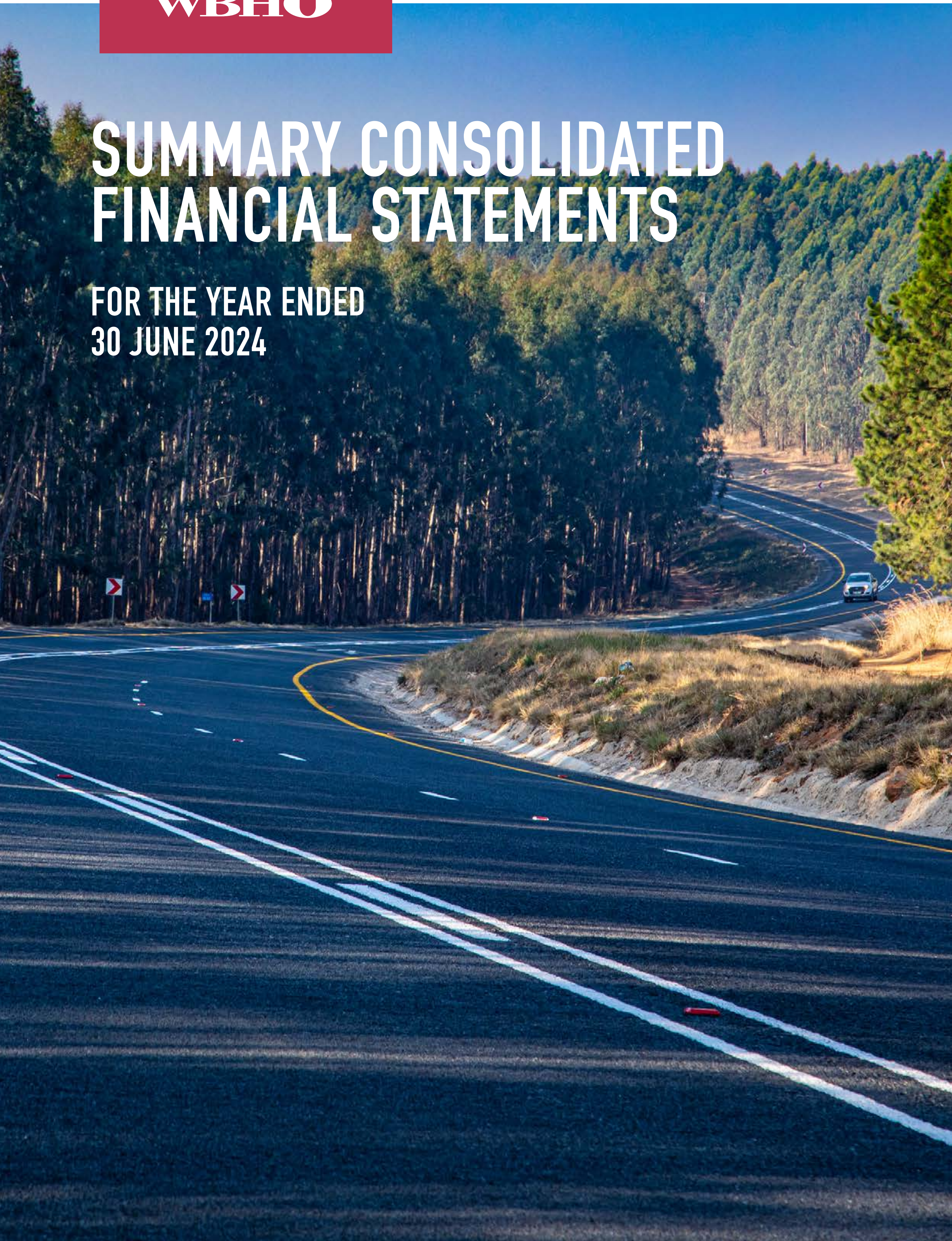
WBHO

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024



CONTENTS

IFC	Basis of preparation
1	Consolidated statement of financial position
2	Consolidated statement of financial performance and other comprehensive income
3	Consolidated statement of changes in equity
4	Consolidated statement of cash flows
5	Notes to the summary consolidated financial statements
9	Commentary
IBC	Administration

BASIS OF PREPARATION

The summary consolidated financial statements are extracted from the full audited consolidated financial statements for the year ended 30 June 2024. The audited consolidated financial statements are prepared in accordance with the JSE Limited Listings Requirements, the framework concepts and the measurement and recognition requirements of IFRS® Accounting Standards, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

The summary consolidated financial statements, contain at a minimum the information required by IAS 34 Interim Financial Reporting and the requirements of the Companies Act of South Africa. The directors take full responsibility for the preparation of the summary consolidated financial statements and are satisfied that the financial information has been correctly extracted from the underlying annual financial statements. The summary consolidated financial statements have been compiled under the supervision of the Chief Financial Officer, Andrew Logan CA(SA) and were authorised by the Board on 9 September 2024.

Although the summary consolidated financial statements are extracted from the full audited consolidated financial statements for the year ended 30 June 2024, they have themselves not been audited. The auditors' report does not report on the information contained in these summarised consolidated financial statements. Shareholders are therefore advised that, to obtain a full understanding of the nature of the auditors' engagement, they should obtain a copy of that report, together with the accompanying financial information which is available on the Company's website at www.wbho.co.za.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024

	Notes	Audited June 2024 R 000	Audited June 2023 R 000
ASSETS			
Non-current assets			
Property, plant and equipment		**2 330 575**	2 111 201
Right-of-use assets		**156 381**	158 688
Goodwill		**500 243**	602 317
Interests in associates and joint ventures		**699 783**	702 715
Long-term receivables		**158 940**	39 755
Deferred taxation		**526 822**	478 474
Total		**4 372 744**	4 093 150
Current assets			
Inventories		**429 735**	430 462
Contract assets	6	**1 138 717**	776 031
Trade and other receivables		**5 648 784**	5 435 850
Taxation		**111 767**	226 241
Cash and cash equivalents	4	**3 660 049**	3 684 687
Total		**10 989 052**	10 553 271
Total assets		**15 361 796**	14 646 421
EQUITY			
Capital and reserves			
Share capital		**27 702**	27 702
Non-distributable reserve		**33 556**	33 609
Foreign currency translation reserve		**(35 280)**	138 530
Retained income		**4 506 843**	3 664 564
Shareholders' equity		**4 532 821**	3 864 405
Non-controlling interests (NCI)		**145 092**	136 506
Total		**4 677 913**	4 000 911
LIABILITIES			
Non-current liabilities			
Long-term liabilities		**257 765**	327 157
Lease liabilities		**128 214**	131 617
Deferred taxation		**9 107**	33 197
Total		**395 086**	491 971
Current liabilities			
Contract liabilities	6	**3 284 249**	2 426 624
Trade and other payables		**4 705 193**	5 043 441
Provisions		**2 214 054**	2 650 533
Taxation		**85 301**	32 941
Total		**10 288 797**	10 153 539
Total equity and liabilities		**15 361 796**	14 646 421

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Audited June 2024 R 000	Audited June 2023 R 000
Continuing operations			
Revenue	2	27 525 577	23 768 747
Operating costs		(25 026 948)	(21 725 999)
Administrative costs		(1 278 938)	(1 015 824)
Other income		27 069	31 070
Operating profit		1 246 760	1 057 994
Share of profits from associates and joint ventures		95 861	130 870
Loss on disposal of associate		–	(19 762)
Finance income		266 387	188 866
Finance costs		(68 003)	(63 643)
Profit before taxation		1 541 005	1 294 325
Income tax expense		(487 713)	(360 418)
Profit for the year from continuing operations		1 053 292	933 907
Discontinued operations			
Loss from discontinued operations		(4 749)	(100 191)
Profit for the year		1 048 543	833 716
Other comprehensive income			
Items that will be reclassified to profit or loss:			
Currency effect of translation of foreign operations		(112 419)	124 890
Translation of foreign entities reclassified through profit and loss on derecognition		(18 193)	–
Translation of net investment in a foreign operation		(31 269)	174 525
Tax effect of above item		8 443	(47 122)
Share of other comprehensive income from associates, net of tax		(6 067)	40 502
Other comprehensive (loss)/income		(159 505)	292 795
Total comprehensive income for the year		889 038	1 126 511
Profit from continuing operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		972 911	890 374
Non-controlling interests		80 381	43 533
		1 053 292	933 907
Loss from discontinued operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		(4 749)	(100 191)
Non-controlling interests		–	–
		(4 749)	(100 191)
Profit from total operations attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		968 162	790 183
Non-controlling interests		80 381	43 533
		1 048 543	833 716
Total comprehensive profit attributable to:			
Equity shareholders of Wilson Bayly Holmes-Ovcon Limited		812 358	1 065 480
Non-controlling interests		76 680	61 031
		889 038	1 126 511

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	**Audited June 2024 R 000**	Audited June 2023 R 000
Earnings/(loss) per share (cents)	% change		
Earnings/(loss) per share			
Continuing operations	10.4%	**1 853.3**	1 678.6
Discontinued operations	95.2%	**(9.0)**	(188.9)
Total operations	23.8%	**1 844.3**	1 489.7
Headline earnings/(loss) per share			
Continuing operations	18.6%	**2 020.7**	1 703.4
Discontinued operations	95.2%	**(9.0)**	(188.9)
Total operations	32.8%	**2 011.7**	1 514.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	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
	–	275 297	–	790 183	1 065 480
Profit for the year from continuing operations	–	–	–	890 374	890 374
Loss for the year from discontinued operations	–	–	–	(100 191)	(100 191)
Other comprehensive loss for the period	–	275 297	–	–	275 297
Share-based payment expense	–	–	43 508	–	43 508
Share-based payment settlement	–	–	(7 691)	–	(7 691)
Share issue in respect of Akani 2	145	–	–	–	145
Treasury shares acquired	(974)	–	–	–	(974)
Share buy-back in respect of Akani 1	(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
	–	**(173 810)**	**–**	**968 162**	**794 352**
Profit for the year from continuing operations	**–**	**–**	**–**	**972 911**	**972 911**
Loss for the year from discontinued operations	**–**	**–**	**–**	**(4 749)**	**(4 749)**
Other comprehensive income for the period	**–**	**(173 810)**	**–**	**–**	**(173 810)**
Dividend paid	**–**	**–**	**–**	**(125 883)**	**(125 883)**
Share-based payment expense	**–**	**–**	**46 879**	**–**	**46 879**
Share-based payment settlement	**–**	**–**	**(91 101)**	**–**	**(91 101)**
Share options excercised	**–**	**–**	**44 169**	**–**	**44 169**
Balance at 30 June 2024	**27 702**	**(35 280)**	**33 556**	**4 506 843**	**4 532 821**

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Audited June 2024 R 000	Audited June 2023 R 000
Cash flows from operating activities			
Operating profit from continuing operations before working capital requirements		1 746 528	1 239 112
Working capital changes		(711 461)	322 847
Cash generated from operations	5	1 035 067	1 561 959
Dividends received		59 525	164 109
Finance income		225 164	163 507
Finance costs		(66 810)	(65 531)
Income tax paid		(394 786)	(483 905)
Dividends paid		(193 977)	–
Net cash flow from operating activities		664 183	1 340 139
Cash flows from investing activities			
Receipts from the repayment of long-term receivables		29 211	71 140
Net cash outflow from a business combination		–	(209 392)
Loans advanced to associates and joint ventures		(218 244)	(353 437)
Loans repaid by associates and joint ventures		161 881	285 367
Repayment of investment in an associates		8 911	–
Proceeds on disposal of an associate		–	6 688
Short-term loans advanced		(159 791)	(21 700)
Short-term loans repaid		145 661	14 200
Proceeds on disposal of property, plant and equipment		86 427	47 033
Acquisition of property, plant and equipment		(221 133)	(191 567)
Recovery of guarantees in Australia		87 559	–
Payment to settle obligations in Australia		(50 769)	(782 114)
Net cash flow utilised in investing activities		(130 287)	(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
Bank loans repaid		(117 693)	(184 050)
Loan repaid to related parties		–	(9 908)
Treasury shares acquired		–	(89 901)
Purchase of shares for equity-settled incentives		(91 101)	(5 253)
Payments in respect of instalment sale agreements		(266 358)	(133 908)
Payments in respect of lease liabilities		(38 593)	(46 877)
Net cash flow utilised in financing activities		(513 745)	(129 897)
Increase in cash and cash equivalents		20 151	76 460
Foreign currency effect on cash balances		(44 789)	268 997
Cash and cash equivalents at the beginning of the period		3 684 687	3 339 230
Cash and cash equivalents at the end of the period		3 660 049	3 684 687

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1. SEGMENTAL INFORMATION

		Audited June 2024 R 000	Audited June 2023 R 000
Segment revenue	% change		
Building and civil engineering	9.9%	**12 067 996**	10 980 875
Roads and earthworks	30.3%	**8 935 105**	6 856 800
United Kingdom	7.8%	**5 379 389**	4 987 904
Total construction revenue	15.6%	**26 382 490**	22 825 579
Property developments		**13 357**	24 548
Construction materials	19.0%	**1 129 730**	918 620
Total revenue		**1 502 142**	1 263 180
Inter-segment revenue		**(372 412)**	(344 560)
Total revenue	15.8%	**27 525 577**	23 768 747
Segment profit/(loss)	% margin		
Building and civil engineering	4.7%	**568 009**	504 401
Roads and earthworks	7.0%	**625 899**	449 561
United Kingdom	3.4%	**183 200**	117 453
Total construction profit	5.2%	**1 377 108**	1 071 415
Property developments		**13 125**	18 297
Construction materials	2.2%	**24 756**	22 844
Total segment profit	5.1%	**1 414 989**	1 112 556
Share-based payments expense		**(82 242)**	(54 562)
Impairment of goodwill		**(85 987)**	–
Operating profit from continuing operations		**1 246 760**	1 057 994
Operating loss from discontinued operations		**(4 749)**	(100 191)
Operating profit from total operations		**1 242 011**	957 803
Geographical revenue	% change		
South Africa	20.5%	**18 925 884**	15 700 491
Rest of Africa	4.5%	**3 220 304**	3 080 352
United Kingdom	7.8%	**5 379 389**	4 987 904
Total revenue	15.8%	**27 525 577**	23 768 747
Geographical operating profit	% margin		
South Africa	4.9%	**930 372**	772 423
Rest of Africa	9.4%	**301 417**	222 680
United Kingdom	3.4%	**183 200**	117 453
Segment operating profit	5.1%	**1 414 989**	1 112 556
Share-based payments expense		**(82 242)**	(54 562)
Impairment of goodwill		**(85 987)**	–
Operating profit from continuing operations	4.5%	**1 246 760**	1 057 994
Operating loss from discontinued operations		**(4 749)**	(100 191)
Operating profit from total operations	4.5%	**1 242 011**	957 803
Geographical non-current assets excluding deferred tax			
South Africa		**2 285 621**	1 954 686
Rest of Africa		**588 728**	521 273
United Kingdom		**971 573**	1 138 717
		3 845 922	3 614 676

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

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, cognizance is given 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.

	Audited June 2024 R 000	Audited June 2023 R 000
Geographical revenue		
South Africa	**18 925 884**	15 700 491
Building and civil engineering	**11 819 861**	10 734 930
Roads and earthworks	**5 589 589**	3 728 706
Construction materials	**1 503 077**	1 212 307
Property developments	**13 357**	24 548
Rest of Africa	**3 220 304**	3 080 352
Building and civil engineering	**248 135**	245 946
Roads and earthworks	**2 862 519**	2 756 813
Construction materials	**109 650**	77 593
United Kingdom	**5 379 389**	4 987 904
Total revenue	**27 525 577**	23 768 747

3. HEADLINE EARNINGS PER SHARE

3.1 RECONCILIATION OF HEADLINE EARNINGS

	Audited June 2024 R 000	Audited June 2023 R 000
Attributable profit from continuing operations	**972 911**	890 374
Adjusted for:		
Translation of foreign entities recycled through profit or loss	**18 193**	–
Profit on disposal of property, plant and equipment	**(23 902)**	(9 115)
Impairment of goodwill	**85 987**	–
Impairment of investment in subsidiaries	**–**	81
Loss on sale of associate	**–**	19 762
NCI	**2 284**	499
Tax effect	**5 336**	2 184
Interests in associates and joint ventures:		
Profit on disposal of property, plant and equipment	**–**	(319)
Tax effect	**–**	89
Headline earnings from continuing operations	**1 060 809**	903 555
Attributable loss from discontinued operations	**(4 749)**	(100 191)

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

	Audited June 2024 R 000	Audited June 2023 R 000
Attributable profit from total operations	**968 162**	790 183
Adjusted for:		
Translation of foreign entities recycled through profit or loss	**18 193**	–
Impairment of goodwill	**85 987**	–
Profit on disposal of property, plant and equipment	**(23 902)**	(9 115)
Impairment of investment in subsidiaries	**–**	81
Loss on sale of equity-accounted investee	**–**	19 762
NCI	**2 284**	499
Tax effect	**5 336**	2 184
Interests in associates and joint ventures:		
Profit on disposal of property, plant and equipment	**–**	(319)
Tax effect	**–**	89
Headline earnings from total operations	**1 056 060**	803 365

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

	Audited June 2024	Audited June 2023
Basic		
Continuing operations	**2 020.7**	1 703.4
Discontinued operations	**(9.0)**	(188.9)
Total operations	**2 011.7**	1 514.5
Diluted		
Continuing operations	**2 018.7**	1 703.4
Discontinued operations	**(9.0)**	(188.9)
Total operations	**2 009.7**	1 514.5

3.3 ORDINARY SHARES

Ordinary shares in issue ('000)	**71 018**	71 018
Weighted average number of shares ('000)	**52 496**	53 043
Diluted weighted average number of shares ('000)	**52 548**	53 043

4. CASH AND CASH EQUIVALENTS

	Audited June 2024 R 000	Audited June 2023 R 000
South Africa	**1 892 082**	2 029 643
Rest of Africa	**763 411**	838 177
United Kingdom	**1 004 556**	816 867
	3 660 049	3 684 687
Less: Restricted cash and cash equivalents		
South Africa	**(13 010)**	(14 183)
Rest of Africa	**–**	(86 710)
Total	**3 647 039**	3 583 794

Restricted cash balances: R13 million (June 2023: R14 million) in South Africa relates to the Group's broad-based share incentive scheme. In the prior period, R87 million in respect of monies held in Mozambique was pledged as security for a loan obtained from the Group's primary banker.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

FOR THE YEAR ENDED 30 JUNE 2024

5. CASH FLOW INFORMATION

5.1 CASH GENERATED FROM OPERATIONS

	Audited June 2024 R 000	Audited June 2023 R 000
Operating profit from continuing operations	1 246 760	1 057 994
Adjusted for non-cash items:		
Share-based payment expense	82 242	54 562
Impairment of goodwill	85 987	–
Unrealised foreign exchange translation losses/(gains)	13 597	(135 840)
Depreciation	334 139	248 048
Increase in credit loss allowance	7 706	25 921
Profit on termination of lease liability	(1 258)	(2 458)
Profit from disposal of property, plant and equipment	(22 645)	(9 115)
Operating income before working capital changes:	**1 746 528**	1 239 112
Working capital changes:		
Decrease/(increase) in inventories	855	(6 268)
Increase in contract assets	(427 631)	(325 550)
Increase in contract liabilities	1 008 574	317 175
Increase in trade and other receivables	(324 212)	(674 754)
(Decrease)/increase in trade and other payables	(428 580)	889 558
Payments in respect of settlement agreement liabilities	(23 833)	(10 000)
Movement in provisions	(516 634)	132 686
Cash generated from operations	**1 035 067**	1 561 959

6. CONTRACTS IN PROGRESS

	Audited June 2024 R 000	Audited June 2023 R 000
Contract assets		
Carrying amount at 1 July	776 031	281 448
Uncertified amounts from the prior year transferred to contract receivables	(771 960)	(253 687)
Uncertified amounts recognised from materials on site raised in the current year	269 496	234 093
Uncertified amounts recognised from the measure of progress raised in the current year	868 934	517 017
Less: Loss allowance	(3 784)	(2 840)
Carrying amount at 30 June	**1 138 717**	776 031
Contract liabilities		
Carrying amount at 1 July	2 426 624	1 908 312
Excess billings from the prior year recognised as construction revenue	(1 818 828)	(1 386 242)
Advances from customers in the prior year recognised as construction revenue	(630 874)	(696 988)
Acquisitions through business combinations	–	35 362
Excess billings over work done arising from the measure of progress in the current year	2 368 029	1 916 266
Advances from customers recognised during the year	939 298	649 914
Carrying amount at 30 June	**3 284 249**	2 426 624

7. 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 30 June 2024 or the results of its operations or cash flows for the period then ended.

COMMENTARY

SAFETY

The lost-time injury frequency rate decreased to 0.24 injuries per million man-hours worked (2023: 0.27). The total recordable incident rate of the Group at 30 June 2024 increased marginally to 0.22 compared to 0.18 achieved at 30 June 2023. The Board and management are pleased to report that no fatalities have occurred on any of our sites over the preceding twenty-four-month period, with the last recorded fatality taking place on 4 July 2022.

The executive and operational leadership within the Group are committed to the goal of Zero Harm. Strong leadership, together with regular programmes and initiatives to develop awareness and encourage and enforce safe behaviour, enable our employees, subcontractors and suppliers to act safely and positively influence the behaviour of those around them.

A new digital observation system is currently being implemented, aimed at identifying and rectifying possible hazards before they have the potential to cause harm. Other initiatives encompassing employee well-being, respect for the environment and safety have progressed throughout the reporting period.

CONTINUING OPERATIONS

The Group delivered a strong performance for the financial year ended 30 June 2024 and all businesses performed well over the period. The South African business specifically, continues to demonstrate increased activity within certain sectors.

FINANCIAL REVIEW

Revenue and operating profit from continuing operations

Group revenue increased by 16% from R23.8 billion in FY2023 to R27.5 billion. Revenue from South Africa increased by 20% from R15.7 billion to R18.9 billion while revenue from the rest of Africa increased by 5% from R3.1 billion to R3.2 billion. The growth in South Africa reflects the high levels of work currently on hand within the Roads and earthworks division which achieved 50% growth in the region. The Building and civil engineering division generated growth of 10% supported by elevated activity levels within the civil engineering and renewable energy sectors. Revenue from the UK operations increased by 8% from R5 billion to R5.4 billion, where Byrne Bros. within the Byrne Group had a good year.

Segment operating profit increased by 27% to R1.4 billion, up from R1.1 billion at 30 June 2023. The operating profit from the combined African operations increased by R237 million from R995 million to over R1.2 billion at an operating margin of 5.5%. The operating profit from the UK increased from R117 million to R183 million at a margin of 3.4% compared to 2.4% in the prior reporting period.

Earnings per share and headline earnings per share

Earnings per share from continuing operations increased by 10% to 1 853 cents per share compared to 1 679 cents per share at 30 June 2023. Earnings per share from total operations increased by 24% to 1 844 cents per share compared to 1 490 cents per share at 30 June 2023.

Headline earnings from continuing operations (which excludes the impairment of goodwill relating to Russell WBHO in the UK) increased by 19% to 2 021 cents per share versus 1 703 cents per share in the comparative period. The headline earnings from total operations amounts to 2 012 per share versus 1 515 cents per share in FY2023, an increase of 33%.

COMMENTARY CONTINUED

Interest in associates and joint ventures

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

Entity	Industry	Country	Effective %	Carrying amount 30 June 2024 Rm	Carrying amount 30 June 2023 Rm	After-tax share of and losses 30 June 2024 Rm	After-tax share of and losses 30 June 2023 Rm
Concessions							
Gigajoule International Group	Gas and power supply	Mozambique	26.6	**387.1**	385.2	**71.4**	136.3
Dipalopalo Concession (RF) (Pty) Ltd	Serviced accommodation	South Africa	27.7	**73.2**	49.3	**21.0**	–
Dipalopalo FM Solutions (RF) (Pty) Ltd	Serviced accommodation	South Africa	14.6	**15.6**	13.7	**3.9**	3.4
Tshala Bese Uyavuna (RF) (Pty) Ltd	Serviced accommodation	South Africa	32.5	**102.2**	98.2	**4.0**	–
Construction							
Edwin Construction (Pty) Ltd	Road/civil construction	South Africa	–	**–**	–	**–**	4.0
Property developments							
LizCoBiz (Pty) Ltd	Residential	South Africa	50.0	**10.5**	–	**0.1**	–
Catchu Trading (Pty) Ltd	Residential	South Africa	50.0	**–**	39.6		(13.1)
19 on Loop (Pty) Ltd	Residential	South Africa	20.0	**20.6**	19.8	**(1.3)**	(0.9)
Property developer							
Russell Homes Limited	Residential schemes	United Kingdom	31.7	**91.6**	97.8	**(3.3)**	0.5
Total				**700.8**	703.6	**95.8**	131.0
Expected credit loss				**(1.9)**	(1.7)		
Total				**698.9**	701.9	**95.8**	131.0

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

The concessions providing serviced accommodation to the Department of Statistics (Dipalopalo) and Department of Rural Development and Land Reform (Tshala Bese Uyavuna) are in the early stages of the concession lifespans but contributed after-tax profits of R25 million together with R9m million in interest earned on shareholder equity loans.

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

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

Contract assets

Contract assets of R1.1 billion increased by R363 million over the comparative period primarily due to milestone revenue recognised on renewable energy projects within the African operations. Total contract assets related to Africa comprise materials on site of R269 million (2023: R234 million), milestone revenue related to renewable energy projects of R316 million (2023: R60 million), variation instructions of R181 million where the cost thereof is still to be finalised with the client and uncertified revenue of R395 million (2023: 362 million). Uncertified and milestone revenue relate to timing differences between when work is executed and when certificates are submitted and approved. They do not represent claims or disputes over work done. Materials-on-site continues to increase due to the requirements of certain large-scale mining and energy infrastructure projects.

COMMENTARY CONTINUED

Cash

Cash balances were consistent with the prior year remaining at R3.7 billion, which is commendable given the increased investment in plant and equipment to support the pronounced growth within the Roads and earthworks division.

Cash balances in South Africa decreased from R2 billion to R1.9 billion while balances in the rest of Africa decreased from R838 million to R763 million. In the UK cash balances increased to R1 billion up from R817 million.

Working capital outflows of R711 million stemmed from large movements on renewable energy projects and growth within the Roads and earthworks division. Cash outflows relating to investing activities from continuing operations amounted to R167 million and include capital expenditure acquired for cash of R221 million. Additional capital expenditure of R312 million was financed. Depreciation in respect of property, plant and equipment amounted to R296 million (2023: R202 million).

Long-term liabilities

The ongoing investment in plant and equipment has resulted in a further increase in asset-based finance to support this expenditure. The total amount outstanding under these facilities amounted to R325 million of which R240 million is repayable in the next 12 months.

The amount outstanding in relation to the long-term loan from the Group's primary banker reduced to R52 million during the period.

Contingent liabilities

Financial guarantees issued to third parties amounted to R7.4 billion compared to R6.9 billion in issue at 30 June 2023.

OPERATIONAL REVIEW

BUILDING AND CIVIL ENGINEERING

		30 June 2024 Rm	30 June 2023 Rm
Revenue	9.9% growth	**12 068**	10 981
Operating profit	4.7% margin	**568**	504
Capital expenditure		**13**	6
Depreciation		**17**	10

Revenue from the Building and Civil engineering division increased by 10%. Operating profit improved to R566 million at a margin of 4.7% compared to R504 million in the preceding reporting period.

Building

Revenue from the Building division increased by 3% over the comparative period reflecting 5% revenue growth in Gauteng and 2% growth from the coastal regions. Revenue from the rest of Africa remains at low levels and was consistent with that of the prior period.

In Gauteng, large-scale anchor projects across the commercial, residential and data centre sectors underpinned activity levels, in a market where general building activity is tapering. The data centre sector remains an important source of new work opportunities, and this sector contributed 27% toward revenue generated in the region up from 11% in the prior financial year. During the period, the division completed a new data centre in Isando and the fit out of an additional phase of an existing data centre previously constructed by the division in FY2022. Two further data centres are currently under construction which are due for completion in FY2025. The commercial office sector contributed 51% (2023: 50%) toward revenue where the R2.5 billion alterations and additions to the South African Reserve Bank building in Tshwane comprised the bulk of activity. This project will support activity from this sector throughout FY2025. Three projects from the sub-R300 million commercial office and mixed-use sub-sector were completed during the year with a further phase awarded on one of the projects due for completion in FY2025. The contribution from the residential sector amounted to 14% of revenue (2023: 17%) and consisted of the residential project at Steyn City where the division has been awarded an additional fitout contract, and a student accommodation building in Johannesburg which is now complete. Opportunities from the industrial and warehousing sector in Gauteng have steadily declined over the last two years. Two projects from this sector were completed in the first half of the year without being replaced. The division has a single R200m project in the retail sector representing 4% of activity. The large-scale renovations and additions to the Siloam District Hospital in Limpopo, being executed in joint venture, contributed 5% from the healthcare sector.

In the coastal regions, the division more than doubled its revenue in the Eastern Cape which offset lower revenue from both the Western Cape and Kwa-Zulu Natal (KZN) regions. In the Eastern Cape, construction of a large-scale warehouse for Shoprite was the primary driver behind the strong growth. The division has three further projects within the industrial and warehousing sector which comprised 80% of activity in the region. Two projects were completed during the year, while the cold storage facility at Coega and a recently awarded warehouse and adjacent buildings, also at Coega, will continue into next year. The residential component of the Westbrook Country Estate in Port Elizabeth comprised the bulk of the remaining work executed during the year.

COMMENTARY CONTINUED

Although revenue dipped in the Western Cape this year, the overall building market in the region is robust with a good pipeline of larger-scale projects visible over the next two years. Commercial office and mixed-use developments comprised 42% of activity undertaken, residential and student accommodation developments comprised 27% and the hotel, healthcare and data centre sectors contributed 11%, 7% and 6% respectively. Prominent developments included completion of new offices for Amazon at River Club and the commencement of commercial offices and a residential development in the adjacent Riverlands precinct. At the V&A Waterfront, the division completed new offices for Investec, a refurbishment of the Cape Grace Hotel and alterations to the heritage Union Castle building. The Rubik mixed-use development in the city centre was successfully completed in May 2024. Major residential developments included completion of a retirement village and freestanding houses at the Sitari Estate in Somerset West, the Nine Palms apartment building at Century City and 104 apartments at the Val de Vie Lifestyle Estate. Construction of a new lifestyle centre at Val de Vie will continue into FY2025. "The One" student accommodation in Stellenbosch remains on track for completion in time for the 2025 academic year. In the healthcare sector, construction of a new Mediclinic in George is progressing well.

Delays in the commencement of some projects were the reason behind lower revenue generated in KZN, as the division continues to hold a strong order book in the region. The industrial and warehousing sector remains the dominant source of work, generating 51% (2023: 63%) of revenue. Work was centred at the Northfield, Clairwood and Brickworks logistics parks together with additional warehousing projects for Zenprop, Shoprite, Coca Cola and Growthpoint. Retail activity comprised 26% of activity and consisted of a refurbishment of the Ballito Junction and completion of the Malvern Park shopping centre. Having completed the retail and hotel components of the large-scale Oceans mixed-use development in Umhlanga in previous periods, the division commenced with construction of the North residential tower in the current period.

In the rest of Africa, construction of residential housing and hotel and conferencing facilities at the Polihali Village in Lesotho was successfully completed and the division recently commenced with the main works for a 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. Revenue from these sectors increased by 28% during the year.

Traditional civil engineering markets offered improved levels of activity during the period as 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 new nuclear works at the Koeberg power station and the fabrication of pre-cast concrete towers for the San Kraal, Phezukumoya and Coleskop wind farms which form part of the Koruson 1 wind farm cluster.

In Mozambique, the division recently received the full notice to proceed on the suspended gas-infrastructure project at Palma. Remobilisation and site restoration activities are nearing completion and the main works for this project are gaining traction once again. Although the division is proceeding with this component of the project, the force majeure over the full project has yet to be lifted. Activity in Zambia remains at low levels although there has been an improvement in mining infrastructure procurement activity in the second half of the year.

Revenue from the Group's Projects division increased by 18% from already elevated levels. The renewable energy sector continues to provide a lengthy pipeline of work, WBHO has developed strong client relationships in both the wind and solar renewable sub-sectors and the portfolio of projects from this sector continues to grow. Construction of two 130MW solar farms near Lichtenburg were successfully handed over during the period. Two additional solar farms of 130MW and 195MW each, are currently under construction and due for completion toward the end of FY2025. In the Northern Cape, the division secured the Umsobomvu and Hartebeeshoek wind farm projects (to be executed in conjunction with the Roads and earthworks division) which neighbour the 140MW Coleskop wind farm near Middelburg that is due for completion in January 2025.

ROADS AND EARTHWORKS

		30 June 2024 Rm	30 June 2023 Rm
Revenue	30.3% growth	**8 935**	6 857
Operating profit	7.0% margin	**626**	450
Capital expenditure		**485**	472
Depreciation excluding right-of-use assets		**235**	155

Elevated order book levels within the Roads and earthworks division supported a 30% increase in activity over the period where revenue grew to R8.9 billion (2023: R6.9 billion). Operating profit increased by 39% to R626 million at an improved margin of 7% (2023: 6.6%).

COMMENTARY CONTINUED

The division sustained strong growth across all key sectors in South Africa. Revenue from mining and energy infrastructure grew by 61%, comprising 46% of work executed in the region. Ongoing mining infrastructure projects consist of a tailings facility for Harmony at Kareerand, various works for Anglo American Platinum at the Der Brochen mine and a coal handling facility for Seriti at their New Largo mine. A large box-cut and pollution control dam with associated pipeline and water infrastructure was completed for Thungela Resources at the Elders Colliery during the year. Work within the energy infrastructure sector consisted of projects for Eskom at the Majuba and Matimba power stations as well as civil infrastructure, roadwork and trenching at various solar and wind renewable energy projects.

The value of roadwork executed in South Africa increased by 43% in FY2024 and now amounts to 49% of revenue generated. Roadwork activity in the Eastern Cape was centred on five large-scale projects along the N2. Road upgrades and new bridges near Green River and upgrades to the Belstone and Breidbach interchanges were largely completed by the end of the year. Upgrades and a realignment of sections of the N2 at Ndabakazi and into Grahamstown as well as an improvement project from the R63 to the intersection of the N6 near Bhisho will continue throughout FY2025. The greenfield construction of 18km of new road on the N2 Wild Coast Highway between the Msikaba and Mtentu bridges is a flagship project being executed in joint venture and is due for completion in 2028. In KZN, another flagship project is the R3.9 billion Key Ridge project. The project consists of an upgrade and realignment of the N3 between the Hammarsdale and Key Ridge interchanges. The upgrade entails widening each carriageway to five lanes and part of the realignment entails construction of the longest incremental launch bridge in South Africa, spanning 366 metres per carriage way. The project is due for completion in 2027. Smaller projects on the N2 in Mpumalanga and R511 in the North West province comprise the balance of ongoing roadwork activity. Roadspan, the division's road surfacing, road rehabilitation and asphalt and bitumen supply business delivered a record performance achieving growth of 26% over the prior period.

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

Revenue from the rest of Africa increased by 6% and comprises 33% of the division's total revenue. Activity was centred in Mozambique in East Africa and Ghana and Liberia in West Africa. In Mozambique, the advanced infrastructure works related to the large LNG gas-infrastructure project were completed. On a positive note, notice to proceed was received on the previously suspended works related to the same project, namely construction of the 9 500-man camp alongside the Civil engineering division and the bulk earthworks and construction of the 218-hectare platforms on which the gas process plants will be built. Various projects for Sasol at the Temane gas fields were also completed during the period. In Ghana, having completed phase one of the Beposo tailings storage facility at AngloGold Ashanti's Iduapriem mine in the first half of the year, the division subsequently secured phase 2 of this project which will continue into FY2026. The mining infrastructure works for Arcelor Mital in Liberia are progressing well and have grown in size and value following the issue of variation orders. The rail infrastructure works on the same mine have also grown from 180 kilometres to 240 kilometres of track rehabilitation. The division had a quiet year in Botswana in FY2024, however mining infrastructure procurement activity improved over the second half of the year with awards expected in FY2025.

UNITED KINGDOM

		30 June 2024 Rm	30 June 2023 Rm
Revenue	7.8% growth	**5 379**	4 988
Operating profit	3.4% margin	**183**	117
Capital expenditure		**21**	239
Depreciation excluding right-of-use assets		**39**	30

Overall revenue from the UK increased by 8% in rand terms but decreased by 3% in pound terms. The operating margin improved from 2.3% to 3.4% following a solid performance from the Byrne Group and improved activity levels within Russell WBHO.

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

COMMENTARY CONTINUED

Byrne Group

The Byrne Group, centred in London consists of Byrne Bros, Ellmer Construction, O'Keefe Construction and O'Keefe Demolition. Byrne Bros. is a concrete frame contractor specialising in the construction of concrete sub and superstructures. Ellmer Construction delivers high quality new-build, refurbishment and fit-out contracts primarily within the residential, commercial, hotel and leisure sectors. O'Keefe is a civil engineering business specialising in demolition, enabling works, soil remediation and groundwork construction services.

Overall revenue from the Byrne Group decreased by 12% from £192 million to £171 million. This comprised a 32% increase in revenue from Byrne Bros that was offset by a 26% decline in activity within Ellmer Construction and a 30% decrease from the O'Keefe group of companies.

The Byrne Group achieved a combined operating profit of £6.4 million at a margin of 3.8% compared to £6.1 million in FY2023 at a margin of 3.1%.

Growth within Byrne Bros. was assisted by diversification into civil engineering markets such as the rail, energy and nuclear sectors as opportunities from within the commercial office and residential sectors have dwindled and become overly competitive. In the current financial year, a residential scheme in Wembley for Sisk, two HS2 infrastructure projects for the Balfour Beatty Vinci Joint Venture (BBV) in Birmingham and a nuclear project for the Atomic Weapons Establishment (AWE) in Berkshire were completed and good progress has been made on the North London Heat and Power waste-to-energy plant near Tottenham.

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

O'Keefe also had projects suspended or withdrawn during the period alongside a collapse in the modular housing sector which had historically been a strong source of work. Activity levels were adversely affected as a result.

Russell WBHO

Revenue from Russell WBHO increased by 35% from £43 million in FY2023 to £58 million in FY2024. An operating profit of £1.5 million was achieved compared to an operating loss of £544 thousand in FY2023.

Russell WBHO are on track to complete a new £30 million supercomputing centre by early 2025, located at the Science and Technology Facilities Council's Daresbury laboratory. The project was awarded to Russell WBHO under the Crown Commercial Services Framework on which we were appointed in the previous reporting period. At 30 June 2024, all major elements of the building's structure had been constructed and the specialist installation of mechanical and electrical systems had commenced. In Wilmslow, Cheshire, a new £10 million Care UK home is rapidly taking shape and when complete will provide residential, nursing, dementia and respite care for up to 60 people. Also in Cheshire, work at the Mere Hotel has progressed well. The project involves upgrading 87 existing guest rooms, adding an additional 29 rooms across the main building and constructing a new extension. During the year, Russell WBHO were appointed to build a £14 million 150,000 sq ft industrial unit in Trafford Park, Manchester for the Strathclyde Pension Fund. Work is nearing completion with £12 million billed in FY2024. A £14 million industrial project for a new client, Mawdsleys, the UK's leading pharmaceutical distributor, was also completed during the year. The extension has seen the Redhouse distribution hub in Doncaster nearly double in size to 300,000 sq ft and benefit from a range of environmental improvements.

CONSTRUCTION MATERIALS

		30 June 2024 Rm	30 June 2023 Rm
Revenue		**1 502**	1 263
Inter-company sales		**(372)**	(345)
Revenue to external customers	19% growth	**1 130**	919
Operating profit	2.2% margin	**25**	23
Capital expenditure		**15**	4
Depreciation excluding right-of-use assets		**5**	5

Reinforcing & Mesh Solutions (RMS), the Group's steel supply business, reported a 19% increase in sales volumes over the comparative period for a second consecutive year and remains profitable in a competitive market. The increase in volumes is largely attributable to higher levels of demand supported by increased road infrastructure and private investment in windfarms and other green energy projects. The strong project pipelines visible within these sectors should continue to support current activity levels over the medium term. Despite the low margin nature of the business, RMS remains a strategic asset for the Group.

COMMENTARY CONTINUED

ORDER BOOK AND OUTLOOK

	%	At 30 June 2024 Rm	12 months to 30 June 2025 Rm	Beyond 30 June 2025 Rm	%	At 30 June 2023 Rm
Order book by segment						
Building and civil engineering	38	**11 616**	9 395	2 221	40	12 947
Roads and earthworks	48	**14 556**	7 354	7 203	45	14 789
United Kingdom	14	**4 427**	3 927	500	15	4 815
Total	**100**	**30 599**	**20 675**	**9 924**	**100**	32 551
Order book by geography						
South Africa	77	**23 459**	14 403	9 057	76	24 738
Rest of Africa	9	**2 713**	2 346	367	9	2 998
United Kingdom	14	**4 427**	3 927	500	15	4 815
Total	**100**	**30 599**	**20 675**	**9 924**	**100**	32 551

Having grown by 47% in FY2023, the Group order book softened by 6% in FY2024. This marginal reduction represents a mismatch in the timing of awards versus actual work executed, rather than being indicative of any negative change in market conditions. The Group has promising pipelines across each of its major business units that should sustain future activity levels.

Africa (including South Africa)

The strong baseload of work prevalent in South Africa and across the rest of Africa in recent years has been successfully maintained and will support activity levels on the continent through FY2025 and into FY2026.

Locally, the Building division has sufficient volumes of work across all regions over the short term. In Gauteng, although new awards subsided over the course of the year, the short- to medium term pipeline remains healthy. Completion of the upgrades and refurbishment of the offices for the South African Reserve Bank and ongoing construction of several data centres will form the bulk of work to be executed in the coming financial year. The pipeline for new data centres remains solid and the division has a proven track record from both a delivery and safety perspective. Further fit-out phases have been secured at Steyn City within the residential sector while a large-scale mixed-use development in Rosebank has re-entered the market for pricing. Opportunities in the coastal regions of the Western Cape and KZN have grown over the reporting period. In the Western Cape the division has a strong order book comprising sizeable projects across all key sectors, including residential, commercial offices, healthcare, education and mixed-use developments. These projects, that will likely support growth in the region in FY2025, are also accompanied by a robust forward-looking pipeline. In KZN, following some significant awards in the first half of the year, the division also has secured a strong order book. The residential, warehousing and commercial office sectors are the primary sources of activity next year with a potential opportunity within the hotel sector being pursued. The order book in the Eastern Cape has tapered down following the completion of a large-scale warehouse in the current period. The COEGA Development Zone continues to offer some encouraging opportunities and should these materialise in the first half of FY2025, activity levels may be sustained at elevated levels. In the rest of Africa, the division is exploring opportunities in Botswana and Eswatini to support the current work in Ghana.

The Projects team have two large-scale solar farms and two wind farms that continue throughout FY2025 and are in negotiations for a further solar and wind farm expected to commence in the second half of the next financial year. As the civil engineering elements of these projects are executed by the Roads and earthworks division, these projects support activity levels across multiple divisions of the Group. The bids for upgrades to four of the six border posts for the Department of Home Affairs are due to be submitted in September 2024. The re-pricing of the Kopanong private-public partnership (PPP) for a second time, was disappointingly cancelled the day before the submission date at great expense of time and funds invested.

Despite a lower order book in comparison to the prior year, new work opportunities for the Civil engineering division remain solid. The division achieved approval as a level L1/Q2 nuclear supplier from Eskom and the National Nuclear Regulator this year. Through its participation in the KCC Consortium, the division is now the sole nuclear-approved civil engineering construction company in South Africa. Consequently, the consortium has secured new work at the Koeberg nuclear power station to assist with the design and construction elements of the life extension project. Additional works at Koeberg are also currently under discussion. A new project for the construction of a coal hopper off-loading facility at the Kusile Power Station rounds off the work to be executed within the local energy sector in FY2025. The division is lowest on a bid in conjunction with the Roads and earthworks division, for construction of the abstraction works for the Ngwadini Dam in KZN and is in the final stages of negotiations for a further water infrastructure project in Limpopo. There are large-scale marine infrastructure opportunities expected to be bid upon during the course of FY2025 which we hope will commence in the following financial year. In Mozambique, although a full notice to proceed was received in relation to the 9500-man camp, Total Energies has not lifted the force majeur and some restrictions remain in place affecting productivity. Nonetheless, the project is at least once again underway. Prospects in Zambia have improved, and the division is again active on the copper mines with additional opportunities expected to be concluded in the short-term.

COMMENTARY CONTINUED

The Roads and Earthworks division sustained its order book at the record levels of the prior period. R7.4 billion of the R14.5 billion order book is expected to be executed in FY2025. Due to the size and length of several large roadwork projects which extend into 2028, roadwork comprises 60% of the total order book, but only 43% of the work expected to be executed in FY2025. Court proceedings interdicting the commencement of the R2 billion N2 Lingeni to Msikaba road project in which the division is a joint venture partner, were withdrawn in July 2024 and the project is expected to commence in the coming months. This project is adjacent to the existing project under construction by the division between the Mtentu and Msikaba bridges. The forward-looking pipeline for new roadwork remains buoyant and the division is well-positioned on projects exceeding R10 billion. The mining and energy sectors together comprise 31% of the total order book and 50% of the work due to be executed in the next financial year. Several large mining infrastructure projects are due for completion in FY2025. Opportunities to replace these projects are not as prevalent given the current levels of commodity prices. Ongoing projects in the energy infrastructure sector comprise work at three coal-fired power stations and three wind farms. Prospects for new work for Eskom and in the renewable energy sector both remain positive. The division is the preferred contractor for the construction of LWUA's multi-billion rand water supply scheme in Limpopo, with the award of the full contract subject only to the project achieving financial close in the coming months.

In the rest of Africa, work will remain focused in east and west Africa with increased activity in southern Africa only expected in the second half of the financial year. Mozambique continues to offer significant opportunity related to the gas fields, however these remain subject to managing the security environment in the region which remains tense. The division has healthy order book levels in West Africa with ongoing work in Ghana and Liberia and additional opportunities within the mining sector in the region. The directive in 2023 from the Minerals Commission in Ghana, that all mining sector projects be undertaken by 100% citizen-owned companies, has required the division to adapt its business model to retain a presence in the country. During the year, the government of Botswana implemented a development management programme to fast-track key infrastructure projects in the country. Under this model, the development manager performs the full scope of engineering, procurement, construction and management services associated with the infrastructure projects. The division forms part of a consortium for bids on two large road projects which, if secured, should support growth in the region in the latter half of FY2025.

United Kingdom

The UK order book decreased by 8% at 30 June 2024. Notwithstanding this reduction, there is a sense that the construction market is beginning to turn. The recent change in government, stable inflation and an interest rate cut in May 2024 have supported increased optimism.

Byrne Bros. commences the new financial year with a healthy order book in terms of both quantum and quality of projects. The business continues to diversify in terms of sector and location and has succeeded in developing new client relationships in recent years which has resulted in repeat work. During the financial year some impressive new projects have been secured, namely TVC Centre for Stanhope in West London, The Hub for Balfour Beatty in Berkshire and the Long Itchington Wood North Portal for the BBV JV as part of the HS2 scheme. In addition, we continue to deliver live projects that include; the North London Heat and Power Plant for Acciona, multiple assets for the Skanska, Costain and STRABAG Joint venture (SCS) as part of the Area Central HS2 works and a slip-formed shaft for BBV in Birmingham. Similarly, Ellmers has over 80% of the current year's revenue secured for FY2025, which includes the completion of the Google contract, the Vauxhall penthouses and Bayswater apartments and sections of The Other House Hotel in Covent Garden. New projects secured include two new penthouse fit-outs in the Whiteleys development, refurbishment works at 1 Palace Street, and an early works contract works at 25 Marylebone Road, London. Potential awards in the coming months include the full contract at 25 Marlyebone Road and a new hotel build in Blackfriars. The London and South-East construction market will likely remain the primary source of work for the business. The positioning of the business as a competent and reliable main contractor has paid dividends in the current market where corporate failures have increased, marketing the core strength within high-end residential, hotel and leisure and commercial office sectors, with the ability to provide modular methods of construction as required. O'Keefe has a moderate order book and sufficient near-term opportunities that should sustain current activity levels.

In Manchester, Russell WBHO commences the year with a secured order book of £32 million and subsequent to the end of the year, secured variations amounting to an additional £32 million on The Mere Hotel project. The number of available opportunities within the Manchester market has shown signs of improvement but still requires considerable effort to determine those projects worth pursuing, as well as to convert potential projects from pre-construction agreements (PCSA) into full contract. The business has potential projects to the value of approximately £90 million under PCSAs, however recent history has shown that these may yet take time to be ground-ready. The business is on site on one of the projects valued at £16 million.

COMMENTARY CONTINUED

OUTLOOK

The outlook for the Group is upbeat, the order book remains at elevated levels and the macro environments in which we are operate seem poised for an upswing. In South Africa, load shedding has been successfully mitigated over an extended period, interest rates should begin to decrease, and growth forecasts have been revised upwards. The Government of National Unity has promised improved service delivery which we hope means new infrastructure for the country. Sentiment in the UK is improving as well. Project delivery and people management in these busy times are our key strategic objectives.

APPRECIATION

This is an exciting period for the Group, and the Board and management extend their heartfelt appreciation to all our employees who have endured the tough times and endeavour to provide the necessary support and guidance to ensure we maximise the opportunities ahead of us. We also thank our many clients, both public and private, who work continuously to add value to the economy which supports our industry.

PRESENTATION OF THE FINANCIAL RESULTS AT 30 JUNE 2024

Shareholders and interested parties are advised that a presentation of the Company's audited consolidated financial results for the year ended 30 June 2024 will be held at The Maslow Hotel in Sandton on Wednesday, 11 September 2024 at 10:00. The presentation will also be made available on the Company's website at www.wbho.co.za.

WP Neff **EL Nel** **AC Logan**
9 September 2024

Sponsor:
Investec Bank Limited

ADMINISTRATION

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