



MURRAY & ROBERTS HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1948/029826/06

JSE Share Code: MUR

ADR Code: MURZY

ISIN: ZAE000073441

(**"Murray & Roberts" or "Company"**)

ACQUISITION OF J.J. WHITE INCORPORATED BY CLOUGH NORTH AMERICA HOLDING, INC

1. INTRODUCTION

The board of directors of Murray & Roberts (the **"Board"**) is pleased to announce the signing of a Share Purchase Agreement, whereby Clough North America Holding, Inc. (**"Clough"**), a wholly owned subsidiary of the Company, will acquire all the shares in J.J. White Incorporated (**"JJ White"**) from James White IV and Trusts (the **"Transaction"**).

2. OVERVIEW OF J.J. WHITE INCORPORATED

JJ White is a private, fourth-generation multi-trade engineering and contracting business, headquartered in Philadelphia, Pennsylvania, United States. It has a tradition of excellence in the Mid-Atlantic, Mid-Western, and New England construction industries dating back to its founding in 1920 and the company is licensed to deliver its services in 22 states. JJ White specializes in industrial maintenance and related construction services that covers a full range of mechanical and electrical disciplines. The company has an in-house fabrication facility, and its capability includes the design and fabrication of American Petroleum Institute (API) 650 oil storage tanks.

3. RATIONALE FOR THE TRANSACTION

The Transaction is being undertaken as part of Murray & Roberts' strategy to diversify and expand the service offering of its Energy, Resources & Infrastructure business platform in North America, similar to its recent market sector diversification in the Asia-Pacific region which has seen significant order book growth over the past three years. The acquisition builds an immediate robust entry into new territories and new markets and will leverage JJ White's existing customer base to expand Clough's engineering, procurement and construction services and footprint across the USA.

This investment presents significant growth potential and opportunity for market share expansion and is expected to provide strong returns.

4. PURCHASE CONSIDERATION

The maximum total consideration payable in terms of the Transaction is USD28,25 million of which USD5,75 million is deferred. The deferred consideration consists of USD3,5 million by Promissory Note and an Earnout payment to a maximum of USD2,25 million over a 3-calendar year period.

The cash position of the Company and its subsidiaries is sufficiently robust to undertake and fund the Transaction from its cash resources.

5. CONDITIONS PRECEDENT TO THE TRANSACTION

Implementation of the Transaction is subject to standard closing documentation requirements.

6. FINANCIAL EFFECTS OF THE TRANSACTION

The value of net assets being acquired is USD8,5 million of net working capital, circa USD3,7 million of fixed assets and USD16,0 million of intangibles.

An average Earnings Before Interest, Tax, Depreciation and Amortisation of USD5,1 million, on a normalised basis and adjusted for one-off, non-recurring items, has been recognised over the last four financial years (1 January 2017 to 31 December 2020), attributable to the net assets being acquired.

The information set out in this paragraph has been extracted from management accounts and has been prepared in terms of US GAAP. Murray & Roberts confirms that it is satisfied with the quality of the management from which the information has been extracted.

7. EFFECTIVE DATE

The effective date of the Transaction is subject to the fulfilment of the conditions precedent and is required to be before the end of October 2021.

8. JSE CATEGORISATION

The Transaction is a category 2 transaction in terms of paragraph 9.5(a) of the JSE Listings Requirements.

Bedfordview
12 October 2021

Sponsor
The Standard Bank of South Africa Limited