJIE NEL

CHAIRMAN

BUILDING ON A FOUNDATION OF POSITIVITY

We reported a remarkable recovery in FY2023 and the growth in our order book achieved in that year has played a significant role in the continued growth of 15% delivered in FY2024. Our growth has been bolstered by a renewed commitment from the South African government to invest in infrastructure which is a positive development for our industry. The past two years have seen multiple large-scale projects being designed, tendered and awarded, with several more within our forward-looking pipeline which bodes well for our short- to medium-term outlook.

Despite our strong performance over the last two years, there have been challenges. Our local economy has experienced significant constraints due to an unreliable electricity supply, logistics complexities and crime and corruption, further hampered by a high-interest rate environment. As a result, there has been negligible economic growth for some time. Some sectors of the economy that we service have struggled, but through the diverse capabilities within our business, we have focused on those sectors offering opportunities and hence been able to deliver this result.

Markets in the rest of Africa are cyclical and activity in southern Africa has been subdued over the period, yet it has been pleasing to get going once again in Mozambique, and activity in west Africa has benefitted from the award of some larger scale projects.

Inflation in the UK has stabilised and interest rate cuts have commenced. Once the effects of these factors filter through to the UK construction environment, they should bring better certainty for the industry which has struggled with projects being regularly cancelled or delayed for some time. Despite these challenges we produced a solid result from the UK this year.

A significant challenge affecting the sector across all regions is access to skills. In South Africa, this is exacerbated by immigration and persistent challenges from business forums that continue to disrupt our projects and make our industry less attractive to young professionals. Government has pleasingly been vocal on this matter over the past year and has set up a number of initiatives to deal with these threats and intimidation.

Alongside the challenges, there have also been opportunities. In South Africa, Government is working progressively on policies designed to unlock the economy and transform stagnant growth. The increase in the cap on private energy generation from 1MW to 100MW stimulated private investment in the renewable energy sector, which together with the revitalisation of Eskom's Renewable Energy Independent Power Producer Procurement Programme (REIPPP) has provided a strong source of work for the local industry. Furthermore, the South African National Roads Agency (SANRAL) has cleared a substantial portion of its backlogged projects over the last two years through numerous awards of large technical projects.

I am incredibly impressed with our management teams who have resourced these large projects with a balance of experienced people and new resources to ensure delivery against the backdrop of an industry with diminishing skills, while still upholding our culture. Some of these projects offer once-in-a-career opportunities for our staff and can act as a catalyst to retain our talented employees.

I am confident in the future of WBHO and the country. Our goal is to maintain our growth and presence in the market through our commitment to excellence and our adaptability within changing business environments.

BLACK ECONOMIC EMPOWERMENT AND LOCALISATION

It's also pleasing to see that the industry continues to transform. The Construction Industry Development Board's 2023 Annual Report shows that companies with 51% or more black shareholding now represent 81% of all Grade 7 and Grade 8 contractors, and 53% of Grade 9 contractors.

WBHO retained its Level 1 B-BBEE status again this year. Akani 2, which we established last year as an Employee Ownership Scheme, not only contributes toward the ownership component of our level 1 rating but also rewards our employees for their dedication and commitment to the company. I'm pleased to report that 2 007 employees became beneficiaries in 2024 and have received their first distribution. Every year moving forward, more employees will meet the qualifying criteria to participate in the scheme and the number of beneficiaries will increase.

Generational change remains a powerful force for change. Over the last 10 years, we've seen qualified engineers and professionals from previously disadvantaged backgrounds advance through the ranks of the business to senior management roles. We are optimistic that this will continue to bring about even greater diversity in the medium- to long-term but qualify this with our continued concern that there is a dwindling interest in civil engineering as a career path for our youth.

MESSAGE FROM THE CHAIRMAN continued

I am also pleased to highlight that WBHO has met its commitments in the seventh and final year of the Voluntary Rebuild Programme. The combined turnover of our three Enterprise Development Companies exceeded 25% of WBHO's South African revenue related to construction work. This has been a significant achievement given the growth that WBHO has delivered over the last two years, and we are proud of the growth and development we have provided to these businesses. We will continue our annual contribution to the Tirisano Construction Fund for a further four years. The trust has done some exceptional work throughout South Africa, both in supporting emerging contractors as well as undertaking various humanitarian initiatives. The Trust is urgently awaiting the appointment of two government trustees to form a quorate Board so it can commit more funds to various initiatives in line with the Trust deed.

In the rest of Africa, the concept of localisation is firmly entrenched, especially in resource-rich nations. This has served to facilitate economic transformation and amplify the economic participation of local populations. We've observed that localisation is becoming a mandatory condition for tendering for some of our mining clients across Africa. We have succeeded in establishing pertinent partnerships with citizen-owned businesses to assure compliance and support localisation efforts where possible.

I am encouraged by the meaningful collaborations we've established as WBHO actively participates in transformative efforts to promote economic inclusivity and development.

CHANGES TO THE BOARD OF DIRECTORS

In the year under review, Charles Henwood, our Chief Financial Officer (CFO), retired from the Board. Charles has provided invaluable leadership in this role through the years, especially in ensuring our swift exit from Australia

Andrew Logan has replaced Charles and brings with him a wealth of professional expertise from his 20 years of experience with WBHO, of which, 14 were as a Financial Director within the Group.

LOOKING TO THE FUTURE

This will be my final report as Chairman of WBHO as at the end of the year I will be retiring after more than 39 years in the industry. Following the elections in May 2024 and the establishment of a Government of National Unity, I am cautiously optimistic about the industry's future in South Africa. At the opening of Parliament on 18 July 2024, President Ramaphosa emphasised "From our largest metros to our deepest rural areas, we have a clear intention to turn our country into a construction site." This bodes well for the South African people, as there should be a visible growth in employment and improved service delivery. Even though



there will be some challenges ahead, we have a real opportunity to grow and succeed as a country. We look forward to government delivering on these promised, and much needed, infrastructure projects.

We will continue to target those opportunities in the rest of Africa that suit our skill set in the region, and following the UK elections, we are also hopeful that the Labour Party will implement its policies around spend on housing and infrastructure as these will be immensely positive for the industry.

With a strong order book and balance sheet alongside a promising forward-looking pipeline, WBHO is well positioned for the next few years.

In closing I would like to emphasise our 'can do' ethos that has always played a significant role in the growth and stability of WBHO. We know our people are our greatest asset and remain grateful for their unwavering commitment. We welcomed 571 number of employees into the WBHO family this year and look forward to their contributions to our performance in FY2025.

Throughout my long career at WBHO I have always trusted in our people. I would like to thank each and every one of you for contributing to a company that I am immensely proud to be associated with. I have the utmost confidence that Wolfgang Neff and the management team will remain dedicated to upholding the WBHO Way and to implementing our strategic vision. I would also like to express my deep appreciation to

the Board of Directors for their insights, and guidance over my time as Chairman, it has been a pleasure to be part of such a cohesive, stable and supportive Board.

Although Charles Henwood has taken some time off since his formal retirement as CFO in November 2023, he is not lost to the Group and will be taking over the reins from me at our next AGM. Charles has been a great asset to WBHO and his appointment will ensure stability and continuity within our senior management structure.

I have been fortunate to foster many great relationships over my career and I would like to take this opportunity to thank my fellow work colleagues, many of whom I consider friends, that have walked this journey with me, and for making it such a pleasure to be part of such a special team. In addition, I must thank so many of our clients, consultants and subcontractors whom I have grown to know well over the years, who have also played a part in making my career one that I will look back on with pride and fondness.

WBHO has always shown a remarkable ability to adapt and has proven this to be true over the past few years. I have no doubt that the business is in capable hands and will remain on a sustainable course delivering value for all stakeholders for many years to come.

Louwtjie Nel
Chairman

WBHO AT A GLANCE



REVENUE

R22,2 BILLION

(2023: R18,8 BILLION)

OPERATING PROFIT

R1,2 BILLION

(2023: R995,1 MILLION)

NUMBER OF
EMPLOYEES

9 082

(2023: 9 038)



REVENUE

R5,3 BILLION

(2023: R5,0 BILLION)

OPERATING PROFIT

R183,2 MILLION

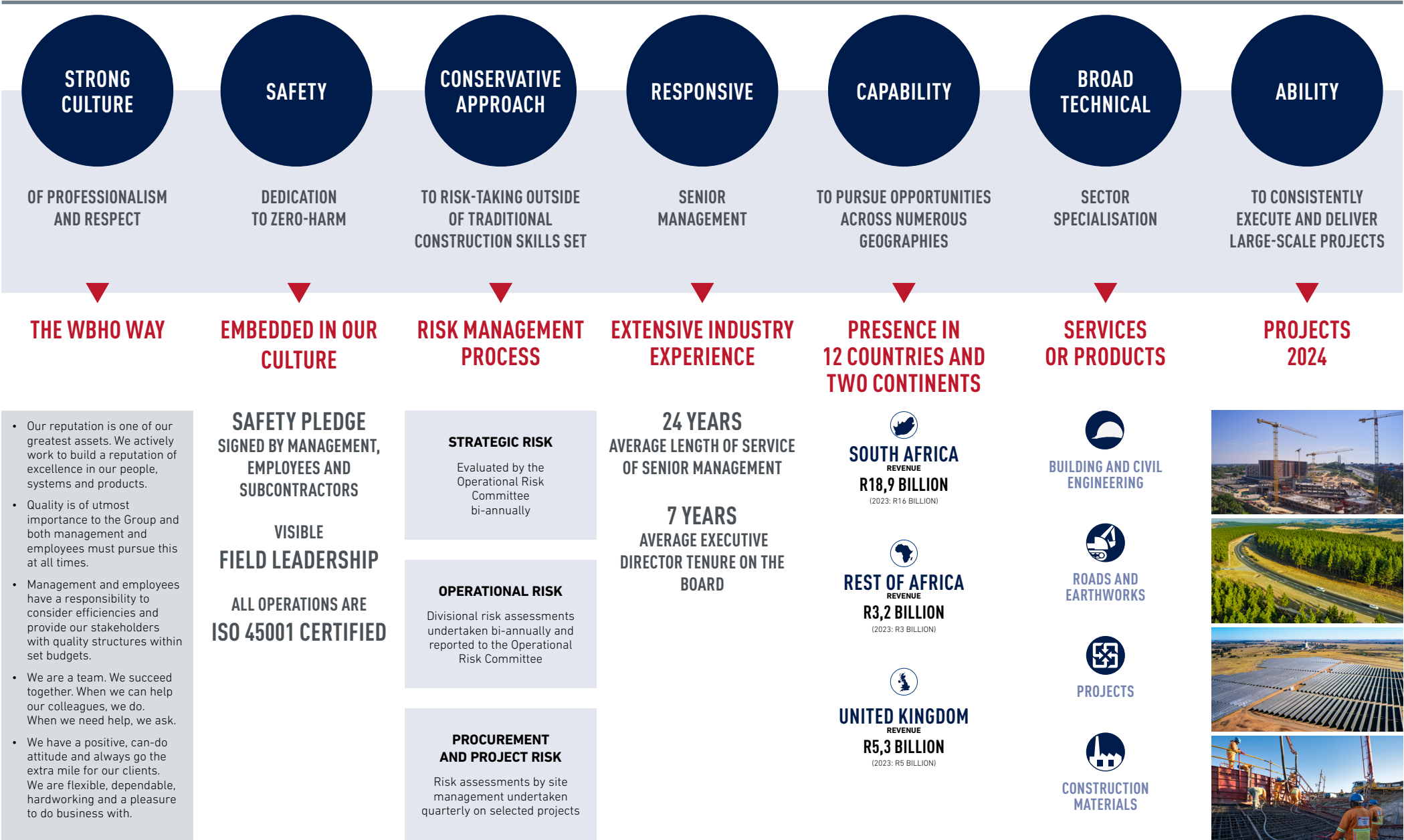
(2023: R117,5 MILLION)

NUMBER OF
EMPLOYEES

416

(2023: 447)

WHAT DIFFERENTIATES WBHO



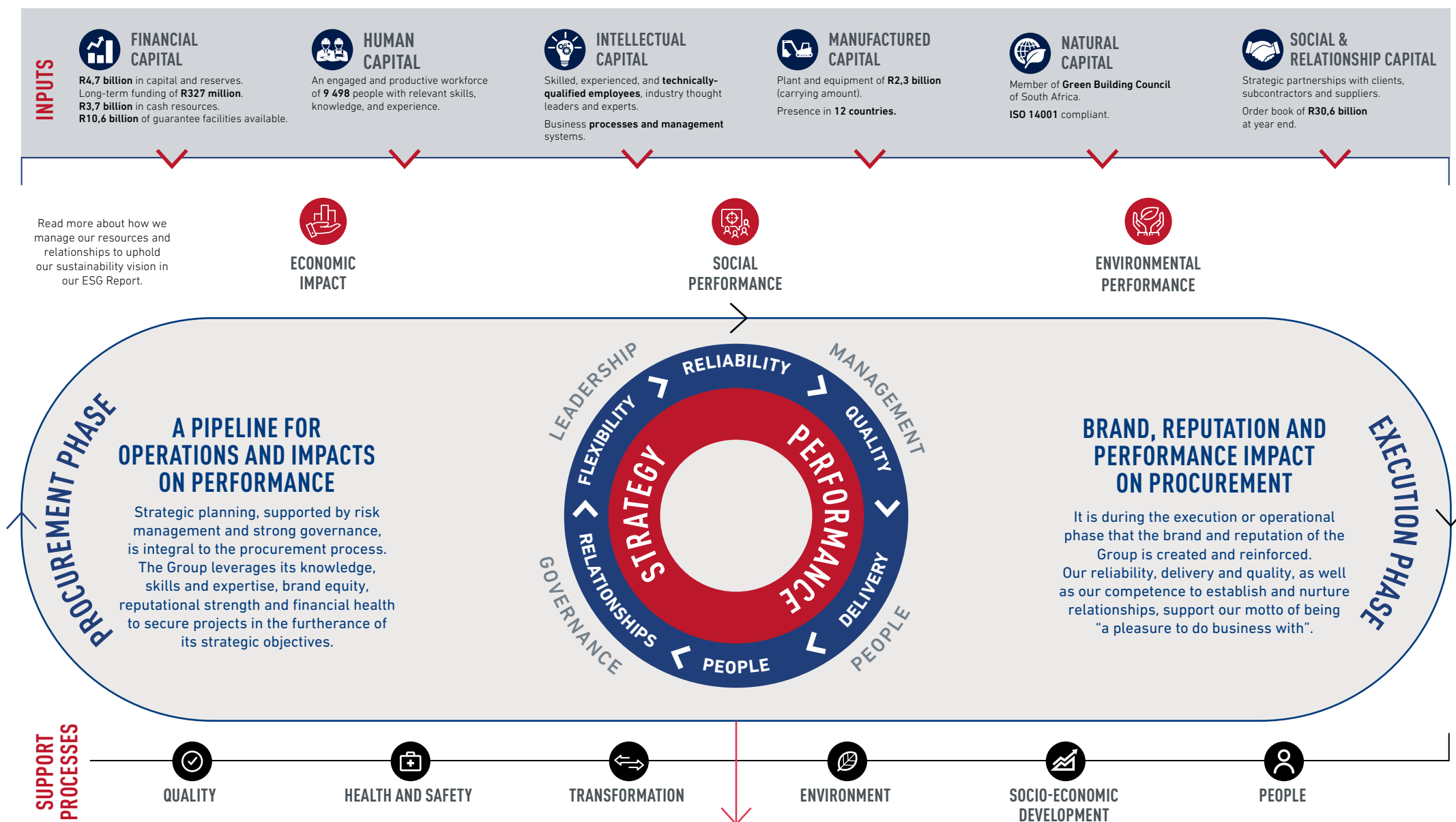
EXPLORING WHAT WE DO

10 Value creating business model



VALUE CREATING BUSINESS MODEL

The construction business model consists of the simultaneous, continuous and inter-linked processes of project procurement and execution.



OUTPUTS

SERVICES AND
PRODUCTS

SECTORS



BUILDING AND CIVIL ENGINEERING

- Retail
- Residential
- Commercial
- Healthcare
- Hotels and entertainment
- Civil works and mining infrastructure
- Industrial
- Energy infrastructure
- Data centres



ROADS AND EARTHWORKS

- Road works
- Mining infrastructure
- Rail infrastructure
- Energy infrastructure
- Water infrastructure
- Oil and gas infrastructure



PROJECTS

- Concession arrangements
- Turnkey projects
- Design and construct projects
- Engineer, procure, construct projects
- Public-private partnerships



CONSTRUCTION MATERIALS

- Reinforced steel products

OUTCOMES FOR OUR STAKEHOLDERS

FINANCIAL
CAPITALHUMAN
CAPITALINTELLECTUAL
CAPITALMANUFACTURED
CAPITALNATURAL
CAPITALSOCIAL & RELATIONSHIP
CAPITAL

CLIENTS

Number of projects completed in the year
Total value of projects completed in the year
Value of order book
Client satisfaction with quality of work delivered
Number of quality audits conducted
Capital expenditure

2024	2023
112	101
R18,5 billion	R14,2 billion
R30,6 billion	R32,6 billion
92%	92%
134	168
R533 million	R510 million

CAPITAL OUTCOMES



SUPPLIERS AND SUBCONTRACTORS

Total procurement spend with black businesses
Procurement spend with 35% black women-owned businesses
Number of work-related subcontractor fatalities
Supplier inspections
Supplier audits

2024	2023
R10,0 billion	R7,2 billion
R4,4 billion	R3,1 billion
–	–
88	85
201	247

CAPITAL OUTCOMES



GOVERNMENT AND COMMUNITIES

Taxes (direct and indirect) paid to government
Broad-Based Black Economic Empowerment status
Spending on socio-economic development
Total carbon emissions (CO₂e equivalent) (tCO₂e)
Waste recycled (tonnes)
Number of reportable environmental incidents

2024	2023
R2,5 billion	R2,3 billion
Level 1	Level 1
R7,2 million	R5,0 million
99 796	95 255
182 718	32 639
–	–



INVESTORS AND FINANCIAL INSTITUTIONS

Operating profit
Cash generated from operating activities
Headline earnings per share (cents)*
Dividend per share (cents)
Return on capital employed
Gearing ratio (including lease liabilities)

2024	2023
R1,2 billion	R1,1 billion
R1,0 billion	R1,6 billion
2 021	1 703
460	–
33,0%	36,9%
14.8	20.7

* excludes discontinued operations



EMPLOYEES

Amount paid in salaries, wages and benefits
Number of work-related employee fatalities
Number of retrenchments
Recordable case rate
Person-days production lost
Investment in employee learning
Investment in bursary schemes
Number of bursaries

2024	2023
R4,4 billion	R3,7 billion
–	1
1	2
0,22	0,18
4 732	20 145
R106,4 million	R90,7 million
R8,4 million	R7,8 million
50	72



THE CONTEXT WE OPERATE IN

- 13 Material issues and operating context
- 23 Creating value for stakeholders
- 24 Stakeholders relationships
- 25 Engaging our stakeholders
- 26 Value-added statement
- 27 Strategic objectives
- 34 Risk management

MATERIAL ISSUES AND OPERATING CONTEXT

The material issues represent those matters that have the most significant impact on WBHO's ability to create value over time. These may change as new trends and developments shape the macro environment and stakeholders' needs evolve.

The following diagram outlines the basic process through which the Group determines its material issues. While there are three discernible steps or phases to the process, these are not distinct and separate, but overlap and are simultaneous. It is, essentially, a continuous, cyclical process and the output (the Group strategy set by the Board) is regularly reviewed and adjusted based on the feedback received from stakeholders as well as the operational divisions responsible for its implementation.

DETERMINING MATERIALITY

Identify

WBHO identifies substantive and material matters by gathering information from clients and stakeholders through formal, informal, regular, and *ad hoc* interactions. These insights are integrated into WBHO's risk management processes, considering economic conditions and relevant operational, legislative, and regulatory requirements to assess the materiality of each matter.

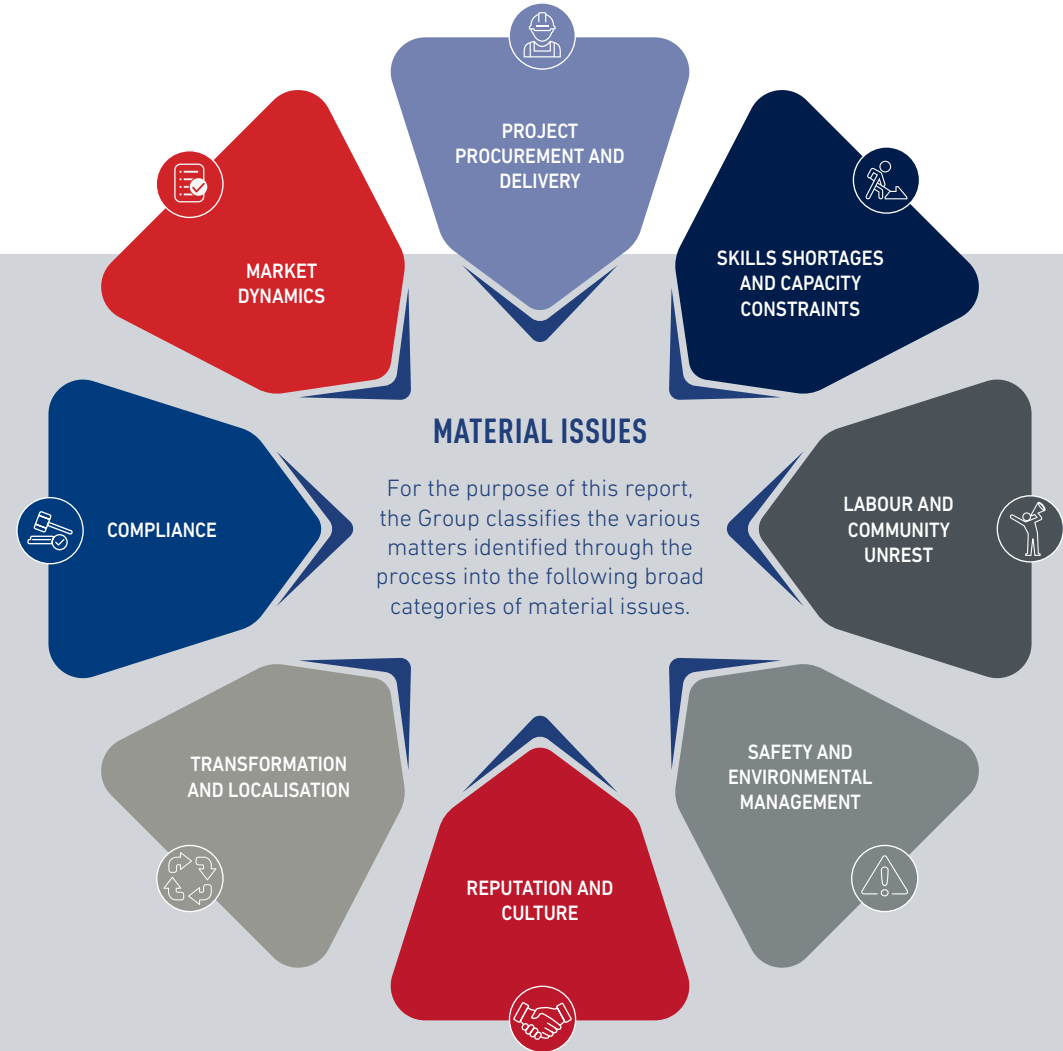
Evaluate

The second phase involves evaluating the gathered information together with the Group's strategic priorities. Management and relevant departments, such as risk and internal audit, provide insights to the Operational Risk Committee, Audit Committee, Risk Committee, and Executive Committee for further review and appraisal. Other Committees are included as needed.

Prioritise

Lastly, identified concerns are prioritised to determine the most material matters for the Group. The Board performs this task based on reports from mandated Committees. This process occurs at least once per reporting period, resulting in an updated strategic risk matrix and, if needed, new or revised strategic initiatives.

For the purpose of this report, the Group classifies identified matters into broad categories of material matters, as shown in the infographic. These categories are prioritised because they significantly impact WBHO's ability to create value. The material issues are interrelated and shifts in one category can affect others. Such matters are reported on throughout the IR.



MATERIAL ISSUES AND OPERATING CONTEXT continued



MARKET DYNAMICS

Implications for value

The construction sector is strongly influenced by economic cycles. Key factors such as GDP growth, fixed investment levels, commodity prices, interest rates, as well as consumer and business confidence all shape investment trends and infrastructure needs. As a result, the demand for construction services fluctuates with shifts in the broader economy.

WBHO operates across diverse sectors and regions, each with its own risk profile and response to global and local economic changes. These factors affect activity levels, capacity requirements, and profit margins. The long-term nature of construction projects does, however, enable the Group to plan ahead and to adapt to varying levels of new work opportunities.

Associated risks and opportunities

- Continually evolving market conditions that can be difficult to predict
- Growth or decline in volumes of work procured
- Political instability
- Regulatory shifts and compliance challenges
- Labour market dynamics and skill availability
- Exchange rate volatility
- Over exposure to individual sectors/regions/clients
- Volatile earnings and margins
- Payment risk
- Erratic investor sentiment

Operating context

WBHO conducts its operations in South Africa, the Rest of Africa and the United Kingdom (UK).

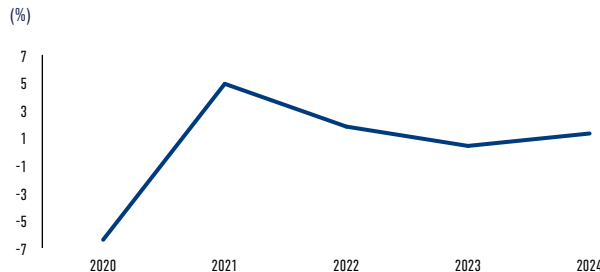
Strategic response		Key stakeholders impacted	
SO1	Flexibility and diversification		Investors
SO2	Procurement and execution excellence		Employees
			Suppliers and subcontractors

South Africa

Over the reporting period the South African economy remained beleaguered by a low growth environment, perpetuated by the energy crisis (that has subsequently improved), declining infrastructure and other challenges within the transport and logistics sector — particularly in the freight rail sector and the operation of the country's ports, and elevated interest rates post Covid-19.

Weak real GDP growth of 0.6% was achieved in 2023 and the forecast of 1.3% by national Treasury and a more moderate forecast of 1% by the International Monetary Fund (IMF) for 2024, shows only minimal improvement. The election of the Government of National Unity (GNU) late in FY2024, and its promises of service delivery and economic reforms has resulted in improved sentiment within and toward South Africa. Yet for now, GDP forecasts for 2025 and 2026 remain below 2%.

SOUTH AFRICA: ANNUAL GDP GROWTH



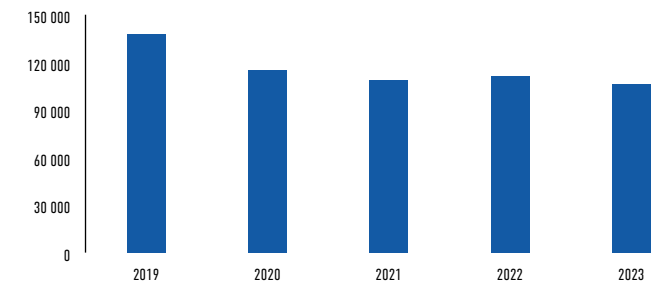
Source: *imf.org*

The South African construction industry is the cornerstone of the economy. It is the leading gross domestic product (GDP) and employment contributor, and it plays a key role in the expansion and advancement of South Africa's physical infrastructure. The micro-economic environment of this sector is shaped by a combination of factors that include supply and demand, input costs, regulatory frameworks, and broader economic conditions.

After a spike in gross fixed capital formation in 2023, supported by increased public sector investment and private investment in renewable energy, investment levels have subsided once again over the first half of 2024. This reduction is further reflected in lower levels of Construction GDP over the same period.

Private investment in commercial buildings and residential developments remains at low levels given the prevailing economic conditions and high interest rates.

SOUTH AFRICA: CONSTRUCTION GDP (Rm)



Source: *Tradingeconomics.com*

Conversely, civil engineering markets have bucked the trend. High levels of investment by the South African National Roads Agency (Sanral) in large-scale upgrades to road infrastructure alongside significant private investment in renewable energy projects and the tail end of mining infrastructure spending has seen activity levels within this sub-sector spike to record levels. The FNB/BER Civil Confidence Index, climbed to 47 in Q1:2024, an eight-year high, but dropped to 44 in the second quarter.

The Group has benefited from growing markets in the energy, water and road infrastructure sectors, which will sustain activity over the medium term. While the Group maintains a strong base of mining infrastructure projects, a decline in commodity prices has led to reduced procurement activity in the mining sector.

MATERIAL ISSUES AND OPERATING CONTEXT continued

Heightened activity within certain subsectors of the building market has sustained activity for the Group. Investment in data centres and logistics hubs have seen strong growth in construction activity from these sectors. From a geographic perspective, semigration trends have placed infrastructure demands on the Western Cape that have resulted in increased activity across a broad range of sectors, both public and private.

The South African construction sector has been in steady decline for more than 10 years, hampered by the low growth environment and low levels of public sector spending. While the landscape is complex with numerous challenges across regulations, public sector spend, crime, corruption, infrastructure, and the supply chain, there are opportunities for growth. The renewed political will toward infrastructure development and the restructuring and reform of state-owned entities is a cause for optimism and hopefully the Economic Reconstruction and Recovery Plan (ERRP) will become a reality on the ground. The GNU is rapidly growing international and investor confidence, and domestically there has been progress in curtailing the disruptions caused by the “construction mafia”.

The South African order book of the Group is at record levels and the forward-looking project pipeline has grown which point to positive outlook for the Group over the medium term.

Rest of Africa

According to the African Development Bank the African economy is expected to grow by 4.1% in 2023-2024 and projected to increase significantly during the next three decades. The economic recovery pace of Africa was dampened by factors such as hostile global financial conditions, higher than expected inflation as well as supply chain disarray caused by the prolonged war on Ukraine (African Development Bank, 2023).

The construction industry in Africa has experienced significant growth, driven in part by rapid urbanization and population growth. With a demographic shift, cities have become populated which calls for development in various sectors such as education, residential, commercial and health care.

Ernst & Young, in their 2023 report noted that to reach the projected growth of the African economy the following improvements would need to be implemented to current infrastructure by the year 2035:-

- Electrical security would be accomplished with a production increase of 93%.
- 50% of roads and highways would need to be paved.
- Container handling performance needs to increase to allow 25-30 moves per hour.
- Internet access need to be provided to more than 300 million people across the continent.

Conflict and war, the volatile nature of political and economic stability in certain African regions and the complexity of the regulatory environment are challenges to be overcome when operating in Africa. Building a strong reputation, local workforce development and establishing a local presence are critical elements for success.

WBHO's operations in the rest of Africa have historically targeted the resource intensive sectors within Botswana and Zambia in Southern Africa, Mozambique and Tanzania in East Africa and Ghana and Liberia in West Africa. The Group targets other territories on the continent on a project-by-project basis. The Group's building division has struggled to grow in the rest of Africa primarily due to onerous contractual conditions and a weak supply chain.

Construction opportunities within resource sectors are dependent on commodity demand cycles, with the effect that growth and prospects can vary significantly from year-to-year. Public sector road and water infrastructure projects as well as private sector building work, are pursued where the Group is satisfied that potential payment and contractual risk can be successfully mitigated.

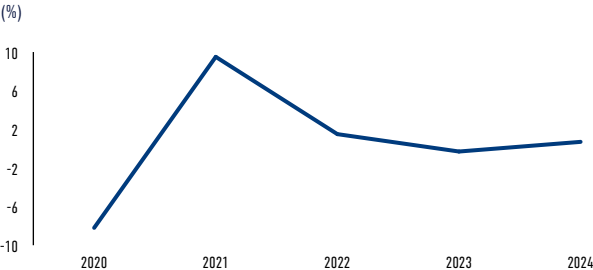
The Group has successfully developed strong local workforces in countries where it has a permanent presence, while also employing from local communities in other territories.

The award of large-scale mining infrastructure projects in West Africa and gas-infrastructure projects in Mozambique have seen good growth in the rest of Africa in recent years. Although challenges exist, the African construction industry offers growth potential. The Group considers its presence in the region to be one of strategic importance.

United Kingdom

Following a brief recession last year, the UK economy performed better in 2024, with the Office for National Statistics (ONS) estimating 0.5% growth in Q2. Average forecasts predict growth of 1.1% for the 2024 year and 1.3% for 2025, indicating a slow recovery amid stable inflation and declining interest rates.

UNITED KINGDOM: ANNUAL GDP GROWTH

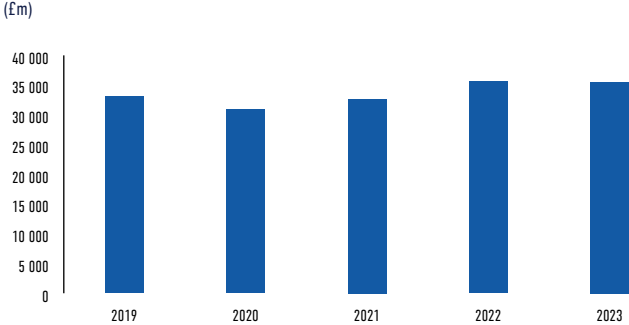


Source: tradingeconomics.com

UK gross fixed capital formation increased by 0.6% in Q2 of 2024 and is 0.7% above where it was the same quarter a year ago. Private business investment increased by 1.4% and government investment increased by 2.1%.

GDP from construction has plateaued in recent years with the construction sector set to experience a modest decline in activity in 2024, with a return to growth expected in 2025, according to the latest analysis from PwC. It further notes that residential output continues to be the most negatively impacted while infrastructure continues to be most resilient. Despite challenges posed by high interest rates and the discontinuation of the Help to Buy scheme, opportunities for growth are emerging through alternative housing tenures and the potential for government incentives.

UNITED KINGDOM: CONSTRUCTION GDP



Source: Tradingeconomics.com

The construction sector has also experienced growing insolvencies, in lieu of the financial pressures and challenges faced by the industry. This trend is mostly prevalent among mid-sized contractors and developers, affected by inflation and delays to new project starts. Financial institutions have become increasingly wary in providing performance bonds and credit limits in the face of this instability.

The BCIS Building Construction Industry Forecast sector growth is anticipated to return in 2025 driven by pent up demand in the private residential housing market. The elections have brought a degree of stability to the UK macro-environment and the Labour government's slogan to 'get Britain building again' is promising for the sector, but remains lacking detail around many aspects, from its housing plan to public sector funding and major project reviews.

The Groups operations in the UK have weathered a difficult period reasonably well. Sector diversification within the Byrne Group, in London, has enabled the business to focus on civil engineering and infrastructure markets offering better opportunities. Russell WBHO, in Manchester, adopted conservative bidding strategies that although resulted in lower volumes of work, ensured the business avoid loss-making projects.

Both businesses have healthy order books and are prepared for the anticipate improvement in activity levels.

MATERIAL ISSUES AND OPERATING CONTEXT continued



PROJECT PROCUREMENT AND DELIVERY

Implications for value

Project procurement and delivery are core activities that are essential to WBHO’s value creation and strategic direction. Different regions and different timing within economic cycles, influences the risk appetite applied when pursuing new business. When we experience low demand and high competition, we may adopt a more flexible approach to industry and client risks, as well contract terms and programmes.

WBHO secures projects through tenders or direct client approaches, primarily working with re-measurable, fixed-price, or design and build contracts, each with their own unique set of risks.

Bidding requires experience, precise estimation, and a deep understanding of contracts and engineering. Estimation errors, non-identification of specific project risks, misinterpretation of key specifications and/or the misunderstanding of contractual terms at the time of bid submission, have the potential to negatively affect productivity, create delays and ultimately result in penalties and losses during the execution phase.

Poor project management, inappropriate resource distribution, and inadequate commercial contract management can lead to decreased productivity, higher costs, and not meeting set completion dates. In contrast, effective project and commercial management, along with innovative solutions on-site, can enhance efficiency, reduce risks, and save time and money.

Managing contractual claims is a natural part of ongoing project activities. Skilfully handling these claims to protect the contractor’s rights while maintaining professional relations with our clients is a vital part of our business strategy. Furthermore, using modern technologies and fostering a culture of continuous improvement and adaptability can boost our project implementation and risk management skills, driving the Group towards consistent growth.

Associated risks and opportunities

- Public spending programmes
- Longer lead times
- Variability in profit margins
- Working capital risk
- Corporate identity and public perception
- Supply chain robustness
- Technological advancements and adaptation
- Workforce development and retention
- Quality assurance and customer satisfaction
- Localisation practices
- B-BBEE regulations

Strategic response

- | | |
|-----|--------------------------------------|
| so1 | Flexibility and diversification |
| so2 | Procurement and execution excellence |

Key stakeholders impacted

- | | |
|--|------------------------------|
| | Investors |
| | Employees |
| | Suppliers and subcontractors |

Operating context

Procurement activity remained at high levels over the course of the period. The number of available projects on which to bid was healthy and sufficient work was secured to maintain order book levels at 94% of the prior period.

There were 66 new projects secured during the reporting period. Significant awards included a R2 billion solar farm, two windfarms with contract values of R900 million and R700 million, further phases of a data centre valued at R800 million, a R1 billion greenfield off-channel storage dam, phase 2 of a tailings facility at the Beposo mine in Ghana valued at US\$80 million and several commercial developments in excess of R400 million.

The operating margin within Russell WBHO improved from a small loss in FY2023 to 2,5% in FY2024, thanks to improved procurement activity and more work-on-hand.

With the current volume of available work on which to bid, tender margins are edging upwards within certain sectors and regions while others remain competitive.

Revenue grew by 16% in the current fiscal year off the back of a 47% increase in order book levels in the prior year. The growth achieved this year, follows substantial growth of 38% in FY2023. The operational teams have performed well, increasing margins within all divisions and regions. The operating margin from the African operations amounted to 5,5%, up from 5,3% in FY2023. Within the UK operations, margins within the Byrne Group improved from 3,1% to 3,8%.

Given the strength of the forward-looking pipeline, ie the visible pipeline of identified projects on which the Group may potentially bid, elevated activity and procurement levels are expected to persist over the coming 12 months. Operational resources and those within the procurement teams will need to be carefully allocated and managed.

MATERIAL ISSUES AND OPERATING CONTEXT continued



SKILLS SHORTAGES AND CAPACITY CONSTRAINTS

Implications for value

Fluctuations in the volume of available projects within the construction industry frequently results in an over-supply or alternatively a shortage of the required skills to deliver the work. Balancing the size of the workforce with the amount of work on hand, while also retaining core teams and skills, is crucial.

The construction industry employs a diverse range of skill sets. Experienced management and competent artisans are crucial to project execution. Without an adequate base of experienced engineers and quantity surveyors, project delivery risk and commercial risk increase significantly. Developing and retaining skilled personnel is critical in managing these risks and underpins our ability to grow.

Associated risks and opportunities

- Skills shortages
- Impact on quality, delivery, and reputation
- Additional costs and delays on projects
- Capacity constraints/excess
- Impact on company culture
- Loss of key personnel

Strategic response	Key stakeholders impacted
SO2 Procurement and execution excellence	👤 Clients
SO4 Capacity and talent management	👥 Employees

Operating context

Improved trading conditions within the South African construction industry have resulted in increased employment within the sector. At the end of the second quarter of 2024, Stats SA reported that the construction industry saw an increase of 4 000 full-time jobs and employed approximately 1,3 million people.

The construction and infrastructure sectors play a prominent role in supporting the country's goals and objectives for growth and employment. The sector's growth addresses some of the immediate need for jobs in South Africa and presents an opportunity for young people to develop highly sought-after skills while also assisting in addressing the youth employment crisis.

Bolstered by a strong order book, employment levels within the Group's South African operations have grown during the period. The number of employees in South Africa increased by 18% from 5 307 employees in FY2023 to 6 237 in FY2024.

The difficulty the Group has experienced in obtaining the right levels of skill to meet its current needs, illustrates the ongoing skills shortages faced by the local industry. The skills shortage is not just a threat to the construction industry, but a risk to the country itself. Key infrastructure projects may not be executed in a productive and efficient manner without experienced engineers, site agents, and construction managers.

In addition to the low level of skills available within the market, the skills challenge facing the industry is amplified by the following additional factors. Negative sentiment toward the country and economic hardship which can have a large impact on mental health. A career in construction can also entail long hours often in remote locations. Many of the sector's skilled employees continue to emigrate for the promise of safety for their families alongside greater remuneration and an improved work-life balance. South Africans are known for a strong work ethic and are regularly targeted by international construction firms. Furthermore, the results achieved by many of South Africa's youth for maths and science are well below par, and limit their ability to apply for careers in construction. Consequently, the number of graduate engineers leaving university does not meet the

needs of the industry. Semigration also presents a challenge as skills are often lost from projects as workers seek to migrate specifically to coastal regions in search of a better quality of life. Given the nature of our business, it is challenging to meet these expectations and retention of the younger workforce continues to prove challenging.

It also takes time for new employees to learn to the "WBHO Way" and adapt to our culture of being responsive to clients and a pleasure to do business with. The Group aims to provide employees with various retention benefits that will allow them to grow in their roles.

In the rest of Africa, our hiring is mainly driven by opportunities from the mining and gas sectors. We focus on employing citizens from local regions where possible as well as offering training opportunities that will allow them to enhance the skills they need for their employment. As a result, we have developed strong local teams across all our African operations.

The workforce in the Rest of Africa declined from 3 731 to 2 845 in FY2024, primarily due to the completion of the advanced infrastructure works for a gas project in Mozambique. In Ghana, high levels of inflation and the depreciation of the Cedi having impacted wage earners. WBHO has attempted to address this challenge through special increases and allowances.

The severity of skills shortages within the UK construction market has been alleviated by lower output over the course of FY2024. The Construction Industry Training Board's Construction Skills Network 2024-28 report revealed that growth in construction output is anticipated at 2,4% from the current term until 2028. To meet the growth associated demand, the report predicts that the sector will require over 251 500 additional construction workers over the next five years. The challenge will be in sourcing appropriate skills, as the Brexit referendum saw many workers exiting the country.

Employment numbers in the UK decreased from 447 in FY2023 to 416.

The Group implements various retention strategies, career plans and mentorship programmes to mitigate these factors and differentiate itself as an employer of choice as we balance the needs of our employees with those of our industry.

MATERIAL ISSUES AND OPERATING CONTEXT continued



LABOUR AND COMMUNITY UNREST

Implications for value

The construction industry relies heavily on a large workforce, either employed directly or through the use of subcontractors. In many of the regions where WBHO operates, the labour environment is often politicised and sensitive.

In South Africa, high unemployment and poverty contribute to regular community unrest and disruptions from business forums. These groups frequently have unrealistic expectations for job and work opportunities, sometimes resorting to threats of violence. Such disruptions lead to work stoppages, which in turn affect productivity and cause project delays, making it difficult for WBHO to complete projects on time.

Associated risks and opportunities

- Industrial action
- Harm to employees
- Additional costs, project delays and penalties
- Reduced productivity
- Negative investor perceptions
- Impact on quality, delivery, and reputation

Strategic response	Key stakeholders impacted
SO3 Reputation and relationships	Clients
SO4 Capacity and talent management	Employees
SO6 Transformation and localisation	Communities

Operating context

In South Africa, the company adheres to the Labour Relations Act, and supports collective bargaining at all echelons. We maintain recognition agreements with the National Union of Mineworkers and the Building Construction and Allied Workers Union. Union representation remained static at 20% in the current year (FY2023: 19%).

The existing wage agreement negotiated with the Bargaining Council for the Civil Engineering Industry (BCEI) expired on 31 August 2024. A one-year wage agreement has been reached at the date on this report. A total of 83% (FY2023: 77%) of the workforce is covered under collective bargaining agreements. WBHO is committed to ensuring that no employee is paid below the minimum wage, currently R47.89/hour, per the national wage agreement.

Employees in the UK do not form part of a central bargaining council. Employees may, however, join a union. Membership lists are not maintained by the respective businesses and fees are paid by the individuals directly to the union.

There has been little strike activity by the South African labour force for many years due to the multi-year wage agreements that have been negotiated. This trend is expected to continue. While South Africa saw no formal strike action, unprotected strikes have become more prominent in recent years. 1 370 days were lost due to this activity in FY2024 compared to 4 037. The strike action was limited to a renewable energy project and two mining projects.

Unauthorised work suspensions due to community protests and business forum disruptions can cause significant delays and economic losses within the construction sector. Business forums delay projects, threaten and intimidate staff, damage equipment and work under the pretence of wanting to share in the work. WBHO's approach is to directly assist communities rather than deal with the forums. WBHO has implemented strategies to mitigate these issues. Mitigation measures focus on early community engagement, appointing liaison officers, and ensuring transparent tender processes. Public infrastructure projects now include formal community participation plans to ensure communities share in employment opportunities and smaller work packages on construction projects. This has successfully reduced the number of site disruptions.

A total of 1 212 days were lost to community unrest in FY2024, and 1 506 days were lost due to disruptions by business forums.

MATERIAL ISSUES AND OPERATING CONTEXT continued



SAFETY AND ENVIRONMENTAL MANAGEMENT

Implications for value

The nature of construction presents inherent risks, and WBHO takes its responsibility to uphold the highest standards of health and safety seriously. The Group sees protecting its employees and the environment as a core responsibility and continually invests in safe and responsible business practices. A safe work environment ensures the well-being of the workforce and boosts morale and productivity. This ultimately leads to a reduction in the risk of work stoppages and legal issues. Maintaining a strong safety record is critical for securing projects, particularly in sectors such as mining and public infrastructure.

As a high-impact industry, construction also brings significant environmental responsibilities, which WBHO fully acknowledges. The Group embraces its duty to safeguard the environment and communities affected by its operations. With an increasing focus on sustainability from investors, WBHO prioritises environmentally responsible practices, striving to minimise pollution, reduce construction waste, and lower its carbon footprint. The Group's adherence to ISO 14001-certified environmental management systems further supports these goals. This also aids in the mitigation of legal risks and helps us to align with global sustainability standards.

Associated risks and opportunities

- Project delays
- Reputational damage
- Criminal prosecution
- Financial penalties
- Potential disqualification from tendering in certain sectors
- Competitive advantage when procuring work in certain sectors
- Productive and motivated workforce

Strategic response	Key stakeholders impacted
SO3 Reputation and relationships	 Employees
SO5 Safety and environmental management	 Suppliers and subcontractors
	 Communities

Operating context

WBHO operates under a comprehensive Health, Safety, and Environmental (HSE) policy, which governs all procedures, management, reporting, and compliance across the Group. This policy is reviewed annually to ensure it meets the evolving needs of the company and industry. In FY2024, the policy was assessed and found to be fit for purpose, resulting in no changes being necessary. The Group maintained its ISO 45001 certification in the current reporting period.

This year, all employees and subcontractors within WBHO signed a newly developed "Safety Pledge". This is a collective commitment to provide an environment that is safe for our employees and everyone on our sites to allow them to do their job safely and to the best of their ability. It is our culture to look after each other and everyone's opinion is valued, particularly where safety is concerned.

The intensified focus that has been placed on safety over the last several years has contributed to a steadily improving safety performance each year. In FY2024, WBHO achieved its best-ever Lost-Time Injury Frequency Rate (LTIFR) of 0.24 per one-million hours worked, demonstrating the Group's continual dedication to advancing its zero-harm initiatives. The Building division in particular, achieved a record LTIFR of 0.19 in the current year. This year the African operations experienced 10 lost-time injuries (LTI) from 27 million man-hours worked. The UK operations improved their safety performance as well, where the Byrne Group had its best year for safety, with just a single LTI in June 2024. Russell WBHO has not had any major safety incidents in the past year.

The Group has improved its approach to the High Risk Activity (HRA) management procedures. We allocate champions per HRA on each site to actively monitor and manage activities that are considered high risk. This proactive approach reduces the potential for harm. The Group also implemented a new observation system in the current year that aims to identify unsafe activities as well as good practice. The data obtained from the observations is analysed with a view to eliminate future potential harm. Although the system is in its infancy stage, its implementation and usage is a top priority for senior management.

Root cause investigations are conducted for all accidents and incidents, and strategies are proactively developed and implemented to prevent a

recurrence. Our dedication to safety is reflected in our zero-fatality rate for the period. The Group recorded an all-injury frequency rate (AIFR) of 0.43 (FY2023: 0.45) per 100 000 hours worked.

From an environmental perspective, WBHO is committed to sustainable practices. The Group follows ISO 14001:2015 Standards, implemented through its Environmental Management System (EMS). This ensures compliance with environmental laws and reduces the environmental impact of its operations. The EMS was thoroughly audited during the reporting period, and WBHO successfully maintained its ISO 14001 certification.

In FY2024, the number of internal audits across the Group increased due to business growth and stricter environmental compliance requirements on projects. This required more frequent inspections. All non-conformities identified during audits and inspections were resolved. During FY2024, no major reportable environmental incidents occurred, and the Group faced no penalties or fines for non-compliance with environmental regulations.

Climate change continues to be a concern, with the increasing frequency of extreme weather events making climate risk management a vital part of construction project planning. The Group focuses on reducing greenhouse gas emissions through a variety of measures, including energy-efficient practices and sustainable material use. WBHO voluntarily discloses its emissions data through the Carbon Disclosure Project (CDP), highlighting our transparency and commitment to reducing our carbon footprint. In the UK, Russell WBHO has taken a proactive stance by establishing a Net Zero Strategy, committing to achieve net-zero emissions ahead of the UK Government's 2050 target.

We place a great deal of emphasis on reducing greenhouse gases by minimising waste, reusing and recycling materials, and implementing efficient measures for plant maintenance and operation. Large solar installations were completed at the Group's Head Quarters in Wynberg, the Cape Town regional office and at the Plant yard in Chloorkop. The Group also installs solar solutions on sites where feasible and practical.

Overall, WBHO's strong focus on safety and environmental management reflects its commitment to sustainability, legal compliance, and the well-being of its workforce and surrounding communities.

MATERIAL ISSUES AND OPERATING CONTEXT continued



REPUTATION AND CULTURE

Implications for value

Our reputation as a competent and reliable contractor remains one of our most valuable assets, especially in the competitive construction industry. Clients seek partners who can deliver complex projects safely, on time, and to high-quality standards. WBHO's ability to consistently demonstrate its expertise while fostering a collaborative and solutions-driven approach sets us apart.

Building and sustaining strong, trustworthy relationships with stakeholders in both the public and private sectors is key to securing repeat business. Our ability to maintain sound relationships also establishes credibility when tendering on large-scale projects. The Group's commitment to safety, quality, and our "can-do" culture is integral

Associated risks and opportunities

- Brand and reputational harm
- Loss of clientele
- Inability to secure repeat business
- Disqualification from tender lists

Strategic response		Key stakeholders impacted
so2	Procurement and execution excellence	 Communities
so3	Reputation and relationships	 Employees
		 Suppliers and Contractors

Operating context

WBHO has a strong reputation as a dependable contractor known for delivering high-quality projects on time. The Group's solid financial position gives clients confidence that WBHO has both the operational expertise and financial stability to successfully complete projects of various scales. This proven track record is invaluable when seeking guarantee and asset finance facilities from financial institutions. Our culture of excellence paired with humility and transparency, has seen us forge strong relationships and has earned the Group a highly respected standing in the industry.

Consequently, the Building division frequently negotiates new projects with long-standing clients, with negotiated contracts forming a significant portion of new work each year. Our unwavering commitment to operational performance, safety, governance, compliance, and financial capabilities solidifies our relationships with clients and bolsters our good reputation across the sector.

Clients continue to tightly manage project expenditure to deliver expected returns. In the face of lessening project margins, contractors are often unable to offset additional costs that arise from client variations and postponements. The balancing act between cost-containment and project delivery can test the resilience of client relationships.

WBHO strives to negotiate contracts and resolve claims in a transparent, ethical, and collaborative manner that reflects our culture and values. Our clients' best interests are at the heart of the ways in which we conduct our business, while ensuring a fair and equitable outcome.



MATERIAL ISSUES AND OPERATING CONTEXT continued



TRANSFORMATION AND LOCALISATION

Implications for value

In South Africa, transformation is essential to addressing the country’s socio-economic crisis and history of exclusion. It serves as a strategy for creating a more equitable society and is key to fostering social cohesion and to driving business growth. Promoting opportunities for small- to medium-sized enterprises, women, black contractors, and other marginalised groups plays an important role in advancing industry transformation, especially in construction.

WBHO strongly supports the principles of broad-based transformation. We recognise that it is a powerful tool to be used to address historical inequalities. What’s more, is that our transformation credentials are highly important in securing large public infrastructure projects, and we believe that transforming the construction sector will positively support the growth of the economy.

In other African markets, such as Tanzania, Botswana, and Ghana, there is an increased focus on increasing local participation in public and mining tenders, with certain projects being restricted to wholly citizen-owned companies.

Associated risks and opportunities

- Lower B-BBEE ratings
- Inability to tender on public infrastructure projects
- Failure to meet employment equity targets
- Sanctions from the Department of Labour
- Meeting Voluntary Rebuild Programme obligations
- Preferential allocation of public sector projects in favour of citizen-owned companies

Strategic response	Key stakeholders impacted
 Transformation and localisation	 Government
	 Employees
	 Communities
	 Suppliers and Contractors

Operating context

The Public Procurement Bill introduced by National Treasury that was approved by the President in July 2024 aims to repeal certain existing legislations and amend various provisions related to public procurement. This Bill permits state-owned enterprises and municipalities to establish their own specific goals and criteria for preference points. This moves away from the submission of a B-BBEE certificate for awarding preference points. Although the Bill must still be enacted via Regulations that are currently being drafted by Treasury, this could necessitate a strategic assessment of how entities who do business with government approach compliance and competitiveness in public procurement processes.

The Construction Industry Development Board’s 2023 annual report noted that the industry continues to transform. Companies with 51% plus black shareholding now represent 81% of Grade 7 and 8 contractors and 53% of grade 9 contractors. WBHO has invested substantially in enterprise development (ED) over the past decade. We have a wealth of intellectual property (IP) that we share with ED companies via mentors assigned to them during the course of their development. Such IP includes, among other competencies, contracting and its core components, quality, safety, environmental, insurance, tendering, accounting, human resources, and preferential procurement systems. We currently have 18 black-owned contractors on our ED programme.

The current Revised Procurement Policies from SOEs not only prescribe that a fixed percentage of black-owned SMMEs be used on projects, but in most instances also prescribe that they be employed from the local area. This has had an impact on our ED programme in that participants can no longer move from project to project alongside our operational teams. This has made it difficult for us to invest in their long-term growth and development. Sadly, while local communities gain some benefit from our projects, it is harming the wider industry as smaller black-owned construction businesses struggle to grow.

In Ghana, the directive from the Minerals Commission that all mining sector procurement be performed by 100% local companies remains in effect. The Group obtained permission to retain a 30% interest in phase 2 of a large scale tailings storage facility, however, this is likely the last project in which the Group will have a direct interest. All future projects are anticipated to be on a subcontract basis.

Our collaboration with local companies enables us to actively participate in transformation efforts, promoting economic inclusivity, and transfer skills that will go on to benefit local communities beyond the project that work on.

MATERIAL ISSUES AND OPERATING CONTEXT continued



COMPLIANCE

Implications for value

Across the various operating regions, new or amended legislation and regulations which impact WBHO's operations, are continually implemented. These include various areas of regulation, including construction industry standards, corporate and tax laws, labour relations, environmental requirements, health and safety standards and regulations, and the delivery of social objectives.

Any major violation of these regulations could lead to significant repercussions, such as work stoppages, additional costs, fines, reputational harm, or even legal action. As a result, legal and regulatory compliance is a top priority for the WBHO Board. Adherence to the applicable laws and regulations in the countries and industries where WBHO operates is vital, as it ensures that the Group maintains its licence to operate.

Associated risks and opportunities

- Reputational damage
- Legal prosecution
- Financial losses
- Deregistration from government/industry bodies

Strategic response		Key stakeholders impacted
S03	Reputation and relationships	 Government
S06	Transformation and localisation	 Employees
		 Communities

Operating context

The compliance function of the Group includes a Compliance Officer assisted by the Company Secretary, internal legal counsel, and other assurance providers from the support services of the Group. Assessments of legal compliance are regularly undertaken by independent legal experts in key areas of the business to provide additional assurance. The compliance function provides guidance and assurance to WBHO, the Board, and its relevant Committees on the level of compliance within the organisation, while also promoting a corporate culture of compliance. It ensures that all business, legislative and administrative processes and procedures are implemented, monitored, and adhered to thereby reducing the potential for reputational risk.

WBHO has a zero-risk appetite for regulatory non-compliance, and the compliance function and processes are subjected to internal audit reviews.

The Public Procurement Bill introduced by National Treasury was signed into law in July 2024. The legislation aims to create a unified framework regulating public procurement. This law includes key reforms such as setting aside certain contracts for previously disadvantaged groups. While the Act is a major step towards procurement reform, concerns remain due to the numerous subordinate regulations and guidelines that will need to be issued for its full implementation. The implementation will be phased, with the President determining when specific provisions of the Act will come into effect. The Act could have a significant impact on work procurement if not carefully managed.

The Building Safety Act 2024 was enacted in May 2024 in the UK. It intends to create a clear framework for the construction of safe buildings whilst giving residents and homeowners more rights, powers and protections to ensure that homes, hospitals and care homes across the country are structurally safer. The Act requires design clarity and confirmation to be provided at an earlier stage of the procurement process and any amendments are subject to approval. The Act also extends the limitation period for claims made under the Building Act 1984 to 15 years where a breach of Building Regulations results in property damage or personal injury. The new limitation periods for claims under the Defective Premises Act (DPA) will jump from six to 30 years for retrospective claims and six to 15 years for prospective claims on buildings completed after June 2022. Furthermore, the process whereby the Building Safety Regulator reviews all design work before construction can start on higher-risk residential projects has been extended to over 20 weeks and this is having an impact on the start dates of new projects.

CREATING VALUE FOR STAKEHOLDERS

WBHO is committed to transparent reporting and values open communication with all stakeholders. The Board is ultimately responsible for stakeholder relations, and has adopted an approach that balances their needs and expectations. Regular engagement helps us understand stakeholder perceptions, identify risks, and helps to guide our strategic development. In doing so, we foster strong, mutually beneficial relationships.

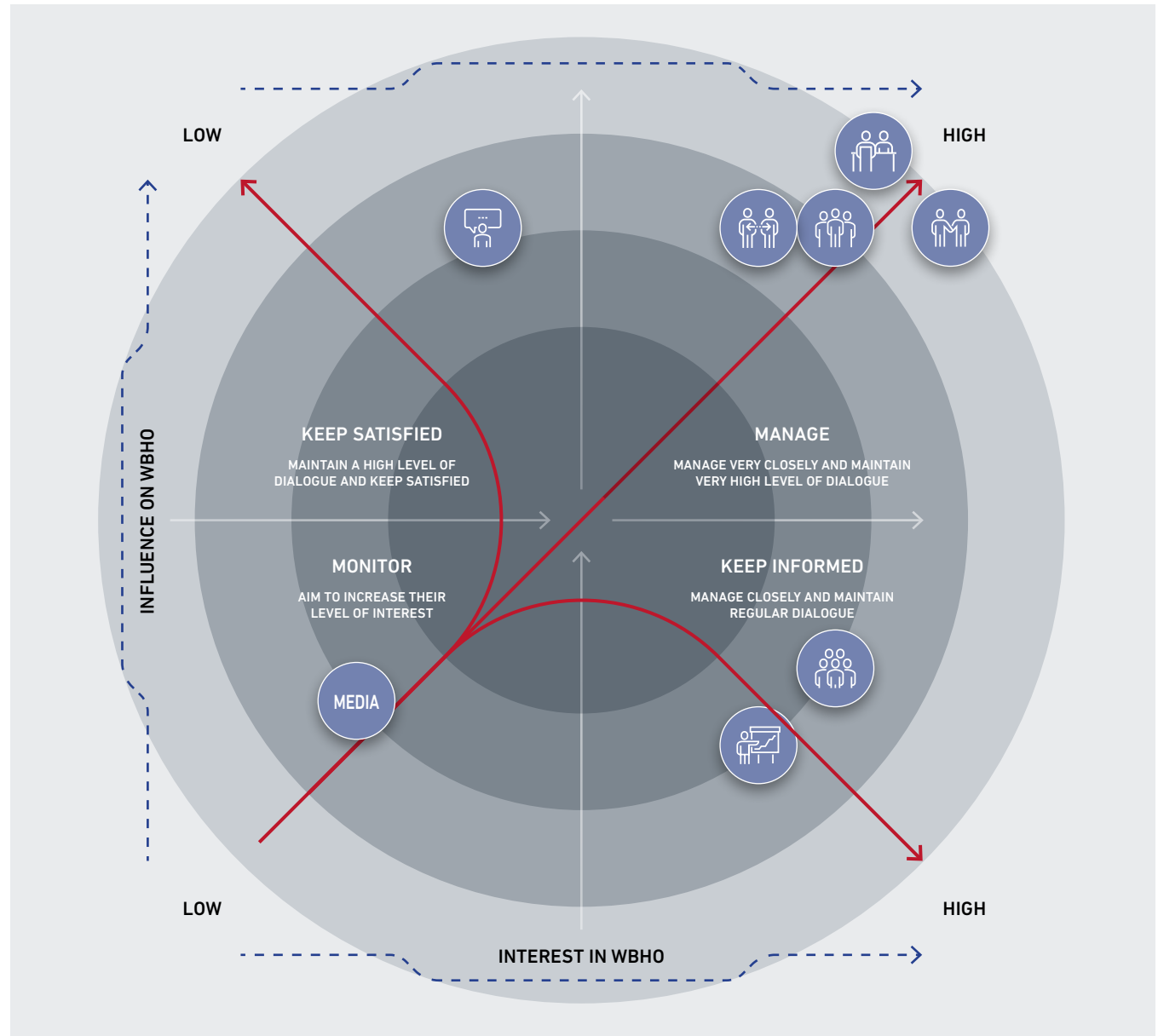
OUR STAKEHOLDERS

-  Clients
-  Communities
-  Employees
-  Financial Institutions
-  Government
-  Investors
-  Suppliers and Contractors

MAPPING OUR STAKEHOLDERS

In prioritising its material stakeholders, WBHO applies the following criteria:

- The degree to which WBHO depends on the relevant stakeholder's support in achieving its strategic goals.
- The extent to which the relevant stakeholder can impact performance.
- The relative importance of the relevant stakeholder for the Group as a whole.
- The risk exposure for WBHO by not engaging with the relevant stakeholder.



STAKEHOLDER RELATIONSHIPS

Stakeholder	Relationship	Engagement process	Main concerns	Strategic response
 CLIENTS	We seek to create and develop strong relationships with our clients through honest, clear and regular communication.	- On-site visits - Regular meetings - Media (editorial and advertorial) - Company events - Website updates - Integrated reports	- Quality of work - Capacity to deliver (skills and resources) - Reliability and expertise - Safety - Depth of senior management - Financial strength	S02 S03 S04 S05
 COMMUNITIES	WBHO positively impacts communities by employing and training locals, and building amenities as part of its SED commitments.	- Meetings and consultations - Community presentations - Site visits - Environmental impact assessments - Awareness campaigns - Sponsorships - Donations	- Employment opportunities - Environmental impact of our activities - Local SED initiatives	S06
 EMPLOYEES	The Group is committed to providing employees with a safe, industrious and encouraging environment in which they can thrive and grow.	- Internal and on-site meetings - Union meetings - Newsletters - Notice boards and staff memos - Training initiatives - Awareness campaigns - Employee forums	- Remuneration - Career paths and growth opportunities - Training and skills development - Employment equity - Safety - Job security	S04 S05
 FINANCIAL INSTITUTIONS	Financial institutions support WBHO's growth objectives through the provision of banking and guarantee facilities.	- Regular one-on-one/virtual meetings - Presentations - Electronic communications	- Operational performance - Debt-to-equity ratios - Liquidity - Financial and risk management processes	S01
 GOVERNMENT	WBHO collaborates with public sectors around the globe, working on large-scale infrastructure projects.	- Tenders - Industry forum - One-on-one/virtual meetings - Presentations - Skills development plans - B-BBEE Scorecard submissions - Construction Industry Charter Council	- Regulatory compliance - Safety - Environmental - Competition - Tax collections - Transformation	- Employment equity - Job creation - Skills development - Enterprise development S03 S05 S06
 INVESTORS	We aim to provide our shareholders and investors with returns of >20%, exceeding the real growth in the economy and the construction sector.	- SENS announcements - Printed and electronic media releases - Results presentations - Integrated reports - Company AGMs - Face-to-face/virtual management sessions - Analyst-hosted events	- Revenue growth - Operating margin - Return on investment - Dividends - Order book - Company sustainability	- Executive remuneration - Leadership - Corporate governance - Ethics - Remuneration policy S01 S03
 SUPPLIERS	WBHO prioritises strong relationships with suppliers and subcontractors to ensure high-quality service delivery to clients.	- Regular supplier audits - On-site visits and meetings - Electronic communications - Service level agreements	- Continuity of work - Payment terms - Safety requirements	S02 S05

ENGAGING OUR STAKEHOLDERS

SIGNIFICANT STAKEHOLDER ENGAGEMENT UNDERTAKEN DURING THE YEAR

The impact of the Public Procurement Bill

The Public Procurement Bill, as tabled, aims to reform the public procurement framework by repealing certain existing legislations and amending various provisions related to procurement processes. The Bill marks a substantial shift in the way public procurement will be managed; moving away from the previous approach that relied heavily on the submission of B-BBEE certificates for awarding preference points.

Under this new Bill, state-owned enterprises (SOEs) and municipalities will have the flexibility to set their own specific goals and criteria for awarding preference points. This change could lead to a more tailored and localised approach to public procurement, allowing entities to focus on key socio-economic objectives such as job creation, skills development, and promoting local suppliers. For businesses like WBHO that engage in government contracts, this new framework will require a strategic assessment of how it approaches compliance and competitiveness in tendering for public projects. Rather than relying purely on B-BBEE certificates, companies will need to demonstrate an alignment with the specific criteria set by each public entity or municipality.

The resulting Regulations due for gazette in 2025, will likely bring about fundamental changes in the public procurement landscape, challenging businesses to adapt to the evolving requirements while still maintaining strong governance and compliance standards. The flexibility offered by the new regulations can potentially promote more inclusive procurement practices but also calls for greater scrutiny.

Response

In 2020, a Draft Procurement Bill was gazetted for comment, and this was rejected in a submission from SAFCEC to Treasury. Further submissions were made in April 2022 to Treasury objecting to the Draft Procurement Regulations, and the Draft Procurement Bill 2023 in Parliament, and on March to May 2024 to the NCOP and Treasury. In addition SAFCEC has, via the Construction Sector Charter Council (CSCC), followed up with formal submissions to the Department of Trade, Industry and Competition (DTIC), the Parliamentary Standing Committee and Treasury.

Although no Procurement Regulations that enact the Bill have been tabled in draft or gazetted, new Procurement Policies are already being applied in State and municipal tenders. In many recent tenders, the provisions of the Construction Sector Codes have been ignored, and these contraventions with mandatory B-BBEE Legislation have been raised with Treasury and the DTIC.

Key stakeholders impacted

 GOVERNMENT	Additional bureaucratic red tape in bidding for, and awarding of, public tenders may hamper the effectiveness of government's planned infrastructure roll-out aimed at stimulating the economy.
 EMPLOYEES	A decline in public sector projects may have the undesirable effect of additional retrenchments being necessary within the construction industry.

Working capital and human capital management

In the year in which the Group finalised its exit from Australia, namely FY2022, the Group simultaneously experienced a 43% increase in order book levels, comprising high levels of work-on-hand across Africa and the UK. These high levels of work-on-hand saw 38% growth in activity levels in FY2023, while order book levels at 30 June 2023 had grown by a further 47%. The two years of aggressive in order book levels had more than doubled the amount of work-on-hand at the 30 June 2021. In FY2024, activity levels grew by a further 15% from an already elevated base.

In FY2022 and FY2023 the Group generated strong cash from operations of R1,3 billion and 1,4 billion respectively which included positive working capital inflows. In FY2024, cash generated from operations remained strong at R1 billion but included negative working capital outflows of R711 million. Capital expenditure has been at elevated levels in recent reporting periods and the capital budget for FY2025 remains at similar levels. Employment levels across the Group have risen from 6 528 at the end of FY2022 to 9 497, an increase of 46%.

Although comfortable with the available cash resources and the cash generated in the period, investors and financial institutions, queried the reasons behind the sizeable working capital outflows. These stakeholders also noted the aggressive growth achieved over two years and were keen to understand what, if any, constraints the Group was facing in light thereof and what the outlook for the Group entailed. Although the workforce has grown substantially, employees have felt the demands of the increased workload, particularly within the various levels of management. Senior management have voiced concerns over staff retention and maintaining the "WBHO Way", given the number of new employees. Concerns have been raised with management around work-life-balance and having the skills to do the job. Considering the high levels of work-on-hand, some clients have queried the Group's ability to take on additional projects with SANRAL going so far as to conduct due diligence exercises in relation to certain bids.

Response

After the publishing of the audited financial statements, management met with investors and financial institutions. Explanations were provided on the impact of growth on the working capital cycle and more specifically, depending on the stage of the project life cycle, how renewable energy projects, either contribute toward or make demands upon working capital requirements. Management advised stakeholders that the growth had been manageable, but the current trajectory needed to stabilise. Human capital demands had been managed well but finding the right people for WBHO was not without its challenges, especially in light of the general skills shortage facing the industry after years of decline. Management discussed the health of the forward-looking project pipeline and the sectors offering the Group the best opportunities for new work, as well as some sizeable projects on which the Group had bid and appeared to be in a favourable position to secure the work.

Management have also held several think tanks with our staff to find solutions to the issue of work-life-balance as well as developing innovative retention strategies and increasing the training budgets for all divisions.

Key stakeholders impacted

 INVESTORS	The implementation of the scheme required a fresh issue of shares to the empowerment vehicle with the effect of diluting the shareholding of existing investors.
 EMPLOYEES	South African employees with a minimum of five years experience will qualify for participation in the new scheme.
 CLIENTS	By retaining a level 1 B-BBEE status, clients are able to claim 135% of their spend with WBHO.

VALUE-ADDED STATEMENT

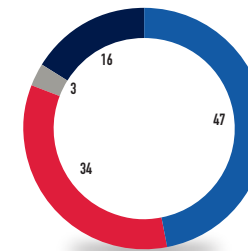
As part of a greater socio-economic ecosystem, we recognise that we are dependent on robust relationships with key stakeholders. Value-added indicates the wealth WBHO creates through its activities to the following stakeholders: shareholders, employees, debt providers, suppliers and the government.

Stakeholders	FY2024 (Rm)	FY2023 (Rm)	
CLIENTS			WEALTH CREATED
Revenue*	32 652	27 894	
SUPPLIERS			
Cost of materials and services*	(25 373)	(21 592)	
	7 279	6 302	
EMPLOYEES			WEALTH DISTRIBUTED
Payroll costs	3 351	2 861	
Share-based payment expense	82	55	
INVESTORS			
Dividends paid to shareholders	126	–	
FINANCIAL INSTITUTIONS			
Interest and finance charges	39	41	
Lease payments	29	23	
GOVERNMENT			
Taxes and duties	2 469	2 279	
COMMUNITIES			
Socio-economic development	7	5	
	6 103	5 264	
WBHO			WEALTH RETAINED
Attributable earnings (less dividends paid)	842	790	
Depreciation	334	248	
	1 176	1 038	

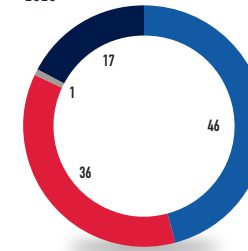
* Including value-added tax and sales tax where applicable.

VALUE ADDED STATEMENT WEALTH DISTRIBUTION
(%)

2024



2023



- EMPLOYEES
- GOVERNMENT
- PROVIDERS OF CAPITAL
- RETAINED FOR GROWTH

STRATEGIC OBJECTIVES

Our strategic objectives support our vision and ensure that we remain a sustainable business that delivers value to our stakeholders.

OUR VISION

To be the leading construction company wherever WBHO operates, always striving to be “a pleasure to do business with” by delivering quality solutions in a professional and collaborative manner, every time. WBHO is adaptable enough to “go where the work is”, even when conditions are challenging, without compromising its standards. The Group navigates competitive market conditions by being flexible and hardworking, focusing on nurturing strong client relationships by being approachable and dependable. We stand firmly behind our motto of “Rely On Our Ability”.

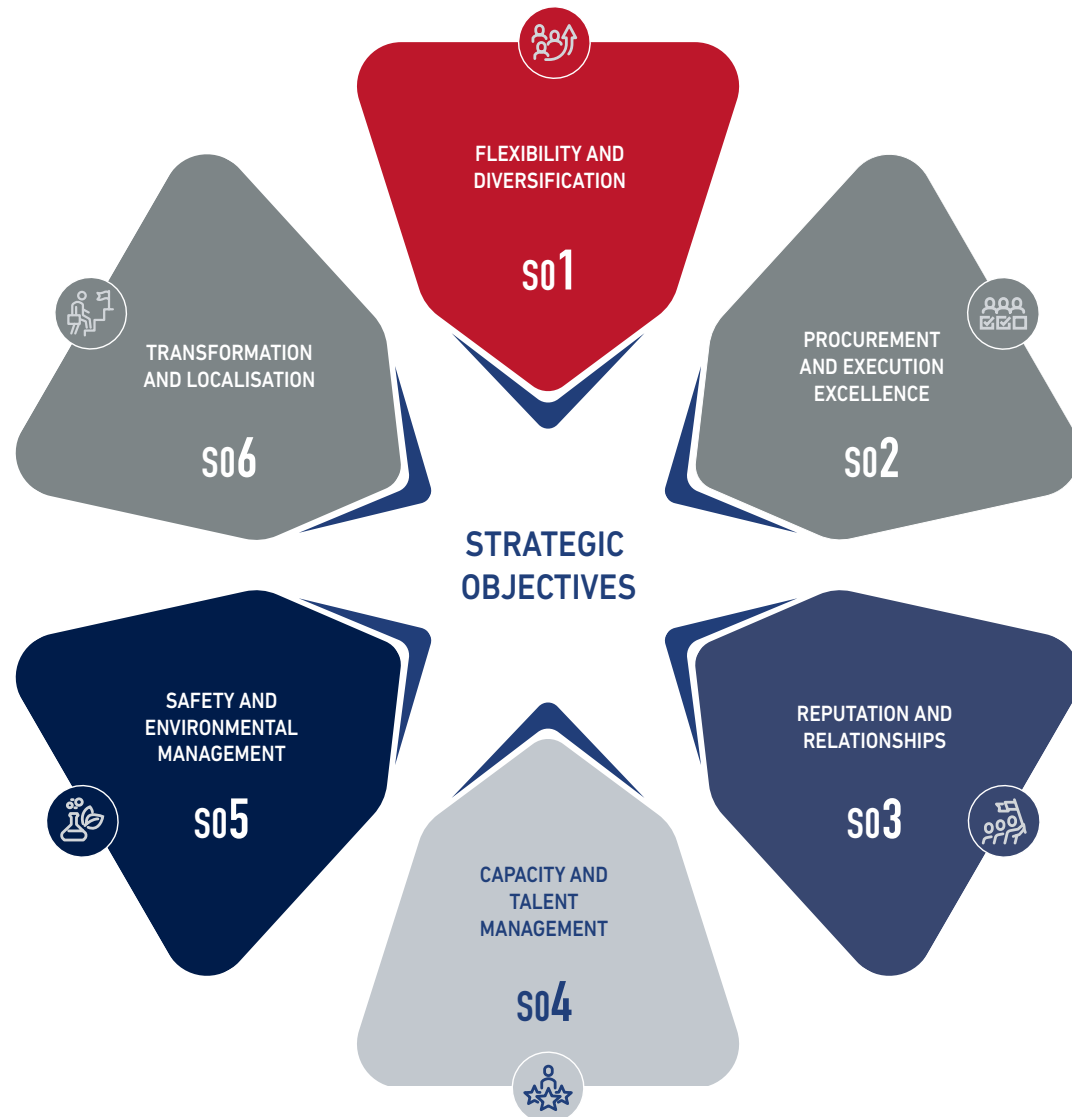
The Group's vision and overall business strategy align with the sustainability strategy, structured around six perspectives:

- People
- Health and Safety
- Quality
- Transformation
- Environment
- Socio-Economic Development

OUR STRATEGIC OBJECTIVES

- S01 Flexibility and Diversification
- S02 Procurement and Execution Excellence
- S03 Reputation and Relationships
- S04 Capacity and Talent Management
- S05 Safety and Environmental Management
- S06 Transformation and Localisation

The following section provides information on the strategic objectives developed by the Board in response to the material issues faced by the Group and to mitigate the strategic risks. In respect of each strategic objective, strategic initiatives are developed and implemented to create value over time. The key performance indicators (KPIs) used to measure performance, statistics and targets (where applicable) as well as specific high-level strategic action undertaken during the year under review, are also reported upon. In-depth reporting of the strategic actions implemented during the year are included in the *Message from the CEO, Operational Reports and the Message from the CFO* later in the Integrated Report as well as the supplementary ESG Report.





S01 FLEXIBILITY AND DIVERSIFICATION

Due to the fluctuating market conditions that regularly confront the construction industry, flexibility and diversification are fundamental for delivering sustainable value. Growth objectives are facilitated through the implementation of a long-term diversification strategy across different geographies and industry sectors and by participating at multiple levels of the construction value chain. Through its various business units, the Group offers construction services to different sectors of the economy in 12 countries across two continents. WBHO's strategy is fluid and adaptable, allowing procurement activities to be proactively aligned with those markets offering the greatest value. This, in turn, mitigates risk and enhances shareholder value by providing stability in earnings. Exposure levels to individual sectors and geographies are carefully managed over the short to medium term.

Strategic initiatives

- Geographic diversification and new markets
- Segment diversification and new markets
- Strategic project selection
- Right-sizing in response to market conditions
- Specialised project services and innovation
- Turnkey solutions encompassing several disciplines

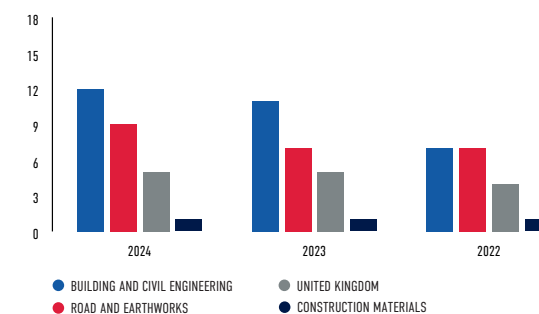
Key performance indicators

- Revenue growth
- Revenue by operating segment and industry sector
- Revenue by geography
- Order book (by industry sector, operating segment and geography)

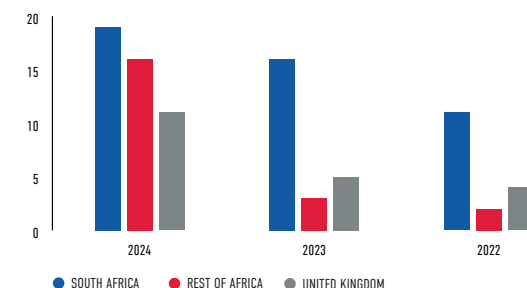
FY2024 snapshot

- 60% growth in revenue over past two years
- Revenue from the Building and civil engineering and Roads and earthworks divisions increased by 10% and 30%, respectively in FY2024
- Anchor projects in commercial, residential, and data centre sectors in Gauteng
- Healthy activity across all sectors in coastal divisions
- Construction of renewable energy projects continues to grow and, together with traditional civil engineering markets, recorded a 28% revenue increase during the period
- Revenue from mining and energy infrastructure grew by 61% in the Roads and earthworks division
- Increased contribution toward revenue from growing roadwork sector
- Growth within Byrne Bros. was assisted by diversification into civil engineering markets such as the rail, energy and nuclear sectors
- Revenue from Russell WBHO increased by 50% in rand terms

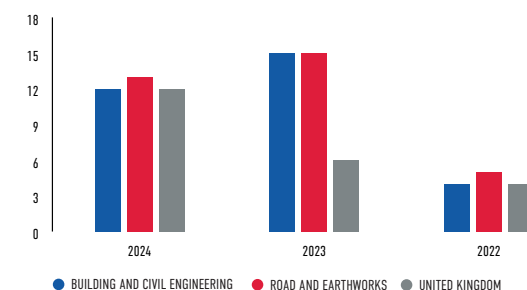
REVENUE PER SEGMENT
(Rbn)



REVENUE PER GEOGRAPHY
(Rbn)



ORDER BOOK PER SEGMENT
(Rbn)





S02 PROCUREMENT AND EXECUTION EXCELLENCE

WBHO offers competitive prices with manageable risks. We deliver high-quality work, and our good reputation and strong relationships help to secure future projects.

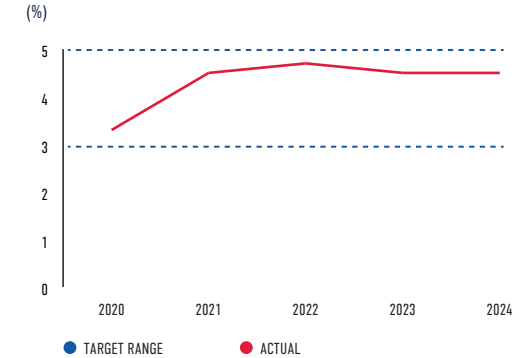
Strategic initiatives

- Client and project evaluation
- Tender evaluation and governance
- Selective bidding
- Contract payment terms and hedging
- Regular mid-cycle project cost-to-complete assessments
- Risk management
- Quality audits
- Quality training

Key performance indicators

- Operating margin
- Actual versus tender margin analysis
- Number of underperforming and loss-making projects
- ISO 9001: Quality management system (QMS)
 - QMS coverage and audit outcomes
 - Training
 - Cost of rework and waste

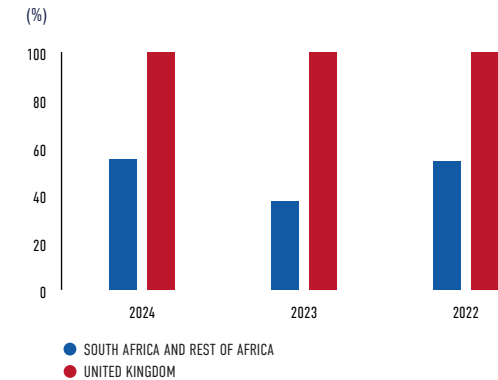
OPERATING MARGIN



FY2024 snapshot

- Order Book composition:
 - South Africa 77%
 - Rest of Africa 9%
 - United Kingdom 14%
- 8% reduction in the order book is due to a timing mismatch between project awards and project execution. While this reflects temporary delays, it does not indicate a decline in market activity
- The operating profit from the combined African operations increased by R237 million from R995 million to over R1,2 billion at an operating margin of 5,6%
- The operating profit from the UK increased from R117 million to R183 million
- The UK operating margin improved from 2,3% to 3,4% following a solid performance from the Byrne Group and improved activity levels within Russell WBHO

ISO 9001 AUDIT COVERAGE



68%
OF COMPLETED PROJECTS
IMPROVED ON TENDER MARGIN
(2023: 67%)

ISO
9001:2015
CERTIFIED

100%
QMS
COVERAGE
(2023: 100%)



S03 REPUTATION AND RELATIONSHIPS

We are proud of our reputation for conducting our business ethically and delivering high-quality projects. It is our reputation that forms the foundation of the sound relationships that we maintain.

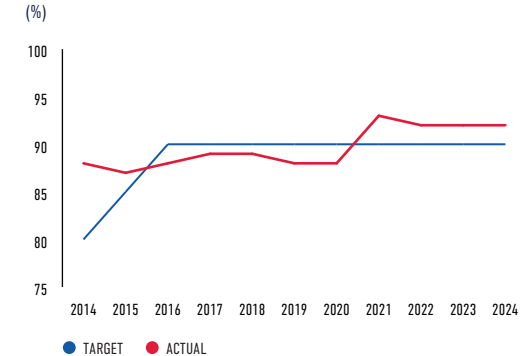
Strategic initiatives

- Proactive stakeholder engagement
- Ethics programmes
- Regulatory compliance programme
- Corporate governance excellence
- Entrenching culture among new employees

Key performance indicators

- Client perception survey ratings
- Percentage of negotiated projects
- Percentage of repeat work from clients

CUSTOMER QUALITY PERCENTAGE RATING



FY2024 snapshot

- Multiple accolades received at the prestigious PMR Africa Awards 2024
 - Outstanding First Overall: Excellence for National Construction Companies
 - Outstanding First Overall: Leaders and Achievers KwaZulu-Natal Province for Construction Companies and Road Maintenance Companies
 - Outstanding First Overall: Leaders and Achievers Western Cape Province for Construction Companies
- Following the Eskom and National Nuclear Regulator (NNR) Audit on our newly developed Nuclear Quality Management System, we are now the sole Nuclear-approved Civil Engineering Construction Company in South Africa through the KCC Consortium
- We have a highly responsive senior management who set the standard for the safe and ethical conduct expected across the Group
- Our good reputation sees that we obtain repeat work from clients
- Current negotiations underway with new potential international clients

172

EMPLOYEES COMPLETED
COMPETITION LAW TRAINING

(2023: 210)

36

EMPLOYEES COMPLETED
ANTI-BRIBERY AND CORRUPTION TRAINING

(2023: 96)



pmr
africa

Diamond Arrow
2024

National Survey on
Construction Companies

WBHO Construction
(Pty) Ltd

Outstanding – 1st overall

Rated by a random, national sample of 190 respondents comprising of 50 architects, 70 consulting engineers, 20 property developers and 50 quantity surveyors



SO4 CAPACITY AND TALENT MANAGEMENT

People management is a key focus area within the Group. Effective employee development earns staff loyalty and commitment to “The WBHO Way”, as well as attaining our strategic goals of “procurement and execution excellence” and “transformation and localisation”. Bursary schemes, inductions, on- and off-site mentoring, training interventions and management development programmes, help equip staff with the necessary expertise at each phase of their career development, while also attending to the skills shortages experienced in the construction industry.

The overlapping nature of active and new projects means they seldom begin and end in a linear manner. The number of employees required at the differing stages of projects also varies significantly. We call the process of dealing with these lags or overlaps – “managing the gap”. The right-sizing of our teams is a continuous process to match the demand for our services with economic cycles and the volume of work-on-hand. Effective recruitment processes and solid working relationships with the representative unions are essential in achieving this outcome.

Strategic initiatives

- Succession planning
- Training and skills development initiatives, including:
 - Learnerships
 - Bursaries
 - Mentoring
- Management development programmes
- Targeted recruitment
- Optimal resource allocation
- Leadership reviews
- Salary benchmarking
- Ethical labour practices

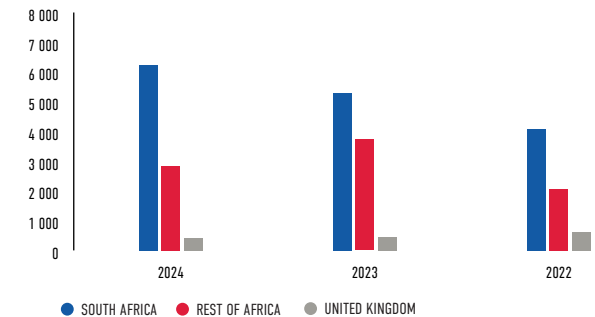
Key performance indicators

- Employees by region and division
- New hires
- Retrenchments
- Employee turnover (%)
- Investment in training
- Training hours (average)
- Number of employees trained
- Professional registration assistance programmes
- Number of learnerships
- Bursary spend
- Number of students receiving bursaries

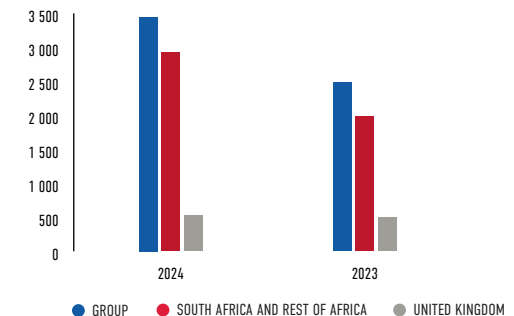
FY2024 snapshot

- Total workforce grew to 9 498 from 9 485 in the prior year
- Attraction and retention strategies are being employed to slow the loss of skills to international markets.
- South Africa headcount increased from 5 307 to 6 237
- Mentorship programmes are in place and provide opportunities to explore various aspects of the organisation and its operations.
- 78 learnerships afforded from apprenticeships to NQF 4
- Total training spend for Africa: R104 million; up from R88 million in FY2023
- Person days lost down from 20 145 to 4 732 in FY2024
- Total training spend for the UK: £96 492, down in line with decline in employee numbers to 416
- Total number of employees trained: 3 421
- Change in leave policy — Africa new employees start on 20 days; UK – one additional day for every five years worked

HEADCOUNT BY REGION



NUMBER OF EMPLOYEES TRAINED



50
STUDENTS RECEIVING
BURSARIES
(2023: 72)

R106m
TOTAL TRAINING
SPEND
(2023: R91m)

For more on our human capital and skills development practices, see WBHO's separately published 2024 ESG Report.



S05 SAFETY AND ENVIRONMENTAL MANAGEMENT

Safety and environmental management are at the core of all operations. In all that we do we strive to protect the lives of all persons on site, and to care for the environment.

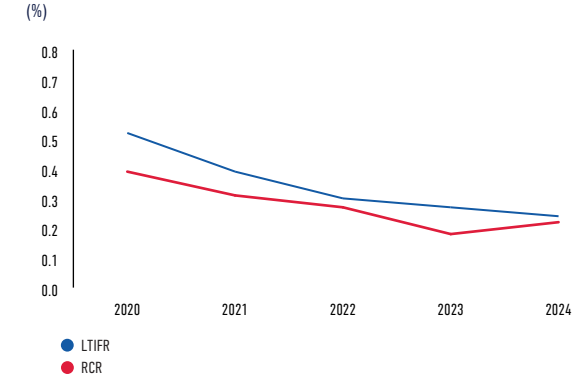
Strategic initiatives

- Implementation of global industry best practice
- Accident and near-miss reporting
- Effective and transparent incident management
- Visible Field Leadership (VFL) and Directors' Tours programmes
- Safety First Initiative
- Medical fitness programme
- Training and awareness programmes
- Safety alert and safety stand-down practices
- Carbon disclosure project
- Water usage management
- Waste management initiatives
- Green Building accreditation

Key performance indicators

- OHSAS 45001: Safety management system (SMS)
 - Number of LTIs and fatalities
 - LTIFR and RCR
 - Alcohol and drug test results
 - SMS coverage and audit outcomes
- ISO 14001: EMS
 - Environmental incidents Carbon emissions
 - EMS coverage and audit outcomes

LTIFR AND RCR: GROUP

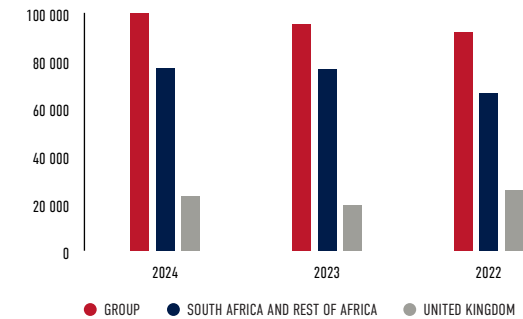


FY2024 snapshot

- Record low LTIFR of 0.24 (FY2023: 0.27) across the Group
- Audit coverage 100%
- SMS coverage 100%
- Zero work-related fatalities since July 2022
- RCR of 0.22
- Installation of solar PV at Johannesburg and Cape Town offices as well as Chloorkop plant
- Zero reportable environmental incidents

CARBON EMISSIONS

(tonnes CO₂e)



NIL
FATALITIES
(2023: 1)

ISO
14001:2015
CERTIFIED

ISO
45001:2019
CERTIFIED

100%
EMS AND SMS COVERAGE
(2023: 100%)

For more on our safety and environmental management practices, see WBHO's separately published 2024 ESG Report.



S06 TRANSFORMATION AND LOCALISATION

Key to our operations is a diversified workforce with succession planning in place. We strive to leave communities affected by our operations better off than how we found them and ensure a level of sustainable skills transfer.

Strategic initiatives

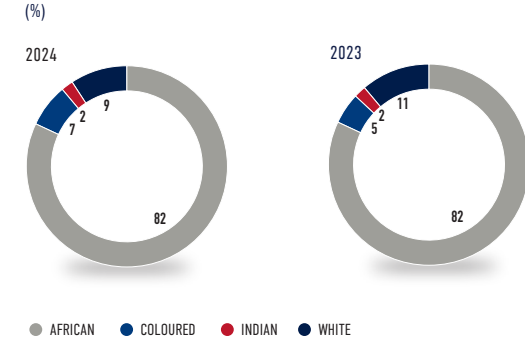
Transformation strategy and implementation programme:

- Localisation practices
- Employment equity plan
- Construction Industry Charter Council representation
- Communication and negotiations with the Department of Labour

Key performance indicators

- B-BBEE Scorecard rating (by division)
- Workforce by gender, location and contract type
- Procurement spend
- Employment equity targets
- Socio-economic Development spend

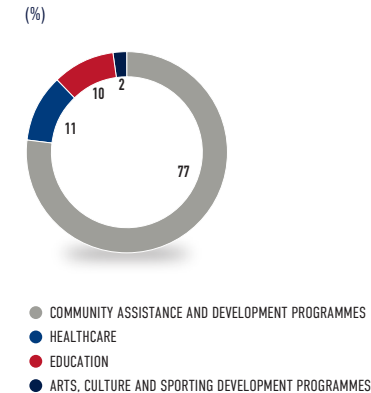
DEMOGRAPHICS OF SOUTH AFRICAN EMPLOYEES



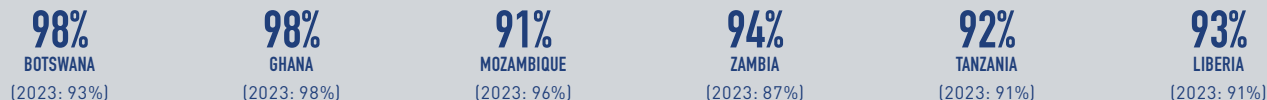
FY2024 snapshot

- Level 1 B-BBEE rating retained by Group for the eighth consecutive year
- VRP targets for ED companies achieved
- First distributions to employees from Akani 2 scheme made in April 2024
- R10 billion in procurement spend with black-owned companies (FY2023: R7 billion)
- R83 million (FY2023: R63 million) spend on training black employees
- SA workforce demographic:
 - African: 5 092
 - Coloured: 454
 - Indian: 107
 - White: 584
- Gender demographics – 1 376 female and 8 122 male (FY2023: 1 269 and 8 216 respectively)
- Partnership with citizen-owned company in Ghana paid first dividend in FY2024

10-YEAR SED SPEND



LOCALISATION IN MAJOR AFRICAN COUNTRIES



For more on our transformation journey, see WBHO's separately published 2024 ESG Report.

RISK MANAGEMENT

OUR APPROACH

WBHO realises that risk management is a fundamental management practice that is imperative for good corporate governance. While risk cannot be eliminated from business activities, the risk management process provides a structured methodology to identify, prioritise and manage risk.

By entrenching risk management within Group business processes in a specific and practical manner, a formal means for managing the risks associated with the operating environment is established.

The Board is assisted by the Risk Committee and the internal audit function when considering and reporting on strategic, operational and project risks. The Board is ultimately responsible for risk governance and determines the level of risk tolerance within the Group and reviews its risk profile bi-annually.

Risk management methodology

Procurement and project risk

Potential projects are assessed prior to tender submission and defined authority levels are in place for how bids are escalated through the management structures of the Group for approval. As with active projects, tenders are evaluated against time and cost, together with available resources, client assessments, payment risk, margins, country risk and contractual terms that are considered to be unusual.



Major projects are assessed every three months as well as at crucial lifecycle stages of the project. These evaluations take the form of risk and opportunity schedules that focus on the key risks of time, cost, resources, contractual claims and stakeholder relationships. The outcome of these evaluations are tabled and discussed at monthly management meetings. These schedules are also captured into the risk database and the divisional dashboards in order to identify trends and common themes across all the Group's projects.

Operational risk

Operational risks are evaluated at a divisional or business unit level. Giving due consideration to the individual operating environments, risk assessments are made relating to current market dynamics, skills shortages, capacity, talent management and stakeholder relationships (clients, professionals, labour, suppliers and communities). These risks are presented and discussed at a senior management level and appropriate risk mitigation strategies are developed and refined. Once entered into the risk database, these risks are escalated to the Operational Risk Committee and, ultimately, the Risk Committee.

Strategic risk

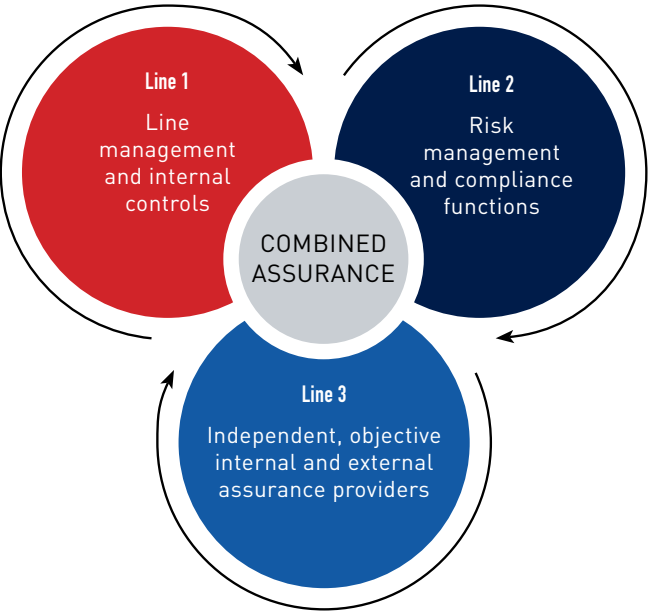
The risks and trends incorporated within the operational risk assessments inform the Risk Committee's assessment of the risk profile of the Group in the context of delivering its strategic objectives. The macro environment, together with corporate, regulatory and legal compliance risks are also assessed. These risks are presented to the Board, which then determines the overall strategy of the Group.

RISK MANAGEMENT continued

Assurance

Assurance is an invaluable business tool enabling us to identify potential risks, understand our exposures, and ensure that the right checks and balances are in place to mitigate these risks.

The overarching framework, incorporating the three lines of defence illustrated in the following infographic, was presented to the Audit Committee during the year:



The Board, through the Audit Committee and supported by the Risk Committee, are responsible for ensuring that the combined assurance model is applied to provide a coordinated approach for all assurance activities, in order to appropriately address all the significant risks facing the organisation.

In developing the combined assurance plan, a comprehensive risk assessment was made of the various operational and financial areas of the business, categorising each of these into areas requiring low, medium or high levels of assurance, based on their inherent risk profiles.

Those areas identified as requiring medium and high levels of assurance are then incorporated into the audit plans of the various independent assurance providers of the Group, namely the environmental, safety and internal audit teams.

The following table lists the content and processes on which WBHO obtains assurance, together with the providers of this assurance:

Content and functions	Assurance provider	Level of assurance	Outcome
Annual financial statements	PricewaterhouseCoopers South Africa Incorporated	Level 1	Unmodified audit opinion
B-BBEE rating	EmpowerLogic (Pty) Ltd	Level 3	Level 1 certified
Environmental management	BSI	Levels 2 and 3	ISO 14001 compliant
Occupational health and safety	BSI	Levels 2 and 3	ISO 45001 compliant
Quality management	TUV Reinland	Levels 2 and 3	ISO 9001 compliant
Internal control environment	Deloitte South Africa	Levels 1 and 3	Reliance on internal controls

Risk tolerance and risk appetite

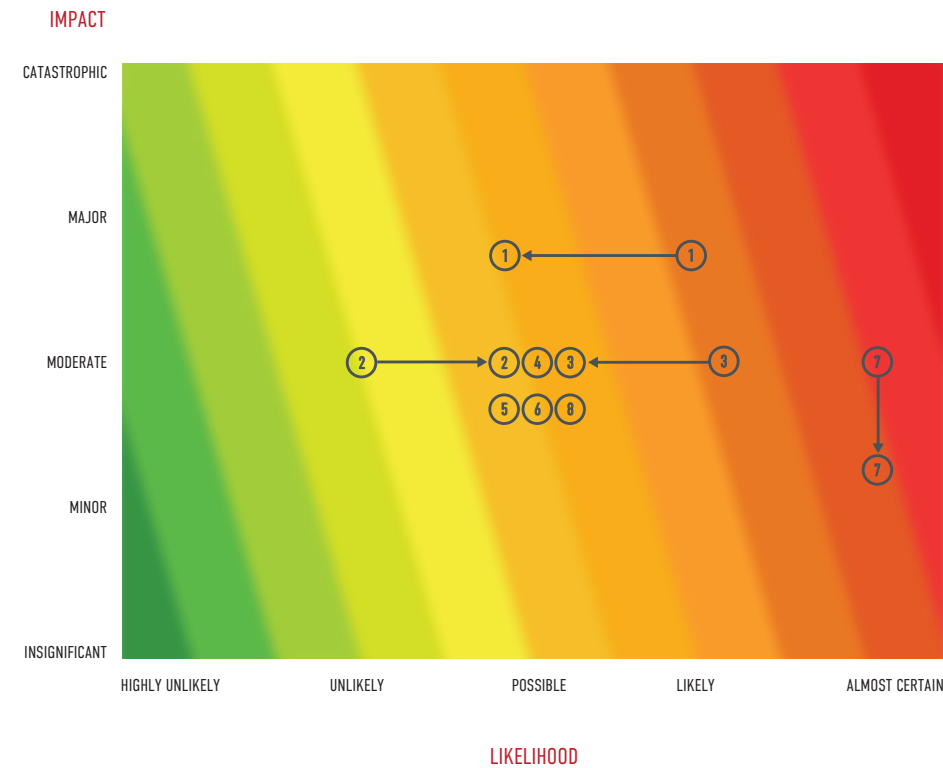
WBHO understands and proactively manages risks within set risk appetite and risk tolerance levels in order to optimise business returns. Risk appetite is defined as the amount and type of risk that the organisation is willing to take in order to meet its strategic objectives.



RISK MANAGEMENT continued

ENTERPRISE RISK MANAGEMENT

The enterprise risk management process records and aggregates the risks and opportunities identified at the project and operational levels of the business, which then informs the assessment of certain strategic risks. Aggregate values at risk are determined both at business unit level and ultimately the Group. Project risks have been standardised to cover numerous individual site circumstances, which allows for consistent reporting and aggregation of risk.



Risk and impact if not managed		Key response/mitigation
s01	1. COUNTRY RISK AND CHANGING MARKET DYNAMICS The Group conducts business across numerous sectors and in various geographical locations. Various factors, including economic cycles, political environments, government policy and currency volatility impact the markets in which the Group operates. A material deterioration in one or more of these countries or markets could have a severe impact on the size and nature of the Group. The combination of improved sentiment around the change in governments and the start of the reduction in interest rates within the economies in which the Group operates will likely have a positive impact on the construction industry. This risk has been reduced to possible with the potential impact remaining major .	- Structured risk assessment framework in place to ensure operational procedures are aligned with identified risk. - Ongoing review of market intelligence in countries with political conflict. - Broad diversification across core competencies and geographical expansion or disinvestment as circumstances dictate. - Flexible and responsive management. - Strong logistical capabilities to access remote African regions.
	2. INDUSTRIAL ACTION South Africa is heavily unionised and unions wield significant influence. Regular industrial action can occur. Industrial action impacts on-site productivity, delivery and financial performance. There has been little strike activity by the construction labour force in South Africa over recent years, and this reflects positively on the industry's work to build mutually beneficial industrial relations. Strike action in the UK has been limited to the public sector and is unlikely to spread to the construction sector. Wage agreements within both building and civil labour markets in South Africa came to an end on 31 August 2024. A one-year agreement has been signed. The three-year wage agreement with the Gauteng Building Council, established in 2022, is set to expire in 2025. The risk has been adjusted to possible with a moderate impact.	- Open and transparent dialogue with employees and their representatives. - Ongoing, and regular engagement with major unions. - Negotiation of multi-year wage agreements where possible.

■ Risk unchanged ■ Risk decreased ■ Risk increased

RISK MANAGEMENT continued

Risk and impact if not managed		Key response/mitigation
s02	3. CONTRACTING WITH UNRELIABLE CLIENTS Due to the value and size of construction contracts, failure by clients to meet their payment obligations can significantly impact the Group's cash flow, and result in margin deterioration and delays in project execution. High levels of work-on-hand allow the Group to adopt a more selective bidding strategy. This risk is reduced to possible with the impact considered to be moderate.	- Robust due diligence processes in place to ensure clients are properly assessed prior to engagement. - Stringent negotiation of payment terms and payment guarantees. - Requirement for payment guarantees on majority of projects.
	4. PROCUREMENT AND EXECUTION (CONTROLLABLE) Procurement and execution risk are closely linked to changes in market dynamics, skills shortages and talent management. The elevated order book levels have reduced procurement risk over the near-term. The current work-on-hand was secured in competitive market conditions, thus requiring a greater emphasis on project execution. The prevalence of these risks is determined with reference to the total residual value at risk across all projects and trend analyses obtained from the risk database. The high levels of work-on-hand secured amid a low-margin environment have resulted in this risk remaining possible and moderate.	- Formal tender policy and tender approval authority matrix in place. - Structured planning and resource utilisation. - Due diligence investigations undertaken on critical suppliers and subcontractors. - Monitoring of project performance via forecasting of completion costs at critical stages of the project lifecycle. - Implementation of globally accredited quality best practices.

Risk and impact if not managed		Key response/mitigation
s05	5. MAJOR SAFETY, HEALTH, OR ENVIRONMENTAL INCIDENT The construction industry is seen as a high-impact and hazardous sector. Any major incidents that occur have reputational implications for the Group, which can affect its ability to procure work. The Group has implemented internationally recognised best practice systems across all operations and in the current reporting period, the Group achieved its best-ever safety performance – reflecting positively on our drive to achieve zero harm. The Group had no major and/or reportable environmental incidents. Despite the Group achieving record low safety statistics for the third consecutive year and no reportable environmental incidents, the risk of a serious safety or environmental incident remains possible with a moderate impact.	- Implementation of globally accredited, safety and environmental best practices. - Top-down responsibility and accountability to ensure culture is embedded at all levels of operations. - Proactive information and knowledge sharing. - Ongoing prevention initiatives. - Regular training interventions. - Compliance with new safety and environmental laws introduced in the UK.
	6. NON-COMPLIANCE TO LAWS AND REGULATIONS The Group is subject to numerous legislative and regulatory requirements across various geographies. Non-compliance with any legislation carries significant reputational risk, the potential for fines and penalties and the possible loss of the necessary licences or accreditations needed to procure work. The Group monitors compliance with existing and new regulations and legislation through its regulatory risk matrix. Due to the many inherent variables, the risk remains possible and moderate.	- Frequent review of regulatory and legal matrix and monitoring of non-compliance. - Mandatory Competition law and Anti-bribery and corruption training for identified employees. - Communication of the Code of Conduct to all new hires.

■ Risk unchanged ■ Risk decreased ■ Risk increased

RISK MANAGEMENT continued

Risk and impact if not managed		Key response/mitigation
s06	7. COMMUNITY UNREST The South African government's procurement regulations alongside high levels of unemployment have resulted in unrealistic expectations of employment opportunities on construction projects. In built-up areas, various business forums claim to represent local communities and businesses, but these forums are often just a means to exploit contractors. These incidents are now commonplace. WBHO has developed the necessary strategies and protocols to proactively deal with these events in a manner that causes the least interruption to business activities. It appears that the South African government is starting to take this risk more seriously which should assist in reducing the impact. With the processes WBHO has put in place to address the community, the risk is a financial one but unlikely to be material. The likelihood of this risk remains almost certain but the impact is minor.	- Formal protocols developed on how to: - Engage with communities and business forums prior to construction. - Manage relationships throughout the construction phase. - Respond to disruptions and threats of violence. - Appointment of community liaison officers. - Increase on-site security measures
s03 s04 s06	8. TRANSFORMATION AND LOCALISATION Transformation within the construction sector remains high on the South African government's political agenda. Draft legislation in respect of employment equity and public procurement is not seen as business-friendly and may have implications for work prospects if promulgated in its current form. In countries on the remaining African continent, localisation practices have become more prevalent. These include limitations on work permits for expatriates, minimum targets for local employment and public procurement spend directed toward majority-owned citizen businesses. The Group retained its Level 1 B-BBEE status in South Africa for the 8th consecutive year, maintained high levels of local employment and participated in citizen-owned companies in the rest of Africa. Government policies and regulations governing transformation and localisation within the sector are often unclear and subject to change hence this risk remains possible and moderate.	- Strategies developed and implemented to meet all elements of the construction sector scorecard. - Operational focus on scorecard elements within their control. - Regular monitoring and reporting of performance against targets at management meetings and Transformation Exco. - Retention strategy and management development programme in place for promising previously disadvantaged individuals. - Provide public comment on proposed legislation through industry bodies.

Risk and impact if not managed		Key response/mitigation
s02 s04	9. MEETING OBLIGATIONS UNDER THE VOLUNTARY REBUILD PROGRAMME Participants in the VRP that elected to mentor emerging contractors are required to assist in growing the cumulative turnover of those contractors to 25% of the participant's turnover by 2024. In the recent economic environment, achieving growth within the construction industry has been challenging. Although the emerging contractors have, under the mentorship of the Group, successfully survived the impact of the Covid-19 pandemic, achieving year-on-year growth of 10% has not been possible. Despite this, the Group, was able to meet all its targets for the three companies. This risk was mitigated and is no longer applicable.	- Allocation and execution of projects in joint venture with emerging contractors. - Ongoing implementation of mentoring programmes which include: - Assistance with bidding protocols. - Assistance with implementation of enhanced OHS policies and procedures. - On-site mentoring of employees. - Progress towards meeting objectives identified in individual needs analyses. - Engagement with government to motivate Covid-19 as a material adverse event under the Agreement.

■ Risk unchanged ■ Risk decreased ■ Risk increased

THE VALUE WE DELIVERED

- 40 Message from the CEO
- 43 Operational reports
- 53 Order book and outlook
- 57 Message from the CFO

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



"WBHO has delivered another standout performance this year. Industry conditions in South Africa are at a high and we have tried hard to make the best of this opportunity. This year has potentially been the most gratifying for me since becoming CEO in 2019. All our efforts have been focused on the right things, namely executing projects successfully, making our clients happy, growing and rewarding our staff and delivering returns to our shareholders. The mood in the team is upbeat and positive and we are enjoying the everyday challenges that come with construction. I am proud of the record results our team has achieved and how we have upheld our ongoing commitment to deliver safe and sustainable value."

WOLFGANG NEFF
CHIEF EXECUTIVE OFFICER

THE YEAR IN REVIEW

We commenced the year with the order book at record levels, so there was never any doubt we had a busy year ahead of us. When our teams are busy or perhaps even a little stretched, adherence to our health and safety protocols is more important than ever. I have made the safety of our employees my primary objective at WBHO. While we have consistently improved our safety performance over several years, it has troubled me that each year we have incurred a fatality on one of our projects. We achieved 15 fatality-free months and I felt that we had turned a corner but sadly, just prior to the publication of this report, one of our subcontractors suffered a fatality due to a work-related incident in South Africa. The Board, senior management and all our staff extend our deepest condolences to Mr Judas Tavagwisa's family, friends, and colleagues. We can never rest on our laurels for even an instant, and the team and I remain vigilant especially as we near the end of the year. Our record safety statistics achieved this year epitomise the care and respect we have for our employees and all of the people who work on our sites.

Following a bumper year in FY2023, our business delivered additional growth in revenue and operating and profits in FY2024. We had a lot of work to get through and we I believe we did it well, improving margins across all business units. Activity in South Africa is flourishing and is probably at levels similar to those experienced around the time of the World Cup, yet with fewer market participants. After years and years of stagnant growth, it is really gratifying to see so many of our local divisions so busy at the same time. Growth in the rest of Africa was moderate as we hit our stride on the large volume of work procured in earlier periods. In the UK, following a small loss in FY2023, Russell WBHO secured sufficient work to return to profitability and it appears the Manchester market is at last recovering and in London the Byrne Group performed well also improving margins.

Our performance over the last two years has been remarkable, not only in terms of our internal benchmarks and expectations, but when looked at alongside the local and global macro-economic challenges that been prevalent. I am extremely proud of our teams as these results would have been possible without their spirit of resilience, and a commitment to a

culture of excellence, safety, quality and reliability. This financial year proved once again that our vision of to remain the leading construction company wherever we operate continues to build a path for us, and a stable future.

In addition to our pleasing results, we once again secured the PMR Africa Diamond Award, reaffirming our position as one of South Africa's premier construction companies. We also won the MBA Regional and National Safety Award in South Africa. In the UK, Russell WBHO was awarded the Apprentice Large Employer of the Year award. The Municipal Hotel and Spa, completed by Russell WBHO, received the best Refurbishment/Revitalisation Project award and the Development of the Year Award. These accolades confirm our commitment to excellence, innovation and safe practices within this industry.

It is also important to acknowledge the change that has taken place on South Africa's political stage. The formation of the government of national unity (GNU) is potentially a positive step in the right direction, and I am hopeful that the various parties will collaborate to prioritise the greater good of the country. The hope is that this will also lead to an acceleration of infrastructure development and employment, all critical components of a thriving economy and something the country sorely needs.

Public procurement slowed down from the highs of FY2023 as they were impacted by uncertainty caused by the New Proposed Preferential Procurement Act. We noticed a reduction in awards from Sanral and Eskom, but it is hoped that the accelerated infrastructure development plan from GNU will unlock these in the short- to medium-term.

OPERATING CONTEXT

Group revenue grew to R27,5 billion by 16% thanks to strong performance in South Africa with revenue growth of 21% and as well as growth in the rest of Africa and the UK of 5% and 8% respectively

Growth in South Africa was still supported by higher levels of public sector work, and renewable energy projects and data centres from the private sector. In the rest of Africa work was centred in Liberia and Ghana alongside Mozambique in East Africa. The contribution to Group revenue from the rest of Africa dropped slightly to 11,7% due to the high growth within the South African business.

Our building divisions had a year of consolidation after substantial growth between FY2022 and FY2023. Nonetheless, activity remains elevated and we have some large-scale projects under construction. These include the refurbishment of, and extensions to, the South African Reserve Bank, various phases of the Steyn City residential development and several

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER continued

data centre projects. Semigration remains a driver of activity in the Western Cape where we have projects under construction across a diverse range of building markets that include both the public and private sector. In KwaZulu-Natal (KZN), the division had a superb year off the back of work in several industrial and logistics parks, a shopping centre for the Public Investment Corporation (PIC), a residential high-rise, and a P-Grade office in Umhlanga. The Eastern Cape team delivered a record performance in the year having almost completed a large-scale industrial warehouse for Shoprite alongside some smaller residential and industrial facilities. Revenue from the civil engineering disciplines saw a healthy increase within both traditional markets and the private renewable energy sector. Our Projects division had four large-scale EPC solar projects and three wind farms under construction during the year which combined with mine infrastructure work for Anglo, Two Rivers and Tronox culminated in a positive result.

The significant growth achieved within the Roads and earthworks division was underpinned by progress made on several large-scale roadwork and mining infrastructure projects in South Africa. Our two flagship road projects under construction for Sanral, namely the N3 Key Ridge project in KZN and the Mtentu Road in the Eastern Cape both made significant progress. Other good news was the withdrawal of a court challenge to the award of the R2 billion, Lingeni road project which is adjacent to the Mtentu project. We also worked for many of the major mining houses during the year with some projects now complete and others continuing into FY2025. From a procurement perspective, lower commodity prices have resulted in a slowdown in the procurement of new mine infrastructure projects, but this has been offset by increased opportunities in the roadwork sector. We expect to see a heavier weighting toward this sector in the year ahead. In the rest of Africa, we worked for Newmont and AngloGold Ashanti in Ghana, Arcelor Mittal in Liberia and Sasol and Total Energies in Mozambique. We are excited to report that we have received a full notice to proceed on the 9500 temporary camp and 61C platform projects in Afungi, Northern Mozambique. We are hopeful that the *force majeure* will be lifted in the near future to allow the full commencement of the entire LNG project.

In the UK, the economy has been lacklustre. This is largely due to the lingering effects of Brexit, Covid-19, and local politics. Several prime ministers in the space of a few years have resulted in weak economic policies which with the war in the Ukraine, increased inflation and rising interest rates have all combined to create an environment that has placed significant pressure on project feasibility. An active project for Russell WBHO and potential projects for Elmers and Byrne Bros. in the Bryne Group, were suspended or cancelled during the year. Despite these challenges, I have mentioned the turnaround within Russell WBHO, and the Bryne Group performed well under trying conditions.

The key to our long-term, sustainable success is to remain agile and flexible in relation to the projects we pursue and the regions in which we operate. Our diverse skill set allows us to shift with the markets. We need to respect our clients and ensure they can rely on our abilities and our professionalism. Our commitment is to never lose our focus on our clients, our subcontractors, and our employees.

CAPACITY AND TALENT MANAGEMENT

Our workforce has been in steady recovery since Covid-19, but hiring has now accelerated alongside our growing order book levels. During the year under review, employment levels have increased but finding the right skills has been a challenge. We prioritise the culture of our company and always pair new hires with existing members of staff so they can adapt to our systems and processes but also our way of doing business that embodies responsiveness and being a pleasure to deal with. Emigration remains a persistent challenge, yet I'm hopeful that the retention plans we have put in place together with the career opportunities our current growth offers our staff will stem some of this outward flow of scarce skills.

Our employee count increased by 930 in South Africa, and declined by 886 and 31 in the rest of Africa and in the UK respectively.

EXCEPTIONAL STANDARDS IN SAFETY AND ENVIRONMENTAL PERFORMANCE

I say this every year because it must always be at the front of our minds – at WBHO, our goal is to make sure that every employee and contractor returns home safely to their loved ones. This is only achievable by instilling a 'Safety First' attitude in each and every person on site and ensuring this mantra is led from the top. We demonstrate the commitment of our senior management to upholding through our Visible Field Leadership and Director Tours interventions which have the added benefit of information sharing and innovation across projects. These interventions show ensure we're actively involved in making our workplaces safer.

Our safety culture prioritises three elements: People; Behaviour and Environment. By equipping our staff with knowledge and awareness, enforcing, encouraging and monitoring safe behaviour and providing the correct attire, equipment, climate and management systems, we make further progress towards our goal of zero harm each year.

This year we introduced a formal safety pledge and all our senior management have signed it. It ensures that there is a collective commitment to providing an environment that is safe for people to work in, and that will allow them to do their jobs to the best of their ability. We ask our employees to prioritise this pledge and we ensure everyone's opinion is valued where safety is concerned.

After our best-ever safety performance in 2022 and again in 2023, we've continued to do better in 2024. We have achieved the lowest LTIFR in our history.

From an environmental perspective, we added a sizeable solar installation at our headquarters and plant yard in Johannesburg and have also rolled out smaller solar initiatives on our sites where possible. Our UK operations have developed formal plans to achieve "Net Zero" in the years ahead and this is something we have started to look at in South Africa as well. There were no reportable environmental incidents or fines during the year.

TRANSFORMATION AND LOCALISATION

WBHO has actively participated in reshaping South Africa's construction industry through our transformation strategy and objectives. Our strategy is designed to exceed mere compliance with laws and regulations and aims to create a tangible difference within our society. We provide regular support to the Construction Sector Charter Council and are committed to the principles of broad-based transformation contained in the sector charter. We proudly retained our Level 1, B-BBEE status this year.

Last year we implemented Akani 2, a new employee participation transaction, enabling inclusivity and equitable participation in the success of WBHO for employees at all levels. Through the scheme, WBHO remains a 51% black-owned company when measured using the Construction Sector Charter. Black equity ownership is a pivotal move towards economic transformation, contributing to the increased involvement of black individuals in South Africa's economy. Employment equity is also something we take very seriously and we continuously strive to meet our employment equity plan approved by the Department of Labour (DoL).

In June 2024, the component of the Voluntary Rebuilding Programme (VRP) that provided for the mentorship of three emerging contractors came to an end. Over the last seven years, WBHO provided mentorship and development support to Edwin Construction, Trencon Construction and Motheo Construction. Our assistance helped these contractors achieve their ISO accreditation in various areas as well as providing support and advice in the following areas, human resource management, information technology, plant and equipment management, payroll, cost control, and overhead optimisation. We also provided guarantees and cashflow assistance in some instances. The programme has resulted in these businesses growing to a combined turnover of 25% of WBHO's South African revenue. We believe this programme has been successful and look forward to seeing all three operate as competent competitors in the future.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER continued

The Construction Sector Codes are set to be renegotiated in 2025. Having considered the Proposed Preferential Procurement Regulations that when gazetted will largely replace B-BBEE with narrow-based subjective criteria, I have concerns over the relevance the Codes will retain. If these Regulations are signed into law, it is will likely result in years of litigation and challenge.

LOOKING AHEAD

Our order book remains close to record levels and the forward-looking pipeline, comprising projects that we are tracking and may potentially bid upon within 24 months, has grown significantly. The formation of the GNU has grown confidence in SA Inc, and macro-economic factors in the form of inflation and interest rates have both turned in a positive direction, not just domestically but across global markets as well. There appears to be a genuine attempt to set our state-owned enterprises on sustainable pathways where future debt will hopefully fund infrastructure development rather than corruption. Stable inflation and interest rate cuts should support project feasibilities in the UK and we have seen some improved procurement activity already although this will likely only result in boots on the ground in FY2026.

When added together, we certainly have all the right ingredients for a successful period ahead over the medium-term.

APPRECIATION

We would not have achieved our remarkable results in this financial year without people. Our employees, clients, sub-contractors, professional consulting teams, suppliers, service providers, and partners are all instrumental in our success and our growth. Construction is, and always will be, a team effort with relationships at its heart. WBHO is fundamentally a people business and the value we create is dependent on the strength of these relationships.

We are incredibly grateful to our clients who rely on our ability to deliver. This is our motto and a promise we keep whenever a client trusts us with a project – our ability to deliver.

The support from the Board has been invaluable, through the good times and the challenging ones. I extend my sincere thanks for the collaborative manner in which we always seek the best way forward for WBHO. I'd also like to welcome Andrew Logan to the Board of Directors. Andrew's lengthy service with the company and his close working relationship over the years with myself and Charles Henwood, our outgoing CFO, has afforded us with a seamless transition.

Wolfgang Neff
Chief Executive Officer



OPERATIONAL REPORTS

BUILDING AND CIVIL ENGINEERING

REVENUE

2024: R12,1B

2023: R11,0B

OPERATING PROFIT

2024: 568M

2023: R504M

PROJECTS NEGOTIATED

2024: 38%

2023: 32%

OPERATING MARGIN

2024: 4,7%

2023: 4,6%

CAPITAL EXPENDITURE

2024: 13M

2023: R6M

NUMBER OF EMPLOYEES

2024: 1 943

2023: 1 645

RETRENCHMENTS

2024: NIL

2023: Nil

TRAINING SPEND

2024: R48M

2023: R37M

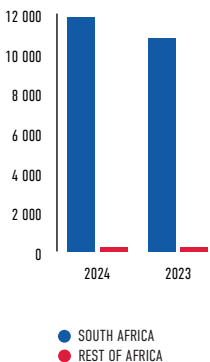
LTIFR

2024: 0.19

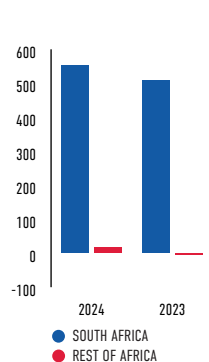
2023: 0.26



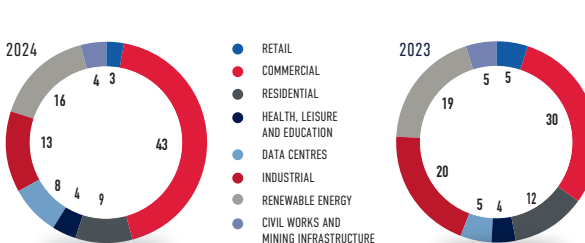
REVENUE
(Rm)



OPERATING PROFIT
(Rm)



REVENUE BY SECTOR
(%)



The year in perspective

- Revenue increased by 10%
 - 10% growth in South Africa
 - 1% growth in the rest of Africa
- Improved operating margin of 4,7% (FY2023: 4,6%)
- Growth supported by elevated activity levels within traditional civil engineering markets and renewable energy sectors

In FY2024 the Building and civil engineering division performed well, with revenue growth of 10% and an improved operating margin of 4,7%. This growth was driven by improved activity in the traditional civil engineering market and further growth in the renewable energy sector.

The Building division had a year of consolidation following strong growth in the prior period.

OPERATIONAL REPORTS continued

BUILDING AND CIVIL ENGINEERING continued

The division's headcount increased from 1 645 in FY2023 to 1 943 in the current period, reflecting the growth of the Civil engineering division whereas the Building division remained static. No retrenchments were effected during the period although there were 83 resignations in South Africa. In a bid to retain critical skills and industry talent, the division has begun a drive to increase work-life balance for staff. This drive includes reducing weekend overtime and granting additional leave. In addition to these retention efforts, the training budget has been increased.

Capital expenditure increased from R6 million in FY2023 to R13 million in the current reporting term, largely due to key plant items reaching the end of their useful life.

The division has adopted a focused approach to safety that aims to deliver high standards of safety across all projects and meet standards required by international clients. Further aligned to this goal are our environmental stewardship efforts. We closely monitor environmental regulatory trends in Europe and are preparing ourselves to be work-fit for such clients. The division's LTIFR decreased to 0.19 from 0.26 and there were no environmental incidents on sites in FY2024. R48 million was spent towards training investment, a 30% increase from the R37 million spent in FY2023.

Building

- Revenue increased by 3% over the comparative period**
 - 5% revenue growth in Gauteng
 - 2% growth from coastal regions
 - Revenue from the rest of Africa remains at low levels
- Large-scale anchor projects across commercial, residential, and data centre sectors in Gauteng**
 - Data centre sector contributed 27% toward revenue generation (up from 11% in the previous period)
 - Commercial office sector contributed 51% towards revenue generation (2023: 50%)
- The division more than doubled its revenue in the Eastern Cape, which offset lower revenue from both the Western Cape and KZN regions**

Revenue grew by 3%, with stable margins in spite of challenging market conditions. Major projects in the commercial, residential, and data centre sectors supported activity in Gauteng. The Western Cape and KZN regions saw healthy performance across all sectors and in the Eastern Cape the division had a stellar year. Revenue in Gauteng was driven by three key sectors in FY2024. The data centre sector made up 27% of revenue, up from 11% in FY2023 and included the completion of a new data centre in

Isando as well as the fit-out of an additional phase of an existing data centre constructed by the division in FY2022. 14% of revenue was derived from the residential sector, mainly the Steyn City project where the division has been awarded an additional fit-out contract. The commercial office sector contributed 51% with extensions to, and remodeling of the South African Reserve Bank building comprising the bulk of activity. Strong expertise in the data centre sector positions WBHO well in this growing market, with new clients having entered this space. In KZN, the industrial and warehousing sector remained a dominant source of activity alongside larger commercial and residential projects. Revenue from KZN declined due to fewer industrial projects and some delayed awards of projects, yet the division remained profitable, exceeding tender margins on several projects.

In the Western Cape, the division was impacted by public sector budget restrictions in the education and health departments, though these have been lifted, and projects are expected to recommence in FY2025. The Eastern Cape achieved record revenue supported by a large-scale warehousing project for Shoprite DC.

Competition remains strong across all sectors, particularly for small to mid-sized projects. WBHO holds an advantage on larger projects due to its financial strength, experience, and staff capability. While most regions face competition from 3-4 private contractors (except for the Eastern Cape), WBHO continues to secure repeat work, which is a testament to the quality of our service and our good relationships with clients.

The division is active in Ghana, with work on a data centre there progressing well. The Polihali Village in Lesotho comprising of permanent housing, a visitors lodge, school, recreational centre and sports facilities overlooking the future dam wall and reservoir was successfully handed over in December 2023. Looking ahead, the division is pursuing work in Ghana, Eswatini and Zambia.

Civil engineering

- Activity included projects from traditional civil engineering markets and construction of renewable energy projects**
- Revenue increased by a combined 28%**
- Mining and energy infrastructure projects comprise the majority of traditional civil works**
- New nuclear works secured at the Koeberg power station**
- In Mozambique, the division received full notice to proceed on suspended gas-infrastructure project at Palma**
- Revenue from the Projects division increased by 18% from already elevated levels**

Traditional civil engineering markets saw a notable rise in activity, growing by 62%, thanks to an improved order book. Major projects included mining infrastructure work at the Two Rivers Platinum mine in Mpumalanga, the Tronox Namakwa Sands mineral mine in the Western Cape, and the Der Brochen mine in Limpopo.

In the energy sector, the division continued working on the Kusile Power Station, and fabricated precast concrete towers for the San Kraal, Phezukumoya, and Coleskop wind farms as part of the Koruson 1 wind farm cluster. New nuclear projects were started at Koeberg and this follows the Eskom and NNR Audit on our newly developed Nuclear Quality Management System, which saw our appointment as the sole Nuclear-approved Civil Engineering Construction Company in South Africa through the KCC Consortium. This achievement presents a great deal of opportunity for us to pursue new works.

Our Projects division saw an 18% increase in revenue, driven by strong relationships in the wind and solar energy sectors, which continue to provide a steady stream of work. Two 130MW solar farms near Lichtenburg were completed and handed over, and two additional solar farms (130MW and 195MW) are set for completion by the end of FY2025. In the Northern Cape, the division secured the Umsobomvu and Hartebeeshoek wind farm projects, which will be executed alongside the Roads and earthworks division, as well as the 140MW Coleskop wind farm, scheduled for completion in January 2025.

In Zambia, the economy is showing signs of improvement under new leadership. Expansion projects in the mining sector, driven by forecasted copper demand, position us well to benefit. However, competition from local companies remains tough, with aggressive pricing from Chinese contractors also affecting margins.

The division received a full notice to proceed on the suspended gas-infrastructure project at Palma. Remobilisation and site restoration are nearly complete, with the main works gaining momentum, though the *force majeure* over the full project remains in place.



OCEANS RESIDENTIAL NORTH TOWER

262 luxury residential units including external works and services.
Gross Building Area – 39 000m².

Client: Oceans Umhlanga (Pty) Ltd

Completion date: August 2025

OPERATIONAL REPORTS continued



ROADS AND EARTHWORKS

REVENUE

2024: R8,9B

2023: R6,9B

OPERATING MARGIN

2024: 7,0%

2023: 6,6%

RETRENCHMENTS

2024: 1

2023: Nil

OPERATING PROFIT

2024: R626M

2023: R450M

CAPITAL EXPENDITURE

2024: R485M

2023: R472M

TRAINING SPEND

2024: R44M

2023: R38M

PROJECTS NEGOTIATED

2024: 9%

2023: 7%

NUMBER OF EMPLOYEES

2024: 6 779

2023: 7 050

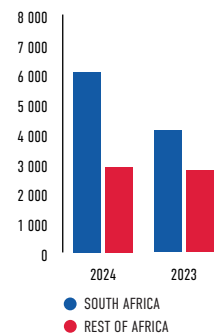
LTIFR

2024: 0.25

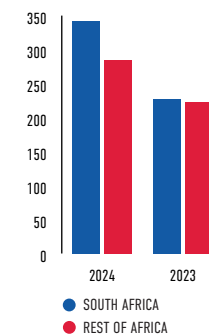
2023: 0.17



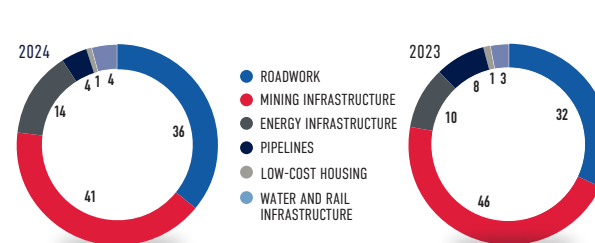
REVENUE
(Rm)



OPERATING PROFIT
(Rm)



REVENUE BY SECTOR
(%)



The year in perspective

- Revenue grew by 30%
- Operating profit increased by 39% to R626 million (improved margin of 7%)
- Roadwork comprises 60% of the order book of which R3,3 billion is to be executed in FY2025
- Mozambique continues to offer significant opportunities related to the gas fields
- Good growth in West Africa during the period

The Roads and earthworks division produced an exceptional performance, demonstrating strong growth and an improved operating margin. Mining infrastructure projects, both domestically and in the rest of Africa, together with elevated levels of roadwork supported the division's growth.

OPERATIONAL REPORTS continued

ROADS AND EARTHWORKS continued

The division had a decline in its headcount, from 7 050 to 6 779 during the period. This was, in part, attributable to the retrenchment of 178 waged employees as projects in Mozambique and Ghana came to an end. The number of salaried employees increased by 239 as the need for experienced engineers, site agents, construction managers continues to grow.

Capital expenditure increased from R472 million to R485 million. R337 million supported the growth within the division and was directed towards new additions to the fleet. Most of the capex in South Africa is financed while acquisitions in rest of Africa are funded from operating cash flows. The replacement of key major plant items will be a priority in FY2025 and comprises the majority of the approved budget of R541 million.

During the period, the division spent R44 million on training, up from a spend of R38 million in FY2023 as the division focuses on providing support to employees during this growth phase, and upskilling as part of the Group’s retention strategy.

Safety and environmental management are fundamental requirements for operating in our markets. We continuously monitor and manage safety and environmental statistics to meet industry standards, and seek ways to improve on our performance in these areas. The division recorded an LTIFR of 0.25 comprising seven LTIs from 28,2 million man-hours worked. No environmental incidents occurred on any of our sites in FY2024.

South Africa

- **Revenue growth of 46% in South Africa**
- **Strong growth across all major sectors**
 - 61% growth from mining and energy infrastructure projects
 - 43% growth in roadwork
- **Flagship road projects are progressing well**
- **Construction of a greenfield rockfill dam in KZN commenced in the latter half of the period**

Revenue from mining and energy infrastructure projects grew by 61%, contributing 46% of the region’s work. Key projects included a tailings facility for Harmony at Kareerand, infrastructure at Anglo American Platinum’s Der Brochen mine, and a coal handling facility for Seriti at New Largo. The division also completed a pollution control dam for Thungela Resources and continued work on Eskom’s Majuba and Matimba power stations.

The value of roadwork executed in South Africa increased by 43% in FY2024 and now amounts to 49% of revenue generated. Roadwork activity in the Eastern Cape was centred on five large-scale projects along the N2. Road upgrades and new bridges near Green River and upgrades to the Belstone and Breidbach interchanges were largely completed by the end of the year. Upgrades and a realignment of sections of the N2 at Ndabakazi and into Grahamstown as well as an improvement project from the R63 to the intersection of the N6 near Bhisho will continue throughout FY2025.

The greenfield construction of 18km of new road on the N2 Wild Coast Highway between the Msikaba and Mntentu bridges is a flagship project being executed in joint venture and is due for completion in 2028. In KZN, another flagship project is the R3,9 billion Key Ridge project. The project consists of an upgrade and realignment of the N3 between the Hammarsdale and Key Ridge interchanges. The upgrade entails widening each carriageway to five lanes and part of the realignment entails construction of the longest incremental launch bridge in South Africa, spanning 366 metres per carriage way. The project is due for completion in 2027. Smaller projects on the N2 in Mpumalanga and R511 in the North West province comprise the balance of ongoing roadwork activity. Roadspan, the division’s road surfacing, road rehabilitation and asphalt and bitumen supply business delivered a record performance achieving growth of 26% over the prior period.

Water infrastructure projects are slowly gaining prominence and in the second half of the reporting period, construction of a 50m high concrete-faced, rockfill dam commenced in KZN, including the supply and installation of all electrical and mechanical equipment. The division has also been awarded an early works contract related to the Lebalelo Water Users Association’s (LWUA) Olifants Project that aims to fast-track the construction of bulk and potable water infrastructure to supply targeted communities and commercial water users.

Rest of Africa

- **Revenue increased by 4% – contributing 32% to activity**
- **Activity centred in Mozambique, Liberia and Ghana**
- **Advance infrastructure works for Total’s LNG project completed as previously suspended works resume and gain traction**
- **Mining infrastructure and rail works for Arcelor Mital in Liberia have grown in size**
- **Additional phases of a large tailing facility awarded in Ghana for AngloGold Ashanti**
- **Operations in Botswana were quiet, but mining infrastructure procurement activity improved in the latter part of FY2024**

Revenue from the rest of Africa increased by 6% and comprises 33% of the division’s total revenue. Activity was centred in Mozambique in East Africa and Ghana and Liberia in West Africa. In Mozambique, the advanced infrastructure works related to the large LNG gas-infrastructure project were completed. On a positive note, notice to proceed was received on the previously suspended works related to the same project, namely the construction of the 9 500-man camp alongside the Civil engineering division and the bulk earthworks and construction of the 218-hectare platforms on which the gas process plants will be built.

Various projects for Sasol at the Temane gas fields were also completed during the period. In Ghana, having completed phase one of the Beposo tailings storage facility at AngloGold Ashanti’s Iduapriem mine in the first half of the year, the division subsequently secured phase 2 of this project which will continue into FY2026. The mining infrastructure works for Arcelor Mital in Liberia are progressing well and have grown in size and value following the issue of variation orders. The rail infrastructure works on the same mine have also grown from 180 kilometres to 240 kilometres of track rehabilitation.

The division had a quiet year in Botswana in FY2024, however, mining infrastructure procurement activity improved over the second half of the year with awards expected in FY2025.

KEY RIDGE

Upgrade and realignment of the N3 between the Hammarsdale and Key Ridge interchanges. The upgrade entails widening each carriageway to five lanes and part of the realignment entails construction of the longest incremental launch bridge in South Africa, spanning 366 metres per carriage way

Client: SANRAL

Completion date: August 2027



OPERATIONAL REPORTS continued



UNITED KINGDOM

REVENUE

2024: R5,4B

2023: R5,0B

OPERATING MARGIN

2024: 3,4%

2023: 2,3%

RETRENCHMENTS

2024: NIL

2023: 2

OPERATING PROFIT

2024: R183M

2023: R117M

CAPITAL EXPENDITURE

2024: R21M

2023: R239M

TRAINING SPEND

2024: R2,1M

2023: R2,7M

PROJECTS NEGOTIATED

2024: 30%

2023: 7%

NUMBER OF EMPLOYEES

2024: 416

2023: 447

(2023 restated from 477 to exclude Russell Homes)

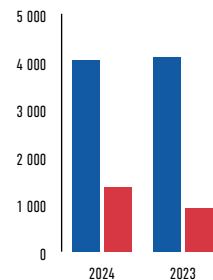
LTIFR

2024: 0.7

2023: 1.0

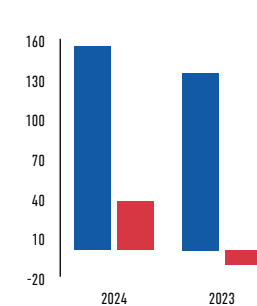


REVENUE
(Rm)



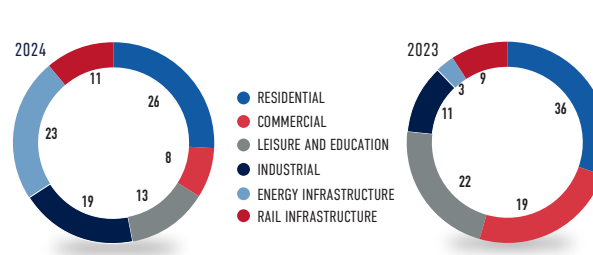
● BYRNE GROUP
● RUSSELL WBHO

OPERATING PROFIT
(Rm)



● BYRNE GROUP
● RUSSELL WBHO

REVENUE BY SECTOR
(%)



● RESIDENTIAL
● COMMERCIAL
● LEISURE AND EDUCATION
● INDUSTRIAL
● ENERGY INFRASTRUCTURE
● RAIL INFRASTRUCTURE

The year in perspective

- Revenue from the UK increased by 8% in rand terms but decreased by 3% in pound terms
 - Revenue from the Byrne Group decreased by 12% from £192 million to £171 million
 - Revenue from Russell WBHO increased by 35% from £43 million to £58 million
- The operating profit from the UK increased from R117 million to R183 million
- The operating margin improved from 2,3% to 3,4%

UK revenue grew by 8% in rand terms but dropped by 3% in pounds. The operating margin improved from 2,3% to 3,4%, thanks to a strong performance from the Byrne Group and increased activity at Russell WBHO.

OPERATIONAL REPORTS continued

UNITED KINGDOM continued

Adverse economic conditions consisting of high interest rates and elevated levels of inflation continued to influence the cost of projects and the cost of project finance, which in turn impacted the feasibility of projects during the year. Projects developed under pre-construction service agreements are returning pricing greater than the project budgets, thus necessitating projects to be redesigned or additional finance to be obtained. Consequently, the award of these projects is suspended or delayed.

The labour market remains highly competitive throughout the UK and employees are frequently approached by agencies offering new opportunities. The demand for hybrid and flexible working has become a priority for many which added to capacity concerns for the industry as a whole. Employee numbers in the Byrne Group reduced from 340 to 323, while Russell WBHO also saw a reduction from 107 to 93. New staff retention strategies have been introduced which will hopefully assist in keeping talent within the Group.

Capital expenditure in the prior year included R209 million invested by the Byrne Group to acquire a new plant yard. When excluded, capital expenditure decreased by 30% in FY2024

The UK achieved a new record-low LTIFR of 0.7 in the current year. The Byrne Group reduced their LTIFR from 2.67 to 1.52 and only had one LTI in June 2024. Russell WBHO reduced their LTIFR from 1.09 to 0.45. Both Byrne group and Russell-WBHO had zero environmental incidents in FY2024 with Russell WBHO early-adopting thermal imaging for hot works permits.

Byrne Group

- Revenue decreased 12% despite 32% increase from Byrne Bros.
- Byrne Bros. growth of 32% through diversification into civil and public sector markets
- Ellmers and O'Keefe delivered 26% and 30% lower revenue respectively impacted by prospective projects being suspended or cancelled
- Group achieved a combined operating profit of £6,4 million
- Operating profit margin of 3,8% (FY2023: 3,3%)
- Rail, energy and nuclear sectors supported activity as contributions from the commercial and residential sectors decreased
- Cash balances increased due to working capital inflows

The Byrne Group, based in London, includes Byrne Bros., Ellmer Construction, and O'Keefe Construction and Demolition. Byrne Bros. specialises in concrete sub and superstructures, Ellmer focuses on new-builds, refurbishments, and fit-outs in the residential, commercial, and leisure sectors, while O'Keefe handles demolition, enabling works, and civil engineering services.

Revenue for the Byrne Group dropped 12% from £192 million to £171 million. Byrne Bros. saw a 32% revenue increase, but Ellmer and O'Keefe experienced a 26% and 30% decline, respectively. Despite this, the Group's operating profit grew to £6,4 million at a margin of 3,8%, up from £6,1 million at 3,1% last year.

Byrne Bros. benefitted from diversification into civil engineering markets like rail, energy, and nuclear, with key projects completed in Wembley, Birmingham, and Berkshire, alongside the North London Heat and Power plant.

Having completed two large-scale hotel and residential projects late in FY2023, Ellmers struggled to fully replace these projects in F2024 and were unfortunate to lose a £40 million project at the start of the year for which a letter of intent had been received that was later withdrawn. Current projects include the remodeling of a new 143-room hotel in Covent Garden, remodeling and refurbishment of 36 apartments in Bayswater and fitout work at Google's new offices in Kings Cross. The business is also busy with the fit-out of two high-end residential penthouses within the Damac and Thames City towers in Nine Elms. Completed projects comprised the fit-out of 18 luxury residential apartments at the Peninsula Hotel, main contract works at the 199-room BoTree Hotel, and 15 high-end residential apartments in Vauxhall.

O'Keefe also struggled due to suspended projects and a decline in the modular housing sector, historically a strong source of work.

Russell WBHO

- Revenue increased from £43 million to £58 million
- Return to operating profit of £1,5 million compared to an operating loss of £544 thousand in FY2023
- Cancelled projects and a slower than expected recovery resulted in goodwill impairment of £3,2 million
- Secured variations amounting to £32 million after year-end

Revenue from Russell WBHO saw an increase of 35%, rising from £43 million in FY2023 to £58 million in FY2024. This growth translated to an operating profit of £1,5 million, a notable turnaround from the previous year's loss of £544 000.

Russell WBHO is on track to complete the £30 million supercomputing centre at the Science and Technology Facilities Council's Daresbury Laboratory by early 2025. This exciting project, secured through the Crown Commercial Services Framework, is progressing well. The building's structure is complete and the installation of mechanical and electrical systems are underway.

In Wilmslow, Cheshire, construction of a £10 million Care UK home is moving ahead rapidly. Once complete, this facility will provide vital residential, nursing, dementia, and respite care for up to 60 people. Work at the Mere Hotel in Cheshire is also progressing smoothly, with upgrades to 87 guest rooms, 29 new rooms, and a new extension beginning to take shape.

Russell WBHO was appointed to build a £14 million, 150,000 sq ft industrial unit in Trafford Park, Manchester, for the Strathclyde Pension Fund. With £12 million billed in FY2024, this project is nearing completion. In addition to this, we successfully completed a £14 million industrial project for Mawdsleys, the UK's leading pharmaceutical distributor. The expansion of the Redhouse distribution hub in Doncaster has nearly doubled its size to 300 000 sq ft, featuring a range of environmental improvements.

NORTH LONDON HEAT AND POWER

Energy Recovery Facility (ERF) to treat 700 000 tonnes per annum of residual waste at Edmonton EcoPark.

Client: Acciona

Completion date: April 2025



OPERATIONAL REPORTS continued



CONSTRUCTION MATERIALS

REVENUE

2024: R1,1B

2023: R919M

OPERATING PROFIT

2024: R25M

2023: R23M

OPERATING MARGIN

2024: 2,2%

2023: 2,5%

CAPITAL EXPENDITURE

2024: R15M

2023: R4M

NUMBER OF EMPLOYEES

2024: 155

2023: 148

RETRENCHMENTS

2024: NIL

2023: Nil

TRAINING SPEND

2024: R2,1M

2023: R3,8M

LTIFR

2024: 0.8

2023: Nil

The year in perspective

- Growth in revenue of 16,6%
- Increase in operating profit margin to 1,6% from 1,1%
- Positive outlook due to high volumes of roadwork
- Wind farm projects within the renewable energy sector offering good opportunities

REINFORCED MESH SOLUTIONS

The Group's steel supply subsidiary, Reinforced Mesh Solutions (RMS), reported a 20% increase in sales volumes over the comparative period for a second consecutive year and remains profitable in a competitive market. The increase in volumes is largely attributable to higher demand supported by increased road infrastructure spend and private investment in windfarms and other green energy projects. The revitalisation of the wider construction industry contributed to the healthy performances delivered by the coastal regions, however, the Johannesburg factory continues to function below its maximum capacity. Despite the intrinsic low-margin nature of the steel industry, RMS retains its strategic importance to the Group, offering a competitive edge and contributing to the diversified portfolio of the Group.

The workforce of the construction materials businesses decreased slightly from 148 to 146 employees. LTIFR of 0.94 was based on two lost time injuries and 1,1 million man-hours worked, exceeding the Group's target LTIFR of 0.45. Training spend amounted to R0,3 million compared to R3,8 million in the prior year.

VSL CONCRETE SOLUTIONS

VSL Concrete Solutions (VSL) provides post-tensioning for concrete slabs and concrete repair services to the construction industry across all regions of South Africa. The business performed well, reporting revenue growth of 50% and maintaining profit levels. The market remained competitive, however, tender activity for post-tensioning works for shopping centres, offices, warehousing, residential apartments, student accommodation, mixed use developments, bridges and windfarms increased under improved conditions within the construction industry.





ORDER BOOK AND OUTLOOK

GROUP ORDER BOOK

R31 BILLION

DOWN 6%

75% OF FY2024 REVENUE
SECURED FOR FY2025

6% DECREASE in
AFRICAN ORDER BOOK

UK ORDER BOOK DOWN 8%

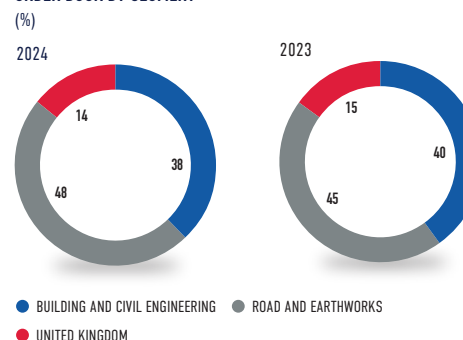
R1,9 BILLION

AWARDED AFTER YEAR END

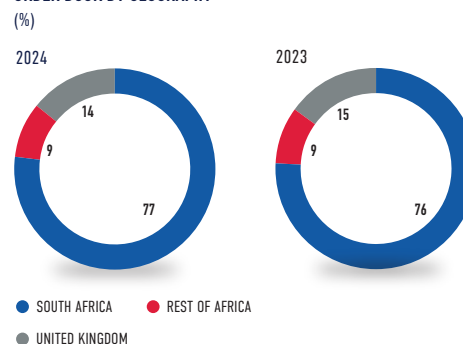
Order book by segment (Rm)	At 30 June 2024	12 months to June 2025	Beyond 30 June 2025	At 30 June 2023
Building and civil engineering	11 616	9 395	2 221	12 947
Roads and earthworks	14 556	7 354	7 203	14 789
United Kingdom	4 427	3 927	500	4 815
Total	30 599	20 675	9 924	32 551

Order book by geography (Rm)	At 30 June 2024	12 months to June 2025	Beyond 30 June 2025	At 30 June 2023
South Africa	23 459	14 403	9 057	24 738
Rest of Africa	2 713	2 346	367	2 998
United Kingdom	4 427	3 927	500	4 815
Total	30 599	20 675	9 924	32 551

ORDER BOOK BY SEGMENT (%)



ORDER BOOK BY GEOGRAPHY (%)



Africa

South Africa

- Road, energy and water infrastructure spending offer a strong project pipeline
- Positive outlook as Government of National Unity appears committed to infrastructure development
- Continued opportunity in renewable energy sector
- Roads and earthworks order book down by 2%
- Building and civil engineering order book down by 10%
- Positive pipeline for data centres in Gauteng and Western Cape

Rest of Africa

- Healthy order book levels in West Africa
- Mozambique offers long-term opportunities in the gas sector
- Mining sector opportunities remain the primary source of work in Ghana and Liberia
- Improved prospects in Zambia and activities have resumed on the copper mines

United Kingdom

- UK market appears poised for growth
 - Downward interest rate cycle
 - R4 billion in projects in pre-construction phase
- Order book down by 8%

Following growth of 47% in FY2023, the Group order book softened by 6% in FY2024. This marginal reduction reflects a slight mismatch in the timing of awards and actual work executed, rather than being indicative of any negative change in market conditions. The Group has promising project pipelines across each of its major business units that should sustain future activity levels. The strong baseload of work in South Africa and Africa has been maintained and is expected to support activity levels on the continent through FY2025 and into FY2026.

ORDER BOOK AND OUTLOOK continued

Building and civil engineering

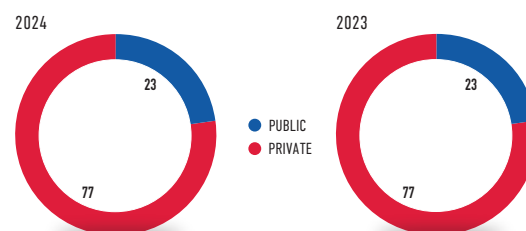
	FY2024	FY2023	% change
South Africa	11 086	12 509	(11)
Rest of Africa	530	438	21
Total	11 616	12 947	(10)

The Building division has sufficient short-term work across all regions. While new awards slowed in Gauteng, the short- to medium-term pipeline remains strong. Key projects include completion of the South African Reserve Bank's offices and ongoing data centre construction. With a healthy pipeline for new and expanded data centres, the division's proven track record of delivery and safety ensures continued success in this sector.

Further fit-out phases within the residential sector have been secured at Steyn City, while a large-scale mixed-use development in Rosebank has re-entered the market for pricing. Opportunities in the Western Cape and KZN have grown over the reporting period. In the Western Cape, the division has a strong order book comprising sizeable projects across key sectors, including residential developments, commercial offices, healthcare, education, and mixed-use developments. These projects, will likely support growth in the region in FY2025 and are accompanied by a robust forward-looking pipeline. In KZN, the division has a strong order book in place, following sizeable awards secured in the first half of the year. The residential, warehousing, and commercial office sectors will be the primary sources of activity next year. A potential opportunity in the hotel sector is also being pursued. The order book in the Eastern Cape has tapered following the completion of a large-scale warehouse in the current period. The COEGA Development Zone continues to offer some encouraging opportunities and should these materialise in the first half of FY2025, current activity levels could be sustained. In the rest of Africa, the division is exploring opportunities in Botswana and Eswatini to support the current work in Ghana.

The Projects team have two large-scale solar farms and two wind farms that will continue throughout FY2025. Negotiations for a further solar and wind farm are expected to commence in the second half of the financial

PUBLIC VS PRIVATE
(%)

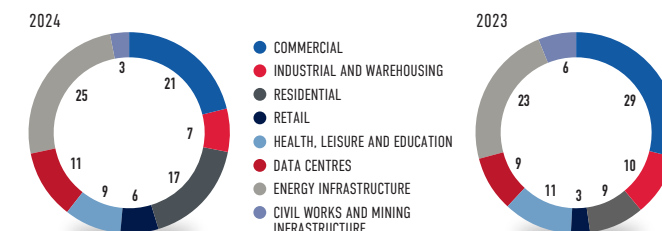


year. As the civil engineering elements of these projects are executed by the Roads and earthworks division, these projects support activity levels across many divisions of the Group. Bids for upgrades to four of the six border posts for the Department of Home Affairs have opened.

Despite a lower order book compared to the previous year, new work opportunities for the Civil engineering division remain sound. The division proudly achieved approval as a level L1/Q2 nuclear supplier from Eskom and the National Nuclear regulator this year. Through its participation in the KCC Consortium, the division is now the sole Nuclear-approved Civil engineering construction company in South Africa. Consequently, the consortium has secured new work at the Koeberg nuclear power station to assist with the design and construction elements of the life extension project. Additional works at Koeberg are currently under discussion. A new project for the construction of a coal hopper offloading facility at the Kusile Power Station rounds off the work to be executed within the local energy sector in FY2025. The division, together with the Roads and earthworks division, is lowest on a bid for construction of the abstraction works for the Ngwadini Dam in KZN, and is in the final stages of negotiations for a further water infrastructure project in Limpopo. There are large-scale marine infrastructure opportunities expected to be bid upon during FY2025 which we hope will commence in the following financial year.

In Mozambique, although a full notice to proceed was received in relation to the 9500-man camp, Total has not lifted the *force majeure* and some restrictions remain in place affecting productivity. Nonetheless the project is at least once again underway. Prospects in Zambia have improved, and the division is again active on the copper mines with additional opportunities expected to be concluded in the short term.

SECTOR SPREAD
(%)



Project pipeline

	South Africa (Rm)	Rest of Africa (Rm)	FY2024 (Rm)	FY2023 (Rm)
Building and civil engineering				
Commercial and mixed-use developments	11 492	1 592	13 084	12 151
Residential	11 217	550	11 767	9 742
Industrial buildings and warehousing	10 430	1 300	11 730	6 411
Data centres	6 300	1 170	7 470	4 203
Healthcare and education	11 602	–	11 602	5 230
Retail	3 416	–	3 416	2 347
Airports and hotels	1 787	350	2 137	–
Energy and water infrastructure	34 465	7 125	41 590	44 970
Mining infrastructure	2 700	2 454	5 154	4 215
Total	93 409	14 541	107 950	89 066
Public	40 059	350	40 409	12 520
Private	53 600	13 641	67 241	76 546
Total	93 409	14 541	107 950	89 066

ORDER BOOK AND OUTLOOK continued

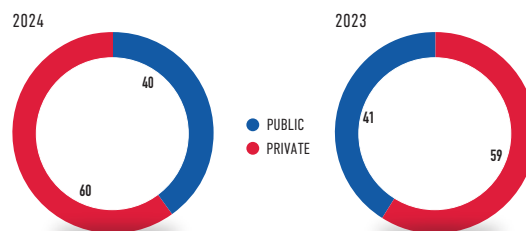
Roads and earthworks

	FY2024	FY2023	% change
South Africa	12 373	12 228	1
Rest of Africa	2 183	2 561	(15)
Total	14 556	14 789	(2)

The Roads and earthworks division sustained its order book at the record levels of the prior period with R7,4 billion expected to be executed in FY2025. Due to the size and length of several large roadwork projects that extend into FY2027, roadwork comprises 60% of the total order book, but only 43% of the work expected to be executed in FY2025. Court proceedings interdicting the commencement of the R2 billion N2 Lingeni to Msikaba road project were withdrawn in July 2024 and the project is expected to commence in the coming months. This joint venture is adjacent to the existing project under construction by the division between the Mtentu and Msikaba bridges. The forward-looking pipeline for new roadwork remains buoyant and the division is well positioned on projects exceeding R5 billion.

Together, the mining and energy sectors comprise 31% of the total order book and 50% of the work due to be executed next financial year. Several large mining infrastructure projects are due for completion in FY2025. Opportunities to replace these projects are not as prevalent given the current levels of commodity prices. Ongoing projects in the energy infrastructure sector comprise work at three coal-fired power stations and three wind farms. Prospects for new work in the renewable energy sector and for Eskom both remain positive.

PUBLIC VS PRIVATE
(%)

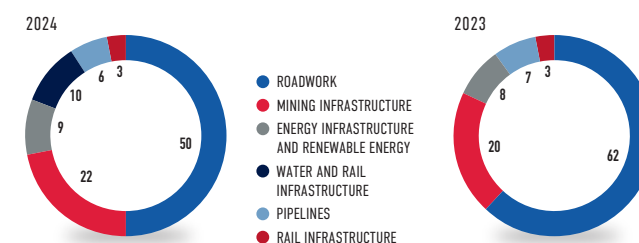


The Roads and earthworks division is the preferred contractor for the construction of LWUA's multi-billion-rand water supply scheme for in Limpopo, with the award of the full contract subject only to the project reaching financial close in the coming months.

In the rest of Africa, the focus will remain on projects in east and west Africa, with increased activity in southern Africa anticipated in the second half of the financial year. Mozambique continues to present significant opportunities related to the gas fields, subject to managing the region's tense security environment. The division has healthy order book levels in West Africa with ongoing work in Ghana and Liberia, as well as additional opportunities within the mining sector in the region.

During the year, the government of Botswana implemented a development management programme to fast-track key infrastructure projects in the country. Under this model, the development manager performs the full scope of engineering, procurement, construction, and management services associated with the infrastructure projects. The division forms part of the consortium for bids on two large road projects which, if secured, should support growth in the region during the latter half of FY2025.

SECTOR SPREAD
(%)



Project pipeline

	South Africa (Rm)	Rest of Africa (Rm)	FY2024 (Rm)	FY2023 (Rm)
Roads and earthworks				
Roadwork	52 095	5 825	57 920	28 925
Mining infrastructure	6 800	11 840	18 640	21 900
Energy infrastructure	6 185	9 475	15 660	10 580
Marine infrastructure	–	2 500	2 500	–
Water infrastructure	42 000	370	42 370	15 500
Total	107 080	30 010	137 090	76 905
Public	69 740	8 020	77 760	40 475
Private	37 340	21 990	59 330	32 205
Total	107 080	30 010	137 090	76 905

ORDER BOOK AND OUTLOOK continued

United Kingdom

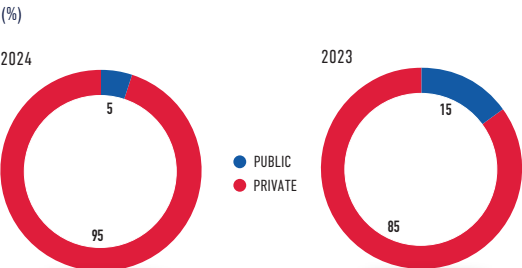
	FY2024	FY2023	% change
Byrne Group	3 751	3 998	(6)
Russell WBHO	676	817	(17)
Total	4 427	4 815	(8)

The UK order book decreased by 8% as at 30 June 2024. Despite this, there is growing optimism that the construction market is starting to improve supported by a recent change in government, stable inflation, and an interest rate cut in May 2024.

Byrne Bros. will begin the new financial year with a healthy order book, in both quantity and quality. The business continues to diversify across both sectors and locations, successfully building new client relationships in recent years which have led to repeat work. During the financial year, some impressive new projects have been secured namely, TVC Centre for Stanhope in West London, The Hub for Balfour Beatty in Berkshire and the Long Itchington Wood North Portal for the Balfour Beatty Vinci Joint Venture (BBV) as part of the HS2 scheme. We continue to deliver our live projects, including the North London Heat and Power Plant for Acciona, various assets for the Skanska, Costain and STRABAG Joint Venture (SCS) as part of the HS2 Area Central works, and a slip-formed shaft for BBV in Birmingham.

Similarly, Ellmers has secured over 80% of the current year's revenue for FY2025, which includes the completion of the Google contract, the Vauxhall penthouses and Bayswater apartments, and sections of The Other House Hotel in Covent Garden. New projects secured include two new penthouse fit-outs in the Whiteleys development, refurbishment works at 1 Palace Street, and an early works contract works at 25 Marylebone Road, London. The full contract for the refurbishment and remodeling of commercial offices at 25 Marylebone Road was secured post year-end and a new hotel build in Blackfriars is under a PCSA.

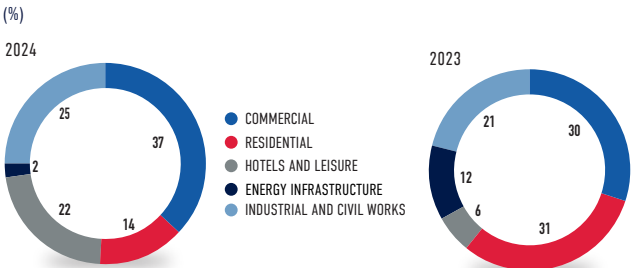
PUBLIC VS PRIVATE



The London and South-East construction market will likely remain the primary source of work for the business. The positioning of the business as a competent and reliable main contractor has paid dividends in the current market where corporate failures have increased, marketing the core strength within high-end residential, hotel and leisure and commercial office sectors, with the ability to provide modular methods of construction as required. O'Keefe has a moderate order book and sufficient near-term opportunities that should sustain current activity levels.

In Manchester, Russell WBHO commences the year with a secured order book of £29 million. It secured variations amounting to £32 million on an existing project after 30 June. The number of opportunities in the Manchester market has shown signs of improvement, but significant effort is still required to convert potential projects from PCSA into full contracts, and to identify worthwhile projects. The business has potential projects to the value of approximately £90 million under PCSAs, however, recent history has shown that these may take some time to be ground ready. The business is on site on one of the projects, which is valued at £16 million.

SECTOR SPREAD



Project pipeline

	FY2024 (Rm)	FY2023 (Rm)
United Kingdom		
Byrne Group	33 247	35 952
Russell WBHO	11 064	9 840
Total	44 311	45 792

MESSAGE FROM THE CHIEF FINANCIAL OFFICER



The Group is on a steady growth trajectory where over the last two years the combined African operations have essentially doubled in size and the UK operations have shown signs of recovery.

ANDREW LOGAN
CHIEF FINANCIAL OFFICER

The growth of 16% achieved this year resulted in record revenue of R23 billion from the continuing operations that was matched by an after-tax profit in excess of R1 billion for the first time in the Group's history. These achievements are particularly satisfying after the challenging times we have faced in recent years. Our operational teams and support functions continue to perform above and beyond what is expected of them and their effort is reflected in the financial results for FY2024.

Another highlight this year has been the resumption of dividend distributions to our shareholders. With the Board having approved a dividend of R4.60 per share for the year under review, this is the first full dividend declared by the Group since 2017 and signifies our confidence that Australia is firmly behind us and the industry in both South Africa and the United Kingdom (UK) has turned a corner. The Group reduced the loan from its primary banker by a further R117 million during the year bringing the aggregate repayments against the original loan of R350 million to almost R300 million within 18 months.

The growth experienced in mining infrastructure, roadwork and renewable energy projects has impacted capital expenditure and working capital requirements significantly in recent reporting periods. We have invested more than R1 billion in our fleet of plant over the course of FY2023 and FY2024. Renewable energy projects now comprise a healthy proportion of the Group's activity and are generally design and construct projects with sizeable procurement components and lengthy lead times. Given the milestone nature of these projects, we have generally been able to negotiate advance payments on both wind and solar projects to support our operating cash flows. Although these projects are cash positive, there can be significant working capital movements through contract assets and contract liabilities depending on where each project is in its life cycle at the end of the reporting period. Net working capital outflows across the Group amounted to R711 million in FY2024.

Given the resumption of dividends, the elevated levels of capital expenditure and the extent of the working capital outflows required during the year, the Group has done well in maintaining cash balances above R3,5 billion.

The condensed financial information included in the accompanying information is extracted from the full audited financial statements of the Group (which are available on the Company's website) and is provided for reference purposes when reading this report. Discontinued operations relate to the Group's operations in Australia which ceased trading in FY2022. Full disclosure of the Group's exit from Australia is included in previous reports and audited financial statements available on the website of the Company.

Key financial statistics and ratios

	FY2024	FY2023	FY2022
Revenue growth/(decrease) (%)	15,8	37,9	(11,4)
Operating profit margin (%)	4,5	4,5	4,7
Earnings/(loss) per share (cents)			
- total	1 844,3	1 489,7	(4 062,1)
- continuing	1 853,3	1 678,6	1 303,1
- discontinued	(9,0)	(188,9)	(5 365,2)
Headline earnings per share (cents)			
- total	2 011,7	1 514,5	(3 693,4)
- continuing	2 020,7	1 703,4	1 297,0
- discontinued	(9,0)	(188,9)	(4 990,3)
Dividend per share (cents)	460	–	–
Current ratio (times)	1,1	1,0	1,0
Debt/equity ratio (%)	14,8	20,7	11,2
Effective tax rate (%)	33,7	31,0	30,1
Return on capital employed (%)	33,0	36,9	23,7
Closing share price (cents)	16 008	10 448	8 088
Market capitalisation (R'm)	11 369	7 420	4 844
Number of employees	9 498	9 485	6 528

MESSAGE FROM THE CHIEF FINANCIAL OFFICER continued

Condensed financial statements

(R'000)	FY2024	FY2023	FY2022
Revenue	27 525 577	23 768 747	17 240 278
Operating profit before non-trading items	1 414 989	1 112 556	858 968
Non-trading items	(168 229)	(54 562)	(44 769)
Operating profit	1 246 760	1 057 994	814 199
Profits and losses from associates and joint ventures	95 861	130 870	100 456
Loss on disposal of associate	–	(19 762)	–
Net finance income	198 384	125 223	89 378
Income tax expense	(487 713)	(360 418)	(285 212)
Profit for the year	1 053 292	933 907	718 821
Discontinued operations	(4 749)	(100 191)	(2 993 120)
Profit/(loss) for the year	1 048 543	833 716	(2 274 299)
Property, plant and equipment	2 330 575	2 111 201	1 562 606
Right-of-use assets	156 381	158 688	230 613
Goodwill	500 243	602 317	512 532
Interests in associates and joint ventures	699 783	702 715	660 253
Long-term receivables	158 940	39 755	152 645
Deferred taxation	526 822	478 474	550 223
Inventories	429 735	430 462	420 918
Contract assets	1 138 717	776 031	281 448
Trade and other receivables	5 648 784	5 435 850	4 056 538
Current tax assets	111 767	226 241	99 941
Cash and cash equivalents	3 660 049	3 684 687	3 339 230
Total assets	15 361 796	14 646 421	11 866 947
Shareholders' equity	4 532 821	3 864 405	2 855 039
Non-controlling interests	145 092	136 506	81 255
Total equity	4 677 913	4 000 911	2 936 294
Lease liabilities	128 214	131 617	193 550
Long-term liabilities	257 765	327 157	152 186
Deferred taxation	9 107	33 197	42 522
Contract liabilities	3 284 249	2 426 624	1 908 312
Trade and other payables	4 705 193	5 043 441	4 137 375
Provisions	2 214 054	2 650 533	2 448 492
Current tax liabilities	85 301	32 941	48 216
Total liabilities	10 683 883	10 645 510	8 930 653
Cash flows from:			
Operating activities	664 183	1340 140	957 022
Investing activities	(167 077)	(351 668)	(101 941)
Financing activities	(513 745)	(129 897)	(237 152)
Net cashflows from discontinued operations	–	–	(1 587 092)
Recovery of guarantees in Australia	87 559	–	–
Payment to settle obligations in Australia	(50 769)	(782 114)	(853 551)
Proceeds on loss of control of subsidiary	–	–	(674 642)

FINANCIAL REVIEW

Segment revenue and operating profit from continuing operations

Led by activity in South Africa, which increased by 20%, the African and UK operations both delivered an improved performance over FY2023. The growth in South Africa reflects the high levels of work on hand within the Roads and earthworks division which achieved 46% growth in region. The Building and civil engineering division generated growth of 10% supported by elevated activity levels within the civil engineering and renewable energy sectors. Revenue from the rest of Africa increased by 5%, due to growing activity in Ghana and Liberia where we have some sizeable projects under construction. Revenue from the UK operations increased by 8% from R5 billion to R5,4 billion, where Byrne Bros. within the Byrne Group had a good year.

The segment operating margin of 5,1% (2023: 4,8%) reflects improved operating margins across all divisions and geographical regions which is positive. In the UK, the significant improvement in the overall margin to 3,4% from 2,3% in the prior year, reflects improved margins within Byrne Bros. and Ellmers construction alongside a return to operating profitability by Russell WBHO.

Impairment of goodwill

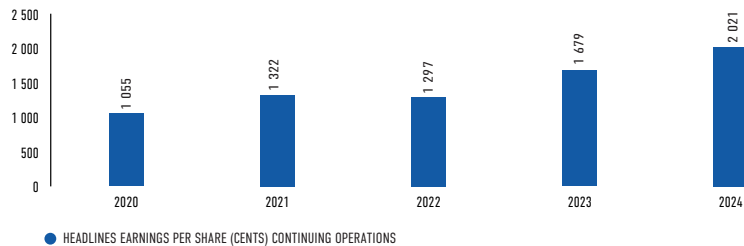
Perhaps the only blemish on an otherwise strong set of results, is the impairment of goodwill related to Russell WBHO in the UK. Construction activity in Manchester has recovered from the consequences of Covid-19, and other domestic and global factors, at a much slower pace than the London market. Margins have been extremely competitive on available work and in addition, several projects have been suspended or delayed where the cost of construction exceeds the feasibility of a project. A case in point being the suspension of a £100 million project on which the business had commenced the groundworks and demolition components of the project, but was ultimately unable to agree the final contract price with the client. Activity levels within Russell WBHO are less than half the levels of FY2021, and a return to similar levels is envisaged to take longer than previously forecast. As such, an impairment of goodwill amounting to £3,7 million was recognised in the current period leaving a carrying amount of £18,7 million. The UK construction market is expected to have bottomed out in FY2024 and procurement activity in the sector improved after the reporting period. Russell WBHO secured a £32 million variation order to an existing project and entered into a pre-construction service agreement for the refurbishment of Network Rail's Manchester Victoria Corporate Office.

MESSAGE FROM THE CHIEF FINANCIAL OFFICER continued

Earnings per share and headline earnings per share from continuing operations

Earnings per share from continuing operations grew by 10% from R16.79 to R18.53 per share. Headline earnings from continuing operations (which excludes the impairment of goodwill relating to Russell WBHO) increased by 19% to R20.21 per share versus R17.03 per share in the comparative period.

Headline earnings per share has improved steadily alongside the growth in activity levels and profitability and the graph below highlights the consistent performance delivered by the continuing operations.

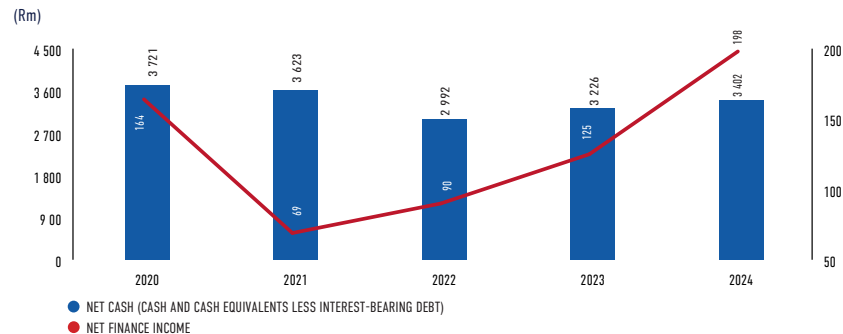


Net finance income and cash balances

WBHO earns interest income on its core and strategic cash as well as loans advanced under mezzanine financing arrangements. Funds are invested in A-rated money market funds and overnight call facilities with major financial institutions. Finance costs are primarily incurred on asset-based finance, property development funding and a loan from our primary banker.

Finance income earned during the year amounted to R266 million (FY2023: R189 million) of which R225 million (FY2023: R164 million) was earned in cash. Finance costs amounted to R68 million (FY2023: R64 million) of which R66 million was a cash expense.

The accompanying graph illustrates net finance income generated over the five-year period compared to the cash balances on hand less interest-bearing debt. Cash balances have remained broadly stable over this period, however interest-bearing debt has increased in line with capital expenditure requirements as the business has grown. Net finance income improved in line with sound cash management and higher interest rates.



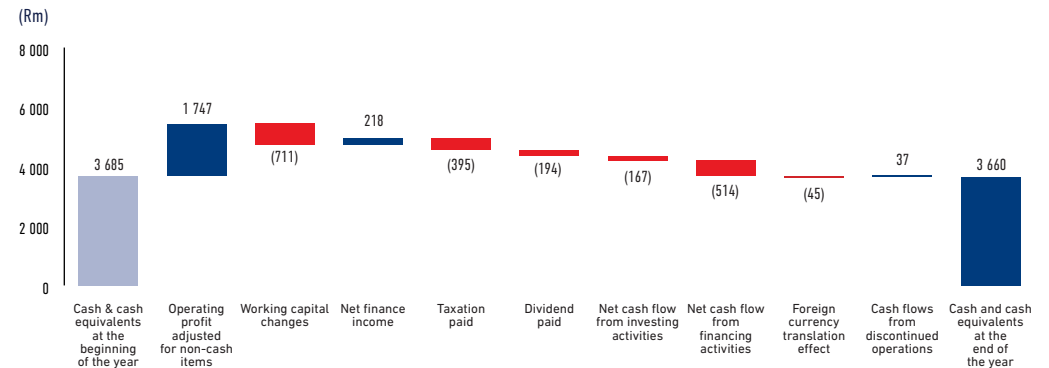
Cash balances were consistent with the prior year. Balances in South Africa reduced slightly from R2 billion to R1.9 billion. Cash balances in the rest of Africa decreased from R838 million to R763 million while in the UK, balances increased to R1 billion up from R817 million.

Cash generated from operations after working capital outflows of R711 million, amounted to a healthy R1 billion. Working capital movements can be attributed to two factors, the first being the growth in the business that affects the levels of trade and other receivables, trade and other payables as well as excess billings over work done, all of which increased. The second factor is the working capital effect of renewable energy projects at the various stages of those project life cycles.

Cash outflows relating to investing activities included plant and equipment acquired for cash of R221 million. Cash instalments of R266 million in respect of financed plant is included under finance activities. Depreciation in respect of property, plant and equipment increased to R296 million up from R202 million in the prior period.

Although cash balances have been stable, at these increased activity levels cash and working capital management remain a high priority.

CASH FLOW



Income tax expense and tax balances

Rm	FY2024	FY2023
Net deferred tax asset	518	445
Net current tax asset	27	193

The tax charge for FY2024 amounted to R488 million (FY2023: R360 million) at an effective tax rate of 32% when excluding profits earned from associates and the goodwill impairment in the UK. The effective tax rate has increased from 31% in the comparative period due to an increase in dividend withholding taxes paid in the rest of Africa. The effective tax rate of the combined African operations was 33.2%, while in the UK, the effective tax rate of 24.7% which approximates the statutory rate of 25%.

The Group has a sizeable net deferred tax asset of R518 million up from R445 million in FY2023. Most of the tax asset, amounting to R485 million (FY2023: R375 million), relates to timing differences where tax profits exceed accounting profit. R33 million relates to deferred tax assets in respect of unutilised tax losses, down from R70 million in the previous reporting period.

MESSAGE FROM THE CHIEF FINANCIAL OFFICER continued

The Group successfully secured tax refunds of R118 million which assisted in reducing the net current tax asset from R193 million to R27 million. R85 million in tax refunds are still to be collected alongside the utilisation of R27 million in foreign tax credits. Tax liabilities amount to R85 million (FY2023: R33 million).

Tax compliance is a high-risk area for multi-national organisations as tax authorities continue to enhance their compliance and monitoring activities. In the rest of Africa, transfer pricing practices are facing increased scrutiny. Tax audits usually encompass all tax types and cover multiple years which exerts a considerable drain on resources. WBHO has adopted a practical and ethical tax structure, employing both dedicated internal tax professionals and suitable specialist tax consultants to ensure the Group meets its tax obligations across all tax jurisdictions.

Property, plant and equipment

The Group's capital expenditure strategy is aimed at ensuring an ideal size and age of its fleet, relative to the level of operational activity. Capital expenditure has been at elevated levels in recent years to compensate for underspending during Covid-19 and the Group's exit from Australia, followed by substantial growth within the Roads and earthworks division.

The specific nature of work undertaken and the availability of plant, or lack thereof, in both the hire market and to buy, has required a heavier weighting toward expansionary plant in the current period which comprised 60% of the FY2024 capital expenditure. The cost of certain equipment is influenced by the ZAR/USD exchange rate and the weakening rand has contributed to a higher cost of imported plant.

Capital expenditure of R541 million has been approved for FY2025 with a focus on the replacement of major items of plant that have exceeded their useful lives.

Capital expenditure on plant and equipment:

Rm	Approved FY2025	Actual FY2024	Actual FY2023
Replacement	432	221	263
Expansion	108	312	247
Total	541	533	510

Additions to major plant and equipment in FY2024 amounted to R508 million of which R312 million was funded through instalment sale agreements with major South African financial institutions. The cash expenditure of R221 million relates mainly to new plant acquired for projects in the rest of Africa.

Rm	FY2024	FY2023
Property, plant and equipment	2 331	2 111
Acquired through a business combination	–	209
Depreciation	296	202

Interests in associates and joint ventures

The Group regularly invests in property developments and concession projects to unlock construction opportunities for its operations, while at the same time creating additional income streams. Investments in concession projects create annuity income, while returns on property investments are realised once construction of the development has been completed and transfer of the properties takes place.

The table below sets out the different types of investments undertaken by the Group, amounts invested and loans advanced as well as any profits realised or losses incurred during the financial year:

				Carrying amount Rm		After-tax share of profits and losses Rm	
Entity	Industry	Country	Effective %	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Concessions:							
Dipalopalo Concession (RF) (Pty) Ltd	Serviced accommodation	South Africa	27,7	73,2	49,3	21,0	–
DFMS Joint Venture	Serviced accommodation	South Africa	14,6	15,6	13,7	3,9	3,9
Tshala Bese Uyavuna (RF) (Pty) Ltd	Serviced accommodation	South Africa	32,5	102,2	98,2	4,0	–
Gigajoule International Group	Gas and power supply	Mozambique	26,6	387,1	385,2	71,4	136,3
Property developments:							
Lizcobiz (Formally Catchu Trading)	Residential	South Africa	50	10,5	39,6	0,1	(13,1)
19 on Loop/Rubik	Residential	South Africa	20	20,6	19,8	(1,3)	(0,9)
Property developer:							
Russell Homes Limited	Residential schemes and house builder	United Kingdom	31,7	490,8	398,5	(3,3)	0,5
Total				1 100	1 004,2	95,8	131,0
Expected credit loss				(1,9)	(1,7)	–	–
Total				1 098,1	1 002,6	95,8	131,0

MESSAGE FROM THE CHIEF FINANCIAL OFFICER continued

Concessions

The concessions providing serviced accommodation to the Department of Statistics (Dipalopalo) and Department of Rural Development and Land Reform (Tshala Bese Uyavuna) are in the early stages of the concession lifespans but contributed after-tax profits of R25 million together with R9 million in interest earned on shareholder equity loans.

The Gigajoule group of companies based in Mozambique performed well, generating an after-tax profit for the Group of R71 million alongside cash dividends of R60 million.

Property developments and property developers

The Group's investment in the Trilogy Apartments (Lizcobiz) in Tshwane consists of three unsold units from phase 1. Following the Group's exit from phase 2 of the development in the first half of the year, the shareholder equity loan decreased from R40 million to R11 million. The Rubik, mixed-use development in Cape Town was completed in May 2024 with the first transfers lodged with the deeds office in July 2024. The Group expects to receive development profits and exit the development in FY2025.

Elevated interest rates have resulted in subdued housing sales in the UK and have consequently impacted profitability within Russell Homes. Interest rate cuts and the recent change in government should assist in an improved outlook for FY2025.

Long-term receivables

The Group provides mezzanine financing to key clients where opportunities exist to unlock developments and procure work. Interest is levied at rates higher than those available from financial institutions and acceptable security is obtained. A mezzanine financing arrangement that became due in the current year is now expected to be repaid later than 12 months from the reporting date and has been reclassified as non-current.

Rm	FY2024	FY2023
Mezannine financing arrangements	134	159
Consideration receivable	33	31
Less: loss allowance	(8)	–
Less: current portion	–	(150)
Total	159	40

Long-term liabilities and contingent liabilities

Rm	FY2024	FY2023
Instalment sale agreements	325	277
Standard Bank of South Africa loan	53	170
Property development loan	101	101
Other long-term liabilities	135	123
Less: current portion	(356)	(344)
Total	258	327

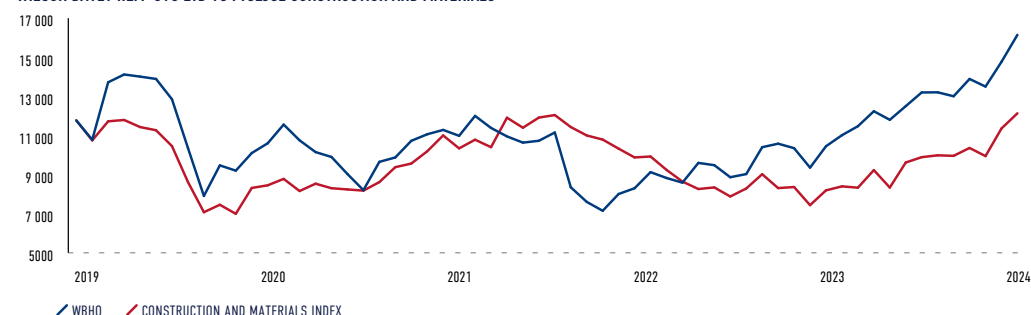
The increase in instalment sale agreements reflects the high levels of capital expenditure in recent years and plant with a net book value of R511 million (2023: R368 million) is encumbered in relation thereto. The decrease in bank loans relates to the reduction in the loan from our primary banker discussed at the outset of my report. Having settled a substantial portion of the debt ahead of the contractual terms, in September 2023 the terms of the loan were amended and the outstanding capital amount spread over the remaining term of the loan and all security was lifted. The loan has an outstanding balance of R53 million. The property development loan over the Units on Park student accommodation development in Hatfield, Tshwane remains at R101 million with a settlement date of August 2027 currently being negotiated. Other long-term liabilities comprise the present value of the remaining instalments of the settlement agreement between the Group and the South African government amounting to R75 million as well as R11 million owing to the City of Cape Town, which will be settled in November 2024.

Financial guarantees issued to third parties amounted to R7,4 billion compared to R6,9 billion in issue at 30 June 2023. The Group has guarantee facilities of R10,2 billion and headroom of R3,3 billion is available to support new projects.

Share price performance

The share price demonstrated a remarkable recovery in the final quarter of FY2024 closing at R160, buoyed by a promising outcome from the South African elections, strong growth within the local construction sector and positive sentiment for the future supported by healthy project pipelines and vocal commitment from the Government of National Unity about improved service delivery and financial reforms. Investor confidence in the inherent ability of the Group to perform well during these times is also reflected. At the date of this report, the share price has improved further to approximately R216.

WILSON BAYLY HLM-OVC LTD VS FTSEJSE CONSTRUCTION AND MATERIALS



MESSAGE FROM THE CHIEF FINANCIAL OFFICER continued

OUTLOOK

The outlook for the Group over the medium term is upbeat. The order book remains at elevated levels, the forward-looking pipeline contains good opportunities over an extended period and the macro environments in which we are operate seem poised for an upswing.

In South Africa, load shedding appears to have been successfully mitigated, interest rates have begun to decrease, and economic growth forecasts have been revised upwards. Sentiment in the UK is improving as well. Project delivery and people management in these busy times are our key strategic objectives.

The Group has maintained strong relationships with all major financial institutions that have demonstrated renewed commitment to the construction industry. Existing facility limits are sufficient to meet our immediate requirements. We will continue to monitor and manage these facilities to ensure that they can support sustainable growth.

APPRECIATION

Having taken over as CFO from Charles Henwood in November 2023, it has certainly been an exciting first few months in the role. I would like to extend my appreciation to Charles for his guidance and support over the many years we worked together, and look forward to our continued relationship when he assumes the role of Chairman toward the end of 2024. The finance teams across the Group have been challenged in different ways as we have entered this growth phase, and I am grateful for the support they provide to our operational teams as well as myself. I look forward to a year of challenges and opportunities for WBHO.

Andrew Logan

Chief Financial Officer



HOW WE PROTECT VALUE

- 64** Message from the Lead Independent Director
- 65** Board of Directors
- 66** Governance report
- 69** Message from the Audit Committee Chairman
- 70** Audit Committee report
- 73** Message from the Remuneration Committee Chairman
- 74** Remuneration Committee report
- 75** Remuneration and Implementation report

MESSAGE FROM THE LEAD INDEPENDENT DIRECTOR



In an ever-evolving landscape, WBHO places governance, sustainability, and the well-being of our people at the core of our operations. These pillars reinforce the trust our shareholders and stakeholders have in the Group. I am confident that our governance framework is both robust and adaptable, providing a strong foundation for ongoing progress. Our governance journey is one of continuous growth, as we strive for excellence in all that we do.

ROSS GARDINER

LEAD INDEPENDENT DIRECTOR

GOVERNANCE SUPPORTS VALUE CREATION

As global focus on sustainability intensifies, the Board's responsibility extends beyond short-term value creation to ensuring long-term sustainable growth. We are committed to balancing the interests of shareholders and stakeholders while embracing environmentally and socially responsible practices. WBHO's elevated order book and improving market sentiment in both South Africa and the United Kingdom highlight the importance of governance in driving this sustainable value. The Board and management are fully aligned in prioritising governance as a foundation for achieving our sustainability goals and operational success.

Our governance journey – a work in progress

The WBHO Board remains fully aware of its responsibilities as mandated by the Companies Act, JSE Listings Requirements, and King IV™. We firmly believe that strategy, risk management, performance, and sustainability are interconnected, and we continuously align these factors with the interests of all stakeholders.

The composition of the Board and its Committees is designed to ensure the effective execution of the Group's strategy. By blending skills, experience, and diversity in gender, age, race, and perspectives, we provide management with the support and oversight needed to navigate critical issues and opportunities. The collaboration between the Executive Chairman and the Lead Independent Director ensures optimal governance and compliance with regulatory requirements.

As WBHO continues to deliver strong results, our zero-tolerance stance on corruption remains a cornerstone of our operations. We provide multiple whistleblowing channels for employees and subcontractors, with all reported incidents handled directly by the CEO and the independent internal audit function. The Audit Committee receives quarterly updates on every reported incident and its outcomes.

Our commitment to transformation, while avoiding partnerships with unreliable or questionable parties, is ingrained in the Group's culture and is passed on to new employees. Additionally, the Board remains focused on critical areas such as climate change, employment equity, and transparent stakeholder engagement.

The year ahead

In the coming year, the Board's priorities include continued stakeholder engagement, enhanced sustainability reporting, and ensuring the appropriate structures are in place across the Group to support the execution of our responsibilities. We are committed to staying informed of the latest trends and to continuous upskilling to meet our obligations effectively.

I extend my gratitude to my fellow Board members for their dedication, especially over the past five years as the Group has navigated the various challenges. I also thank management, operational teams, and support functions for their ongoing excellence. I wish Louwtjie well in his retirement and eagerly anticipate Charles' return to the Board. I am confident that the Board and its Committees will continue to uphold their mandates with commitment in the year ahead.

Ross Gardiner

Lead Independent Director

BOARD OF DIRECTORS

WBHO recognises that accountability and transparency are fundamental to investor trust and that good governance contributes to value creation in the short-, medium- to long-term. A summarised account of the work done by the Board during the 2024 financial year follows, and describes how the Board has applied principles of good governance in order to enable and support the Company's value creation process. Refer to the separately published ESG Report for the detailed governance report.

EXECUTIVE DIRECTORS



Louwtjie Nel ⁽⁶³⁾

Chairman

Qualifications:

BSc Eng

Board member since: 1 August 2008

Skills, expertise and experience: Engineering

Industry experience: 37 years

Other significant directorships:

WBHO Group companies



By invitation to Remuneration Committee



Wolfgang Neff ⁽⁵³⁾

Chief Executive Officer

Qualifications:

BSc Eng (Civil), Pr.Eng, Pr.CPM

Board member since: 20 November 2019

Skills, expertise and experience: Engineering

Industry experience: 31 years

Other significant directorships:

WBHO Group companies



By invitation to all Sub-Committees



Andrew Logan ⁽⁵⁰⁾

Chief Financial Officer

Qualifications:

BCom, BCompt (Hons), CA(SA)

Board member since: 23 November 2023

Skills, expertise and experience: Finance

Industry experience: 21 years

Other significant directorships:

WBHO Group companies



By invitation to all Sub-Committees

NON-EXECUTIVE DIRECTORS



Ross Gardiner ⁽⁶¹⁾

Lead Independent director

Qualifications:

BSc (Hons) (Mining and Petroleum Engineering)

Board member since: 23 January 2014

Skills, expertise and experience:

Mining, engineering and risk management

Industry experience: 39 years

Other significant directorships:

New Africa Mining Fund 3 (Pty) Ltd



Hatla Ntene ⁽⁷⁰⁾

Independent non-executive

Qualifications:

BSc (Surv), Dip.Con. Econ,

Dip.Civ.Eng, Pr.CPM, PRQS, PMAQS

Board member since: 1 November 2017

Skills, expertise and experience:

Quantity surveyor and governance

Industry experience: 40 years

Other significant directorships: Calgro M3 Holdings Limited, Mvua Property Partners (Pty) Ltd



Karen Forbay ⁽⁵⁴⁾

Independent non-executive

Qualifications:

BCom, BCom (Hons) Economics and Finance, BCom (Hons) Accounting, Hdip (Tax), Post Graduate Diploma (Leadership), ACMA, CGMA®

Board member since: 1 November 2017

Skills, expertise and experience:

Governance, finance and taxation

Industry experience: 7 years

Other significant directorships:

KMF and Associates (Pty) Ltd



Nosipho Sonqushu ⁽³⁴⁾

Independent non-executive

Qualifications:

CA(SA), CFA candidate

Board member since: 5 December 2022

Skills, expertise and experience:

Finance and mining

Industry experience: 2 years



Cobus Bester ⁽⁶⁵⁾

Independent non-executive

Qualifications:

BCom (Acc) Hons, CA(SA)

Board member since: 1 November 2017

Skills, expertise and experience:

Finance, taxation, governance and risk management

Industry experience: 37 years

Other significant directorships: Bombela Operating Company (Pty) Ltd



SAE SOCIAL AND ETHICS COMMITTEE

NOM NOMINATIONS COMMITTEE

REM REMUNERATION COMMITTEE

RISK RISK COMMITTEE

AUDIT AUDIT COMMITTEE

CHAIR

GOVERNANCE REPORT

THE BOARD

The Board is constituted in terms of WBHO’s Memorandum of Incorporation and is aligned with King IV™. The majority of Board members are independent and non-executive directors.

Emphasis is placed on ensuring that Board composition reflects diversity in the broadest sense. Diversity encourages robust debate that ensures that appropriate guidance is provided to management in delivering on our strategic objectives. The Board is committed to ensuring that diversity, including that of background, experience, skills, geography, race, age, and gender is reflected in its composition. The Board has adopted a race and gender diversity policy and has set a target range for minimum representation on the Board by female directors of between 25% and 30% and black directors of 30%. WBHO has a unitary Board structure, comprising mostly of non-executive directors, independent of management.

BOARD CHARTER

The Board follows a stakeholder-inclusive approach in the execution of its governance roles and responsibilities and assumes collective responsibility for strategy, policy, oversight and accountability. The Board Charter encapsulates the Board’s overall business philosophy, formalised duties and responsibilities.

In addition, it highlights the characteristics of the Board and individual Board members, and sets out the policies, procedures and steps to be followed by the Board pertaining to the discharge of its duties and the conduct of its activities in order to ensure overall good corporate governance. The Board Charter was reviewed and adopted during the year.

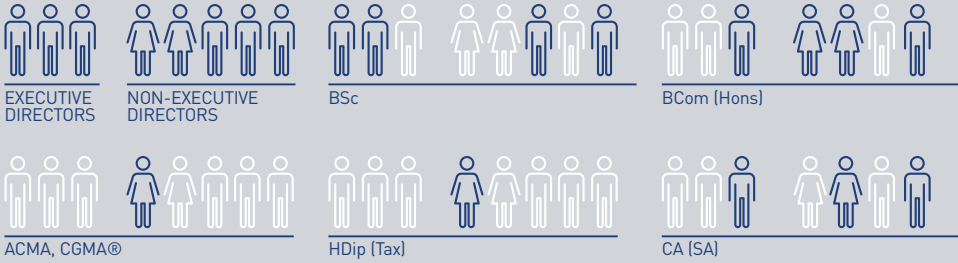
STATEMENT OF COMPLIANCE

The Board complies fully with applicable laws and regulations in the jurisdictions in which the Group operates. The Group has embraced King IV™ as recommended and through its King IV™ register, which can be viewed on the Group’s website (www.wbho.co.za) seeks to provide a narrative-based report in which it references each of the King IV™ principles and the Group’s application of the principle.

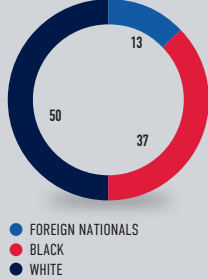
The Board has delegated responsibility for compliance with applicable laws and regulations to Exco and senior management. The compliance function is monitored through the Compliance Officer who reports on compliance matters at the various Sub-Committees and the Board.

During the 2024 financial year, WBHO was compliant in all material respects with the requirements of the Companies Act 71 of 2008 (Companies Act), the Companies Act regulations and the JSE Listings Requirements.

QUALIFICATIONS



DEMOGRAPHICS (%)



37%

BLACK BOARD MEMBER

75%

MALE BOARD MEMBERS

25%

FEMALE BOARD MEMBERS

BOARD ATTENDANCE

Directors	Board attendance
Independent non-executive directors	
Hatla Ntene	5/5
Ross Gardiner	5/5
Cobus Bester	5/5
Karen Forbay	5/5
Nosipho Sonqushu	5/5
Executive directors	
Louwtjie Nel (Chairman)	5/5
Wolfgang Neff (CEO)	5/5
Charles Henwood (CFO)*	1/1
Andrew Logan (CFO)^	4/4

* Resigned 23 November 2023

^ Appointed 23 November 2023

GOVERNANCE REPORT continued

GOVERNANCE FRAMEWORK

WBHO's governance framework, as set out below, enables the Board to maintain effective control while delegating authority through its Board Committees and the Executive Committee:

BOARD				
Responsible for strategic leadership and guidance and ensuring that the Company remains a robust, successful business, responsive to stakeholders and accountable to shareholders.				
BOARD COMMITTEES				
AUDIT COMMITTEE	RISK COMMITTEE	SOCIAL AND ETHICS COMMITTEE	REMUNERATION COMMITTEE	NOMINATION COMMITTEE
Oversight of financial risk management and ensuring the integrity of financial reporting	Oversight of the risk management framework and combined assurance reporting	Oversight of good corporate citizenship, encompassing ethical, legal, social and environmental governance	Oversight of all remuneration policies and practices	Oversight of the evaluation of all Sub-Committees and main Board directors as well as identifying and sourcing appropriately skilled new directors
CEO				
EXECUTIVE COMMITTEE				
Responsible for implementing the strategy of the Group and assisting the CEO in managing the day-to-day operations. In addition, mandates are given to the Committees below to oversee specific areas of importance on behalf of the Executive Committee.				
INFORMATION TECHNOLOGY STEERING COMMITTEE	CREDIT COMMITTEE	TRANSFORMATION COMMITTEE	SKILLS DEVELOPMENT COMMITTEE	VRP RISK COMMITTEE
Responsible for ensuring effective, appropriate IT governance and support	Responsible for assessing all capital projects against financial, technical and strategic objectives	Responsible for implementing initiatives to achieve the strategic transformation objectives of the Group	Responsible for ensuring the training and skills development programmes of the Group are coordinated and effective	Responsible for monitoring progress against VRP targets and developing strategy to ensure the ultimate obligation is achieved

GOVERNANCE REPORT continued

The table below summarises the key activities undertaken by the Board in the year as well as planned focus areas for FY2025:

	Desired outcomes	Activities in the year	Specific planned focus areas for FY2025
Strategy, performance and reporting	- A well-considered strategy, taking into account the operating environment, risks and opportunities, with the intent to deliver sustained long-term value. - Appropriate alignment and monitoring of key performance measures and targets for assessing the achievement of the strategic objectives. - Providing reliable external reports that enable stakeholders to make an informed assessment of the Group's performance.	- Monitored the performance and implementation of the approved strategy and interrogated changes to the strategy at the strategy meeting. - Approved key performance metrics and targets for FY2024. - Reviewed detailed divisional business reports at the interim reporting period to highlight any emerging issues and risks. - Approved the FY2024 budget. - Approved the FY2024 Integrated Report, annual financial statements and published results announcements. - Reviewed solvency, liquidity and going-concern status. - Participated in site visits at various construction sites within the Group within the South African operations.	- To review and interrogate the strategic direction and objectives in relation to risks, opportunities, resources, and relationships at the annual Board strategy session. - To closely monitor high-risk projects and areas in which the business operates. - To continuously assess how the business maintains its competitive advantage by monitoring the businesses solvency and liquidity position. - To monitor relationships with clients, in particular on high-risk projects. - Perform at least one site visit to sites annually
Risk, oversight and compliance	- Strengthened diversity in thought, experience, and independence of the Board and its Committees. - Continuous improvement in the performance and effectiveness of the Board. - Compliance with WBHO policies and country-specific laws and regulations throughout WBHO in each country of operation. - Substantial compliance with the spirit and principles of King IV™.	- Through the various Sub-Committees, reviewed reports covering compliance with country and Group-specific policies and procedures. - Identified and assessed potential risk of non-compliance throughout the Group on a regular basis. - Through the Social and Ethics Committee interacted with stakeholders on the responsibility of the Group to implement sustainable solutions on the various sites insofar as the Group has control of those solutions. - Introduced the Modern Slavery Policy and updated the Code of Conduct to reiterate the Group's stance against unfair and illegal labour practices.	- Sustainability remains one of the most topical areas by stakeholders and is expected to form a standing item on agendas going forward. Board members will receive the necessary training on sustainability and related matters. - Continue to identify potential risks of non-compliance throughout the Group through the various Sub-Committees.
Remuneration	- Fair, responsible and transparent remuneration practices. - Alignment of executive director and stakeholder interests.	- Reviewed the Remuneration policy and implementation plan against WBHO's strategic objectives. - Following the voting patterns at the AGM, reviewed the Remuneration Policy to ascertain whether it was still relevant and appropriate. - Performed an analysis of executive management cost to company against industry peers. - Approved the value of the short-term incentive pool.	- Ongoing review of remuneration structures against industry norms and performance of the Group. - Review medium- to long-term methods to retain key skills and employees within the Group.
Stakeholder Relations	- Stakeholder-inclusive approach in the execution of governance roles and responsibilities. - Reasonable needs, interests and expectations of stakeholders, balanced with the best interests of the Group over time.	- Identified material stakeholders and oversaw the extent of stakeholder engagement. - Oversaw facilitation by management of regular and pertinent communication with shareholders. - Engaged with shareholders who expressed an interest in engaging with the Board on matters pertaining to remuneration and sustainability.	- Ongoing monitoring of stakeholder engagement. - Perform an assessment of the sufficiency and effectiveness of WBHO's engagement with stakeholders.
Corporate Governance	Appropriate governance structures and procedures to ensure effective control over the Company.	- Considered the independent assessment of long-tenure non-executive directors. - Continue to monitor the IT governance structures against global best practice and implement necessary changes to ensure alignment with best practice. - Reviewed and updated the Board of Directors Charter.	- Review of the corporate governance framework and the delegation of authority policy by the Board. - Perform an external assessment of the Terms of Reference and the Working Plans for the various Board Sub-Committees to ensure that they are aligned with best practice and cover all elements required in terms of King IV™ and relevant legislation. - Annual assessment of the independence of long tenure directors and their reappointment in terms of King IV™. - Assess and understand the effect of the Companies Amendment Bill on the effective functioning and composition of the Board.

MESSAGE FROM THE AUDIT COMMITTEE CHAIRMAN



Dear shareholders,

It is with pride that I present the 2024 Audit Committee report. In an exciting year for the Group, the Audit Committee has played a major role in ensuring that material financial risks are closely monitored. In addition to fulfilling the statutory and other duties and responsibilities conferred upon us, the Committee closely monitored the appointment of a new CFO and new external auditors, PwC. Pleasingly, the finance function took these changes in its stride and all the necessary reports were made available to the Committee on time. The most prominent risk considered by the Committee in the past two years was the finalisation of the Group's exit from Australia, the associated effect on liquidity as obligations were settled and adherence to covenants within all lending agreements. We are pleased with the results of management's actions during this difficult time and with all obligations now met, the Committee will be able to shift its focus in FY2025.

COBUS BESTER
CHAIRMAN

The impact of the growth cycle commencing in the previous financial year was a pivotal topic in FY2024, with the Committee focusing on the working capital cycle and available asset finance and guarantee facilities. Underperforming contracts occur occasionally, due to a project's complexity or alternatively growth in employment numbers resulting in a lack of understanding of the "WBHO way". The Committee was pleased that there were no material loss-making contracts.

The Committee obtained confirmation from the internal auditors on the resolution of all medium- and high-risk findings within their reports. The number of projects achieving satisfactory or better internal audit reports decreased slightly from 67% of projects audited to 65%. Of the projects audited, 30% required improvement of certain controls better than the prior year's 33%, with a 5% failure rate. The deterioration in the number of projects achieving a satisfactory or better result has been attributed to the sharp growth delivered, and management has acted swiftly to ensure any deficiencies in the internal control environment on these projects have been remedied. Follow-up audits were conducted in respect of most projects in this category and these subsequent audits concluded that all control weaknesses were successfully addressed. As in the prior year, the controls over site

assets, procurement procedures not followed and overtime are the three main areas that are consistently identified as not being fully complied with on projects. Management continues to engage with site personnel to make the necessary improvements.

Each year we evaluate the suitability of the expertise and experience of the CFO and review the expertise, resources and experience of the finance function, while also obtaining regular independent reports on the appropriateness and effectiveness of the Group's internal control environment from the internal and external auditors. As a Committee, we can confirm that the Group has appropriate expertise in place and that the financial processes and controls of the Group are sufficiently robust to ensure the integrity of WBHO's financial reporting.

In this report, we provide more detail about how the Committee satisfied its various statutory obligations during the year, how it assessed the effectiveness of the internal auditors and the appointment, independence and effectiveness of the external auditors. The report also reflects on significant matters arising through the year and how the Committee addressed those.

The Committee will continue to operate within its mandate and address all regular matters reserved for its consideration in FY2025 as well as giving specific focus to the following areas:

- Closely monitor and assess the performance of large-scale and underperforming projects
- Monitoring the performance of the broader operations of the Group in light of the substantial increase in order book levels and the volume of work to be executed
- Continue to monitor and assess the liquidity and working capital position of the Group

Finally, my thanks to my fellow Committee members for their contribution and support this year. We wish Andrew Logan well in his role as CFO and look forward to collaborating with him in FY2025. The Group's remarkable performance in FY2024 further strengthened its position from FY2023 and it is an exciting time to be able to play a part in the WBHO story.

Cobus Bester
Chairman

AUDIT COMMITTEE REPORT

The Audit Committee's primary purpose is to provide financial oversight on behalf of the Board in compliance with the statutory duties and responsibilities prescribed by the Companies Act, JSE Listings Requirements and King IV™.

AUDIT COMMITTEE RESPONSIBILITIES

The Committee has adopted appropriate formal terms of reference and is responsible for:

- Performing its statutory duties as prescribed by the Companies Act, with specific reference to audit quality, auditor independence and financial policies and reporting concerns
- Considering the financial performance, financial position and cash flows of the Group on a quarterly basis
- Overseeing, assessing and approving the internal and external audit functions with respect to appointment, work plans, quality of work executed, matters arising from the work performed and independence
- Reviewing the expertise, resources and experience of the finance function and evaluating the suitability of the expertise and experience of the CFO
- In conjunction with the Social and ethics and Risk Committees, considering the risk management framework and policy as they relate to financial reporting risks, internal financial controls and fraud, IT and non-compliance risks as they relate to financial reporting as well as the adequacy of the risk management process
- Overseeing the combined assurance framework and plan, including the quality of, and reporting by, assurance services provided within the Group as well as any external assurance providers to ensure the integrity of information for internal and stakeholder decision-making, as well as the adequacy and effectiveness of internal controls
- Recommending to the Board for approval, the interim and annual financial statements as well as the Integrated Report including the Committee's assessment of the solvency and liquidity of the Group

The Committee confirms that it has discharged its responsibilities as mandated by the Board. It has discharged its statutory duties in compliance with the Companies Act and the JSE Listings Requirements, and aligned with best practice in corporate governance, as advocated by King IV™.

The Audit Committee specifically addressed the following matters in FY2024:

FOCUS AREA	ACTIVITIES AND EXPLANATION
ASSESSMENT OF THE NEWLY APPOINTED CHIEF FINANCIAL OFFICER	The Committee assessed the new CFO's readiness for the role and monitored his progress for the first year. An internal assessment to evaluate the suitability of the expertise and experience of the CFO is also undertaken annually in terms of the Committee's terms of reference.
ASSESSMENT OF NEW AUDITORS FOR THE YEAR ENDING 30 JUNE 2024	PricewaterhouseCoopers South Africa Incorporated (PwC) completed the audit engagement for the first time in 2024 after being appointed as the Group's auditors in the prior financial year. The Committee monitored PwC's implementation of their audit plan and received feedback on the outcomes. As part of best practice recommended by the Directors Institute of South Africa, the Committee engaged with members of the finance function and the audit team to assess the audit firm's: • Audit approach and planning • Management letter and reporting • Quality of the audit – key assumptions and judgements used • Audit team and resources • Firm's reputation An assessment of the audit partner was also undertaken and the Committee recommended PwC's reappointment as external auditors to the Board.
MONITORING THE PROGRESS OF THE GROUP'S EXIT FROM AUSTRALIA	The Committee monitored the outstanding issues surrounding the decision to exit Australia which included: • Obtaining regular updates from management on the status of called, uncalled and recovered guarantees The Committee is satisfied with management's handling of this difficult process and the ensuing result, with R84 million being recovered in the current financial year.
GOING CONCERN ASSESSMENT	The Committee reviewed the 12-month forward-looking cash flow forecast of the Group on a quarterly basis. It evaluated the assumptions applied by management in preparing the report against the actual cash flows generated and utilised for the financial year. The Committee also reviewed the budget for the 12 months ending 30 June 2025 and considered the auditor's evaluation of management's going concern assessment. The Committee is satisfied that the Group has sufficient work-on-hand as well as the necessary cash resources and borrowing facilities to meet its financial obligations for the next 12 months.
LARGE PROJECTS AND UNDER-PERFORMING PROJECTS	The Committee received reports from management detailing the nature and extent of large projects, both in value and in size. These projects are usually cash intensive and the Committee assessed management's cash flow projections in line with these requirements. Underperforming contracts present a financial and operational risk and may require disclosure as onerous contracts. The Committee also considered if the underperforming contracts were a result of systems or people being under pressure. The Committee satisfied itself that these contracts were not material and did not meet the requirements of being onerous. The Committee was satisfied with management's plans to limit further financial exposure.

AUDIT COMMITTEE REPORT continued

FOCUS AREA	ACTIVITIES AND EXPLANATION
CONTRACT ASSETS AND CONTRACT LIABILITIES	Significant movements in the balance sheet were monitored and discussed in detail throughout the year. Due to the nature of the projects being executed, large balances of materials on site remain in contract assets at year end. The recoverability of these amounts together with other underclaims forms part of the Committee's assessment undertaken with management.
CASH BALANCES	The Audit Committee reviews the composition of the Group's cash balances at least quarterly. While the cash has been well managed throughout the year, the growth in the Group's order book necessitates continuous monitoring to ensure clients pay on time and suppliers are carefully managed. The Committee is satisfied that management reviews cash on a weekly basis and updates forecasts for the financial year regularly.
DIVIDEND	The Committee assessed the Group's future working capital requirements. In performing this assessment, the 2025 budget and cashflow forecasts were considered. The remaining commitments in Australia and debt covenants were also taken into account. The Committee agreed with management's recommendation that a dividend of 460 cents per share be declared for the year ending 30 June 2024, and recommend such to the Board.
TAXATION	The Committee reviewed the tax policy of the Group. The Committee considers a quarterly tax report from management providing details of the prevailing tax risks and tax matters being attended to. The Committee monitors the outcome of all tax audits conducted by revenue authorities and concluded that any dispute would not have a material negative outcome. The Committee considered the tax review undertaken by PwC and noted that no significant matters of concern were reported. The Committee also reviewed the recoverability of current and deferred tax assets.
IT GOVERNANCE	Management reported on the successful implementation of SAGE across the South African companies. The African companies will migrate to SAGE in the next financial year. The Group is migrating to Microsoft Outlook and will complete the project within the next financial year while the Implementation of new ERP servers was completed in the current year. An independent service provider was appointed to assess and address any security vulnerabilities within the internal and external environment and the BLU web application. Identified threats were resolved timeously and no significant security breaches occurred in the year.
CORPORATE GOVERNANCE	In order to meet its obligations when approving the consolidated annual financial statements for the Group in terms of section 3.84(g) of the JSE Listings Requirements, the Committee assessed the internal control processes over the consolidation of the subsidiaries of the Group including the preparation of subsidiary packs, compiled in accordance with IFRS and signed off by the relevant external auditors prior to consolidation. The Committee reviewed a reconciliation prepared by management of revenue and operating profit from the management accounting reports to the financial statements and obtained confirmation from the auditors of the Group that the audits of the financial statements of all material subsidiaries had been completed. The Committee also confirmed that the necessary processes were in place for the CEO and CFO to sign the Responsibility Statement in terms of section 3.84(k) of the JSE Listings Requirements.
RISK GOVERNANCE	This year, the Group conducted an external maturity assessment of its risk governance practices. The risk maturity assessment performed concluded that there has been an upward trajectory in WBHO's risk management capabilities, with a considerable number of improvements made over a period of time to enhance the governance of risk and improving risk processes. There is a good level of commitment from Exco and the Board with respect to the further enhancement of risk maturity across the organisation.

COMPOSITION AND ATTENDANCE AT MEETINGS

During the year under review the Committee members comprised four independent non-executive directors. All members have the requisite business, financial and leadership skills for their positions.

Composition	Appointed	Meeting attendance	Other regular attendees
Cobus Bester (Chairman)	1 November 2017	4/4	- Chief Executive Officer - Chief Financial Officer - Members of the Finance function - Information technology - Internal auditors - External auditors
Karen Forbay	1 November 2017	4/4	
Ross Gardiner	28 April 2014	4/4	
Nosipho Sonqushu	5 December 2022	4/4	

Refer to page 65 for detailed qualifications and experience of Committee members.

The Chairman meets separately with management and the external and internal auditors in preparation for each quarterly meeting. During the year under review, four closed sessions were held with management, internal audit and the external auditors with Committee members only.

Internal audit

The Group outsources its internal function to Deloitte Inc. in respect of its African operations. The internal audit function in the United Kingdom is currently managed in-house.

During the year the Committee:

- Confirmed the independence of the internal auditor
- Approved the fees payable for services rendered by the internal auditor
- Reviewed the internal audit plan for the year
- Reviewed the audit reports of internal audits conducted and made appropriate enquiries of management and the Chief Audit Executive on significant audit findings
- The Chairman held separate meetings with the Chief Audit Executive without management being present at which no matters of concern were raised
- Members from the South African finance function visited the UK to conduct an internal audit of both the Byrne Group and Russell WBHO. The Committee was provided with a report summarising the findings and recommendations made, but overall, the controls were found to be satisfactory

AUDIT COMMITTEE REPORT continued

External auditors

In respect of the external auditor, the Committee:

- Satisfied itself that the external auditor was independent as set out in section 94(8) of the Companies Act. The independence of the external auditors is regularly reviewed as prescribed by the Independent Regulatory Board of Auditors (IRBA). The requisite assurance was provided by the external auditor to support and demonstrate its claim to independence
- Determined the fees payable and terms of engagement for the FY2024 audit as well as the nature and extent of any non-audit fees that the external auditor provided to the Group. All non-audit related services are governed by a formal approval framework
- Reviewed and approved the external audit plan giving specific attention to the key audit matters and the proposed scope
- The Chairman of the Committee held separate meetings with the external auditor without management being present at which no matters of concern were raised
- Received and reviewed external audit reports for the year pertaining to the annual financial statements for the year ended 30 June 2024
- Assessed the quality of the external audit undertaken, and overall, the Audit Committee is satisfied with the quality of the external audit services performed for the year, after having:
 - Made enquiries with management regarding their overall experience of the external audit services
 - Reviewed the reports submitted as well as the quality of engagement with the external auditors at Committee meetings
- Reviewed and considered the findings from IRBA on the audit firm as well as its partners
- It was recommended to the Board for approval at the AGM, the reappointment of PwC South Africa Incorporated as the external auditors for the 2024 financial year and confirm that Mr A Rossouw be confirmed as the designated lead partner for the forthcoming year

Comments on audit matters

With respect to the key audit matters addressed by PwC in their external audit report, the Committee provides some insight at a high level as to the oversight function of the Committee:

• Recognition of contract revenue and related contract assets and liabilities

Revenue and margin recognition on construction contracts require significant judgement to determine current and future financial performance. The Committee assessed the methodology and judgement applied by management in determining the contractual performance obligations. For contracts where performance obligations are delivered over time, the Committee focused on the measurement of progress of material contracts. The Committee discussed the matter with the external auditors and considered the audit procedures and evidence obtained to support management's judgements.

The Committee is satisfied that the methodology and judgements applied by management are in accordance with IFRS.

• Goodwill impairment assessment

For the reporting period ending 30 June 2024, WBHO recognised material values of goodwill, being the excess of the fair values of acquired assets and liabilities over the net consideration paid, on acquisitions in the United Kingdom. By its nature, the testing of goodwill for impairment involves significant judgement.

After the cancellation of a £100 million contract in the Russell WBHO business, the Committee considered the appropriateness of the growth forecasts and key assumptions applied to the valuation model in the FY2024 assessment. The Committee is satisfied that the models and assumptions applied were appropriate and consistent with available market information. The Committee also considered PwC independent assessment. Further, the Committee agreed with management's assessment of a £3,7 million impairment.

ANNUAL CONFIRMATIONS

The principal matters attended to by the Committee during the year included:

• Annual financial statements and integrated report

The Committee is satisfied that WBHO's financial reporting procedures are operating appropriately. The Committee reviewed and considered the annual financial statements as well as the 2024 Integrated Report and recommended them for approval by the Board.

The Committee, in the finalisation of the consolidated annual financial statements, also considered matters, including those emanating from the JSE's ongoing communication of emerging shortcomings in financial reporting gathered from their pro-active monitoring process in respect of accounting policies and financial reporting.

• Solvency and liquidity

The Committee reviewed quarterly assessments by management of the going concern premise of the company before communicating to the Board that the company and Group will be a going concern for the foreseeable future.

• Evaluation of the expertise and adequacy of the CFO and the finance function

Considered and satisfied itself of the appropriateness of the expertise and adequacy of resources within the finance function of the Group and specifically of the CFO.

• Effectiveness of internal controls

Using WBHO's combined assurance model and the assurance obtained from assurance providers across the three lines of defence as a basis, the Committee recommended to the Board that it issues a statement as to the adequacy of the Group's internal control environment.

The Committee also considered the effectiveness of the Chief Audit Executive and internal audit function and monitored adherence to the annual internal audit plan. The Committee satisfied itself that the internal audit function is independent and had the necessary resources, standing and authority to discharge its duties.

MESSAGE FROM THE REMUNERATION COMMITTEE CHAIRPERSON



Dear shareholders,

The Group reported improved results in 2024, boosted by some significant awards from the public sector. Operating profit, headline earnings per share, and return on capital employed (ROCE) continued on an upward trend. The Group returned to paying a dividend, repaid a significant portion of its bank loan and invested heavily in plant and machinery, hence cash balances remained flat compared to FY2023. The orderbook remains at elevated levels and the outlook for infrastructure development in South Africa is positive.

The loss of skills within the construction sector is a major concern for the Committee. Many experienced employees, engineers and quantity surveyors are choosing to explore opportunities in other sectors or countries. The Committee approved above inflation average increases targeting both skilled and semi-skilled employees in an effort to retain skills within the business.

HATLA NTENE

CHAIRMAN

The Committee is pleased to note that, after being extended for two years, the long-term incentives (LTIs) allocated to management level employees in 2016 offered value as the WBHO share price rebounded strongly to reach record levels. The trusts forming part of Akani 2 made their first distributions, and 1 982 qualifying employees benefitted from the dividend declaration made by WBHO.

One responsibility of the Remuneration Committee is to ensure that compensation packages align with the strategic goals of the company, shareholders' interests and regulatory requirements. In addition, they should promote fairness and transparency and be able to attract and retain top talent. WBHO's remuneration philosophy intentionally weighs the remuneration of top management more heavily toward incentive-based pay rather than total guaranteed pay. This philosophy ensures an appropriate relationship between the Group's performance and executive remuneration. This remuneration methodology for executive directors can be found from page 76. The Committee performs annual evaluations of the performance of the leadership team. Safety remains a focal point in discussions with many clients and is a primary objective

of the senior management team. As a result, the Committee together with management have agreed that an automatic 10-point penalty will be applied to the personal scorecards of senior management in any year that a fatality occurs.

The strong financial performance of the Group in FY2024 resulted in the stretch targets, for both the STIs and LTIs, being met for all financial KPIs, except that of cash generated.

In FY2024, the Remuneration Committee specifically focused on:

- Assessing the fairness and transparency of the salary increases applied across the Group and within occupation levels, while also ensuring that the remuneration packages are effective in delivering WBHO's strategy and promoting behavior that is aligned with shareholder interests
- Assessing the total pay of the Group's executives in comparison to its peers within the South African construction sector and making any necessary adjustments while remaining within the scope of remuneration policy of the Group

- Assessing whether the various incentive schemes remain relevant and probing whether they are an effective tool for retention
- Awarding bonuses in accordance with the Remuneration Policy of the Group for the 2024 financial year after having:
 - reviewed all bonuses in sufficient detail to ensure that the principle of fairness has been applied to all employees
 - assessed the Group and divisional operating performances
 - assessed the liquidity of the Group over the course of the financial year
 - assessed the orderbook and capital expenditure
 - in relation to the members of the Exco, assessed the fairness and appropriateness of the value of the STIs having also considered the value attributable to the LTIs
 - evaluated the executive directors' personal scorecards
- The Committee held robust discussions over the STI and LTI targets, specifically the reasonableness and relevance thereof, and ensured that the stretch targets were fair. After reviewing the historical performance of the Group and giving due consideration to the cyclical nature of the industry, the Committee concluded that no adjustments to the KPI's and associated thresholds for the targets were necessary. The Committee did undertake to assess the suitability of the entities included in the peer group against whom the total shareholder return (TSR) KPI is compared
- Reviewing the method of calculation for ROCE and TSR for LTIs
- Monitoring remuneration practices within the Group, ensuring alignment with the requirements of the Remuneration Policy
- Reviewing the annual Remuneration and Implementation report disclosed in this Integrated Report

APPRECIATION

Lastly, I extend my sincere gratitude to my colleagues on the Committee for their contribution in meeting our important responsibilities and striving for progressive remuneration policies and practices. I also offer my congratulations to the executive team for their dedication and hard work to achieve the results delivered this year.

Hatla Ntene

Remuneration Committee Chairperson

REMUNERATION COMMITTEE REPORT

REMUNERATION GOVERNANCE

The Remuneration Committee (Remco) is tasked by the Board to develop the remuneration philosophy of the Group and independently approve and oversee the implementation of a Remuneration Policy that will encourage the achievement of the Group’s strategy and grow stakeholder value in a sustainable manner.

Responsibilities

The Committee has adopted appropriate formal terms of reference and is responsible for:

- Determining, agreeing and developing the Group’s general policy on non-executive, executive and senior management remuneration
- Ensuring that the Group remunerates directors and executives fairly and responsibly, and that disclosure of director remuneration is accurate, complete and transparent
- Monitoring compliance with the Remuneration Policy

MEMBERSHIP AND MEETING ATTENDANCE

The Committee comprises three independent non-executive directors. All members have the requisite business, financial and leadership skills for their positions. For detailed qualifications and experience of non-executive Committee members see page 65. The CEO, CFO, Executive Chairman and the HR Manager attend the meetings as invitees. The Committee holds at least three meetings annually.

On 9 October 2023, Charles Henwood announced his resignation as director and CFO of the Group, effective from 23 November 2023. In keeping with WBHO’s culture of management continuity, Andrew Logan who served as the Group financial director for several years, is a qualified chartered accountant and has been with the Group for over 20 years was appointed as the incumbent CFO.

On 18 October 2024, Louwtjie Nel announced his resignation as director of WBHO and Chairperson of the Group. Charles Henwood will be replacing Louwtjie.

For details of attendance at Committee meetings see page 69 of the ESG Report.

NON-BINDING VOTE ON THE REMUNERATION POLICY AND IMPLEMENTATION REPORT

Should shareholders exercising 25% or more of the voting rights vote against the Remuneration Policy and Implementation Report at the upcoming AGM, the Group shall extend an invitation to dissenting shareholders in its voting results announcement, to address the reasons for their vote and indicate the manner and timing of such engagement. The voting results from previous AGMs are disclosed below:

	Remuneration policy (%)			Implementation report (%)		
	Votes for	Votes against	Votes abstained	Votes for	Votes against	Votes abstained
23 November 2023	79,87	20,13	0,01	83,50	16,50	0,01
23 November 2022	94,63	5,37	0,03	46,77	53,23	0,03
24 November 2021	90,69	9,31	0,03	90,59	9,41	2,20

REMUNERATION AND IMPLEMENTATION REPORT

REMUNERATION PHILOSOPHY AND POLICY

WBHO’s remuneration philosophy and policy seek to ensure fair, responsible, transparent and compliant remuneration practices across all jurisdictions in which the Group operates. The philosophy seeks to encourage and reward long-term sustainable performance that is aligned to the Group’s strategy and encourage the desired culture across WBHO. The key elements of the remuneration strategy and philosophy are articulated in WBHO’s Remuneration Policy.

WBHO’s strategy, vision, business model, culture, objectives and targets have been defined. The Group’s strategy has been developed by the executive and senior management teams and approved by the Board. Management is responsible for delivering against this mandate and managing the business on a day-to-day basis to achieve the stated objectives. Performance is evaluated against a set of pre-determined metrics that forms part of the remuneration cycle. All employee-related processes from recruitment to monitoring performance against agreed metrics have been accordingly aligned.

The Remuneration Policy incorporates WBHO’s recognition of its employees as the most important factor contributing towards the continued success of the Group and, through its application, aims to fairly remunerate all employees and reward individual performance in a way that is able to attract, motivate and retain key personnel.

The Remuneration Policy, is available online under the governance section of the Company’s website at www.wbho.co.za/governance. It defines the principles to be applied when determining remuneration for employees, including executive and non-executive packages. A primary purpose of the policy is to align the interests of senior executives with the interests of shareholders and with the business strategy approved by the Board, particularly in relation to how performance-based rewards are drive the required performance and behavior of executives. There were no changes to the policy during the year.

GENDER EQUALITY

WBHO is committed to gender equality, and our policy is to pay men and women equally for equivalent roles.

KEY ELEMENTS OF THE REMUNERATION POLICY

The key elements of the remuneration framework and structure which guides payments to all employees are summarised below:

Element	Settlement	Implementation
TOTAL GUARANTEED PACKAGE (TGP)		
Reflects an individual’s skills, performance, location in relation to place or residence and experience and is benchmarked against comparable industry packages.		
Basic salary		
Hourly-paid employees	Cash-settled	Determined annually at the Industry Bargaining Council through negotiations between industry and employee representatives, with increases effective in September of each year, for South African employees.
Salaried employees	Cash-settled	Determined annually taking cognisance of inflationary pressures, Group and individual performance and in most instances includes a 13th cheque based on pensionable salary. Increases are effective in March of each year for South African operations and in July for the UK operations.
Executive directors and prescribed officers	Cash-settled	Determined annually, recognising the role and responsibility for the delivery of strategy and performance. Taking cognisance of comparable guaranteed executive pay levels within the industry, the guaranteed pay levels of executive directors are set below the median level to minimise gaps in salary between executive directors and key senior operational management and maintain cohesion within the team.
Benefits		
	All employees	Competitive, market-aligned benefits including provident fund contributions, medical aid, leave pay, vehicle allowances, subsistence allowances and various other allowances appropriate to an employee’s role and location.

REMUNERATION AND IMPLEMENTATION REPORT continued

Element	Settlement	Implementation
SHORT-TERM INCENTIVES (STIs) (VARIABLE PAY)		
STIs reward the individual performance of employees taking cognisance of their relevant roles and responsibilities, are assessed annually based on performance at 30 June, approved by the Remco, and payable in November or December of each year.		
Hourly-paid employee	Cash-settled	Bonuses are determined at Industry Bargaining Council levels through a process of negotiations between industry and employee representatives.
Salaried employees	Cash-settled	Annual appraisal by management in accordance with the Group's performance management processes taking cognisance of the overall performance of the Group and individual performance of the relevant division and employee.
Prescribed officers and senior management	Cash-settled	Assessed against a predetermined target for headline earnings per share, their relevant division's contribution to the Group and other economic, social and environmental targets and carrying a heavier weighting than TGP.
Executive directors	Cash-settled	Assessed based on the financial performance of the Group against predetermined targets set by the Board as well as personal scorecard objectives and carrying a heavier weighting than TGP. The KPIs on which evaluations are based are as follows: Financial: (70% weighting): • Operating profit • Headline earnings per share growth • ROCE • Cash generation Personal: (30% weighting) (not limited to the following): • Transformation • Safety and environmental • Leadership/relationships • Reputation • Sustainability
LONG-TERM INCENTIVES (LTIs)		
The purpose of the LTIs is to retain and reward employees for their contribution toward the creation of shareholder value over the long term.		
Hourly-paid and salaried employees	Incentive awards Akani share scheme	Incentive awards LTIs for hourly paid works are implemented through an empowerment scheme that rewards individuals with service in excess of five years. Each qualifying employee receives a unit in one of the underlying trusts that entitles them to dividends for as long as they remain employed in the Group.
Senior and middle management	Share options	Share options May be issued to select individuals in acknowledgement of their contribution towards the performance of the Group and to achieve the Group's retention strategies. The options have a five-year vesting period and individuals are afforded two years post vesting to exercise the option. No dividends accrue to employees until the options are exercised.
	Cash-settled share scheme	Phantom shares A retention scheme in which qualifying individuals are allocated phantom shares and must remain in the employment of the Group for a minimum of three years from the date of award. Employees receive the cash equivalent of the growth in the linked share price, namely the share price of WBHO from the date of allocation to the date of vesting.
Executive directors, prescribed officers and senior management	Share incentive awards	Share incentive awards Aligned with the performance of the Group and benchmarked against comparable listed entities on the Johannesburg Securities Exchange. The components of the WBHO Share Plan are: • Performance shares where value is created through growth or maintenance of returns relative to competitors • Share appreciation rights where value is created through share price growth

REMUNERATION AND IMPLEMENTATION REPORT continued

EXECUTIVE DIRECTORS' AND SENIOR MANAGEMENT REMUNERATION

Senior management, including executive directors, receive remuneration appropriate to their scope of responsibility and contribution to operating and financial performance, considering industry norms, external market and country benchmarks. The annual packages of senior management include a guaranteed base salary and benefits as well a variable portion including short-term cash and long-term cash or share incentives.

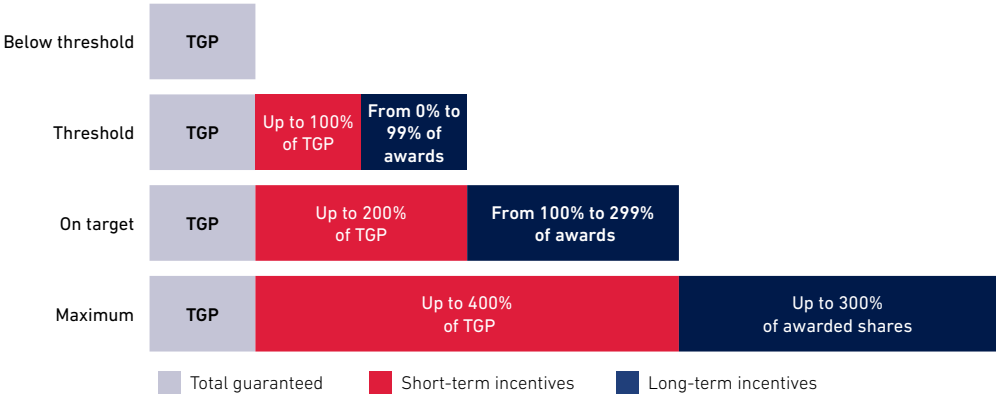
Guaranteed pay

Guaranteed pay levels of executive directors and senior management are deliberately set below the median level of comparable executive guaranteed remuneration within the construction industry to prevent large gaps in salary developing between executive directors and key senior operational management and to promote cohesion within the senior leadership team.

A comparison of the guaranteed pay (TGP) for the executive directors and prescribed officers against that of comparative companies was performed in 2023 and 2024. This exercise revealed that the TGP of the CEO was 48% of the average guaranteed pay of comparative companies and the TGP of the CFO was 72% of the average guaranteed pay of comparative companies. Consequently, the Remuneration Committee approved increases for the CEO in the 2023 and 2024 financial years aimed at reducing this gap, while ensuring that the TGP remains below the median level and a gap of less than 10% is maintained between the CEO, CFO and the Managing Directors.

Variable pay

Performance-based variable pay carries a significantly heavier weighting than guaranteed pay particularly when rewarding the operational performance of senior directors and key management. As a result, STIs can form the major proportion of their total remuneration, while their total remuneration (guaranteed and variable pay in combination) is aligned with industry norms. The remuneration scenarios for executive directors at different performance levels are reflected in the accompanying diagram.



Below is an illustration of the different potential outcomes on the total remuneration for the Chief Executive Officer, when applying the various targets for both STIs and LTIs to the financial performance of the Group for the year ended 30 June 2024:

	STI	LTI
Threshold	100% of TGP	0% to 99% of awards
On target	200% of TGP	100% to 299% of awards
Maximum	400% of TGP	300% of awards

The potential award for each target has been applied in calculating the amounts below:

Chief Executive Officer	Threshold R'000	Target R'000	Stretch R'000
TGP	4 495	4 495	4 495
STI	4 495	8 990	17 980
Performance shares (Offer 2020) ¹	–	8 404	25 213
Total	8 990	21 889	47 688

¹ Calculated based on the value of the performance share awards at 30 June for the allocation that vested in that financial year.

Malus and clawback

A Malus and Clawback Policy permits the reduction and/or clawback of vested and unvested STI and LTI awards by the Committee under the following circumstances:

- A material misstatement resulting in an adjustment in the audited consolidated accounts of the Group or the audited accounts of any member company of the Group where the Board is satisfied that the employee has contributed to and is responsible for such misstatement; and/or
- Where any information used to determine the quantum of an incentive remuneration amount was based on an error, or inaccurate or fraudulent information.

Contracts and restraints of trade

The service contracts of executive directors are on the same terms as the standard contracts of employment of the Group and do not contain any additional termination of employment obligations nor any restraint of trade provisions.

Non-executive directors' fees

The remuneration of non-executive directors (NED) is determined on an annual basis based on proposals from Remco, after being compared with that of selected peer companies and comparing it against a study of NED remuneration paid by companies listed on the JSE. The recommendations from Remco are submitted to the Board for ratification prior to inclusion in the notice to the AGM for formal shareholder approval and apply with effect from 1 October of that financial year.

NEDs sign service contracts with the company upon appointment. Non-executive remuneration is paid quarterly, based on meetings attended. A penalty is deducted for non-attendance at any meeting. Any additional time spent on company business is paid at a fixed hourly rate. Travel and accommodation expenses of NEDs are not included in the fees and are paid by WBHO.

REMUNERATION AND IMPLEMENTATION REPORT continued

IMPLEMENTATION REPORT

Executive directors' and prescribed officers' emoluments

Single total figure of remuneration

The table below discloses the total remuneration for the reported financial year and the previous financial year and includes guaranteed pay, the STIs accrued for the financial years presented ending 30 June but paid in November of the following financial year, and the LTIs that vested in the financial years presented.

(R'000)	FY2024			Total remuneration
	TGP	STI	Vested LTI	
Executive directors				
ELN Nel	2 782	9 310	4 634	16 726
WP Neff	4 495	15 222	6 487	26 204
AC Logan ¹	2 106	12 076	3 089	17 271
CV Henwood ²	1 760	–	6 075	7 835
	11 143	36 608	20 285	68 036
Prescribed officers				
AF De Necker	3 892	10 000	5 869	19 761
PJ Foley ³	13 215	8 000	5 869	27 084
SN Gumede	3 436	5 000	3 089	11 525
CA Jessop	3 863	10 000	5 869	19 732
	24 406	33 000	20 696	78 102
	35 549	69 608	40 981	146 138

¹ AC Logan was appointed on 23 November 2023.

² CV Henwood resigned on 23 November 2023.

³ PJ Foley has been seconded to the United Kingdom and is remunerated in pound sterling.

FY2023

(R'000)

Executive directors

	TGP	STI	Vested LTI	Total remuneration
ELN Nel	2 588	9 860	571	13 019
WP Neff	3 927	15 120	666	19 713
CV Henwood ¹	3 908	15 006	603	19 517
	10 423	39 986	1 840	52 249

Prescribed officers

AF De Necker	3 471	10 000	603	14 074
PJ Foley ²	10 815	7 000	603	18 418
SN Gumede	3 165	5 000	222	8 387
CA Jessop	3 501	10 000	603	14 104
	20 952	32 000	2 031	54 983
	31 375	71 986	3 871	107 232

¹ CV Henwood resigned on 23 November 2023.

² PJ Foley has been seconded to the United Kingdom and is remunerated in pound sterling.

Short-term incentives

The financial targets set by the Board for FY2024 in respect of each key performance indicator, as well as the performance against these targets are disclosed in the table below:

Targets

(R'000)	FY2024			FY2023		
	Threshold	Target	Stretch	Threshold	Target	Stretch
Operating profit (Rm)	1 113	1 196	1 391	859	923	1 074
HEPS growth (%)	0	7,3	10,3	0	9,1	12,1
ROCE (%)	14,0	17,5	21,0	14,0	17,5	21,0
Cash generation (Rm)	3 685	3 758	3 869	3 339	3 406	3 506
Personal scorecard	30%	60%	120%	30%	60%	120%

REMUNERATION AND IMPLEMENTATION REPORT continued

Performance

KPI	Actual performance	Result achieved	FY2024	FY2023
			Score %	Score %
Operating profit (Rm)	1 365	Target exceeded	92	98
HEPS growth (%)	18,4	Stretch exceeded	54	54
ROCE (%)	34,7	Stretch exceeded	86	86
Cash generation (Rm)	3 660	Threshold not met	–	42
Total score			232	280
Maximum attainable score			280	280

The individual performance of the executive directors and prescribed officers is assessed when calculating their STI. The individual performance measures are as follows:

Category	Objective	Weighting	Factors considered
Leadership	The extent to which leadership has been provided in achieving the objectives of the Group, cultivating an ethical environment and ensuring that the business applies best practices.	40	- Maintained a strong safety culture that resulted in an LTIFR of 0.24 improving on the LTIFR of 0.27 achieved in the prior year. - No fatalities occurred during the period. - No reportable environmental incidents occurred during the period. - Provided management support to ensure that the UK acquisitions performed well. - Senior management is loyal and stable with no turnover in the current year. - Successful implementation of the CFO succession plan. - Reduced the allocations to executive management under the WBHO Share Plan to allow for increased participation by senior management.
Business strategy	The ability to implement the long-term strategy of the business, giving specific consideration to: - capability to identify and implement alternatives to traditional methods; and - use of technical and corporate knowledge to define effective strategies that deliver upon the financial and socio-economic objectives of the Group	40	- Managed the strong growth experienced in the year, and maintained order books at elevated levels. - Strategic positioning and delivery within the roadwork, renewable energy and data centre sectors has supported growth trajectory. - Review of under-performing African countries. - Effect alternative transactions to preserve and generate cash.

Category	Objective	Weighting	Factors considered
Management and support	The extent to which: - Stakeholder engagement and employee relationships have been achieved; and - Successful management of the business within the relevant frameworks, policies, laws and regulations.	40	- Revised and implemented the 2024 Safety First Interventions programme. - Successful implementation of succession plans in the UK and African operations. - Maintained a Level 1 B-BBEE Scorecard. - Implementation of the approved Employment Equity Plan. - Successfully managing the banking and guarantee facilities required to implement the strategy of the Group and support successful execution of projects. - Distributed the first dividend to beneficiaries of Akani 2 within seven months of the implementation of the scheme. - Achieved the VRP targets as defined in the Settlement Agreement.

The personal scorecard components of the executive directors are as follows:

	Leadership	Business strategy	Management and support	Score	Effective core
EL Nel	33	36	34	103	86% Target achieved
WP Neff	36	37	35	108	90% Target achieved
AC Logan	34	36	33	103	86% Target achieved

The overall scorecards for each executive director are disclosed in the table below:

KPI	Personal scorecard	Financial scorecard	Total % score	Maximum % of TGP	Actual STI per score	Actual STI awarded
EL Nel	103	232	335	400	9 310	9 310
WP Neff	108	232	339	400	15 222	15 222
AC Logan	103	232	335	400	12 076	12 076

While the maximum percentage of TGP attainable for the calculation of STIs may appear above market norms, stakeholders are reminded that the TGP of executive directors is deliberately set below the median which necessitates a higher STI percentage. The actual STI awarded as a percentage of the maximum award is approximately 84% for EL Nel and AC Logan and 85% for WP Neff.

REMUNERATION AND IMPLEMENTATION REPORT continued

Long-term incentives

During the year 516 000 (FY2023: 438 000) performance shares were allocated to executive directors, prescribed officers and key members of management.

Share appreciation rights

Share appreciation rights vest in equal tranches over three years and may be exercised on the third, fourth and fifth anniversaries from the time of allocation, but need not be exercised until the seventh anniversary. On settlement, the value accruing to participants is the full appreciation of the share price over the vesting period.

The hurdle to be achieved for the SARs to vest, is the average growth in adjusted headline earnings per share (HEPS) compared against the average CPI plus 3%. The average calculation is determined annually in three-year cycles.

No allocations were made in the current year.

Performance shares

The performance shares contain a full value element, essentially having no strike price and vest on the third anniversary from the time of the award. The number of shares that vest depend on the extent to which the Performance shares specified criteria are met over the three-year measurement period.

ROCE is a measure of the Group's profitability and the efficiency with which its capital (equity plus borrowings) is employed. The profitability is measured using profit from continuing operations.

TSR is calculated as the increase in value of a portfolio of shares, including dividends received, over the period that the performance shares are held. TSR is measured against a comparative peer grouping consisting of Aveng, Murray & Roberts, Raubex, Stefanutti Stocks, Hudaco, Barloworld, Pretoria Portland Cement, KAP Industrial Holdings and Nampak.

The targets for each performance criterion are set by the Board and are disclosed in the table below:

Performance criteria	Weighting	Threshold	Target	Stretch
ROCE	50%	14%	16%	20%
TSR	50%	7th position	5th position	2nd position
Potential award		0%–99% of TGP	100%–299% of TGP	300% of TGP

The table below discloses the actual performance of the Group against the set criteria for Offer 2020 and Offer 2021. The performance for the year ended 30 June 2023 is applicable to Offer 2020 which vested in November 2023. The performance for the period ended 30 June 2024 applies to Offer 2021 which will vest in November 2024.

Performance criteria	Offer 2020 performance shares	Offer 2021 performance shares
ROCE	24%	32%
TSR	7th	3rd
Result		
ROCE	Stretch exceeded	Stretch exceeded
TSR	Threshold met	Target exceeded
Award	167%	267%

Long-term incentives that vested during the year

Performance shares

Offer 2020	
Award price	R102.34
Award date	11 December 2020
Vesting price	R123.57
Vesting date ¹	17 November 2023
Achieved	167% of the awarded shares vested

¹ Permission was obtained from Remco to allow the shares to vest on 17 November 2023 to allow for the lower trade volumes and shorter processing time to effect the awards in December.

	Number of awards	Number of vested shares	Value of shares at vesting date
Executive directors			
EL Nel	22 500	37 500	4 633 725
WP Neff	31 500	52 500	6 487 215
CV Henwood	29 500	49 167	6 075 370
AC Logan	15 000	25 000	3 089 150
Prescribed officers			
AF De Necker	28 500	47 500	5 869 385
PJ Foley	28 500	47 500	5 869 385
CA Jessop	28 500	47 500	5 869 385
SN Gumede	15 000	25 000	3 089 150
Total	199 000	331 667	40 982 765

REMUNERATION AND IMPLEMENTATION REPORT continued

	Offer 2020			Offer 2021		Offer 2022		Offer 2023				
Award price	102.34			110.27		99.07		125.74				
Award date	2020/12/11			2021/11/25		2022/11/24		2023/11/24				
Vesting date – performance shares	2023/11/17			2024/11/25		2025/11/24		2026/11/24				
Vesting Awarded/Assumed future vesting	167%			267%		300% ¹		233% ¹				
Name	Allocated awards	Awards vested during the year	Market value at issue date	Number of awards	Market value at issue date	Number of awards	Market value at issue date	Number of awards	Market value at issue date	Number of awards at 30 June 2024	Vesting awards as at 30 June 2024 ²	Fair value at 30 June 2024 ²
EXECUTIVE DIRECTORS												
EL Nel												
Performance shares	22 500	37 500	2 302 670	–	–	–	–	–	–	–	–	–
WP Neff												
Performance shares	31 500	52 500	3 223 738	64 000	7 057 280	53 000	5 250 710	49 000	6 161 260	166 000	444 000	71 075 520
CV Henwood ³												
Performance shares	29 500	49 167	3 019 057	–	–	–	–	–	–	–	–	–
AC Logan ⁴												
Performance shares	15 000	25 000	1 535 114	20 000	2 205 400	20 000	1 981 400	30 000	3 772 200	70 000	183 333	29 347 947
PRESCRIBED OFFICERS												
AF De Necker												
Performance shares	28 500	47 500	2 916 716	56 500	6 230 255	47 000	4 656 290	43 000	5 406 820	146 500	392 000	62 751 360
PJ Foley												
Performance shares	28 500	47 500	2 916 716	56 500	6 230 255	40 000	3 962 800	36 000	4 526 640	132 500	354 667	56 775 093
SN Gumede												
Performance shares	15 000	25 000	1 535 114	35 000	3 859 450	25 000	2 476 750	22 500	2 829 150	82 500	220 833	35 350 947
CA Jessop												
Performance shares	28 500	47 500	2 916 716	56 500	6 230 255	47 000	4 656 290	43 000	5 406 820	146 500	392 000	62 751 360
Total awards	199 000	331 667	20 365 839	288 500	31 812 895	232 000	22 984 240	223 500	28 102 890	744 000	1 986 833	318 052 227

¹ The KPIs achieved at 30 June 2024 have been used to calculate fair value of the awards still to vest. Offers 2022 and 2023 will vest in November 2025 and 2026 respectively, therefore the percentages used in the calculation of fair value may be different to those at the vesting dates.

² In determining the fair value, the closing share price at 30 June 2024 of R160.08 was used.

³ Resigned on 23 November 2023

⁴ Appointed on 23 November 2023

REMUNERATION AND IMPLEMENTATION REPORT continued

Directors' and Prescribed Officers' shareholding

Number of ordinary shares ('000)	FY2024			FY2023		
	Direct	Indirect [^]	Total	Direct	Indirect [^]	Total
Executive directors						
EL Nel	200	1	201	300	1	301
WP Neff	91	1	92	91	14	105
CV Henwood ¹	–	–	–	110	–	110
AC Logan ²	21	–	21	–	–	–
Prescribed officers						
PJ Foley	50	–	50	50	–	50
AF De Necker	82	–	82	55	–	55
CA Jessop	60	38	98	47	25	72
SN Gumede	–	18	18	–	4	4
	504	58	562	653	44	697

[^] The indirect shares are held by related parties.

¹ CV Henwood resigned on 23 November 2023.

² AC Logan was appointed on 23 November 2023.

Non-executive directors' remuneration

WBHO compensates and remunerates non-executive directors in a manner that enables it to attract and retain high-calibre and professional directors to ensure that the Board has the necessary skills required to execute on its mandate. Fees are determined by Remco and ratified by the main Board and shareholders.

Directors' fees for the year are reflected below:

R'000	FY2024	FY2023
AJ Bester	1 064	880
KM Forbay	750	645
RW Gardiner	1 338	1 268
SN Maziya [^]	–	402
H Ntene	769	657
NN Sonqushu*	534	296
	4 455	4 148

[^] SN Maziya resigned on 23 November 2022.

* NN Sonqushu was appointed on 5 December 2022.

Fees are considered annually and approved by shareholders at the AGM. Voting at the last three AGMs are reflected below:

Non-executive director's fees	Votes for	Votes against	Votes abstained
24 November 2023	93,56%	6,44%	0,01%
24 November 2022	99,98%	0,02%	0,02%
24 November 2021	99,99%	0,01%	0,04%

The average percentage increase proposed for directors' fees is 6,6% (FY2023: 8%). The proposed fees for non-executive directors in respect of FY2025 are disclosed below:

R'000	FY2025	FY2024
Lead independent director (four meetings)	496 000	465 200
Non-executive director (four meetings)	310 400	291 200
Chairman of Audit Committee (five meetings)	470 600	441 500
Chairman of Risk Committee (two meetings)	230 000	215 800
Chairman of Remuneration Committee (two meetings)	230 000	215 800
Chairman of Social and Ethics Committee (two meetings)	230 000	215 800
Committee members (per meeting)	43 300	40 600
Ad Hoc fees (per hour)	2 900	2 700

Guaranteed pay adjustments

With a people mindset at the forefront of the business, WBHO has consistently ensured that its staff receive increases (including during the Covid years) so that guaranteed remuneration does not fall behind inflationary pressures. When determining the increases for FY2024, factors such as average consumer price inflation (CPI), which was projected to be between 5,3% and 5,4% in South Africa to June 2024, the current and expected growth of the construction industry, retention and scarcity of key skills and comparative salaries within the industry were considered.

The Remco approved increases above the average inflation rate for South African senior management and executives of 6,52% (FY2023: 11,11%). The average increase for the remainder of employees in South Africa was 6,74% (FY2022: 9,02%).

CPI for the UK was considered in determining the increases for the UK operations. Taking the expected inflation into account and the high cost of living, an overall average increase of 4,64% (FY2023: 6,96%) was approved for the Byrne Group. The employees of Russell WBHO, including senior management, received an average increase of 5,6% (FY2023: 5%).

REMUNERATION AND IMPLEMENTATION REPORT continued

Employee benefits

R'000	FY2024	FY2023
Salaries and wages	3 925 652	3 429 127
Benefits and other contributions	448 853	275 165
	4 374 505	3 704 292

Total STIs paid during the year amounted to R470 million (FY2023: R327 million) and include amounts paid to directors and prescribed officers.

Other long-term incentive schemes

On 6 June 2023, shareholders approved the implementation of a new empowerment scheme, Akani 2. In terms of the scheme qualifying employees are allocated a unit in the WBHO Broad Based Employee Share Incentive Trust (BBESI) or the Akani Share Incentive Trust (ASI) once they have served a continuous period of five years within qualifying subsidiaries of the Group. The unit received entitles the employee to dividends declared by Akani 2 Investment Holdings (Pty) Ltd for as long as they remained employed within the Group.

Following the declaration of a dividend by WBHO, Akani 2 Investment Holdings (Pty) Ltd declared a dividend to the underlying trusts. A total of 1,888 employee beneficiaries of the BBESI Trust received a distribution of R6 360 and 94 employee beneficiaries of the ASI Trust received a distribution of R9 470.

At 30 June 2024, the WBHO share price had increased by 53,2% over the comparative period and had increased by a further 30% prior to the publishing of this report. The sharp increase in the share price created value in the LTIs awarded to management in 2016 and most employees exercised their options after the end of the reporting period.

The table below provides details of the share movement in WBHO Management Trust following the vesting of options in FY2024:

	FY2024	FY2023
Total shares/options allocated ('000)	1 645	2 197
As at 1 July 2023	2 197	2 197
Vested in the current year	(475)	–
Forfeited during the year	(77)	–
Shares available for future allocations ('000)	1 160	1 084

Further details in respect of the above schemes are available online in the consolidated annual financial statements under the investor section of the company's website at www.wbho.co.za/investors.



SUPPLEMENTARY INFORMATION

- 85 Reference information
- 85 Shareholders' diary
- 85 Statutory information



REFERENCE INFORMATION

ABBREVIATIONS AND ACRONYMS

AFS	Annual Financial Statements
AGM	Annual General Meeting
AIFR	All-injury frequency rate
B-BBEE	Broad-based black economic empowerment
CDP	Carbon Disclosure Project
CIDB	Construction Industry Development Board
ED	Enterprise Development
EMS	Environmental Management System
ESG	Environmental, Social and Governance Report
GDP	Gross domestic product
GNU	Government of National Unity
IIRC	International Integrated Reporting Council's
IMF	International Monetary Fund
IR	Integrated report
JSE	Johannesburg Stock Exchange
KPI	Key performance indicators
KZN	KwaZulu-Natal
LTI	Long-term Incentive
LTIFR	Lost-time injury frequency rate
LWUA	Lebalelo Water Users Association
ONS	Office for National Statistics
PCSA	Pre Construction Service Agreement
PIC	Public Investment Corporation
PwC	PricewaterhouseCoopers South Africa Incorporated
RCR	Recordable case rate
REIPPP	Renewable Energy Independent Power Producer Procurement Programme
RMS	Reinforced Mesh Solutions
ROCE	Return on Capital Employed

SANRAL	South African National Roads Agency
SMME	Small, medium, micro-enterprise
SMS	Safety management system
SOE	State-owned entity
STI	Short-term Incentive
TGP	Total Guaranteed Package
TRIR	Total recordable incident rate
TSR	Total Shareholder Return
UK	United Kingdom
VRP	Voluntary Rebuild Programme
VSL	VSL Concrete Solutions
WBHO	Wilson Bayly Holmes-Ovcon Limited, includes the holding company and subsidiaries

FINANCIAL DEFINITIONS

Current ratio	Current assets/current liabilities
EBIDTA	Number of issued shares x close share price at year end
Gross profit margin	Gross profit/revenue
HEPS	Headline earnings per share
Market capitalisation	Number of issued shares x close share price at year end
Net profit margin	Net profit/revenue
Net working capital	Sum of inventory and trade receivables less trade payables
NPAT	Net profit after tax
ROCE	Return on capital employed
Solvency ratio	(Current assets less cash and cash equivalents)/ current liabilities

SHAREHOLDERS' DIARY

Financial year end	30 June
Final results announced	September
Integrated report published	October
Interim results announced	March
Dividend	
Interim	
Approval Payable	February/March April
Final	
Approval Payable	August/September October

STATUTORY INFORMATION

WILSON BAYLY HOLMES-OVCON LIMITED

(Incorporated in the Republic of South Africa)
Registration number 1982/011014/06
Share code: WBO ISIN: ZAE000009932 (WBHO)

REGISTERED OFFICE AND CONTACT DETAILS

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COMPANY SECRETARY

Donnafeg Msiska CA(SA)

AUDITORS

PricewaterhouseCoopers Incorporated

TRANSFER SECRETARIES

JSE Investor Services, One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196

SPONSOR

Investec Bank Limited

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