



## UNAUDITED INTERIM RESULTS

for the six months ended 31 August 2021

Raubex Group Limited  
(Incorporated in the Republic of South Africa)  
Registration number 2006/023666/06  
Share code: RBX  
ISIN code: ZAE000093183  
("Raubex" or "the group")

# Financial highlights

Revenue increased **52.0%** to **R5.99 billion** (H1 2021: R3.94 billion)

Operating profit increased **1 907.9%** to **R435.2 million** (H1 2021: R21.7 million)

Headline earnings per share increased **615.0%** to **137.0 cents per share**  
(H1 2021: headline loss per share of 26.6 cents)

Earnings per share increased **657.9%** to **140.6 cents per share**  
(H1 2021: loss per share of 25.2 cents)

Cash generated from operations decreased **66.5%** to **R239.9 million**  
(H1 2021: R715.0 million)

Net asset value increased to **R4.87 billion** (H1 2021: R4.51 billion)

Capital expenditure increased to **R287.3 million**  
(H1 2021: R167.0 million)

Order book increased to **R16.55 billion**  
(H1 2021: R11.74 billion)

Interim dividend of **47 cents per share**  
declared (H1 2021: 24 cents per share)

**Rudolf Fourie,**  
**CEO of Raubex Group, said:**

“We are pleased to announce a strong set of results for the six months with a solid performance by all three divisions.

“The group has now also successfully established a sustainable and diversified revenue stream from operations in Australia, which are performing well.

“The upgrade of the Beitbridge Border Post, the group’s biggest project to date, achieved its first milestone on time with quality execution.

“Government’s commitment to infrastructure spend and the high levels of tender activity is also encouraging.

“The current secured order book, strong management team, supported by a healthy balance sheet, position the group well to take advantage of the high level of tender activity in the market.”

# Commentary

## Financial overview

Revenue increased 52.0% to R5.99 billion while operating profit increased 1 907.9% to R435.2 million from the corresponding prior period, mainly as a result of the Coronavirus (“Covid-19”) lockdowns which impacted operations in various jurisdictions during the first quarter of the previous period. Covid-19 had no major impact on the current period’s results. The group has also performed very well when compared to a more normalised operational period.

Profit before tax increased 4 850.6% to R420.9 million (H1 2021: R8.5 million).

Group operating margin increased to 7.3% (H1 2021: 0.6%).

Earnings per share increased 657.9% to 140.6 cents (H1 2021: loss per share of 25.2 cents) with headline earnings per share increasing 615.0% to 137.0 cents (H1 2021: loss per share of 26.6 cents).

Net finance costs decreased to R10.6 million (H1 2021: R12.3 million). Finance costs include R14.6 million (H1 2021: R17.1 million) interest attributable to lease payments accounted for in terms of IFRS 16: *Leases*.

Cash generated from operations decreased 66.5% to R239.9 million (H1 2021: R715.0 million) before finance charges and taxation. The outflow for the period was mainly attributable to the increased working capital demand as execution on the record order book started during the period and activity on the Beitbridge Border Post project is now in full swing.

The group had a net cash outflow for the period of R339.2 million with total cash and cash equivalents at the end of the period decreasing to R1.55 billion from R1.89 billion at 28 February 2021.

Trade and other receivables increased 40.0% to R1.92 billion from R1.37 billion at 28 February 2021. The increase in trade and other receivables was as a result of the increase in turnover for the period. The average debt collection days widened slightly to 51 days (2021: 49 days).

Inventories increased 8.1% to R807.9 million from R747.1 million at 28 February 2021.

Trade and other payables increased 17.2% to R1.68 billion from R1.44 billion at 28 February 2021.

Capital expenditure on property, plant and equipment increased 72.0% to R287.3 million (H1 2021: R167.0 million). Capital expenditure was in line with the current period’s budgeted forecast. The increase was as a result of the Covid-19 lockdowns in the corresponding prior period where the group adopted a number of cash preservation measures, which included the limiting of capex spend to only the most critical capex requirements of the group.

Borrowings decreased 13.3% to R689.8 million from R795.2 million at 28 February 2021. This was mostly as a result of the restructure of Burma Plant Hire where outstanding borrowings of R110.0 million for plant and equipment were settled.

## Operational overview

### **Materials Division**

The materials division comprises three main disciplines including (i) commercial quarries, (ii) contract crushing and and (iii) materials handling and processing services for the mining industry.

The materials division has continued to diversify the group from the construction industry and it was the main contributor to group operating profit with 43.4% of group operating profit generated by this division.

The division's results were supported by commercial quarry operations where a strong demand for aggregates was experienced during the period. Contract crushing operations for the construction sector continued to experience weak demand during the first six months of the year, but this is expected to improve in the second half of the year. Materials handling operations had a steady performance for the period.

Revenue for the division increased 3.7% to R1.28 billion (H1 2021: R1.23 billion) while operating profit increased by 77.4% to R188.8 million (H1 2021: R106.4 million).

The divisional operating profit margin increased to 14.8% (H1 2021: 8.6%).

The division incurred capital expenditure of R149.6 million during the period (H1 2021: R90.0 million).

The division has a secured order book of R1.51 billion (H1 2021: R1.81 billion).

### **Roads and Earthworks Division**

This division specialises in road construction and earthworks as well as road surfacing and rehabilitation which includes the manufacturing and laying of asphalt, chip and spray, surface dressing, enrichments, slurry seals and the manufacture and distribution of value added bituminous products throughout southern Africa.

The division is primarily dependent on the South African road construction sector through its construction capacity, as well as through asphalt and bitumen supply operations, and is directly and indirectly exposed to government expenditure on road construction and maintenance in the country. Margins in this sector are currently still under pressure as the execution on new projects had a slow start to the year. The secured order book provides a good base load of work for the division over the medium term which will enable it to look for higher margin opportunities going forward to support the order book.

The increased demand in the volumes driven asphalt and bitumen supply operations is also encouraging.

The division also jointly participates in the upgrade and expansion of the Beitbridge Border Post in Zimbabwe together with the infrastructure division.

Revenue for the division increased 91.1% to R2.74 billion (H1 2021: R1.43 billion) and operating profit increased 276.4% to R116.5 million (H1 2021: R66.1 million operating loss).

The divisional operating profit margin increased to 4.3% (H1 2021: 4.6% operating loss margin).

The division incurred capital expenditure of R82.9 million during the period (H1 2021: R33.7 million).

The division has a secured order book of R10.75 billion (H1 2021: R6.81 billion).

## ***Infrastructure Division***

The infrastructure division specialises in disciplines outside of the road construction sector, including energy (with a specific focus on renewable energy), rail, telecommunications, pipeline construction, housing infrastructure and commercial building projects.

The division reported a strong performance from the commercial building and housing operations. In South Africa, the renewable energy sector had a slow start to the year due to a delay in the award of the Renewable Energy IPP Risk Mitigation round. These projects are expected to reach commercial close early in 2022.

The division's results were supported by a strong performance from the operations in Western Australia, which performed well during the period.

The division also jointly participates in the upgrade and expansion of the Beitbridge Border Post in Zimbabwe together with the roads and earthworks division.

Revenue for the division increased 54.8% to R1.97 billion (H1 2021: R1.27 billion) and operating profit increased 794.0% to R129.8 million (H1 2021: R18.7 million operating loss).

The divisional operating profit margin increased to 6.6% (H1 2021: 1.5% operating loss margin).

The division incurred capital expenditure of R54.8 million during the period (H1 2021: R43.3 million).

The division has a secured order book of R4.29 billion (H1 2021: R3.12 billion).

## ***International***

The group's international operations consist of materials supply and mining services as well as construction activities. These operations are located in the African jurisdictions of Botswana, Mozambique, Namibia, Zambia and Zimbabwe ("rest of Africa") as well as in Western Australia.

The EPC Contract for the expansion and upgrading of the Beitbridge Border Post in Zimbabwe that was awarded to Raubex in November 2020 in the amount of USD172.2 million (excluding VAT), got off to a swift start. The first key milestone was completed successfully and the group has received the "Taking Over Certificate" for phase 1 on 18 September 2021. Work on phase 2 is under way and progressing well.

In the rest of Africa, revenue increased 80.9% to R649.8 million (H1 2021: R359.2 million) and operating profit increased to R126.7 million (H1 2021: R0.5 million). Operating profit margin increased to 19.5% (H1 2021: 0.1%).

The order book for the rest of Africa increased to R3.77 billion (H1 2021: R252.9 million).

In Western Australia, all operations performed well as the group continues to establish itself in this market. The Australian operations are currently contributing 15.5% of the group's total turnover and 17.2% of the group's total operating profit.

In Western Australia revenue increased 75.7% to R926.0 million (H1 2021: R526.9 million) and operating profit increased by 107.7% to R74.9 million (H1 2021: R36.1 million). Operating profit margin increased to 8.1% (H1 2021: 6.8%).

The order book for Western Australia decreased to R626.8 million (H1 2021: R870.4 million).

## Prospects

The group has a secured order book of R16.55 billion (H1 2021: R11.74 billion). The current unsecured contract opportunities which have been tendered on by the group and are still pending adjudication, are both significant in value and encouraging from a market perspective. The group will be looking to participate in these projects from both a construction and materials supply perspective.

The infrastructure division is well positioned to participate in the Renewable Energy IPP Risk Mitigation Programme once commercial close is reached. The announcement of the preferred bidders for Bid Window 5 of the Renewable Energy IPP, which closed in August 2021, offers encouraging prospects over the medium term. The early announcement of Renewable Energy IPP Bid Window 6, which is expected to be opened to market by the end of January 2022, will also help sustain the Renewable Energy sector in South Africa over the longer term. The amendment of Schedule 2 of the Electricity Regulation Act to increase the NERSA licensing threshold for embedded generation projects from 1 MW to 100 MW is also encouraging for the division, as this amendment allows for more significant investment into embedded generation projects.

The infrastructure division has also continued to establish itself in the affordable housing and commercial building sector. Participation in the Lufhereng Integrated Housing Development in Soweto is ongoing. A number of student accommodation and affordable housing development projects are being matured which will provide a pipeline of work to be executed over the medium and long term.

The roads and earthworks division, having secured a significant base load of work, will continue to focus on the efficient execution of these contracts while looking for higher margin opportunities to supplement the current order book.

Conditions in the materials division are expected to remain buoyant, with materials handling operations for the mining sector supported by high commodity prices and commercial quarries benefiting from the improvement in conditions in the construction sector. The group will continue to explore opportunities to form strategic partnerships with resource owners in the mining sector. After acquiring a 23.08% stake in Bauba Resources Limited, the group has since made two additional acquisitions in the sector:

- a 27.73% stake in Arcadia Minerals Limited, a Namibian diversified explorer, mainly focused on battery metals with current prospecting opportunities in tantalum, nickel, lithium and copper; and
- a 9.56% stake in Vanadium Resources Limited, a junior vanadium developer currently awaiting Department of Mineral Resources and Energy (“DMRE”) approval to obtain 74% of the Steelpoortdrift Vanadium licensed mining project in Limpopo, South Africa.

These strategic partnerships will afford the group the opportunity to participate in various materials handling and processing opportunities over the medium to long term.

The group continues to explore opportunities to participate in Public Private Partnership (“PPP”) projects and will participate in these projects on a selective basis. These PPP projects are often complex and entail lengthy development lifecycles before financial close can be reached.

In the rest of Africa, phase 1 of the Beitbridge Border Post project was completed successfully and focus will remain on the efficient execution of the rest of the project works, which is considered a key national project and an integral part of Zimbabwe's economic and social development goals. Opportunities are also being explored to participate in Phase II of the Lesotho Highlands Water Project. The group continues to adopt a more conservative strategy to working in the rest of Africa and will only consider projects with suitable risk and reward profiles.

In Western Australia, the construction sector in the country continues to show high levels of activity as the government continues to implement their infrastructure development stimulus programme. The group will continue to explore this market and look for growth opportunities at a measured pace.

The significant levels of tender activity in the South African market remain encouraging and all indications are that this is expected to continue over the medium term.

The group is very pleased with the performance over the last six months and believes that its diversified business model, supported by its strong management team and healthy balance sheet, position Raubex well to take advantage of future opportunities in the various construction and mining services sectors.

## Dividend declaration

The directors have declared a gross interim cash dividend from income reserves of 47 cents per share on 8 November 2021 for the six-month period ended 31 August 2021. The salient dates for the payment of the dividend are as follows:

Last day to trade <i>cum</i> dividend	Tuesday, 30 November 2021
Commence trading <i>ex</i> dividend	Wednesday, 1 December 2021
Record date	Friday, 3 December 2021
Payment date	Monday, 6 December 2021

No share certificates may be dematerialised or rematerialised between Wednesday, 1 December 2021 and Friday, 3 December 2021, both dates inclusive.

In terms of Dividends Tax ("DT"), the following additional information is disclosed:

- The local DT rate is 20%.
- The number of ordinary shares in issue at the date of this declaration is 181 750 036.
- The dividend to utilise for determining the DT due is 47 cents per share.
- The DT amounts to 9.4 cents per share.
- The net local dividend amount is 37.6 cents per share for shareholders liable to pay the DT.
- Raubex Group Limited's income tax reference number is 9370/905/151.

In terms of the DT legislation, the DT amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant (collectively "Regulated Intermediary") on behalf of shareholders. All shareholders should declare their status to their Regulated Intermediary, as they may qualify for a reduced DT rate or exemption.

## Condensed group statement of financial position

	Unaudited six months 31 August 2021 R'000	Unaudited six months 31 August 2020 R'000	Audited 12 months 28 February 2021 R'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2 374 534	2 429 530	2 384 052
Right-of-use assets	288 397	296 370	295 030
Intangible assets	1 021 344	1 032 364	1 025 282
Investment in associates and joint ventures	96 474	60 067	51 152
Investment in service concessions	22 755	–	22 755
Deferred income tax assets	186 809	154 306	155 756
Inventories	41 806	47 544	58 163
Trade and other receivables	13 475	13 447	13 555
Other financial assets	261 500	127 102	188 236
<b>Total non-current assets</b>	<b>4 307 094</b>	<b>4 160 730</b>	<b>4 193 981</b>
<b>Current assets</b>			
Inventories	766 069	582 164	688 944
Contract assets	382 041	334 162	324 838
Trade and other receivables	1 908 341	1 387 841	1 358 746
Other financial assets	6 950	48 922	6 875
Current income tax receivable	6 489	22 208	21 536
Cash and cash equivalents (excluding bank overdrafts)	1 549 544	1 641 375	1 891 636
<b>Total current assets</b>	<b>4 619 434</b>	<b>4 016 672</b>	<b>4 292 575</b>
<b>Total assets</b>	<b>8 926 528</b>	<b>8 177 402</b>	<b>8 486 556</b>
<b>EQUITY</b>			
Share capital	1 817	1 817	1 817
Share premium	2 059 688	2 059 688	2 059 688
Treasury shares	(47 077)	(16 002)	(16 002)
Other reserves	(1 095 127)	(1 108 527)	(1 120 424)
Retained earnings	3 665 304	3 316 756	3 478 306
<b>Equity attributable to owners of the parent</b>	<b>4 584 605</b>	<b>4 253 732</b>	<b>4 403 385</b>
Non-controlling interest	288 502	259 187	270 839
<b>Total equity</b>	<b>4 873 107</b>	<b>4 512 919</b>	<b>4 674 224</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	420 778	513 752	397 022
Lease liabilities	341 286	351 692	350 353
Provisions for liabilities and charges	112 261	108 344	109 532
Deferred income tax liabilities	270 398	270 050	268 380
Other financial liabilities	90 312	97 337	101 540
<b>Total non-current liabilities</b>	<b>1 235 035</b>	<b>1 341 175</b>	<b>1 226 827</b>
<b>Current liabilities</b>			
Trade and other payables	1 681 923	1 542 958	1 435 652
Contract liabilities	714 326	357 112	666 620
Borrowings	268 983	330 660	398 173
Lease liabilities	35 084	30 234	31 527
Current income tax liabilities	99 541	34 298	32 650
Provisions for liabilities and charges	3 529	5 077	5 883
Other financial liabilities	15 000	22 969	15 000
<b>Total current liabilities</b>	<b>2 818 386</b>	<b>2 323 308</b>	<b>2 585 505</b>
<b>Total liabilities</b>	<b>4 053 421</b>	<b>3 664 483</b>	<b>3 812 332</b>
<b>Total equity and liabilities</b>	<b>8 926 528</b>	<b>8 177 402</b>	<b>8 486 556</b>



## Condensed group income statement

	Unaudited six months 31 August 2021 R'000	Unaudited six months 31 August 2020 R'000	Audited 12 months 28 February 2021 R'000
Revenue	5 987 384	3 938 303	8 846 454
Cost of sales	(5 258 630)	(3 629 520)	(7 835 914)
<b>Gross profit</b>	<b>728 754</b>	308 783	1 010 540
Other income	6 668	10 770	17 251
Other gains/(losses) – net	8 246	4 570	13 146
Administrative expenses	(330 258)	(295 860)	(627 945)
Net impairment gains/(losses) on financial and contract assets	21 770	(6 590)	(48 536)
<b>Operating profit</b>	<b>435 180</b>	21 673	364 456
Finance income	30 076	35 568	68 041
Finance costs	(40 711)	(47 856)	(90 021)
Share of loss of equity-accounted investments	(3 644)	(883)	(864)
<b>Profit before income tax</b>	<b>420 901</b>	8 502	341 612
Income tax expense	(127 689)	(36 568)	(138 599)
<b>Profit/(loss) for the period</b>	<b>293 212</b>	(28 066)	203 013
<b>Profit/(loss) for the period attributable to:</b>			
Owners of the parent	254 109	(45 492)	158 141
Non-controlling interest	39 103	17 426	44 872
Basic earnings per share (cents)	140.6	(25.2)	87.4
Diluted earnings per share (cents)	139.8	(24.9)	86.9

## Condensed group statement of comprehensive income

	Unaudited six months 31 August 2021 R'000	Unaudited six months 31 August 2020 R'000	Audited 12 months 28 February 2021 R'000
<b>Profit/(loss) for the period</b>	<b>293 212</b>	(28 066)	203 013
<b>Other comprehensive income for the period, net of tax</b>			
Currency translation differences	<b>(9 207)</b>	28 540	12 222
Change in fair value of investments held at FV through OCI	<b>33 983</b>	–	–
Actuarial gain on post-employment benefit obligations	–	–	1 320
<b>Total comprehensive income for the period</b>	<b>317 988</b>	474	216 555
<b>Comprehensive income for the period attributable to:</b>			
Owners of the parent	<b>281 767</b>	(21 478)	169 179
Non-controlling interest	<b>36 221</b>	21 952	47 376
<b>Total comprehensive income for the period</b>	<b>317 988</b>	474	216 555

## Condensed group statement of cash flows

	<b>Unaudited six months 31 August 2021 R'000</b>	Unaudited six months 31 August 2020 R'000	Audited 12 months 28 February 2021 R'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	<b>239 869</b>	714 998	1 329 416
Interest received	<b>22 231</b>	30 936	59 254
Interest paid	<b>(32 304)</b>	(42 939)	(77 682)
Income tax paid	<b>(75 071)</b>	(80 073)	(190 615)
<b>Net cash generated from operating activities</b>	<b>154 725</b>	622 922	1 120 373
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	<b>(287 296)</b>	(167 039)	(417 155)
Proceeds from sale of property, plant and equipment	<b>109 753</b>	16 809	101 778
Proceeds from sale and leaseback transaction	–	138 078	180 125
Acquisition of subsidiaries	<b>2 151</b>	–	–
Acquisition of associates	<b>(54 690)</b>	–	–
Acquisition of equity instruments (other financial assets)	<b>(14 404)</b>	–	–
Disposal of subsidiaries	–	–	280
Loan granted to associates and joint ventures	<b>(9 692)</b>	(4 506)	(1 091)
<b>Net cash used in investing activities</b>	<b>(254 178)</b>	(16 658)	(136 063)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings	<b>242 042</b>	189 702	354 420
Repayment of borrowings	<b>(342 494)</b>	(166 071)	(363 165)
Repayment of lease liabilities (capital repayments)	<b>(17 195)</b>	(20 552)	(35 962)
Acquisition of non-controlling interest	<b>(17 325)</b>	–	–
Dividends paid to owners of the parent	<b>(52 445)</b>	–	(43 403)
Dividends paid to non-controlling interests	<b>(10 589)</b>	(10 632)	(24 096)
Acquisition of treasury shares	<b>(41 790)</b>	–	–
<b>Net cash used in financing activities</b>	<b>(239 796)</b>	(7 553)	(112 206)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(339 249)</b>	598 711	872 104
Cash and cash equivalents at the beginning of the period	<b>1 883 691</b>	1 006 268	1 006 268
Effects of exchange rates on cash and cash equivalents	<b>(2 589)</b>	22 060	5 319
<b>Cash and cash equivalents at the end of the period</b>	<b>1 541 853</b>	1 627 039	1 883 691

# Condensed group statement of changes in equity

	Share capital R'000	Share premium R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Total attributable to owners of the parent company R'000	Non-controlling interest R'000	Total equity R'000
<b>Balance at 29 February 2020</b>	1 817	2 059 688	(16 002)	(1 141 844)	3 352 698	4 256 357	257 417	4 513 774
Share option reserve	-	-	-	9 303	-	9 303	-	9 303
Disposal of shares to non-controlling interest	-	-	-	-	9 550	9 550	(9 550)	-
Profit/(loss) for the period	-	-	-	-	(45 492)	(45 492)	17 426	(28 066)
Other comprehensive income for the period	-	-	-	24 014	-	24 014	4 526	28 540
Dividends paid	-	-	-	-	-	-	(10 632)	(10 632)
<b>Balance at 31 August 2020</b>	1 817	2 059 688	(16 002)	(1 108 527)	3 316 756	4 253 732	259 187	4 512 919
Share option reserve	-	-	-	2 399	-	2 399	-	2 399
Disposal of subsidiary	-	-	-	-	-	-	(308)	(308)
Profit for the period	-	-	-	-	203 633	203 633	27 446	231 079
Other comprehensive income for the period	-	-	-	(14 296)	1 320	(12 976)	(2 022)	(14 998)
Dividends paid	-	-	-	-	(43 403)	(43 403)	(13 464)	(56 867)
<b>Balance at 28 February 2021</b>	1 817	2 059 688	(16 002)	(1 120 424)	3 478 306	4 403 385	270 839	4 674 224
Share option reserve	-	-	-	6 016	-	6 016	-	6 016
Share option reserve utilised during the period	-	-	-	(9 286)	9 286	-	-	-
Treasury shares issued in terms of equity-settled share scheme	-	-	10 715	-	(10 715)	-	-	-
Acquisition of treasury shares	-	-	(41 790)	-	-	(41 790)	-	(41 790)
Acquisition of shares from non-controlling interest	-	-	-	909	(13 237)	(12 328)	(7 914)	(20 242)
Acquisition of subsidiary	-	-	-	-	-	-	(55)	(55)
Profit for the period	-	-	-	-	254 109	254 109	39 103	293 212
Other comprehensive income for the period	-	-	-	27 658	-	27 658	(2 882)	24 776
Dividends paid	-	-	-	-	(52 445)	(52 445)	(10 589)	(63 034)
<b>Balance at 31 August 2021</b>	1 817	2 059 688	(47 077)	(1 095 127)	3 665 304	4 584 605	288 502	4 873 107

# Notes

## Basis of preparation

These condensed consolidated interim financial statements have been prepared under the supervision of the Financial Director, SJ Odendaal CA(SA), in accordance with International Financial Reporting Standards (“IFRS”), IAS 34: *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act 71 of 2008 and the JSE Listings Requirements.

The principal accounting policies used in the preparation of the unaudited results for the period ended 31 August 2021 are consistent with those applied for the year ended 28 February 2021 and for the unaudited results for the six months ended 31 August 2020 in terms of IFRS.

## Condensed group segmental analysis

	Materials R'000	Roads and Earthworks R'000	Infrastructure R'000	Consolidated R'000
<b>Operating segments</b>				
<b>31 August 2021</b>				
Segment revenue	<b>1 277 990</b>	<b>2 739 733</b>	<b>1 969 661</b>	<b>5 987 384</b>
Operating profit	<b>188 805</b>	<b>116 542</b>	<b>129 833</b>	<b>435 180</b>
Margin	<b>14.8%</b>	<b>4.3%</b>	<b>6.6%</b>	<b>7.3%</b>
<b>31 August 2020</b>				
Segment revenue	1 232 280	1 433 939	1 272 084	3 938 303
Operating profit/(loss)	106 441	(66 061)	(18 707)	21 673
Margin	8.6%	(4.6%)	(1.5%)	0.6%
<b>28 February 2021</b>				
Segment revenue	2 452 181	3 549 996	2 844 277	8 846 454
Operating profit	301 811	10 439	52 206	364 456
Margin	12.3%	0.3%	1.8%	4.1%

## Notes continued

### Condensed group segmental analysis (continued)

	South Africa R'000	Rest of Africa R'000	Australia R'000	Consolidated R'000
<b>Geographical information</b>				
<b>31 August 2021</b>				
Segment revenue	4 411 610	649 799	925 975	5 987 384
Operating profit	233 518	126 726	74 936	435 180
Margin	5.3%	19.5%	8.1%	7.3%
<b>31 August 2020</b>				
Segment revenue	3 052 269	359 156	526 878	3 938 303
Operating profit/(loss)	(14 935)	537	36 071	21 673
Margin	(0.5%)	0.1%	6.8%	0.6%
<b>28 February 2021</b>				
Segment revenue	7 183 346	564 871	1 098 237	8 846 454
Operating profit/(loss)	302 974	(12 794)	74 276	364 456
Margin	4.2%	(2.3%)	6.8%	4.1%

### Calculation of diluted earnings per share

	Unaudited six months 31 August 2021 R'000	Unaudited six months 31 August 2020 R'000	Audited 12 months 28 February 2021 R'000
Profit/(loss) attributable to owners of the parent entity	254 109	(45 492)	158 141
Weighted average number of ordinary shares in issue ('000)	180 788	180 844	180 844
<i>Adjustments for:</i>			
Shares deemed issued for no consideration (share options) ('000)	976	1 824	1 119
Weighted average number of ordinary shares for diluted earnings per share ('000)	181 764	182 668	181 963
Diluted earnings per share (cents)	139.8	(24.9)	86.9

## Calculation of headline earnings per share

	<b>Unaudited six months 31 August 2021 R'000</b>	Unaudited six months 31 August 2020 R'000	Audited 12 months 28 February 2021 R'000
Profit/(loss) attributable to owners of the parent entity	<b>254 109</b>	(45 492)	158 141
<i>Adjustments for:</i>			
Profit on sale of property, plant and equipment	<b>(9 508)</b>	(4 019)	(14 537)
Loss on disposal of subsidiary	-	-	15
<i>Add back: Non-controlling interests' portion of profit on sale of property, plant and equipment</i>	<b>508</b>	214	463
Total tax effects of adjustments	<b>2 507</b>	1 103	4 018
Basic headline earnings	<b>247 616</b>	(48 194)	148 100
Weighted average number of shares ('000)	<b>180 788</b>	180 844	180 844
Headline earnings per share (cents)	<b>137.0</b>	(26.6)	81.9
Diluted headline earnings per share (cents)	<b>136.2</b>	(26.4)	81.4

## Revenue disaggregation

The following disclosures are provided in terms of IAS 34.16A(l) and IFRS 15.114:

<b>Disaggregation of revenue by activity and segment</b>	<b>Materials R'000</b>	<b>Roads and Earthworks R'000</b>	<b>Infrastructure R'000</b>	<b>Consolidated R'000</b>
<b>31 August 2021</b>				
Contracting revenue	<b>518 752</b>	<b>2 238 013</b>	<b>1 917 791</b>	<b>4 674 556</b>
Commercial quarry aggregates and gypsum revenue	<b>717 583</b>	-	-	<b>717 583</b>
Bitumen and emulsion products and services	-	<b>237 789</b>	-	<b>237 789</b>
Asphalt supply revenue	-	<b>263 931</b>	-	<b>263 931</b>
Plant hire revenue	<b>41 655</b>	-	-	<b>41 655</b>
Property sales, property rentals and development fees	-	-	<b>51 870</b>	<b>51 870</b>
<b>Total revenue</b>	<b>1 277 990</b>	<b>2 739 733</b>	<b>1 969 661</b>	<b>5 987 384</b>

## Notes continued

### Revenue disaggregation (continued)

Disaggregation of revenue by activity and segment <small>(continued)</small>	Materials R'000	Roads and Earthworks R'000	Infrastructure R'000	Consolidated R'000
<b>31 August 2020</b>				
Contracting revenue	503 898	1 187 614	1 247 723	2 939 235
Commercial quarry aggregates and gypsum revenue	492 832	–	–	492 832
Bitumen and emulsion products and services	–	102 010	–	102 010
Asphalt supply revenue	–	144 315	–	144 315
Plant hire revenue	235 550	–	–	235 550
Property sales, property rentals and development fees	–	–	24 361	24 361
<b>Total revenue</b>	<b>1 232 280</b>	<b>1 433 939</b>	<b>1 272 084</b>	<b>3 938 303</b>
<b>28 February 2021</b>				
Contracting revenue	992 853	2 930 578	2 741 607	6 665 038
Commercial quarry aggregates and gypsum revenue	1 107 148	–	–	1 107 148
Bitumen and emulsion products and services	–	296 156	–	296 156
Asphalt supply revenue	–	323 262	–	323 262
Plant hire revenue	352 180	–	–	352 180
Property sales, property rentals and development fees	–	–	102 670	102 670
<b>Total revenue</b>	<b>2 452 181</b>	<b>3 549 996</b>	<b>2 844 277</b>	<b>8 846 454</b>
<b>Disaggregation of revenue by activity and geography</b>				
Disaggregation of revenue by activity and geography	South Africa R'000	Rest of Africa R'000	Australia R'000	Consolidated R'000
<b>31 August 2021</b>				
Contracting revenue	<b>3 296 414</b>	<b>452 167</b>	<b>925 975</b>	<b>4 674 556</b>
Commercial quarry aggregates and gypsum revenue	<b>594 845</b>	<b>122 738</b>	–	<b>717 583</b>
Bitumen and emulsion products and services	<b>169 450</b>	<b>68 339</b>	–	<b>237 789</b>
Asphalt supply revenue	<b>257 376</b>	<b>6 555</b>	–	<b>263 931</b>
Plant hire revenue	<b>41 655</b>	–	–	<b>41 655</b>
Property sales, property rentals and development fees	<b>51 870</b>	–	–	<b>51 870</b>
<b>Total revenue</b>	<b>4 411 610</b>	<b>649 799</b>	<b>925 975</b>	<b>5 987 384</b>



## Revenue disaggregation (continued)

Disaggregation of revenue by activity and geography (continued)	South Africa R'000	Rest of Africa R'000	Australia R'000	Consolidated R'000
<b>31 August 2020</b>				
Contracting revenue	2 204 285	208 072	526 878	2 939 235
Commercial quarry aggregates and gypsum revenue	402 316	90 516	–	492 832
Bitumen and emulsion products and services	58 810	43 200	–	102 010
Asphalt supply revenue	126 947	17 368	–	144 315
Plant hire revenue	235 550	–	–	235 550
Property sales, property rentals and development fees	24 361	–	–	24 361
<b>Total revenue</b>	<b>3 052 269</b>	<b>359 156</b>	<b>526 878</b>	<b>3 938 303</b>
<b>28 February 2021</b>				
Contracting revenue	5 325 125	241 676	1 098 237	6 665 038
Commercial quarry aggregates and gypsum revenue	910 101	197 047	–	1 107 148
Bitumen and emulsion products and services	198 086	98 070	–	296 156
Asphalt supply revenue	295 184	28 078	–	323 262
Plant hire revenue	352 180	–	–	352 180
Property sales, property rentals and development fees	102 670	–	–	102 670
<b>Total revenue</b>	<b>7 183 346</b>	<b>564 871</b>	<b>1 098 237</b>	<b>8 846 454</b>
Disaggregation of revenue by customer sector and geography	South Africa R'000	Rest of Africa R'000	Australia R'000	Consolidated R'000
<b>31 August 2021</b>				
Public sector	<b>1 518 272</b>	<b>6 522</b>	<b>530 376</b>	<b>2 055 170</b>
Private sector	<b>2 893 338</b>	<b>643 277</b>	<b>395 599</b>	<b>3 932 214</b>
<b>Total revenue</b>	<b>4 411 610</b>	<b>649 799</b>	<b>925 975</b>	<b>5 987 384</b>
<b>31 August 2020</b>				
Public sector	677 432	169	390 197	1 067 798
Private sector	2 374 837	358 987	136 681	2 870 505
<b>Total revenue</b>	<b>3 052 269</b>	<b>359 156</b>	<b>526 878</b>	<b>3 938 303</b>
<b>28 February 2021</b>				
Public sector	1 989 167	505	792 890	2 782 562
Private sector	5 194 179	564 366	305 347	6 063 892
<b>Total revenue</b>	<b>7 183 346</b>	<b>564 871</b>	<b>1 098 237</b>	<b>8 846 454</b>

## Finance income and costs

	Unaudited six months 31 August 2021 R'000	Unaudited six months 31 August 2020 R'000	Audited 12 months 28 February 2021 R'000
<b>Finance income:</b>			
<i>Cash finance income</i>			
Interest income on cash resources	<b>21 131</b>	25 139	51 867
Other interest	<b>1 100</b>	5 797	7 387
<i>Non-cash finance income</i>			
Accrued interest	<b>7 845</b>	4 632	8 787
<b>Total finance income</b>	<b>30 076</b>	35 568	68 041
<b>Finance costs:</b>			
<i>Cash finance costs</i>			
Bank borrowings	<b>(16 587)</b>	(25 716)	(44 163)
Interest expense on lease liabilities	<b>(14 626)</b>	(17 064)	(32 164)
Other interest	<b>(1 091)</b>	(159)	(1 355)
<i>Non-cash finance costs</i>			
Unwinding of discount – contingent consideration	–	(1 477)	–
Unwinding of discount – rehabilitation provision	–	–	(4 320)
Unwinding of discount – retentions	–	68	1 580
Unwinding of discount – voluntary rebuilding programme	<b>(3 150)</b>	(3 509)	(7 018)
Significant financing component on advance payment	<b>(5 257)</b>	–	(2 581)
<b>Total finance costs</b>	<b>(40 711)</b>	(47 856)	(90 021)
<b>Net finance costs</b>	<b>(10 635)</b>	(12 288)	(21 980)

## Cash and cash equivalents

	Unaudited six months 31 August 2021 R'000	Unaudited six months 31 August 2020 R'000	Audited 12 months 28 February 2021 R'000
For purposes of the consolidated cash flow, cash and cash equivalents consists of:			
Cash on hand	<b>1 549 544</b>	1 641 375	1 891 636
Bank overdrafts	<b>(7 691)</b>	(14 336)	(7 945)
Total cash and cash equivalents as stated on the statement of cash flows	<b>1 541 853</b>	1 627 039	1 883 691

## Capital expenditure and depreciation

	<b>Unaudited six months 31 August 2021 R'000</b>	Unaudited six months 31 August 2020 R'000	Audited 12 months 28 February 2021 R'000
Capital expenditure	<b>287 296</b>	167 039	417 155
Depreciation on property, plant and equipment	<b>182 184</b>	204 055	404 355
Depreciation on right-of-use assets	<b>20 198</b>	29 241	47 291
Amortisation of intangible assets	<b>4 271</b>	4 271	8 542

## Events after the reporting period

### Acquisition of equity investment

#### Vanadium Resources Limited (“VR8”)

On 11 October 2021, the group, through its Australian subsidiary Raubex (Pty) Ltd, acquired 44 230 769 shares of Vanadium Resources Limited for AUD4.6 million. VR8 is listed on the Australian Securities Exchange and the investment represents 9.56% of the total issued ordinary shares. In terms of IAS 28, none of the criteria for significant influence has been met and therefore the investment will be accounted for at fair value through other comprehensive income. VR8 is a junior vanadium developer who is awaiting DMRE approval to obtain 74% of the Steelpoortdrift Vanadium licensed mining project in Limpopo, South Africa. This investment will afford the group the opportunity to participate in materials handling and processing opportunities for VR8’s open cast mining operations in the future.

No other material events after the reporting period occurred up to the date of preparation of these group financial statements.

On behalf of the board:

**F Kenney**

*Chairman*

**RJ Fourie**

*Chief Executive Officer*

**SJ Odendaal**

*Financial Director*

8 November 2021

# Company information

## **Directors**

RJ Fourie

SJ Odendaal

NF Msiza

F Kenney<sup>#</sup>

LA Maxwell\*

BH Kent\*

SR Bogatsu\*

*# Non-executive Chairman*

*\* Independent non-executive*

## **Company secretary**

GM Chemaly

## **Registered office**

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Centurion

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South Africa

## **Transfer secretaries**

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Rosebank

2196

South Africa

## **Auditors**

PricewaterhouseCoopers Inc.

## **Sponsor**

Investec Bank Limited

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