



# Investor Conference Presentation

September 2015

# Company overview



# Company overview



- Raubex was founded in 1974
- Started as a road construction and bridge building company
- Listed on the JSE in March 2007 under Construction and Materials sector
- Substantial growth through strategic acquisitions post listing
- Operates a vertically integrated model through a number of subsidiaries
  - Specialist in all road construction disciplines
  - Full road construction cycle
- Growth in the materials supply and mining sector including;
  - Commercial quarries, contract crushing and material handling and processing for the mining industry
- Recently diversified into infrastructure disciplines including;
  - Electricity and renewable energy (solar and wind) , water, rail and housing infrastructure
- Operates throughout Southern Africa
  - Botswana, Mozambique, Namibia, South Africa and Zambia
- Raubex employs over 9 500 people

# Business segments 2



# Business segments

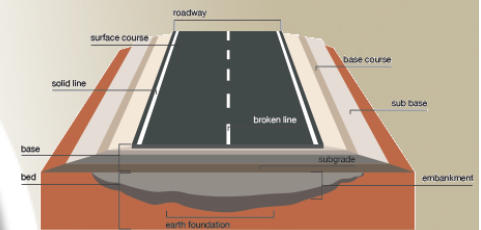


## Materials

Commercial quarries  
Contract crushing  
Material handling and processing for mines

## Road construction and earthworks

Cross section of a road



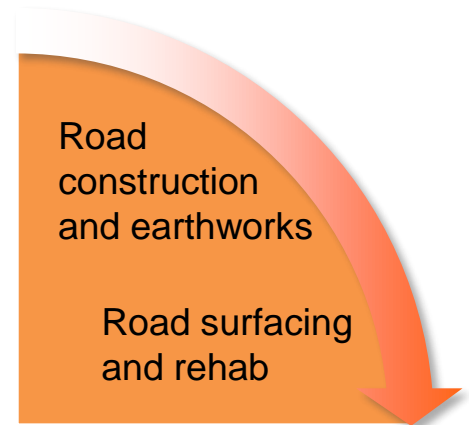
## Infrastructure development

Electricity  
Water  
Housing  
Rail

## Road surfacing and rehab



# Full road construction cycle



<b>Earthworks</b> 1	<b>Mobile crushing</b> 2	<b>Compaction</b> 3	<b>Structures</b> 4	<b>Milling</b> 5
<b>Asphalt production</b> 6	<b>Asphalt paving</b> 7	<b>Bitumen</b> 8	<b>Road marking</b> 9	<b>Final product</b> 10

# Financial review 3



# Financial review



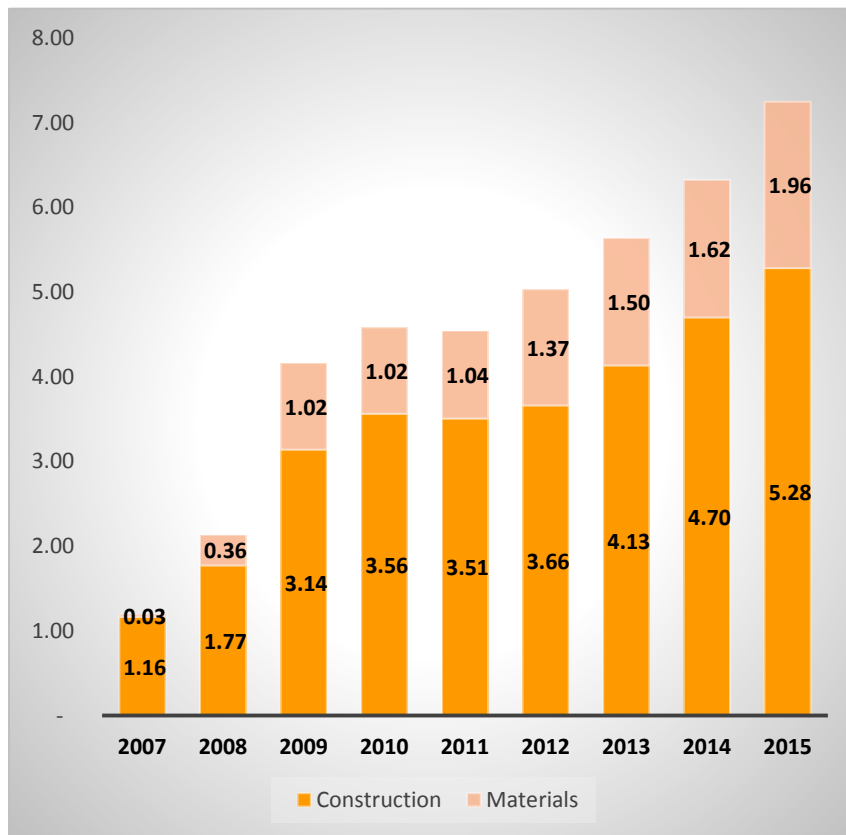
	% Change	Annual results 2015 (R'000)	Annual results 2014 (R'000)
Revenue	14.5%	7 245 259	6 325 012
Operating profit (EBIT)	15.2%	622 171	539 875
Operating profit margin		8.6%	8.5%
Effective tax rate		29.4%	29.0%
Earnings Per Share (cents)	11.6%	213.4	191.3
Dividend Per Share (cents)		71.0	65.0
Dividend Cover ratio		3.0	2.9
Return on Capital Employed		12.3%	12.7%
Cash generated from operations	4.5%	785 053	751 420
Capital expenditure		510 599	483 299
Cash and cash equivalents		937 275	871 260
Interest bearing borrowings		1 099 940	717 561
Net debt/(Net cash)		162 665	(153 699)
Net Gearing (Net Debt/Equity)		4.6%	(4.7%)



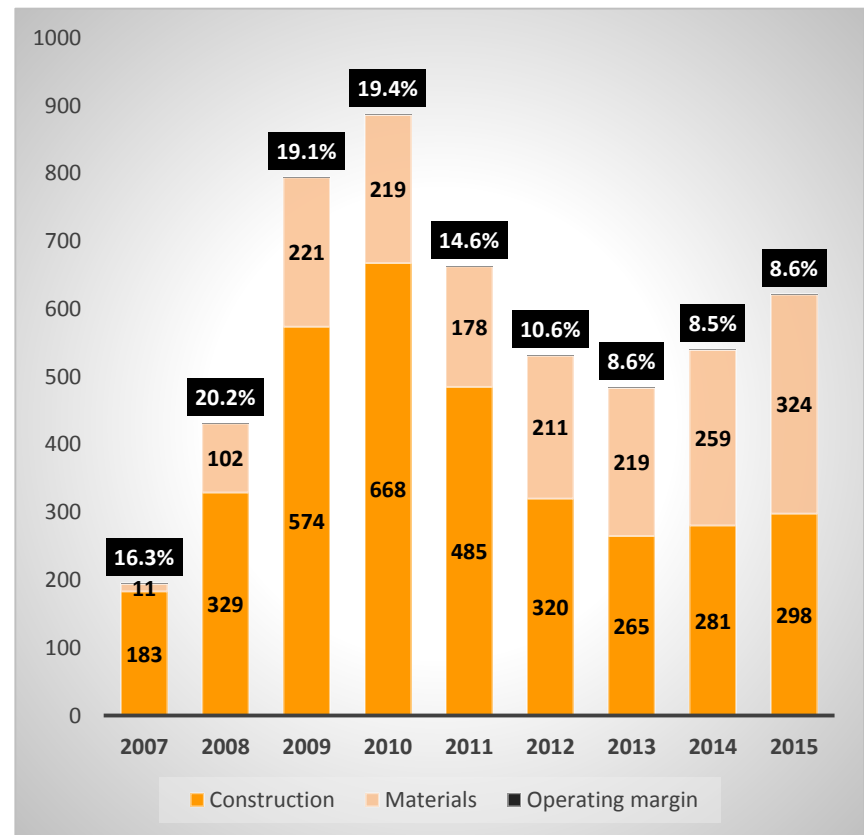
# Financial review



## Revenue (Rbn)

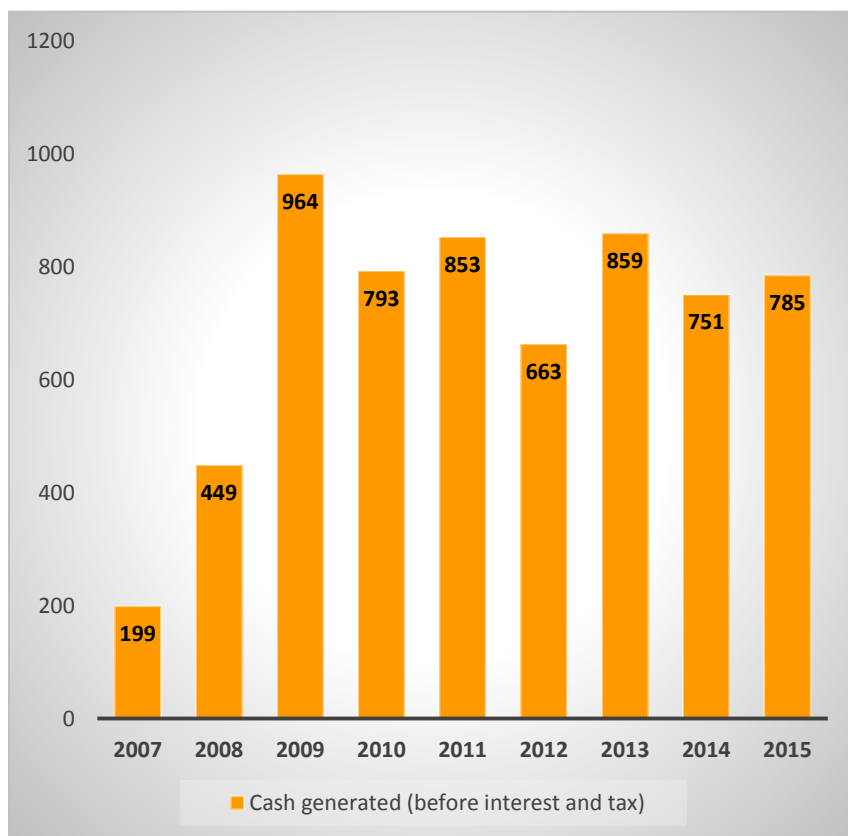


## Operating Profit (Rm)

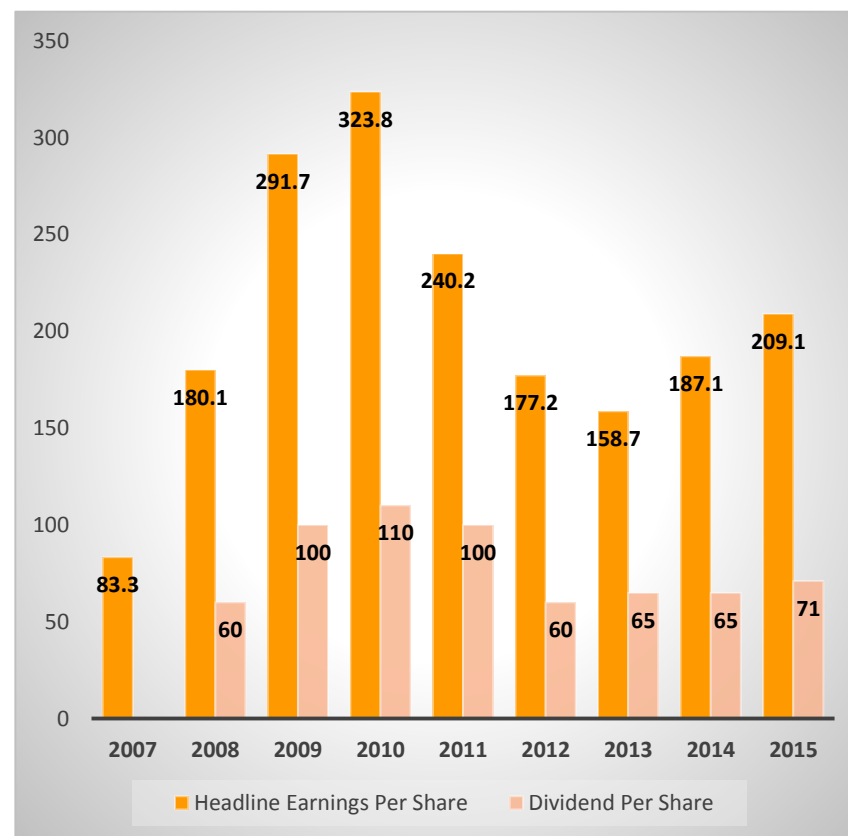


# Financial review

## Cash Generated from Operations (Rm)

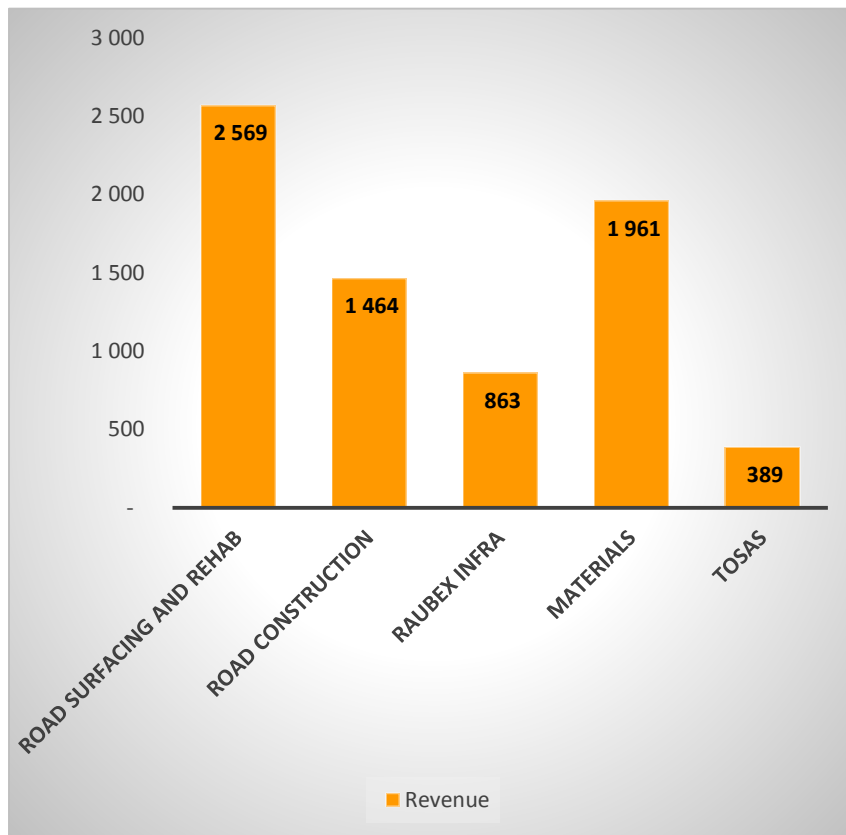


## Headline Earnings Per Share (cents)

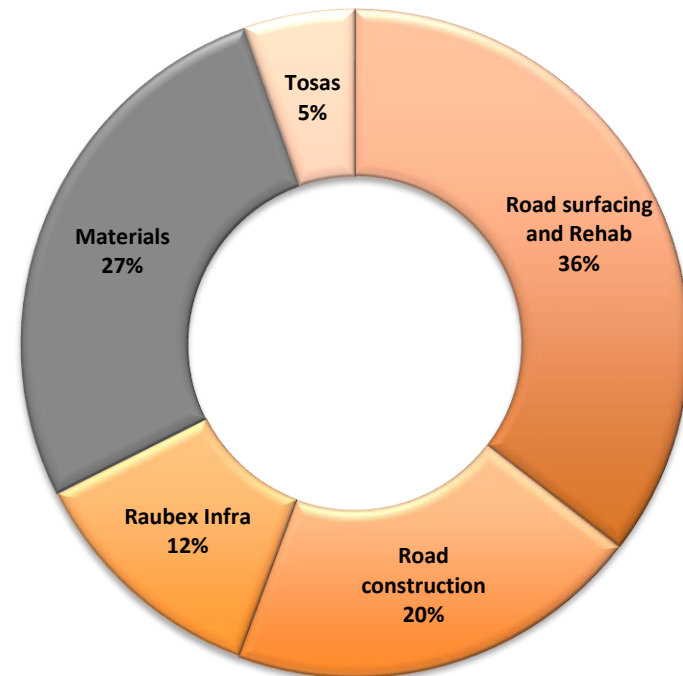


# Financial review

## 2015 Divisional Revenue (Rm)

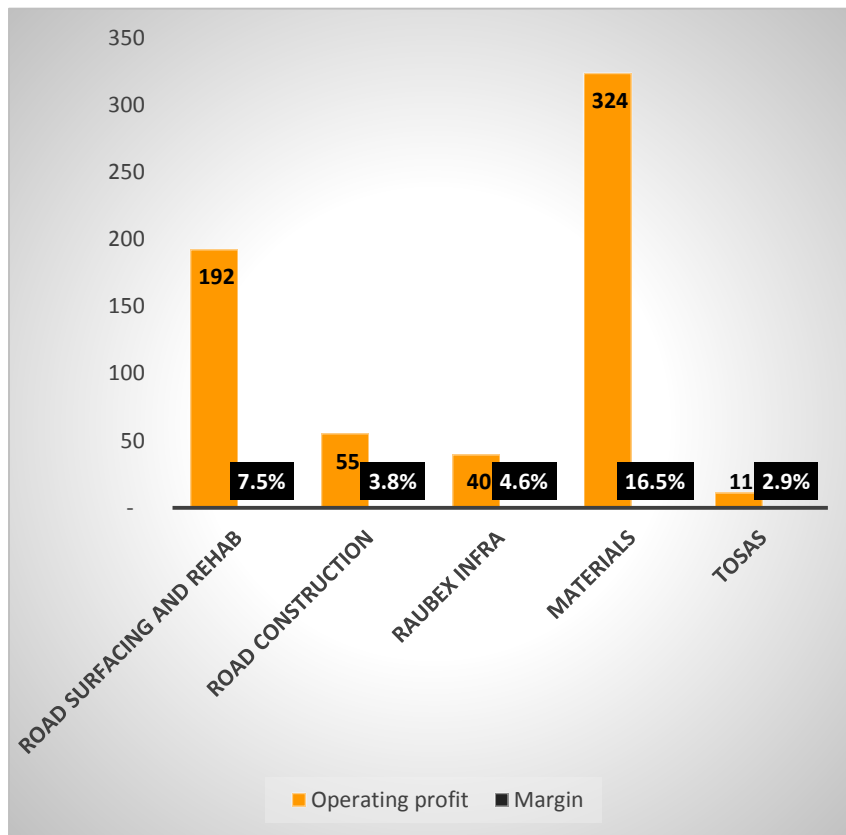


## Revenue % share

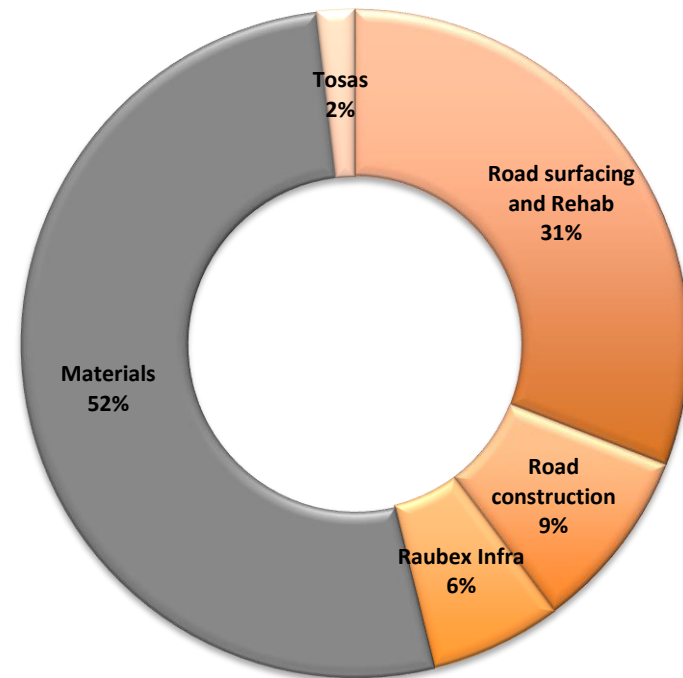


# Financial review

## 2015 Divisional Operating Profit (Rm)

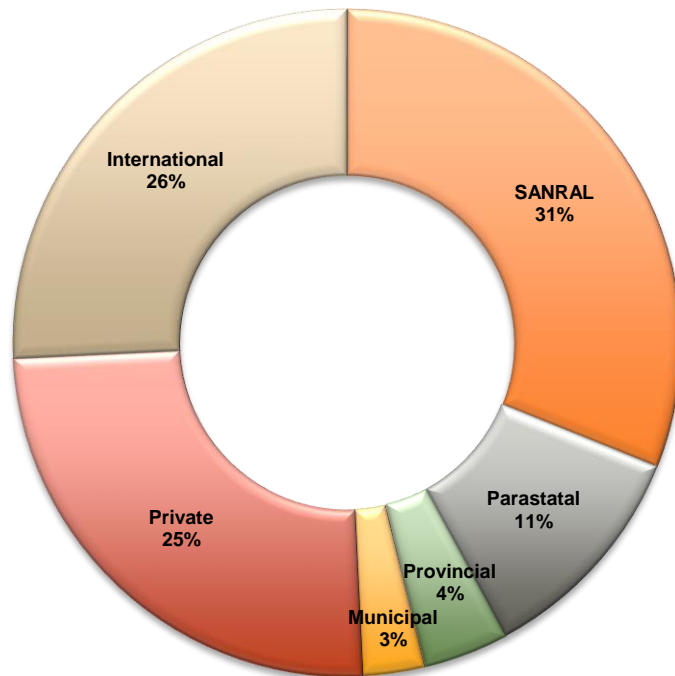


## Operating Profit % share

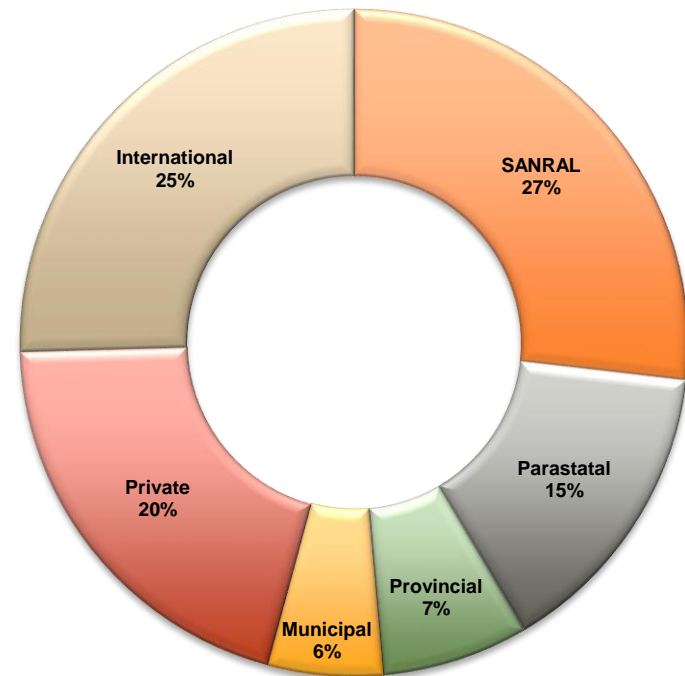


# Financial review

## 2014 Order book



## 2015 Order book



Timing	R6,551bn
FY 2015	R4,451bn
FY 2016	R1,509bn
FY 2017	R0,501bn
Beyond	R0,090bn

Timing	R8,679bn
FY 2016	R5,966bn
FY 2017	R2,190bn
FY 2018	R0,523bn
Beyond	-

Road  
network

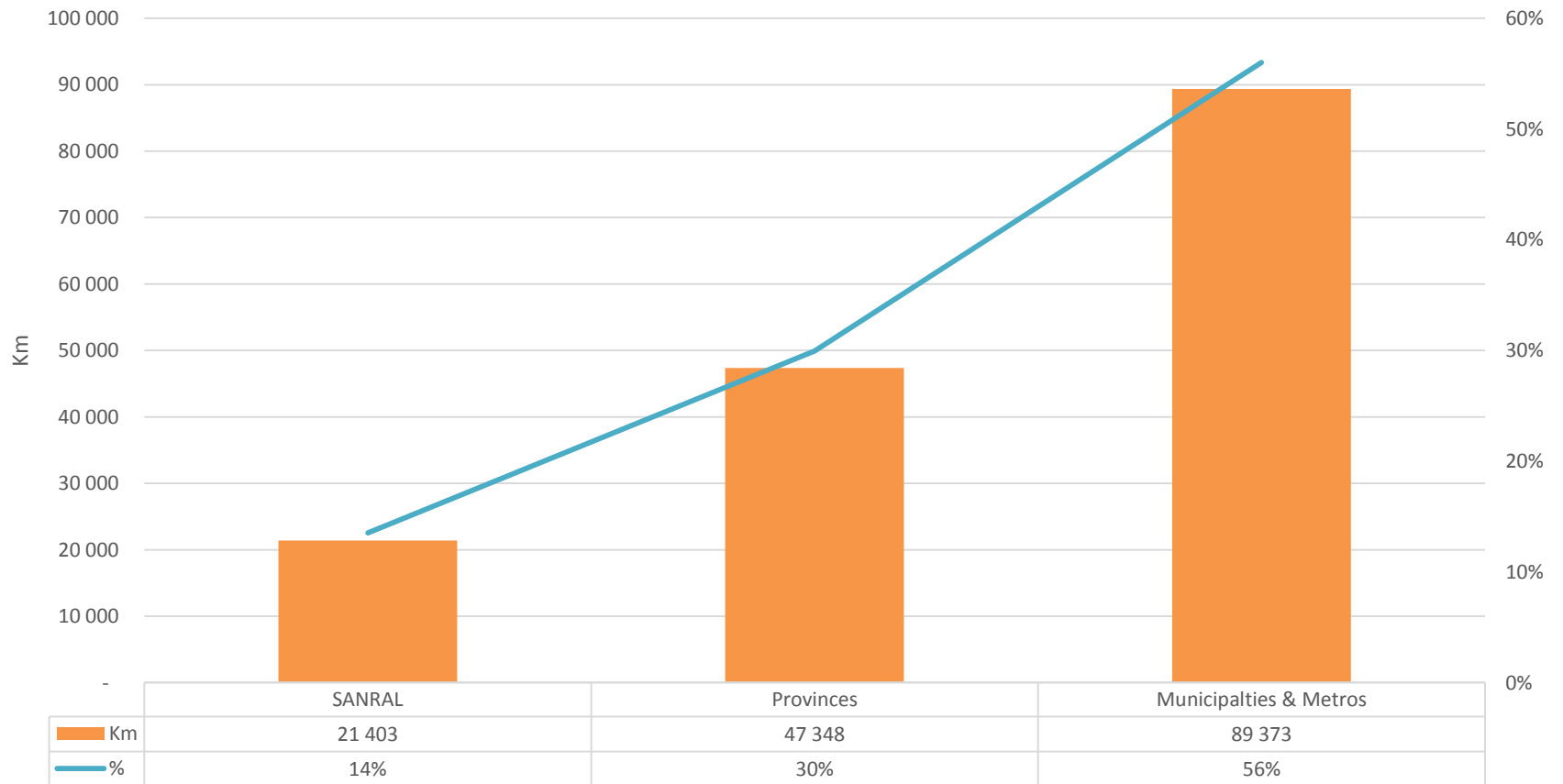
4



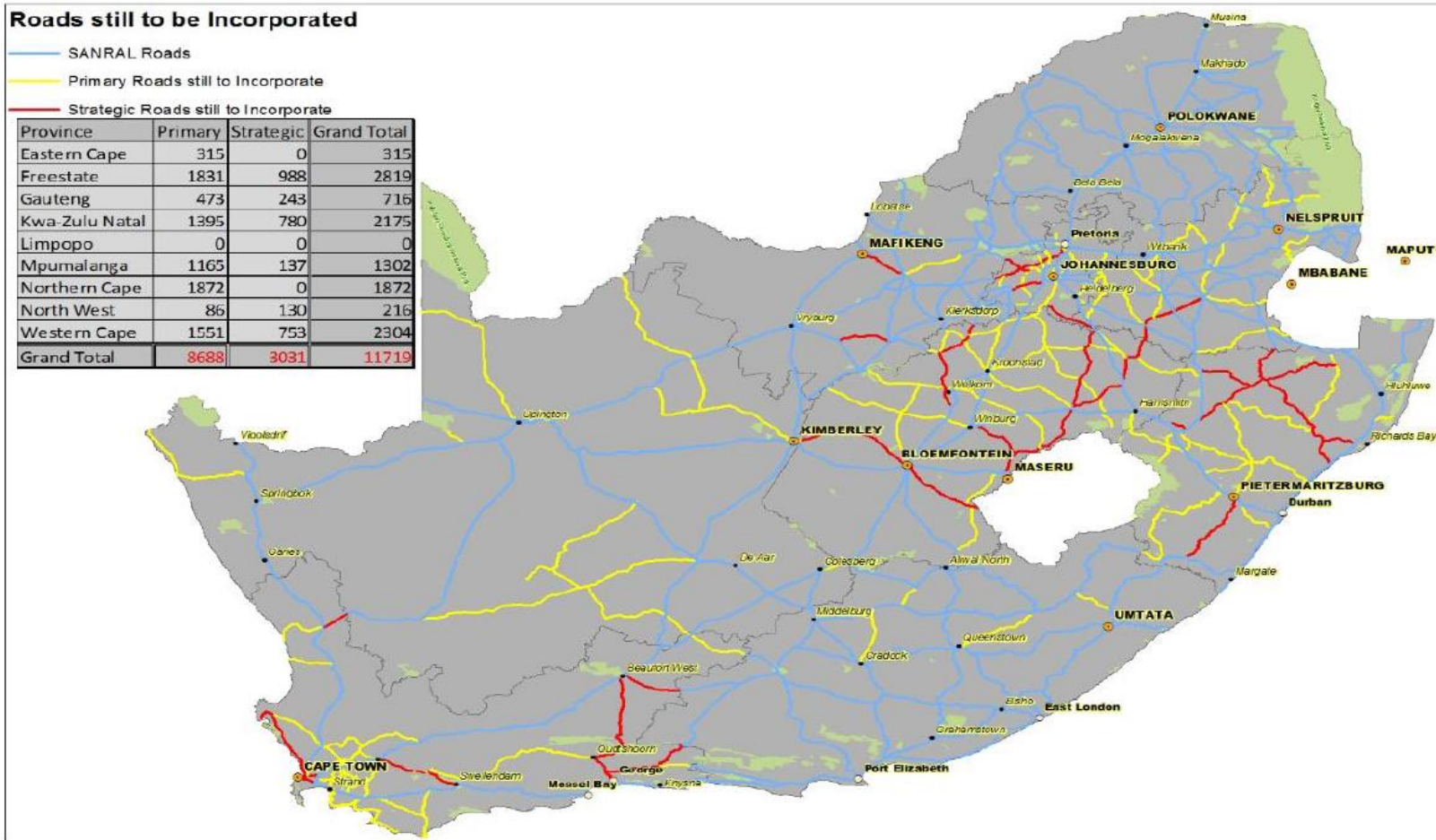
# Road network



## South African Paved Road Network



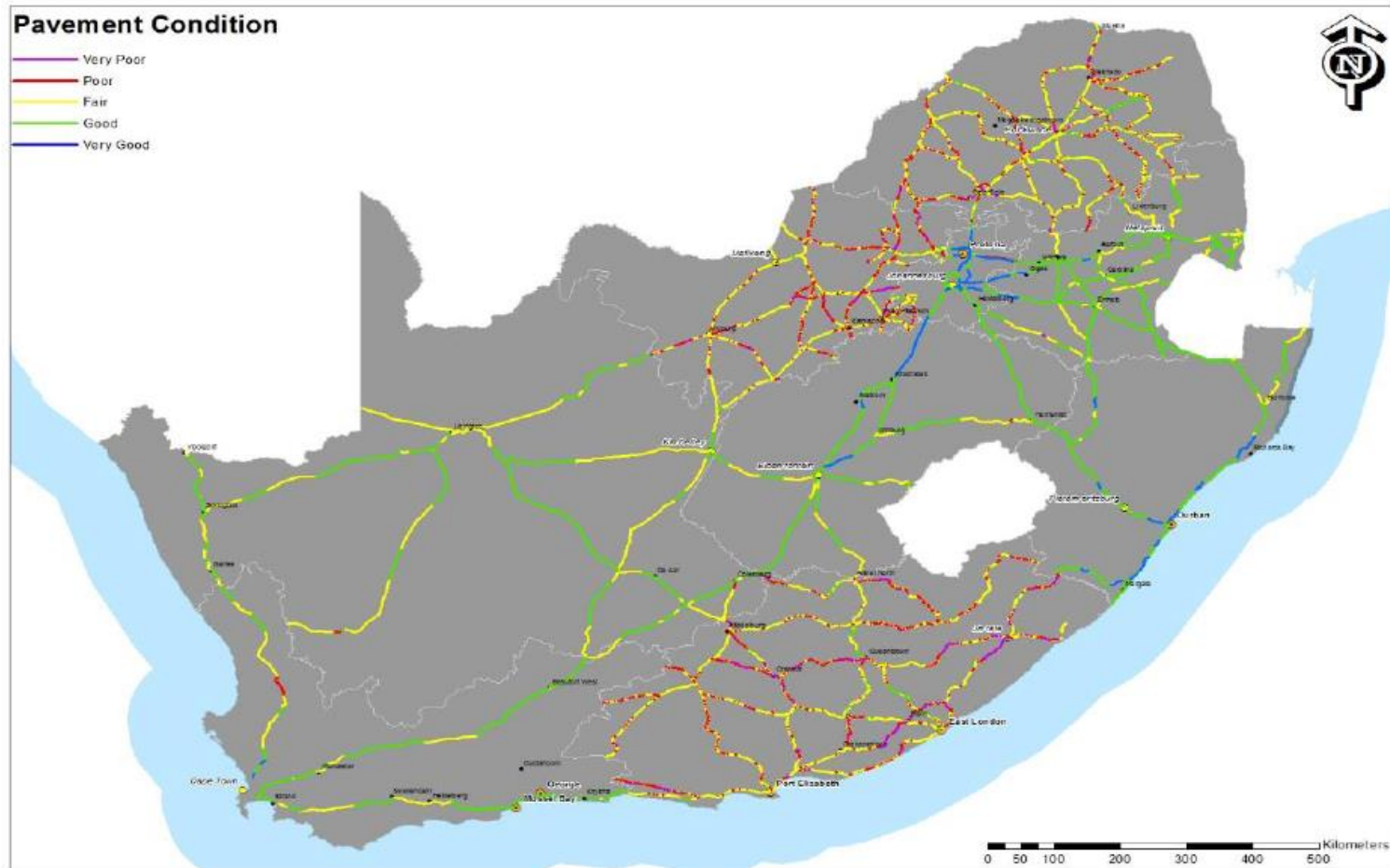
# Road network



Source: SANRAL strategic plan



# Road network



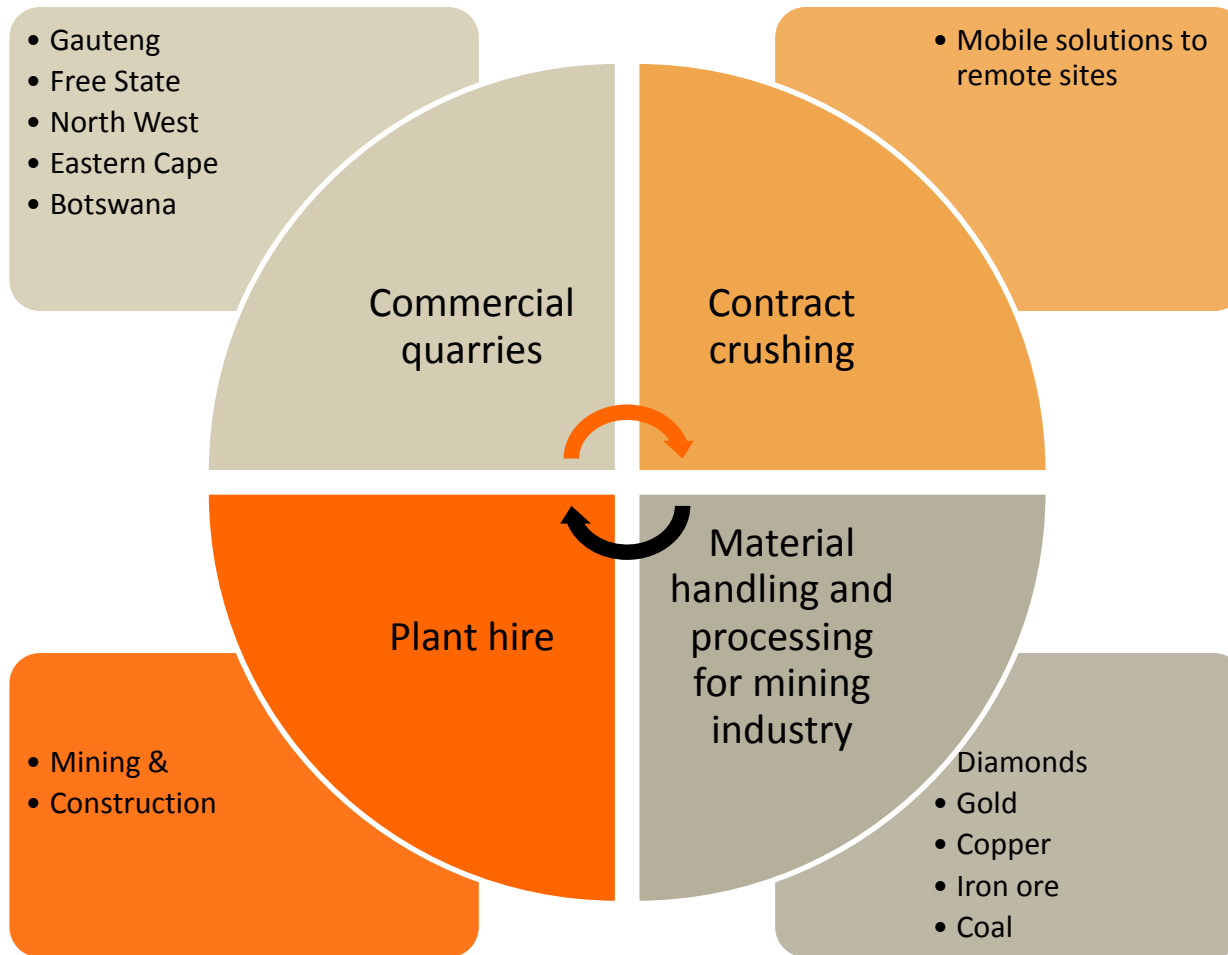
Source: SANRAL 2013

Materials  
Division

51

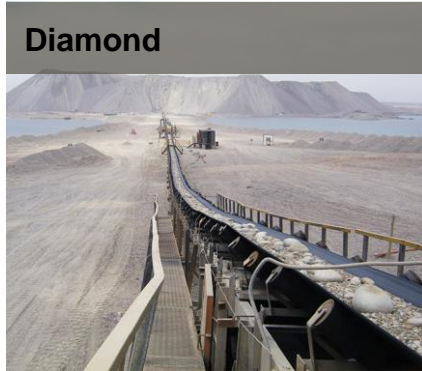


# Materials Division



# Mining activities

**Materials**  
Commercial quarries  
Contract crushing  
Material handling and processing for mines



# Conclusion 6



# Conclusion

- Over 40 years in the construction industry
  - Experience in managing the cycle
- Healthy short term order book secured
- Diversified revenue streams
  - Materials, Roads, Infrastructure
- Growth through strategic acquisitions in the materials sector and higher margin contracts in Africa
  - Contracts in Africa constitute 25% of the order book
  - Road construction work in Namibia and Zambia ; Materials operations in Botswana, Namibia and Mozambique
- Competitive conditions persist in the construction industry
  - Government infrastructure spend
  - Focus on effective execution of current work and selective tendering for replacement work
- Risk of industrial action and low commodity prices to be managed
- Committed management ; low staff turnover
- Strong balance sheet and cash generation

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# Questions

