WBHO

UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

CONTENTS

BASIS OF PREPARATION

The summary consolidated interim financial statements are prepared in accordance with the JSE Limited Listings Requirements, the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, and at a minimum, contain the information required by IAS 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa.

The accounting policies applied in the preparation of the summary consolidated financial statements are in terms of International Financial Reporting Standards and are consistent with the accounting policies applied in the preparation of the previous annual consolidated financial statements.

The summary consolidated interim financial statements have been compiled under the supervision of the Chief Financial Officer, Andrew Logan CA (SA) and were authorised by the Board on 4 March 2024. The summary consolidated interim financial statements for the period ended 31 December 2023 have not been audited or reviewed by the Group's auditors, PricewaterhouseCoopers Incorporated.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Unaudited December 2023 R 000	Unaudited December 2022 R 000	Audited June 2023 R 000
Continuing operations			
Revenue	**13 299 166**	10 330 483	23 768 747
Operating costs	**(12 143 663)**	(9 399 204)	(21 725 999)
Administrative costs	**(566 215)**	(477 851)	(1 015 824)
Other income	**13 110**	8 745	31 070
Operating profit	**602 398**	462 173	1 057 994
Share of profits from associates and joint ventures	**40 054**	93 724	130 870
Loss on disposal of associate	**–**	–	(19 762)
Finance income	**119 095**	69 064	188 866
Finance costs	**(34 495)**	(20 015)	(63 643)
Profit before taxation	**727 052**	604 946	1 294 325
Income tax expense	**(200 927)**	(150 084)	(360 418)
Profit for the period from continuing operations	**526 125**	454 862	933 907
Discontinued operations			
Loss from discontinued operations	**(4 749)**	(100 191)	(100 191)
Profit for the period	**521 376**	354 671	833 716
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Currency effect of translation of foreign operations	**(64 497)**	(30 876)	124 890
Translation of net investments in a foreign operation	**(16 038)**	19 021	174 525
Tax effect of above item	**4 330**	(5 136)	(47 122)
Share of other comprehensive income from associates, net of tax	**–**	–	40 502
Other comprehensive (loss)/income	**(76 205)**	(16 991)	292 795
Total comprehensive income for the period	**445 171**	337 680	1 126 511
Profit from continuing operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited	**482 159**	440 730	890 374
Non-controlling interests	**43 966**	14 132	43 533
	526 125	454 862	933 907
Loss from discontinued operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited	**(4 749)**	(100 191)	(100 191)
Non-controlling interests	**–**	–	–
	(4 749)	(100 191)	(100 191)
Profit from total operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited	**477 410**	340 539	790 183
Non-controlling interests	**43 966**	14 132	43 533
	521 376	354 671	833 716
Total comprehensive profit attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited	**402 019**	319 265	1 065 480
Non-controlling interests	**43 152**	18 415	61 031
	445 171	337 680	1 126 511

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Unaudited December 2023 R 000	Unaudited December 2022 R 000	Audited June 2023 R 000
Earnings/(loss) per share (cents)			
Earnings/(loss) per share			
Continuing operations	**914.8**	828.9	1 678.6
Discontinued operations	**(9.0)**	(188.4)	(188.9)
Total operations	**905.8**	640.5	1 489.7
Diluted earnings/(loss) per share			
Continuing operations	**913.8**	828.9	1 678.6
Discontinued operations	**(9.0)**	(188.4)	(188.9)
Total operations	**904.8**	640.5	1 489.7
Dividend per share (cents)	**230.0**	–	–

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

	Note	**Unaudited December 2023 R 000**	Unaudited December 2022 R 000	Audited June 2023 R 000
ASSETS				
Non-current assets				
Property, plant and equipment		**2 246 107**	1 854 593	2 111 201
Right-of-use assets		**159 329**	149 784	158 688
Goodwill		**594 066**	532 408	602 317
Interests in associates and joint ventures		**645 998**	620 581	702 715
Long-term receivables		**41 638**	133 220	39 755
Deferred taxation		**461 554**	574 905	478 474
Total		**4 148 692**	3 865 491	4 093 150
Current assets				
Inventories		**404 502**	388 070	430 462
Contract assets		**899 754**	388 101	776 031
Trade and other receivables		**4 685 480**	4 080 312	5 435 850
Taxation		**248 121**	156 677	226 241
Cash and cash equivalents	5	**3 824 397**	3 263 714	3 684 687
Total		**10 062 254**	8 276 874	10 553 271
Total assets		**14 210 946**	12 142 365	14 646 421
EQUITY				
Capital and reserves				
Share capital		**27 702**	28 565	27 702
Reserves		**92 827**	(76 824)	172 139
Retained income		**4 141 974**	3 237 127	3 664 564
Shareholders' equity		**4 262 503**	3 188 868	3 864 405
Non-controlling interests (NCI)		**179 657**	99 669	136 506
Total		**4 442 160**	3 288 537	4 000 911
LIABILITIES				
Non-current liabilities				
Lease liabilities		**132 451**	126 730	131 617
Long-term liabilities	6	**207 149**	556 219	327 157
Deferred taxation		**29 463**	26 600	33 197
Total		**369 063**	709 549	491 971
Current liabilities				
Contract liabilities		**3 029 477**	2 438 738	2 426 624
Trade and other payables		**4 136 358**	3 262 569	5 043 441
Provisions		**2 196 261**	2 398 734	2 650 533
Taxation		**37 627**	44 238	32 941
Total		**9 399 723**	8 144 279	10 153 539
Total equity and liabilities		**14 210 946**	12 142 365	14 646 421

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Share capital R 000	Foreign currency translation reserve R 000	Non-distributable reserve R 000	Distributable reserve R 000	Shareholders' equity R 000
At 1 July 2022	28 565	(136 767)	66 653	2 896 588	2 855 039
	–	(21 273)	–	340 539	319 266
Profit for the period from continuing operations	–	–	–	440 730	440 730
Loss for the period from discontinued operations	–	–	–	(100 191)	(100 191)
Other comprehensive loss for the period	–	(21 273)	–	–	(21 273)
Share-based payment expense	–	–	20 215	–	20 215
Share-based payment settlement	–	–	(5 652)	–	(5 652)
Balance at 31 December 2022	28 565	(158 040)	81 216	3 237 127	3 188 868
	–	296 570	–	449 644	746 214
Profit for the year from continuing operations	–	–	–	449 644	449 644
Loss for the year from discontinued operations	–	–	–	–	–
Other comprehensive loss for the period	–	296 570	–	–	296 570
Share-based payment expense	–	–	23 293	–	23 293
Share-based payment settlement	–	–	(2 039)	–	(2 039)
Share issue in respect of Akani 2	145	–	–	–	145
Treasury shares acquired	(974)	–	–	–	(974)
Share buy-back in respect of Akani	(34)	–	–	–	(34)
Transfer of reserves in trusts relating to Akani	–	–	(68 861)	(17 796)	(86 657)
Acquisition of NCI without a change in control	–	–	–	(4 411)	(4 411)
Balance at 30 June 2023	27 702	138 530	33 609	3 664 564	3 864 405
	–	**(75 390)**	**–**	**477 410**	**402 020**
Profit for the year from continuing operations	**–**	**–**	**–**	**482 159**	**482 159**
Loss for the year from discontinued operations	**–**	**–**	**–**	**(4 749)**	**(4 749)**
Other comprehensive income for the period	**–**	**(75 390)**	**–**	**–**	**(75 390)**
Share-based payment expense	**–**	**–**	**33 501**	**–**	**33 501**
Share-based payment settlement	**–**	**–**	**(37 423)**	**–**	**(37 423)**
Balance at 31 December 2023	**27 702**	**63 140**	**29 687**	**4 141 974**	**4 262 503**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Unaudited December 2023 R 000	Unaudited December 2022 R 000	Audited June 2023 R 000
Cash flows from operating activities			
Operating profit from continuing operations before working capital requirements	788 663	571 821	1 239 112
Working capital changes	(262 686)	65 466	322 847
Cash generated from operations	525 977	637 287	1 561 959
Dividends received	59 525	158 268	164 109
Finance income	107 366	57 818	163 507
Finance costs	(23 683)	(9 941)	(65 531)
Income tax paid	(182 011)	(237 531)	(483 905)
Dividends paid	–	–	–
Net cash flow from operating activities	487 174	605 901	1 340 139
Cash flows from investing activities			
Receipts from repayments of long-term receivables	29 190	36 729	71 140
Net cash outflow from business combination	–	–	(209 392)
Loans advanced to associates and joint ventures	(85 765)	(164 773)	(353 437)
Loans repaid by associates and joint ventures	102 858	81 861	285 367
Repayment of investment in associates and joint ventures	8 911	–	–
Proceeds on disposal of associate	–	–	6 688
Short-term loans advanced	(91 491)	–	(21 700)
Short-term loans repaid	71 943	–	14 200
Proceeds on disposal of property, plant and equipment	18 659	29 647	47 033
Acquisition of property, plant and equipment	(108 947)	(247 710)	(191 567)
Recovery of guarantees in Australia	79 430	–	–
Payment to settle obligations in Australia	(25 187)	(759 955)	(782 114)
Net cash flow utilised in investing activities	(399)	(1 024 201)	(1 133 782)
Cash flows from financing activities			
Acquisition of NCI without a change in control	–	–	(3 190)
Loan repaid to NCI	–	–	(6 810)
Bank loans advanced	–	350 000	350 000
Bank loans repaid	(99 231)	(2 700)	(184 050)
Loan repaid to related parties	–	–	(9 908)
Treasury shares acquired	–	(5 650)	(89 901)
Purchase of shares for equity-settled incentives	(70 351)	–	(5 253)
Payments in respect of instalment sale agreements	(117 871)	(55 005)	(133 908)
Payments in respect of lease liabilities	(21 609)	(29 315)	(46 877)
Net cash flow utilised in financing activities	(309 062)	257 330	(129 897)
Increase/(decrease) in cash and cash equivalents	177 713	(160 970)	76 460
Foreign currency effect on cash balances	(38 003)	85 454	268 997
Cash and cash equivalents at the beginning of the period	3 684 687	3 339 230	3 339 230
Cash and cash equivalents at the end of the period	3 824 397	3 263 714	3 684 687

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

1. SEGMENTAL INFORMATION

		Unaudited December 2023 R 000	Unaudited December 2022 R 000	Audited June 2023 R 000
Revenue	% change			
Building and civil engineering	18.7	**5 835 786**	4 914 984	10 980 875
Roads and earthworks	59.2	**4 236 465**	2 661 329	6 856 800
United Kingdom	17.9	**2 631 307**	2 231 664	4 987 904
Total construction revenue	29.5	**12 703 558**	9 807 977	22 825 579
Property developments		**5 665**	10 881	24 548
Construction materials	15.3	**589 943**	511 625	918 620
Total revenue		**758 307**	663 405	1 263 180
Inter-segment revenue		**(168 364)**	(151 780)	(344 560)
Total revenue from continuing operations	28.7	**13 299 166**	10 330 483	23 768 747
Total revenue from discontinued operations		**–**	–	–
Total revenue		**13 299 166**	10 330 483	23 768 747
Operating profit/(loss)	% margin			
Building and civil engineering	4.5	**260 605**	248 366	504 401
Roads and earthworks	6.7	**282 114**	166 529	449 561
United Kingdom	2.8	**74 826**	49 951	117 453
Total construction operating profit	4.9	**617 545**	464 846	1 071 415
Property developments		**7 876**	8 474	18 297
Construction materials	1.8	**10 478**	9 068	22 844
Total segment operating profit	4.8	**635 899**	482 388	1 112 556
Share-based payments expense		**(33 501)**	(20 215)	(54 562)
Operating profit from continuing operations	4.5	**602 398**	462 173	1 057 994
Operating loss from discontinued operations		**(4 749)**	(100 191)	(100 191)
Operating profit from total operations		**597 649**	361 982	957 803
Geographical revenue	% change			
South Africa	28.9	**9 049 688**	7 020 025	15 700 491
Rest of Africa	50.0	**1 618 171**	1 078 794	3 080 352
United Kingdom	17.9	**2 631 307**	2 231 664	4 987 904
Total revenue from continuing operations	28.7	**13 299 166**	10 330 483	23 768 747
Geographical operating profit	% margin			
South Africa	4.7	**421 555**	351 538	772 423
Rest of Africa	8.6	**139 518**	80 899	222 680
United Kingdom	2.8	**74 826**	49 951	117 453
Segment operating profit	4.8	**635 899**	482 388	1 112 556
Share-based payments expense		**(33 501)**	(20 215)	(54 562)
Operating profit from continuing operations		**602 398**	462 173	1 057 994
Geographical non-current assets excluding deferred tax				
South Africa		**2 066 083**	1 848 682	1 954 686
Rest of Africa		**519 836**	444 573	521 273
United Kingdom		**1 101 219**	997 332	1 138 717
		3 687 138	3 290 587	3 614 676

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

2. DISAGGREGATION OF REVENUE

Reportable segments reflect the operating structure of the Group and are identified both geographically and by the key markets which they serve. When disaggregating revenue, revenue is aggregated by giving cognizance to the transfer of differing goods and services. As a result, for the purpose of disaggregation of revenue the sale of asphalt and bitumen within the Roads and earthworks operating segment is included with the supply of construction materials.

		Unaudited December 2023 R 000	Unaudited December 2022 R 000	Audited June 2023 R 000
Geographical revenue	% change			
South Africa	28.9	**9 049 688**	7 020 025	15 700 491
Building and civil engineering		**5 719 882**	4 773 337	10 734 930
Roads and earthworks		**2 610 784**	1 553 585	3 728 706
Construction materials		**713 357**	682 221	1 212 307
Property developments		**5 665**	10 882	24 548
Rest of Africa	50.0	**1 618 171**	1 078 794	3 080 352
Building and civil engineering		**115 905**	141 647	245 946
Roads and earthworks		**1 432 162**	900 517	2 756 813
Construction materials		**70 104**	36 630	77 593
United Kingdom	17.9	**2 631 307**	2 231 664	4 987 904
Building and civil engineering		**2 631 307**	2 231 664	4 987 904
Total revenue from continuing operations	28.7	**13 299 166**	10 330 483	23 768 747

3. RECONCILIATION OF HEADLINE EARNINGS

	Unaudited December 2023 R 000	Unaudited December 2022 R 000	Audited June 2023 R 000
Attributable profit from continuing operations	**482 159**	440 730	890 374
Adjusted for:			
Profit on disposal of property, plant and equipment	**(6 444)**	(7 832)	(9 115)
Impairment of investment in subsidiaries	**–**	–	81
Loss on sale of equity-accounted investee	**–**	–	19 762
NCI	**25**	799	499
Tax effect	**1 793**	1 744	2 184
Interests in associates and joint ventures:			
Profit on disposal of property, plant and equipment	**–**	(319)	(319)
Tax effect	**–**	89	89
Headline earnings from continuing operations	**477 533**	435 211	903 555
Attributable profit from total operations	**477 410**	340 539	790 183
Adjusted for:			
Profit on disposal of property, plant and equipment	**(6 444)**	(7 832)	(9 115)
Impairment of investment in subsidiaries	**–**	–	81
Loss on sale of equity-accounted investee	**–**	–	19 762
NCI	**25**	799	499
Tax effect	**1 793**	1 744	2 184
Interests in associates and joint ventures:			
Profit on disposal of property, plant and equipment	**–**	(319)	(319)
Tax effect	**–**	89	89
Headline earnings from total operations	**472 784**	335 020	803 365

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

3. RECONCILIATION OF HEADLINE EARNINGS (CONTINUED)

3.1 HEADLINE EARNINGS/(LOSS) PER SHARE (CENTS)

	Unaudited December 2023	Unaudited December 2022	Audited June 2023
Basic			
Continuing operations	**906.0**	818.5	1 703.4
Discontinued operations	**(9.0)**	(188.4)	(188.9)
Total operations	**897.0**	630.1	1 514.6
Diluted			
Continuing operations	**905.0**	818.5	1 703.4
Discontinued operations	**(9.0)**	(188.4)	(188.9)
Total operations	**896.0**	630.1	1 514.6

4. ORDINARY SHARES

	Unaudited December 2023	Unaudited December 2022	Audited June 2023
Ordinary shares in issue ('000)	**71 018**	59 890	71 018
Weighted average number of shares ('000)	**52 707**	53 172	53 043
Diluted weighted average number of shares ('000)	**52 763**	53 172	53 043

5. CASH AND CASH EQUIVALENTS

	Unaudited December 2023 R 000	Unaudited December 2022 R 000	Audited June 2023 R 000
South Africa	**2 108 168**	1 771 881	2 029 643
Rest of Africa	**855 636**	795 170	838 177
United Kingdom	**860 593**	696 663	816 867
	3 824 397	3 263 714	3 684 687
Less: Restricted cash and cash equivalents			
South Africa	**(13 589)**	(103 059)	(14 183)
Rest of Africa	**–**	(245 054)	(86 710)
Total	**3 810 808**	2 915 601	3 583 794

Restricted cash balances: R13.6 million (December 2022: R103 million) in South Africa relates to the Group's share incentive scheme. In the prior period, R245 million in respect of monies held in Mozambique was pledged as security for a loan obtained from the Group's primary banker.

6. LONG-TERM LIABILITIES

	Unaudited December 2023 R 000	Unaudited December 2022 R 000	Audited June 2023 R 000
Secured			
Instalment sale agreements	**333 850**	212 607	277 388
Bank loans	**172 212**	452 793	271 443
Other long-term liabilities	**2 091**	2 091	2 091
Unsecured			
Loan from Edwin Construction (Pty) Ltd	**–**	25 000	–
Cash-settled share scheme liability	**11 054**	–	11 054
Settlement agreement liabilities	**82 932**	105 803	110 394
	602 139	798 294	672 370
Less: current portion of liabilities	**(394 990)**	(242 075)	(345 213)
Total	**207 149**	556 219	327 157

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

7 DISCONTINUED OPERATIONS

The Group has incurred limited legal costs in pursuit of the spuriously called guarantees that it believes it has a likelihood of success in recovering. As previously reported, the administration period of the Deed of Company Arrangement has been extended to ensure creditors that might have access to the Australian companies' insurance policies are not adversely affected by the closure of those businesses. The ongoing monitoring of this process will result in minor administration costs being incurred by the Group.

Amounts disclosed in the Statement of Cashflows include guarantees recovered in the six-month period along with the associated costs incurred to enable the recovery thereof. There is no impact on the Statement of Financial Performance and Other Comprehensive Income as the Group had relied on recovering these guarantees in the prior period and raised the associated receivable.

8. JUDGEMENTS AND ESTIMATES

In preparing these consolidated interim financial statements, management has made judgements and estimates in the application of the accounting policies that affect the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last consolidated annual financial statements.

9. EVENTS AFTER THE REPORTING DATE

The Board is not aware of any other matter or circumstance arising since the end of the reporting period not otherwise dealt with in the consolidated financial statements, which could significantly affect the financial position of the Group at 31 December 2023 or the results of its operations or cash flows for the period then ended.

COMMENTARY

SAFETY

The total recordable incident rate of the Group at 31 December 2023 remained consistent with the record low of 0.18 achieved at 30 June 2023.

The lost-time injury frequency rate of 0.28 injuries per million man-hours worked achieved at 31 December 2023 was also comparable with the rate of 0.27 achieved at 30 June 2023. The Board and management are pleased to report that no fatalities occurred on the Group's sites over the preceding twelve-month period.

Driven by the executive and operational leadership, the Group is committed to a target of Zero Harm within the business. The importance of clear and meaningful communication underlies the empowerment of our employees to act safely and positively impact the behaviour of those around them. A new observation system is currently being implemented, aimed at identifying and rectifying possible hazards before they have the potential to cause harm.

Various other initiatives are being rolled out that cover employees' well-being, respect for the environment, and safety, which are critical values that are key to the Group's ongoing success in operating in the construction environment.

CONTINUING OPERATIONS

The high order book levels secured in Africa over the course of the previous reporting period translated into increased activity across all divisions over the six-month period to 31 December 2023. It is also positive that the African order book has been sustained alongside the elevated level of work executed over the period.

The Group's businesses in the United Kingdom (UK) demonstrated an improved performance, however the impact of persistent economic factors continues to hamper work procurement within certain sectors.

FINANCIAL REVIEW

REVENUE AND OPERATING PROFIT FROM CONTINUING OPERATIONS

Group revenue increased by 29% from R10.3 billion at 31 December 2022 to R13.3 billion in the current reporting period. Revenue from South Africa grew by 29% from R7 billion to R9.1 billion while revenue from the rest of Africa grew by 50% from R1.1 billion to R1.6 billion. The increased activity in both regions was driven primarily by 59% growth in revenue within the Roads and earthworks division supported by additional growth of 19% from the Building and civil engineering division. In the UK, activity grew by 18% from R2.2 billion to R2.6 billion.

Operating profit increased by 30% to R602 million at an overall margin of 4.5%. The combined African operations delivered strong profitability alongside the significant growth in revenue. The segment operating profit for the combined African operations grew by R130 million from R432 million to R561 million while maintaining an operating margin of 5.3%. The operating margin in the UK lifted from 2.2% to 2.8% due to improved activity within Russell WBHO, careful project selection and increased volumes of higher-margin civil engineering projects within the Byrne Group.

EARNINGS PER SHARE AND HEADLINE EARNINGS PER SHARE

Earnings per share from continuing operations increased by 10% to 915 cents per share compared to 829 cents per share at 31 December 2022. Earnings per share from total operations increased by 41% to 906 cents per share to earnings as the loss per share from the discontinued operations in Australia decreased from a loss of 188 cents per share in the previous reporting period to a loss of 9 cents per share at 31 December 2023.

Headline earnings per share from continuing operations amounts to 906 cents per share compared to 819 cents per share in the comparative period.

COMMENTARY CONTINUED

INTEREST IN ASSOCIATES AND JOINT VENTURES

The table below provides information on the different investments in which the Group has significant influence, but not control:

Entity	Industry	Country	Effective %	Carrying amount December 2023 Rm	Carrying amount 30 June 2023 Rm	After-tax share of profits and losses December 2023 Rm	After-tax share of profits and losses December 2022 Rm	After-tax share of profits and losses 30 June 2023 Rm
Construction								
Edwin Construction	Infrastructure	South Africa	–	**–**	–	**–**	4.3	4.3
Concessions								
Dipalopalo	Serviced accommodation	South Africa	27.7	**50.3**	49.3	**–**	–	–
DFMS Joint Venture	Serviced accommodation	South Africa	14.6	**13.6**	13.7	**1.9**	1.8	3.9
Tshala Bese Uyavuna (RF)	Serviced accommodation	South Africa	32.5	**95.1**	98.2	**–**	–	–
Gigajoule International	Gas supply	Mozambique	26.6	**249.5**	247.6	**10.0**	13.3	4.0
Gigajoule Power	Power supply	Mozambique	13	**111.9**	137.6	**29.6**	76.3	132.3
Property developments								
Lizcobiz (formally Catchu Trading)	Residential	South Africa	50	**11.9**	39.6	**–**	–	(13.1)
19 on Loop	Residential	South Africa	20	**19.8**	19.8	**–**	–	(0.9)
Property developer								
Russell Homes Limited	Residential schemes and house builder	United Kingdom	31.7	**94.8**	97.8	**(1.4)**	(1.9)	0.5
Total				**646.9**	703.6	**40.1**	93.8	131.0
Expected credit loss				**(0.9)**	(0.9)	**–**	–	–
Total				**646.0**	702.7	**40.1**	93.8	131.0

The Gigajoule group of companies based in Mozambique continues to perform well, generating an after-tax profit of R40 million (December 2022: R90 million) during the reporting period alongside cash dividends of R57 million (December 2022: R157 million).

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 R6.4 million in interest earned on shareholder equity loans.

Having negotiated an exit from phase two of the Trilogy Apartments in Tshwane, the Group's investment in the property development consists of three unsold units remaining from phase 1. The Group's shareholder equity loan in Lizcobiz (Pty) Ltd decreased from R40 million to R12 million during the period. Completion of the Rubik (19 on Loop), mixed-use development in Cape Town is scheduled for April 2024.

Elevated interest rates have resulted in subdued housing sales in the UK over the last 18 months which have impacted profitability within Russell Homes. Interest rate cuts forecast for the third quarter of the 2024 calendar year should assist in an improved outlook for FY2025.

CONTRACT ASSETS

Contract assets increased by R124 million to R900 million at 31 December 2023. Contract assets related to Africa amount to R796 million and comprise uncertified revenue of R556 million and materials-on-site of R240 million, compared to R580 million and R158 million at 30 June 2023 respectively. Partially completed milestones on various large-scale renewable energy projects account for a significant portion of the uncertified revenue recognised. Materials-on-site have increased significantly due to the requirements of certain large-scale mining, road and energy infrastructure projects. The balance of R104 million relates to the UK.

CASH AND CASH EQUIVALENTS

Cash balances have increased by R140 million since 30 June 2023. This comprises an increase of R79 million in cash balances held in South Africa and increases of R17 million in the rest of Africa and R44 million in the UK. Cash generated from operations before working capital adjustments amounted to R789 million. Working capital outflows of R263 million are in line with the strong growth within the Roads and earthworks and Projects divisions.

COMMENTARY CONTINUED

LONG-TERM LIABILITIES

Long-term liabilities (including the short-term portion) decreased by R70 million. The operating loan obtained from the Group's primary banker reduced by R99 million while an increase in capital expenditure to support growth within the Roads and earthworks division was accompanied by an increase in asset-based finance of R57 million. Annual instalments of the amounts owing to the Government of South Africa and the City of Cape Town reduced the balance by an additional R27 million.

CONTRACT LIABILITIES

Contract liabilities increased over the comparative reporting period due to an increase in advance payments received on projects as well as the growth in activity experienced by the African operations.

CONTINGENT LIABILITIES

Construction guarantees issued to third parties amount to R6.6 billion compared to R6.9 billion in issue at 30 June 2023. The Group has available guarantee facilities in excess of R3 billion.

OPERATIONAL REVIEW

BUILDING AND CIVIL ENGINEERING

		31 December 2023 Rm	31 December 2022 Rm	30 June 2023 Rm
Revenue	19% increase	**5 836**	4 915	10 981
Operating profit	4.5% margin	**261**	248	504
Capital expenditure		**12**	1	6
Depreciation		**7**	5	10

Revenue from the Building and civil engineering division increased by 19% over the preceding period while operating profit increased by 5% at an operating margin of 4.5%.

Building

Revenue from the Building division increased by 9% over the comparative period reflecting 14% revenue growth in Gauteng and 6% growth from the coastal regions.

In Gauteng, the division has large-scale anchor projects across each of the data centre, commercial office and residential sectors. These sectors comprised the bulk of the work undertaken in the region. The data centre sector contributed 26% of revenue generated, up from 6% in the comparative period as this sector continues to demonstrate strong growth and long-term prospects. The division has three data centres under construction in Gauteng, two of which are under design and construct contracts. The commercial office sector contributed 50% (H1:FY2022 45%) toward revenue and the residential sector contributed 14% (H1:FY2022 15%). The R2 billion extensions to the South African Reserve Bank building in Tshwane comprise the bulk of activity from the commercial office sector together with four projects from the R250 – R300 million commercial office and mixed-use sub-sector. The residential project at Steyn City comprising 462 units spread over 48 four-storey apartment blocks is a challenging project, but is progressing well and is scheduled for completion in FY2025. Activity within the industrial and warehousing sector continued to decline with the contribution from this sector decreasing from 32% to 4% over the current six months. The division also has a large-scale project within the healthcare sector, namely renovations and additions to the Siloam District Hospital in Limpopo being executed in joint venture.

In the coastal regions, a marginal decline in activity in KwaZulu Natal (KZN) and the Western Cape was offset by strong growth in the Eastern Cape. The industrial building and warehousing sector continues to drive activity in the KZN region comprising 64% (H1:FY2022 55%) of revenue generated. Three warehousing projects at the Clairwood Logistics Park were completed during the period with the second to last project within the development due for completion in the second half of the year. Other projects within this sector that were completed in the current six-month period include expansion works for the South African Breweries (SAB) and Coca-Cola South Africa, warehouses for Shoprite and DSV and a further warehouse at the Mount Edgecombe Industrial Park. The balance of work executed came predominantly from the retail sector which contributed 24% (H1:FY2022 37%) toward revenue in the region and consisted of a refurbishment of the Ballito Junction and construction of the Malvern Shopping Centre which is due for completion in the second half of the year. In the Western Cape, commercial office and mixed-use developments comprised 48% of activity undertaken, residential and student accommodation developments comprised 25% and the hotel and data centre sectors contributed 15% and 5% respectively. Prominent commercial developments included completion of the new offices for Amazon at River Club and Investec at the V&A Waterfront while the Rubik mixed-use development will be completed in April 2024. Major residential developments included completion of a retirement village and freestanding houses at the secure Sitari Estate in Somerset West and the Nine Palms apartment building at Century City. At the Val de Vie Lifestyle Estate, construction of 104 new apartments will be completed in the second half of the year with the new lifestyle centre continuing into FY2025. Construction of the iconic 'The One' student accommodation will be completed in time for the 2025 academic year. A full refurbishment of the Cape Grace Hotel at the V&A Waterfront comprised the activity from the hotel sector. In the Eastern Cape, industrial and warehouse developments spearheaded strong growth in the region supported mainly by the award of a new warehouse for Shoprite toward the end of FY2023. Other key projects within the sector included a cold storage facility at Coega and ongoing construction for SAB.

COMMENTARY CONTINUED

A new luxury hotel and residential development in Plettenberg Bay, completed in December 2023, and a residential component of the Westbrook Country Estate in Port Elizabeth comprised the balance of work executed.

In the rest of Africa, the division successfully obtained practical completion of the residential housing and hotel and conferencing facilities at the Polihali Village in Lesotho while also commencing the enabling works for a new data centre in Ghana.

Civil engineering

Activity from Civil engineering includes projects from traditional civil engineering markets as well as the construction of renewable energy projects managed by the Group's Projects division.

After a prolonged period of sluggish activity within traditional civil engineering markets, revenue from the civil engineering division jumped by 62% on the back of improved order book levels. Construction was centred on various mining infrastructure projects 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. Within the energy sector, ongoing works at the Kusile Power Station were complemented by a new project at the Koeberg power station and the fabrication of the pre-cast concrete towers for the San Kraal, Phezukumoya and Coleskop wind farms which form part of the Koruson 1 wind farm cluster. The marine works at the Durban Harbour and commissioning of the Vlakfontein reservoir were completed during the period.

Activity in Zambia consists of civil infrastructure and silos for Zambeef Flour Mills and a new silo for the National Milling Corporation. In Mozambique, the division has received a limited notice to proceed on the suspended gas-infrastructure project at Palma. Remobilisation and site restoration activities have commenced ahead of a full notice to proceed which is expected in the coming months.

Revenue from the Group's Projects division also increased by a significant 63%. Construction of a 200MW solar farm near Lichtenburg neared completion by the end of the interim reporting period with the hot commissioning of the plant taking place in February 2024. A second 130MW solar farm in the same region, secured in the second half of FY2023, is now well under way and scheduled for completion during FY2025. In the Northern Cape, the 140MW wind farm near Coleskop is due for completion in January 2025.

ROADS AND EARTHWORKS

		31 December 2023 Rm	31 December 2022 Rm	30 June 2023 Rm
Revenue	59 % increase	**4 236**	2 661	6 857
Operating profit	6.7% margin	**282**	167	450
Capital expenditure		**248**	183	472
Depreciation		**115**	59	157

Following strong work procurement in FY2023 which contributed toward elevated order book levels, revenue from the Roads and earthworks division grew substantially by 59% over the comparative reporting period. Revenue from South Africa grew by 60% and comprised 66% of total revenue while revenue from the rest of Africa grew by 59% comprising 34% of total revenue. The operating margin increased from 6.3% to 6.7%.

The division experienced strong growth across all key sectors in South Africa where infrastructure projects for the mining and energy sectors accounted for 52% of local revenue, while roadwork accounted for 42% and pipeline projects 5%. Large-scale mining infrastructure projects for Harmony at Kareerand, Anglo American Platinum at the Der Brochen mine and Thungela Resources at the Elders Colliery were the primary drivers behind activity in the sector. Work within the energy infrastructure sector consisted of projects for Eskom at the Majuba and Matimba power stations as well as civil infrastructure and roadwork at various renewable energy solar and wind projects. Roadwork activity in the Eastern Cape is centred on four large-scale projects along the N2 which consist of road upgrades near Green River and Grahamstown, upgrades to the Ndabakazi and Breidbach interchanges and the construction of section 20 of the N2 Wild Coast Highway between the Msikaba and Mtentu bridges as well as an improvement project from the R63 to the intersection of the N6 near Bhisho. In KZN, the R3.9 billion Key Ridge project commenced activity toward the end of the reporting period. Additional smaller projects on the N2 in Mpumalanga and R511 in the North West province comprise the balance of ongoing roadwork activity.

In the rest of Africa, gas-infrastructure related projects in Mozambique accounted for 47% of revenue in the region, mining infrastructure projects in Botswana, Ghana, Liberia, and Tanzania comprised 36% while the rail project in Liberia made up the balance of 11% of work undertaken in the region during the period.

Work procurement in Botswana remains subdued, however based on new tenders entering the market later this year, mining infrastructure activity is expected to improve in FY2025. In Mozambique, construction activity has been focused on various projects for Sasol at the Temane gas fields and the advance site infrastructure works related to the large-scale gas infrastructure project for Total. As with the Civil engineering division, the division was instructed to remobilise and commence restoration works on the suspended projects toward the end of the interim reporting period. Revenue from the West African region demonstrated moderate growth. Phase one of the Beposo tailings storage facility at AngloGold Ashanti's Iduapriem mine in Ghana was completed during the period while at the same time both the mining and rail infrastructure works for Arcelor Mital in Liberia gained momentum.

COMMENTARY CONTINUED

UNITED KINGDOM

		31 December 2023 Rm	31 December 2022 Rm	30 June 2023 Rm
Revenue	18% growth	**5 836**	4 915	10 981
Operating profit	2.8% margin	**261**	248	504
Capital expenditure		**12**	224	239
Depreciation		**19**	17	66

Overall revenue from the UK grew by 2% in pound terms over the prior year and the margin improved from 2.2% to 2.8% due to improved activity levels within Russell WBHO. The construction environment in the UK remains challenging. The effect of inflation on input costs when combined with the high cost of project finance, continues to see delays in project implementation and/or onerous commercial terms transferring risk to the contractor. Each of the Group's businesses in the UK has experienced one or more projects believed to be close to being awarded be suspended prior to finalisation.

Byrne Group

Revenue from the Byrne Group decreased by 8% from £93 million to £86 million. Growth in revenue of 40% within Byrne Bros was outweighed by a decline in revenue within both Ellmers Construction and O'Keefe.

Byrne Bros continues to support the HS2 Infrastructure Project, working alongside the SCS and BBV joint ventures at Area Central and in the Birmingham area respectively. Two further projects have been secured with BBV namely, the Long Itchington Wood North Portal and The Bromford Intermediate Shaft with a combined value of £16 million. The defence sector presents ongoing opportunities with three projects secured for the Atomic Weapons Establishment in Berkshire, one of which, 'The Hub', is a newly secured Research Centre due to commence in April 2024 valued at £17 million. The business' energy-from-waste capability continues to grow in partnership with Acciona at the North London Heat and Power Plant in Edmonton. Phase 1 of the works is well underway with the waste bunker fully complete. Phase 2 has now also been secured, adding a further £34 million of revenue to the project.

In line with expectations, Ellmers experienced a decrease in revenue as the markets in London slowed. On a positive note, margins improved substantially as several successful projects were completed during the period. Current projects include 36 apartments at Porchester Court, a 150-room hotel in Covent Garden, fit-out work at Google's new offices in Kings Cross, the completion of the 18 luxury residential apartments at the Peninsula in Belgravia, the 199-room Marylebone Lane Hotel, and 15 high-end residential apartments in the N6 Tower, Vauxhall.

Following the collapse of modular house builder ILKE Homes, the Matalan Stevenage project was suspended negatively impacting secured revenue for the year for O'Keefe by £23 million. Other delays in project starts further impacted secured work which has made trading difficult over the period. The business has seen recovery in the demolition and construction markets securing projects at Sydenham Hill and demolition of the Former Akzo Nobel site.

Russell WBHO

Russell WBHO delivered revenue of £27 million for the six months to 31 December 2023 which is a 58% improvement over the comparative period. This represents a respectable start to the year as the market continues to struggle for stability in the post-Brexit and Covid-19 construction landscape. Project viability is a key risk for developers in Manchester when assessing potential schemes. The industry is anticipating some much-needed interest rate cuts in the latter half of 2024 which should pave the way for an improvement in project yields and enable several projects to gain traction. Significant progress was made on the £31 million Supercomputer project at Daresbury during the period. This 3 000m^2 square foot data centre is the first project secured by the company through the Crown Commercial Services Framework. Russell WBHO has been appointed on the 14 000m^2 industrial unit project known as Trafford 150, with a total contract sum of £14 million. Having converted the pre-construction agreement into a contract, Russell WBHO is now well underway with the first phases of the renovation of the prestigious Mere Golf Resort and Spa, a 157-acre resort located on the outskirts of Knutsford, Cheshire. The total project value is anticipated to reach £50 million. The £14 million temperature-controlled industrial warehouse in Doncaster for Mawdsleys, the UK's largest independent pharmaceutical supplier to the UK hospital sector was completed during the six-month period.

COMMENTARY CONTINUED

CONSTRUCTION MATERIALS

		31 December 2023 Rm	31 December 2022 Rm	30 June 2023 Rm
Revenue		**758**	663	1 263
Inter-company sales		**(168)**	(152)	(345)
Revenue to external customers	15% increase	**590**	511	919
Operating profit/(loss)	1.8% margin	**10**	9	23
Capital expenditure		**1**	2	4
Depreciation		**2**	3	15

Reinforced Mesh Solutions, the Group's steel supply business is benefitting from increased roadwork and renewable energy activity, although this growth is yet to translate into a meaningful improvement in margins. VSL Solutions, a post-tensioning and concrete repair business also demonstrated growth over the period but remains a relatively small component of the segment.

ORDER BOOK AND OUTLOOK

	%	At 31 December 2023 Rm	To 30 June 2024 Rm	Beyond 30 June 2024 Rm	%	At 30 June 2023 Rm
Order book by segment						
Building and civil engineering	40	**13 119**	5 999	7 120	40	12 947
Roads and earthworks	44	**14 125**	3 763	10 362	45	14 789
United Kingdom	16	**5 069**	2 812	2 257	15	4 815
Total	100	**32 313**	12 574	19 739	100	32 551
Order book by geography						
South Africa	77	**24 810**	8 547	16 262	76	24 738
Rest of Africa	7	**2 434**	1 215	1 220	9	2 998
United Kingdom	16	**5 069**	2 812	2 257	15	4 815
Total	100	**32 313**	12 574	19 739	100	32 551

The total order book remained consistent at R32 billion at 31 December 2023. Given the elevated volume of work executed over the period, order books across all divisions and geographies have shown resilience. In particular, the South African order book indicates healthy levels of available work in the construction market.

Africa (including South Africa)

From an order book perspective, the African operations remain well-positioned for the remainder of FY2024 as well as FY2025.

Although the local Building order book softened by 8%, the forward-looking pipeline within general building markets remains buoyant in most regions. In Gauteng, the division has large-scale anchor projects in key sectors providing a solid baseload of work well into FY2025. Data centres continue to offer a strong pipeline of opportunities with new clients expected to enter the market. Residential, commercial office and mixed-use developments also continue to provide a variety of mid-sized projects on which to tender. In the Western Cape, the order book remains healthy together with a robust pipeline across all sectors, both public and private. Work at the River Club precinct will continue into FY2025 as well as new awards for an apartment building at Century City, construction of the new Mediclinic in George and projects for the Western Cape Education Department. In KZN, the sizeable award of the north residential tower at the Oceans mix-use development, a large-scale commercial office development in Umhlanga, a cold storage facility for Maersk at Cato Ridge and other smaller warehousing projects will support current and future activity levels in the region. The industrial building and warehousing sector will likely remain a key sector for the division in this region supported by additional opportunities in the residential and healthcare sectors. Activity in the Eastern Cape will be sustained through the remainder of FY2024. Future opportunities in the region consist of additional work for SAB, a large-scale industrial project at Coega and a retail project in Motherwell. Given the strong pipeline of work in the Western Cape, the Eastern Cape division is also pursuing opportunities in the southern parts of that province which include retail opportunities in George and Knysna.

COMMENTARY CONTINUED

In the rest of Africa, the division is in the final stages of agreeing commercial terms for the construction of a new data centre on which it is already performing the enabling works.

While order book levels within the Civil engineering division have tapered since 30 June 2023, a healthy pipeline of future work remains. The mining infrastructure, water infrastructure and renewable energy sectors are expected to remain the key drivers of activity over the next 12 months. Prospects for additional work at the Kusile and Koeberg power stations are also positive. In the rest of Africa, the gas-infrastructure project in Mozambique should gain traction once the full notice to proceed is issued with prospects for sizeable additional work in the medium-term future. Select opportunities in Zambia justify an ongoing presence in the country.

The Projects division secured an additional 195MW solar farm and a 140MW wind farm during the interim reporting period. A further wind farm project reached financial close in February 2024. Round 6 of the government's REIPP programme along with various private projects will continue to offer opportunities within the renewable energy sector. After being withdrawn last year, repricing of the Kopanong private-public partnership (PPP) has commenced and bids for upgrades to six border posts for the Department of Home Affairs, another PPP are due in March 2024.

The Roads and Earthworks division sustained its order book at the elevated levels achieved at 30 June 2023. In South Africa, the sizeable volumes of mining infrastructure and roadwork on hand will support activity levels, with the large-scale Key Ridge, Mtentu and Bisho projects extending well into FY2025 and beyond. The division is well-positioned on two further Sanral tenders valued at over R5 billion which could be awarded later this financial year. Existing mining infrastructure projects were complemented by the commencement of new awards for an evaporation dam at Anglo American's Kapstevel mine, a coal off-loading facility for Seriti at Kusile and an extension to a tailings storage facility at the Gamsberg zinc mine in the Northern Cape. Within the water infrastructure sector, the division is at advanced stages of negotiations for the construction of a multi-billion-rand water supply scheme in Limpopo. In the rest of Africa, imminent new work in Ghana will supplement the ongoing projects in Liberia. Activity in Botswana will probably remain subdued for the remainder of FY2024, but future work on the copper mines should materialise by FY2025. In East Africa, the re-commencement of the gas-infrastructure work in Mozambique alongside opportunities in Tanzania should sustain ongoing activity in the region. Further opportunities for the division also exist in Madagascar.

United Kingdom

The conversion of two pre-construction agreements into contracts within Russell WBHO supported marginal growth in the order book of the UK operations. Revenue and margins could remain under pressure until the high inflationary and interest rate pressures ease.

Although the London market has been subdued over the past year, the Byrne Group continues to diversify in terms of location, sector and client base to promote growth. It is anticipated that a reduction in interest rates should unlock some of the projects currently on hold. The secured order book includes ongoing work associated with HS2, phase two of the North London Heat and Power Plant and various apartment and hotel buildings. New projects include the penthouse fit-outs at the N8 and N9 apartment towers as well as the Damac Towers in the One Nine Elms precinct.

Russell WBHO has a number of potential new projects being negotiated directly with clients. However, a large commercial development under a pre-construction agreement where Russell WBHO had already commenced some of the works, has regrettably been suspended. The new awards secured in the first half of the year should support existing levels of activity over the next 12 months.

OUTLOOK

Based on the current levels of work on-hand, imminent awards and other near-term opportunities, the outlook for the African operations remains exceptionally robust. In the UK, the short-term outlook remains subdued, however government elections in the second half of 2024 alongside interest rate cuts and lower levels of inflation should positively influence public and private infrastructure spending over the course of 2025.

COMMENTARY CONTINUED

DIVIDEND DECLARATION

The Board has elected to declare a dividend for the reporting period ended 31 December 2023. Cash outflows to meet the Group's contractual obligations in Australia have been fulfilled, cash balances are stable and cash generation from operations is positive, however the working capital requirements to support the high levels of growth experienced will need to be monitored carefully.

Notice is hereby given that the directors have declared an interim gross dividend of 230 cents per share (2022: Nil) payable to all shareholders recorded in the register on Friday, 26 April 2024.

In terms of the dividends tax legislation the following information is disclosed: -

The dividend is declared from income reserves and is subject to dividend withholding tax of 20% which results in a net dividend of 184 cents per share.

The number of shares in issue at date of declaration amounts to 71 018 425 (52 679 968 exclusive of treasury shares) and the Company's tax reference number is 9999597710.

In order to comply with the requirements of Strate, the following details are relevant:

Last date to trade cum dividend	:	Tuesday, 23 April 2024
Trading ex dividend commences	:	Wednesday, 24 April 2024
Record date:	:	Friday, 26 April 2024
Payment date:	:	Monday, 29 April 2024

Shares may not be dematerialised or re-materialised between Wednesday, 24 April and Friday 26 April 2024, both dates inclusive.

PRESENTATION OF THE FINANCIAL RESULTS AS AT 31 DECEMBER 2023

Shareholders and interested parties are advised that a virtual presentation of the Company's unaudited interim financial results for the period ended 31 December 2023 will be held on Wednesday, 6 March 2023. The presentation will also be made available on the Company's website at www.wbho.co.za.

EL Nel **WP Neff** **AC Logan**

4 March 2024

Sponsor:
Investec Bank Limited

ADMINISTRATION

WILSON BAYLY HOLMES-OVCON LIMITED

Incorporated in the Republic of South Africa
Registration number 1982/011014/06
Share code: WBO
ISIN: ZAE00009932
(WBHO)

REGISTERED OFFICE AND CONTACT DETAILS

53 Andries Street
Wynberg, Sandton, 2090

PO Box 531
Bergvlei 2012

Telephone: +27 11 321 7200
Fax: +27 11 887 4364

Website: www.wbho.co.za
Email: wbhoho@wbho.co.za

COMPANY SECRETARY

Donnafeg Msiska
CA(SA)

AUDITORS

PricewaterhouseCoopers Incorporated

TRANSFER SECRETARIES

JSE Investor Services
One Exchange Square
2 Gwen Lane
Sandown
Sandton, 2196
Telephone: +27 11 713 0800
Fax: +27 86 674 4381

SPONSOR

Investec Bank Limited

WWW.WBHO.CO.ZA