

A large circular graphic overlay with a white center and a grey outer ring. The ring is decorated with curved segments in green, yellow, and orange. The background of the circle shows a collage of images: hands planting a seedling in soil, a modern building, and two workers in safety gear reviewing documents on a construction site.

**AUDITED
SUMMARY
GROUP FINANCIAL
RESULTS**

for the year ended
28 February 2022

A yellow tractor with its headlights on, driving on a dirt road through a quarry. Large piles of grey material are visible on either side of the road.

Raubex Group Limited
(Incorporated in the Republic of South Africa)
Registration number 2006/023666/06
Share code: RBX
ISIN code: ZAE00093183
("Raubex" or "the Group")

FINANCIAL HIGHLIGHTS

Revenue increased
30.9% to
R11.58 billion
(2021: R8.85 billion)

Operating profit
increased 159.4%
to **R945.3 million**
(2021: R364.5 million)

Headline earnings
per share increased
263.1% to
**297.4 cents
per share**
(2021: 81.9 cents
per share)

Earnings per share
increased 250.0% to
**305.9 cents
per share**
(2021: 87.4 cents per share)

Cash generated from
operations decreased
39.8% to
R800.1 million
(2021: R1.33 billion)

Net asset value
increased to
R5.22 billion
(2021: R4.67 billion)

Capital expenditure of
R695.9 million
(2021: R417.2 million)

Order book of
R17.13 billion
(2021: R17.12 billion)

Final dividend of
**54 cents per
share** declared
(2021: 29 cents per share)

Rudolf Fourie,
CEO of Raubex
Group, said:

"We are pleased to report a strong set of results for the full year supported by great performances from all three divisions, including our Australian business.

"The higher level of government spend on infrastructure in South Africa contributed to our growth and is set to sustain our order book going forward. We are also expecting the financial close on the renewable energy programme to further add to the positive trend.

"Operationally, the continued focus on the highest quality execution resulted in the successful completion of the second milestone on our flagship Beitbridge Border Post project and we are on track to reach completion in line with expectations.

"We also announced important leadership changes to take Raubex forward on its next growth phase with Felicia Msiza and Dirk Lourens, two current Raubex executives, taking on the roles of CEO and COO respectively. I am pleased to be handing over the reins to such accomplished and skilled business leaders and look forward to continue playing my part at Board level as Deputy Chairman."

COMMENTARY

FINANCIAL OVERVIEW

Revenue increased 30.9% to R11.58 billion while operating profit increased 159.4% to R945.3 million from the prior year, mainly because of the increased activity on the SANRAL projects in KZN, the Beitbridge Border Post project and the operations in Western Australia. Covid-19 had no major impact on the current year's results while Covid-19 lockdowns impacted operations in various jurisdictions during the first quarter of the previous year.

Profit before tax increased 167.3% to R913.3 million (2021: R341.6 million).

Group operating margin increased to 8.2% (2021: 4.1%).

Earnings per share increased 250.0% to 305.9 cents (2021: 87.4 cents) with headline earnings per share increasing 263.1% to 297.4 cents (2021: 81.9 cents).

Net finance costs increased to R24.1 million (2021: R22.0 million). Finance costs include R29.4 million (2021: R32.2 million) interest attributable to lease payments accounted for in terms of IFRS 16: *Leases*.

Cash generated from operations decreased 39.8% to R800.1 million (2021: R1.33 billion) before finance charges and taxation. The outflow for the period was mainly attributable to the increased working capital demand as execution on the record order book started during the year and activity on the Beitbridge Border Post project is now in full swing.

The Group had a net cash outflow for the year of R375.8 million and total cash and cash equivalents at the end of the year of R1.50 billion (2021: R1.88 billion).

Trade and other receivables increased by 45.4% to R1.99 billion (2021: R1.37 billion). The increase in trade and other receivables was as a result of the increase in turnover for the year. The average debt collection days widened slightly to 54 days (2021: 49 days).

Inventories increased by 34.8% to R1.01 billion (2021: R747.1 million). The increase is mainly due to the increase in bitumen stock and the acquisition of Bauba Resources Ltd ("Bauba").

Trade and other payables increased by 30.0% to R1.87 billion (2021: R1.44 billion).

Capital expenditure on property, plant and equipment increased 66.8% to R695.9 million (2021: R417.2 million). Capital expenditure was higher than the year's budgeted forecast. The increase was as a result of Covid-19 lockdowns in the prior year where the Group adopted a number of cash preservation measures, which included the limiting of capex spend to only the most critical capex requirements of the Group. The Group also needed more capex requirements because of the expansion in the materials handling operations during the year.

Borrowings increased by 20.7% to R959.9 million (2021: R795.2 million) mainly due to the acquisition of Bauba.

OPERATIONAL OVERVIEW

MATERIALS DIVISION

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

In South Africa, the commercial quarry operations had a similar performance to that of last year. At our Transkei quarry operations, a major plant upgrade had a negative effect on production and profitability, but we should see the benefit in production come through in FY2023. The quarry operations in Botswana continue to perform well with increased margins.

Contract crushing operations for the construction sector continued to experience weak demand during the year.

Materials handling operations had a steady performance for the year. Results from the operations of newly acquired Bauba are reported under this division.

Work in Mozambique that was suspended in the previous financial year due to terrorist insurgency remained suspended throughout the current financial year. Due to the extended delays, it was decided to impair the Tete stockpile to the value of R32 million, which impacted the profitability of the division.

Revenue for the division increased 1.6% to R2.49 billion (2021: R2.45 billion) while operating profit decreased by 9.6% to R272.7 million (2021: R301.8 million).

The divisional operating profit margin decreased to 10.9% (2021: 12.3%).

The division incurred capital expenditure of R430.5 million during the year (2021: R215.8 million).

The division has a secured order book of R2.30 billion (2021: R1.85 billion).

ROADS AND EARTHWORKS DIVISION

The division is primarily dependent on the South African road construction sector through its construction capacity, as well as through asphalt and bitumen supply operations, and is directly and indirectly exposed to government expenditure on road construction and maintenance in the country.

Most of the major SANRAL projects in KZN are running at full capacity and are performing well. The division was also well supported by various concession projects (N3TC, Bakwena and TRAC) throughout South Africa.

The demand for asphalt products slowed down in the second half of the year, but the Group is encouraged by the increased demand in the volumes driven bitumen supply operations returning these operations to profitability for the year.

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

Margins in this sector are currently still under pressure and the secured order book provides a good base load of work for the division over the medium term which will enable it to look for higher margin opportunities going forward to support the current order book.

Revenue for the division increased 56.0% to R5.54 billion (2021: R3.55 billion) and operating profit increased to R297.4 million (2021: R10.4 million).

The divisional operating profit margin increased to 5.4% (2021: 0.3%).

The division incurred capital expenditure of R172.5 million during the year (2021: R108.1 million).

The division has a secured order book of R10.20 billion (2021: R11.06 billion).

INFRASTRUCTURE DIVISION

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

The division reported a good performance from the commercial building and housing operations. In the renewable energy sector, in South Africa, the delays in the award of the Renewable Energy IPP Risk Mitigation round and IPP Bid Window 5 did not have a significant impact on the division's results. These projects are expected to reach financial close later in 2022.

In anticipation of these renewable awards this division had to incur holding costs to retain capacity and skills for when these projects are awarded.

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

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

Revenue for the division increased 24.8% to R3.55 billion (2021: R2.84 billion) and operating profit increased to R375.3 million (2021: R52.2 million).

The divisional operating profit margin increased to 10.6% (2021: 1.8%).

The division incurred capital expenditure of R93.0 million during the year (2021: R93.3 million).

The division has a secured order book of R4.63 billion (2021: R4.21 billion).

INTERNATIONAL

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

The Group's flagship project relating to the EPC contract for the expansion and upgrading of the Beitbridge Border Post in Zimbabwe is progressing well and is on schedule to meet all remaining milestones.

In the rest of Africa, revenue increased 172.0% to R1.54 billion (2021: R564.9 million) and operating profit increased to R288.2 million (2021: R12.8 million operating loss). Operating profit margin increased to 18.8% (2021: 2.3% operating loss margin).

The order book for the rest of Africa decreased to R3.05 billion (2021: R4.36 billion).

In Western Australia, all operations performed well as the Group continues to gain market share in this region. The Australian operations are currently contributing 18.8% of the Group's total operating profit.

In Australia, revenue increased 49.3% to R1.64 billion (2021: R1.10 billion) and operating profit increased by 138.9% to R177.5 million (2021: R74.3 million). Operating profit margin increased to 10.8% (2021: 6.8%).

The order book for Western Australia increased to R1.03 billion (2021: R848.3 million).

PROSPECTS

The Group has a secured order book of R17.13 billion (2021: R17.12 billion). The current unsecured contract opportunities which have been tendered on by the Group and are still pending adjudication, are both significant in value and encouraging from a market perspective.

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

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

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

Market fundamentals for platinum group metals ("PGMs") are favourable with demand growth being met by limited additional supply. Prices have shown continued upward momentum in the year to date, which could benefit the Group's materials handling operations.

The Group will continue to explore opportunities to form strategic partnerships with resource owners in the mining sector. After acquiring a 23.08% stake in Bauba Resources Limited, the Group has since increased its stake to 51.09% and made two additional acquisitions in the sector during the year:

- a 27.73% stake in Arcadia Minerals Limited, a Namibian diversified explorer, mainly focused on battery metals with current prospecting opportunities in tantalum, nickel, lithium and copper; and
- a 9.56% stake in Vanadium Resources Limited ("VR8"). VR8 is a junior vanadium developer who owns 74% of the Steelpoortdrift Vanadium licensed mining project in Limpopo, South Africa.

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

The Group continues to explore opportunities to participate in public-private partnership ("PPP") projects and will participate in these projects on a selective basis. These PPP projects are often complex and entail lengthy development lifecycles before financial closure can be reached.

In the rest of Africa, focus will remain on the efficient execution of the Beitbridge Border Post project, which is considered a key national project and an integral part of Zimbabwe's economic and social development goals. The Group continues to adopt a more conservative strategy to working in the rest of Africa and will only consider projects with suitable risk and reward profiles.

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

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

DIVIDEND DECLARATION

The directors have declared a gross final cash dividend from income reserves of 54 cents per share on 13 May 2022 for the year ended 28 February 2022. The salient dates for the payment of the dividend are as follows:

Last day to trade <i>cum</i> dividend	Tuesday, 31 May 2022
Commence trading <i>ex</i> dividend	Wednesday, 1 June 2022
Record date	Friday, 3 June 2022
Payment date	Monday, 6 June 2022

No share certificates may be dematerialised or rematerialised between Wednesday, 1 June 2022 and Friday, 3 June 2022, both dates inclusive.

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

- The local DT rate is 20%.
- The number of ordinary shares in issue at the date of this declaration is 181 750 036.
- The dividend to utilise for determining the DT due is 54 cents per share.
- The DT amounts to 10.8 cents per share.
- The net local dividend amount is 43.2 cents per share for shareholders liable to pay the DT.
- Raubex Group Limited's income tax reference number is 9370/905/151.

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

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of Raubex Group Limited

OPINION

The summary consolidated financial statements of Raubex Group Limited, contained in the accompanying provisional report, which comprise the summary group statement of financial position as at 28 February 2022, the summary group income statement, the summary group statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Raubex Group Limited for the year ended 28 February 2022.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, as set out in notes to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 13 May 2022. That report also includes communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for provisional reports, set out in notes to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.



PricewaterhouseCoopers Inc.

Director: Louis Rossouw

Registered Auditor

Bloemfontein, South Africa

13 May 2022

SUMMARY GROUP STATEMENT OF FINANCIAL POSITION

	Audited 12 months 28 February 2022 R'000	Audited 12 months 28 February 2021 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	3 043 285	2 384 052
Investment property	114 495	–
Right-of-use assets	377 188	295 030
Intangible assets	999 984	1 025 282
Investment in associates and joint ventures	12 359	51 152
Investment in service concessions	23 153	22 755
Deferred income tax assets	115 415	155 756
Inventories	31 726	58 163
Trade and other receivables	13 516	13 555
Other financial assets – debt	224 269	188 236
Other financial assets – equity	90 977	–
Total non-current assets	5 046 367	4 193 981
Current assets		
Inventories	975 461	688 944
Contract assets	461 158	324 838
Trade and other receivables	1 981 991	1 358 746
Other financial assets – debt	17 938	6 875
Current income tax receivable	11 844	21 536
Cash and cash equivalents (excluding bank overdrafts)	1 504 801	1 891 636
Total current assets	4 953 193	4 292 575
Total assets	9 999 560	8 486 556
EQUITY		
Share capital	1 817	1 817
Share premium	2 059 688	2 059 688
Treasury shares	(47 077)	(16 002)
Other reserves	(1 096 014)	(1 120 424)
Retained earnings	3 877 700	3 478 306
Equity attributable to owners of the parent	4 796 114	4 403 385
Non-controlling interest	421 857	270 839
Total equity	5 217 971	4 674 224
LIABILITIES		
Non-current liabilities		
Borrowings	557 578	397 022
Lease liabilities	392 719	350 353
Provisions for liabilities and charges	134 876	109 532
Deferred income tax liabilities	244 568	268 380
Other financial liabilities	74 775	101 540
Total non-current liabilities	1 404 516	1 226 827
Current liabilities		
Trade and other payables	1 867 002	1 435 652
Contract liabilities	937 858	666 620
Borrowings	402 313	398 173
Lease liabilities	63 003	31 527
Current income tax liabilities	67 842	32 650
Provisions for liabilities and charges	3 012	5 883
Other financial liabilities	36 043	15 000
Total current liabilities	3 377 073	2 585 505
Total liabilities	4 781 589	3 812 332
Total equity and liabilities	9 999 560	8 486 556

SUMMARY GROUP INCOME STATEMENT

	Audited 12 months 28 February 2022 R'000	Audited 12 months 28 February 2021 R'000
Revenue	11 577 951	8 846 454
Cost of sales	(9 985 567)	(7 835 914)
Gross profit	1 592 384	1 010 540
Other income	13 783	17 251
Other gains/(losses) – net	35 987	13 146
Administrative expenses	(672 702)	(627 945)
Net impairment losses on financial and contract assets	(24 136)	(48 536)
Operating profit	945 316	364 456
Finance income	60 323	68 041
Finance costs	(84 407)	(90 021)
Share of loss of equity-accounted investments	(7 954)	(864)
Profit before income tax	913 278	341 612
Income tax expense	(287 845)	(138 599)
Profit for the year	625 433	203 013
Profit for the year attributable to:		
Owners of the parent	551 955	158 141
Non-controlling interest	73 478	44 872
Basic earnings per share (cents)	305.9	87.4
Diluted earnings per share (cents)	303.7	86.9

SUMMARY GROUP STATEMENT OF COMPREHENSIVE INCOME

	Audited 12 months 28 February 2022 R'000	Audited 12 months 28 February 2021 R'000
Profit for the year	625 433	203 013
Other comprehensive income for the year, net of tax		
Currency translation differences	(320)	12 222
Change in fair value of investments held at FV through OCI	15 274	–
Actuarial gain on post-employment benefit obligations	(826)	1 320
Total comprehensive income for the year	639 561	216 555
Comprehensive income for the year attributable to:		
Owners of the parent	566 668	169 179
Non-controlling interest	72 893	47 376
Total comprehensive income for the year	639 561	216 555

SUMMARY GROUP STATEMENT OF CASH FLOWS

	Audited 12 months 28 February 2022 R'000	Audited 12 months 28 February 2021 R'000
Cash flows from operating activities		
Cash generated from operations	800 090	1 329 416
Interest received	43 923	59 254
Interest paid	(65 249)	(77 682)
Income tax paid	(212 635)	(190 615)
Net cash generated from operating activities	566 129	1 120 373
Cash flows from investing activities		
Purchases of property, plant and equipment	(695 874)	(417 155)
Purchases of investment property	(5 110)	–
Proceeds from sale of property, plant and equipment	171 348	101 778
Proceeds from sale and leaseback transaction	–	180 125
Acquisition of subsidiaries	(63 817)	–
Acquisition of associates	(71 441)	–
Acquisition of equity instruments (other financial assets)	(64 379)	–
Disposal of subsidiaries	15 185	280
Loan repayments from associates and joint ventures	33 679	–
Loans granted to associates and joint ventures	(2 844)	(1 091)
Net cash used in investing activities	(683 253)	(136 063)
Cash flows from financing activities		
Proceeds from borrowings	546 127	354 420
Repayment of borrowings	(531 174)	(363 165)
Repayment of lease liabilities (capital repayments)	(38 344)	(35 962)
Acquisition of non-controlling interest	(20 242)	–
Dividends paid to owners of the parent	(137 069)	(43 403)
Dividends paid to non-controlling interests	(36 229)	(24 096)
Acquisition of treasury shares	(41 790)	–
Net cash used in financing activities	(258 721)	(112 206)
Net (decrease)/increase in cash and cash equivalents	(375 845)	872 104
Cash and cash equivalents at the beginning of the year	1 883 691	1 006 268
Effects of exchange rates on cash and cash equivalents	(3 047)	5 319
Cash and cash equivalents at the end of the year	1 504 799	1 883 691

SUMMARY GROUP STATEMENT OF CHANGES IN EQUITY

	Share capital R'000	Share premium R'000	Treasury shares R'000	Other reserves R'000	Retained earnings R'000	Total attributable to owners of the parent company R'000	Non-controlling interest R'000	Total equity R'000
Balance at 29 February 2020	1 817	2 059 688	(16 002)	(1 141 844)	3 352 698	4 256 357	257 417	4 513 774
Share option reserve	-	-	-	11 702	-	11 702	-	11 702
Disposal of shares to non-controlling interest	-	-	-	-	9 550	9 550	(9 550)	-
Disposal of subsidiary	-	-	-	-	-	-	(308)	(308)
Profit for the year	-	-	-	-	158 141	158 141	44 872	203 013
Other comprehensive income for the year	-	-	-	9 718	1 320	11 038	2 504	13 542
Dividends paid	-	-	-	-	(43 403)	(43 403)	(24 096)	(67 499)
Balance at 28 February 2021	1 817	2 059 688	(16 002)	(1 120 424)	3 478 306	4 403 385	270 839	4 674 224
Share option reserve	-	-	-	17 248	-	17 248	-	17 248
Share option reserve utilised during the year	-	-	-	(9 286)	9 286	-	-	-
Treasury shares issued in terms of equity-settled share scheme	-	-	10 715	-	(10 715)	-	-	-
Acquisition of treasury shares	-	-	(41 790)	-	-	(41 790)	-	(41 790)
Acquisition of shares from non-controlling interest	-	-	-	909	(13 237)	(12 328)	(7 914)	(20 242)
Acquisition of subsidiaries	-	-	-	-	-	-	127 105	127 105
Disposal of subsidiary	-	-	-	-	-	-	(4 837)	(4 837)
Profit for the year	-	-	-	-	551 955	551 955	73 478	625 433
Other comprehensive income for the year	-	-	-	15 539	(826)	14 713	(585)	14 128
Dividends paid	-	-	-	-	(137 069)	(137 069)	(36 229)	(173 298)
Balance at 28 February 2022	1 817	2 059 688	(47 077)	(1 096 014)	3 877 700	4 796 114	421 857	5 217 971

NOTES

BASIS OF PREPARATION

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements (“Listings Requirements”) for provisional reports and the requirements of the Companies Act (2008) applicable to summary financial statements. The Listings Requirements require provisional reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (“IFRS”) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and also, as a minimum, to contain the information required by IAS 34: *Interim Financial Reporting*.

The principal accounting policies used in the preparation of the audited annual financial statements for the year ended 28 February 2022 are consistent with those applied for the year ended 28 February 2021 in terms of IFRS.

These summary consolidated financial statements for the year ended 28 February 2022 have been prepared under the supervision of the Financial Director, Mr SJ Odendaal CA(SA) and audited by PricewaterhouseCoopers Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived. The auditor’s report on the summary consolidated financial statements can be found on page 7 and a copy of the auditor’s report on the annual consolidated financial statements are available for inspection at the Company’s registered office and on the Company’s website at www.raubex.com.

The auditor’s report does not necessarily report on all of the information contained in this announcement. Any reference to pro forma or future financial information included in this announcement has not been reviewed or reported on by the auditors. Shareholders are advised that in order to obtain a full understanding of the nature of the auditor’s engagement they should obtain a copy of that report together with the accompanying financial information from the Company’s registered office.

SUMMARY GROUP SEGMENTAL ANALYSIS

	Materials R'000	Roads and Earthworks R'000	Infrastructure R'000	Consolidated R'000
Operating segments				
28 February 2022				
Segment revenue	2 491 841	5 537 481	3 548 629	11 577 951
Operating profit	272 697	297 352	375 267	945 316
Margin	10.9%	5.4%	10.6%	8.2%
28 February 2021				
Segment revenue	2 452 181	3 549 996	2 844 277	8 846 454
Operating profit	301 811	10 439	52 206	364 456
Margin	12.3%	0.3%	1.8%	4.1%
Geographical information				
28 February 2022				
Segment revenue	8 401 483	1 536 389	1 640 079	11 577 951
Operating profit	479 679	288 169	177 468	945 316
Margin	5.7%	18.8%	10.8%	8.2%
28 February 2021				
Segment revenue	7 183 346	564 871	1 098 237	8 846 454
Operating profit/(loss)	302 974	(12 794)	74 276	364 456
Margin	4.2%	(2.3%)	6.8%	4.1%

CALCULATION OF DILUTED EARNINGS PER SHARE

	Audited 12 months 28 February 2022 R'000	Audited 12 months 28 February 2021 R'000
Profit attributable to owners of the parent entity	551 955	158 141
Weighted average number of ordinary shares in issue ('000)	180 422	180 844
<i>Adjustments for:</i>		
Shares deemed issued for no consideration (share options) ('000)	1 293	1 119
Weighted average number of ordinary shares for diluted earnings per share ('000)	181 715	181 963
Diluted earnings per share (cents)	303.7	86.9

CALCULATION OF HEADLINE EARNINGS PER SHARE

	Audited 12 months 28 February 2022 R'000	Audited 12 months 28 February 2021 R'000
Profit attributable to owners of the parent entity	551 955	158 141
<i>Adjustments for:</i>		
Profit on sale of property, plant and equipment	(14 538)	(14 537)
Bargain purchase on acquisition of joint venture	(6 173)	–
Profit on remeasurement of associate	(9 451)	–
Goodwill and intangible asset impairment	5 400	–
Profit on disposal of joint venture	(84)	–
Loss on disposal of subsidiary	4 524	15
<i>Add back: Non-controlling interests' portion of profit on sale of property, plant and equipment</i>	470	463
Total tax effects of adjustments	4 535	4 018
Basic headline earnings	536 638	148 100
Weighted average number of shares ('000)	180 422	180 844
Headline earnings per share (cents)	297.4	81.9
Diluted headline earnings per share (cents)	295.3	81.4

REVENUE DISAGGREGATION

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

Disaggregation of revenue by activity and segment	Materials R'000	Roads and Earthworks R'000	Infrastructure R'000	Consolidated R'000
28 February 2022				
Contracting revenue	1 116 121	4 614 994	3 477 619	9 208 734
Commercial quarry aggregates and gypsum revenue	1 312 339	–	–	1 312 339
Sale of ore	21 569	–	–	21 569
Bitumen and emulsion products and services	–	521 630	–	521 630
Asphalt supply revenue	–	400 857	–	400 857
Plant hire revenue	41 537	–	–	41 537
Property sales, property rentals and development fees	275	–	71 010	71 285
Total revenue	2 491 841	5 537 481	3 548 629	11 577 951
28 February 2021				
Contracting revenue	992 853	2 930 578	2 741 607	6 665 038
Commercial quarry aggregates and gypsum revenue	1 107 148	–	–	1 107 148
Bitumen and emulsion products and services	–	296 156	–	296 156
Asphalt supply revenue	–	323 262	–	323 262
Plant hire revenue	352 180	–	–	352 180
Property sales, property rentals and development fees	–	–	102 670	102 670
Total revenue	2 452 181	3 549 996	2 844 277	8 846 454

NOTES CONTINUED

Disaggregation of revenue by activity and geography	South Africa R'000	Rest of Africa R'000	Australia R'000	Consolidated R'000
28 February 2022				
Contracting revenue	6 361 819	1 206 836	1 640 079	9 208 734
Commercial quarry aggregates and gypsum revenue	1 111 463	200 876	–	1 312 339
Sale of ore	21 569	–	–	21 569
Bitumen and emulsion products and services	399 524	122 106	–	521 630
Asphalt supply revenue	394 286	6 571	–	400 857
Plant hire revenue	41 537	–	–	41 537
Property sales, property rentals and development fees	71 285	–	–	71 285
Total revenue	8 401 483	1 536 389	1 640 079	11 577 951
28 February 2021				
Contracting revenue	5 325 125	241 676	1 098 237	6 665 038
Commercial quarry aggregates and gypsum revenue	910 101	197 047	–	1 107 148
Bitumen and emulsion products and services	198 086	98 070	–	296 156
Asphalt supply revenue	295 184	28 078	–	323 262
Plant hire revenue	352 180	–	–	352 180
Property sales, property rentals and development fees	102 670	–	–	102 670
Total revenue	7 183 346	564 871	1 098 237	8 846 454
Disaggregation of revenue by customer sector and geography				
Disaggregation of revenue by customer sector and geography	South Africa R'000	Rest of Africa R'000	Australia R'000	Consolidated R'000
28 February 2022				
Public sector	3 222 527	7 001	813 606	4 043 134
Private sector	5 178 956	1 529 388	826 473	7 534 817
Total revenue	8 401 483	1 536 389	1 640 079	11 577 951
28 February 2021				
Public sector	1 989 167	505	792 890	2 782 562
Private sector	5 194 179	564 366	305 347	6 063 892
Total revenue	7 183 346	564 871	1 098 237	8 846 454

FINANCE INCOME AND COSTS

	Audited 12 months 28 February 2022 R'000	Audited 12 months 28 February 2021 R'000
Finance income:		
<i>Cash finance income</i>		
Interest income on cash resources	39 913	51 867
Other interest	4 010	7 387
<i>Non-cash finance income</i>		
Accrued interest	16 400	8 787
Total finance income	60 323	68 041
Finance costs:		
<i>Cash finance costs</i>		
Bank borrowings	(34 325)	(44 163)
Interest expense on lease liabilities	(29 443)	(32 164)
Other interest	(1 481)	(1 355)
<i>Non-cash finance costs</i>		
Unwinding of discount – rehabilitation provision	(2 622)	(4 320)
Unwinding of discount – retentions	–	1 580
Unwinding of discount – voluntary rebuilding programme	(6 301)	(7 018)
Significant financing component on advance payment	(10 235)	(2 581)
Total finance costs	(84 407)	(90 021)
Net finance costs	(24 084)	(21 980)

CASH AND CASH EQUIVALENTS

	Audited 12 months 28 February 2022 R'000	Audited 12 months 28 February 2021 R'000
For purposes of the consolidated cash flow, cash and cash equivalents consists of:		
Cash on hand	1 504 801	1 891 636
Bank overdrafts	(2)	(7 945)
Total cash and cash equivalents as stated on the statement of cash flows	1 504 799	1 883 691

CAPITAL EXPENDITURE AND DEPRECIATION

	Audited 12 months 28 February 2022 R'000	Audited 12 months 28 February 2021 R'000
Capital expenditure for the year	695 874	417 155
Depreciation for the year on property, plant and equipment	375 419	404 355
Depreciation for the year on right-of-use assets	43 668	47 291
Amortisation of intangible assets for the year	15 367	8 542

BUSINESS COMBINATIONS

The following acquisitions were made during the year:

BAUBA RESOURCES LIMITED ("BAUBA")

On 29 March 2021, the Group, through its subsidiary Raubex (Pty) Ltd, acquired 147 811 073 shares of Bauba for R54.7 million. This acquisition amounted to a 23.08% shareholding in Bauba and represents a significant influence in terms of IAS 28 and the Group's interest in Bauba was accounted for using the equity method. Pursuant to a claw back offer made by Bauba to raise additional capital during the year, the Group acquired an additional 41 734 851 shares for R13.4 million. Raubex (Pty) Ltd underwrote the claw back offer which resulted in an additional percentage being obtained due to some shareholders not taking up their offers. The Group's shareholding moved from 23.08% to 26.39% subsequent to the claw back offer effective 1 December 2021. The Group's ownership still represented significant influence, in terms of IAS 28. R3.3 million in transaction costs were capitalised to the cost of the investment in associate.

On 31 January 2022, with approval from the competition commission, the Group acquired an additional 185 217 699 shares of Bauba, from existing shareholders, for R68.9 million. This resulted in the Group's effective shareholding increasing to 51.09%. The Group is deemed to exercise control in terms of IFRS 10 effective 31 January 2022. Bauba has been consolidated as part of the Group since 31 January 2022.

Bauba is a mining company listed on the JSE, with various mineral reserves under licence. This acquisition will afford the Group the opportunity to participate in materials handling and processing opportunities for Bauba's open cast mining operations in the future. Bauba also has the potential to further diversify the Group's operations through its mining operations.

The goodwill is attributable to the business diversification options Bauba presents to the Group, synergies that are expected to arise from integrating Bauba into the materials division and the nature and geographical location of the mineral reserves under licence.

The revenue included in the consolidated income statement since 31 January 2022 contributed by Bauba was R21.6 million with a net loss contribution of R5.4 million over the same period. Had Bauba been consolidated from the beginning of the year, Bauba would have contributed revenue of R333.4 million and a net loss of R66.4 million.

SYIAKA SPECIALISED SERVICES (PTY) LTD (“SYIAKA”)

Effective 3 March 2021, the Group effectively acquired 49% share of Syiaka, through its materials division subsidiary B&E International (Pty) Ltd for R280 000. The revenue included in the consolidated income statement since 3 March 2021 contributed by Syiaka was R27.5 million with a net profit contribution of R1.5 million over the same period.

Details of the net assets acquired, purchase consideration and goodwill are set out below:

	Bauba* R'000	Syiaka R'000	Total R'000
Consideration			
Fair value of previously held shares prior to control transaction	68 601	–	68 601
Cash consideration	68 996	280	69 276
Total consideration	137 597	280	137 877
Recognised amounts of identifiable assets and acquired liabilities assumed			
Property, plant and equipment	508 712	3 724	512 436
Right-of-use assets	102 945	–	102 945
Intangible assets	20 161	–	20 161
Inventories	88 464	–	88 464
Trade and other receivables	49 572	6 988	56 560
Cash and cash equivalents	3 028	2 431	5 459
Deferred tax asset	90 122	71	90 193
Deferred tax liability	(70 386)	(358)	(70 744)
Borrowings	(157 968)	(3 775)	(161 743)
Lease liabilities	(91 951)	–	(91 951)
Provisions	(6 038)	–	(6 038)
Current tax payable	–	(286)	(286)
Trade and other payables	(276 680)	(8 903)	(285 583)
Total identifiable net assets	259 981	(108)	259 873
Non-controlling interest	(127 160)	55	(127 105)
Goodwill attributable to owners of the parent	4 776	333	5 109
Total	137 597	280	137 877
Purchase consideration settled in cash	140 437	280	140 717
Less: Cash and cash equivalents in the business combination acquired	(3 028)	(2 431)	(5 459)
Cash outflow on acquisition for cash flow statement	137 409	(2 151)	135 258
Acquisition of associates	71 441	–	71 441
Acquisition of subsidiaries	65 968	(2 151)	63 817

* The goodwill, intangible and tangible asset values represented in the table are provisional, as the acquisition was completed close to the end of the Group's reporting date. The fair values are expected to be finalised within 12 months of the acquisition date and any resulting adjustments will be accounted for against goodwill.

NOTES CONTINUED

The following disposal was made during the year:

LIME SALES LIMITED (“LIME SALES”)

Effective 31 December 2021, the Group disposed of its 74% shareholding in Lime Sales for R19.0 million.

	R'000
Cash consideration received	19 000
Net value of assets and liabilities disposed of	23 524
Loss on disposal of subsidiary	(4 524)
Total consideration received in cash	19 000
Less: Cash and cash equivalents disposed of	(3 815)
Cash inflow on disposal for cash flow statement	15 185

The following transactions with non-controlling interests were concluded during the year:

WESTFORCE CONSTRUCTION (PTY) LTD (“WESTFORCE”)

On 1 March 2021, the Group acquired an additional 10% Westforce shares from a non-controlling shareholder for R19.3 million cash. This transaction increased the Group's shareholding from 70% to 80%. A further amount is payable to the non-controlling shareholder contingent on the average performance of Westforce over the three-year period from 1 March 2019 to 28 February 2022.

RAUBEX CONSTRUCTION (PTY) LTD (AUSTRALIA) (“RAUBEX CONSTRUCTION AUSTRALIA”)

On 1 March 2021, the Group acquired an additional 2% of Raubex Construction Australia's shares from non-controlling shareholders via a restructuring transaction. This transaction increased the Group's shareholding from 68% to 70% costing R0.9 million.

EVENTS AFTER THE REPORTING PERIOD

MANDATORY OFFER: BAUBA

With the acquisition of Bauba (refer to “Business combinations” section) the Group triggered a mandatory offer in terms of section 123 of the Companies Act, 71 of 2008 (read together with section 117 of the Companies Act, 71 of 2008 and regulation 86 of the Takeover Regulations), as a result of owning more than 35% of Bauba. On 28 March 2022, the mandatory offer of 42 cents per share was opened to shareholders and has a closing date of 27 May 2022. At this stage it is still not known how many shareholders will take up the offer. Should the offer be taken up on all applicable shares, the cost to the Group would be c. R85 million excluding fees and transaction costs.

CHIEF EXECUTIVE OFFICER SUCCESSION AND APPOINTMENT OF CHIEF OPERATING OFFICER AND DEPUTY CHAIRMAN

As announced on SENS on Thursday, 12 May 2022, Rudolf Fourie will retire as Chief Executive Officer (“CEO”) of Raubex effective 31 July 2022 and assume a new position as non-executive Deputy Chairman of the Group from 1 August 2022. As part of a succession process, Felicia Msiza, currently Executive Director: governance, risk and compliance, has been appointed as CEO of the Group, effective 1 August 2022. Due to the increasing scale and complexity of the business, the Board has taken the decision to create an executive Chief Operating Officer (“COO”) position which will be assumed by Dirk Lourens, the current Managing Director of Raubex's Infrastructure Division. The Board congratulates Felicia and Dirk on their promotions and looks forward to working closely with Rudolf as Deputy Chairman to support them as Raubex embarks on its new growth chapter.

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

On behalf of the Board:

F Kenney
Chairman

RJ Fourie
Chief Executive Officer

SJ Odendaal
Financial Director

16 May 2022

COMPANY INFORMATION

Directors

RJ Fourie
SJ Odendaal
NF Msiza
F Kenney#
LA Maxwell*
BH Kent*

SR Bogatsu*

Non-Executive Chairman

* *Independent Non-Executive*

Company Secretary

GM Chemaly

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Sponsor

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