



Interim Results

6 months ended
31 August 2021

MSC Passenger Terminal
Durban, KZN



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Restructuring Plan update



Bank of Botswana
Phase 1 handover
Gaborone



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Restructuring plan update (to end Oct 2021)



Sale of non-core assets



Sold

- Industrial property (formwork yard, satellite office)
- Residential property (Sasolburg)
- Remaining Northern Views residential units (Pretoria)
- Vacant industrial land (George)
- Industrial property (Kempton Park)

In the process of being sold

- Two residential development properties
- Vacant industrial land (Sasolburg)
- One industrial / commercial property (fabrication workshop, satellite office)

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Restructuring plan update



Sale of certain operations



Mining Services division

- Transaction not implemented
- Refocusing and rebuilding these disciplines

United Arab Emirates operation

- Transaction implemented
- Initial purchase consideration of R92m received on 8 November 2021

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Restructuring plan update (to end Oct 2021)



Plant disposals



Underutilised plant & equipment

Units sold	Actual sale value	Net book value	Outstanding settlement
124	R58m	R31m	Nil

Winding down of contract mining sub-division

Units sold	Actual sale value	Net book value	Outstanding settlement
97	R152m	R138m	Nil

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Restructuring plan update (to end Oct 2021)



Recovery of slow-paying receivables



Zambia

- Collected R18m during the period
- Remaining balance at current exchange rate is R48m

Mining debtor

- Insurer settled at R9m
- Pursuing balance of R12m

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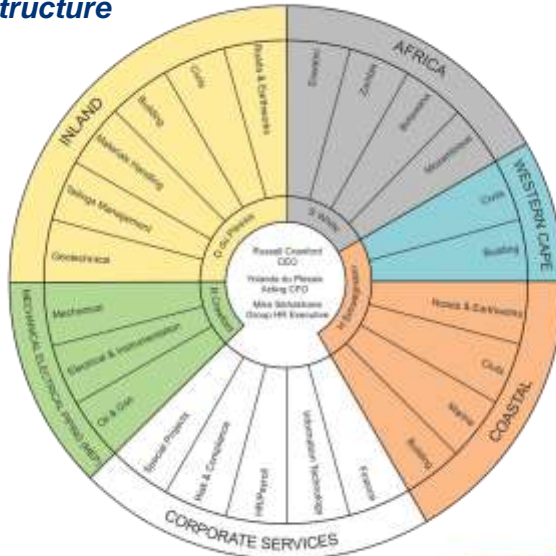
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Restructuring plan update



New organisational structure



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Eskom – Kusile Building Project SSBR JV Package-16



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Eskom – Kusile Power Station SS-Izazi JV Package-28



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July 2021 National civil unrest



Damage to completed work



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Eswatini political unrest



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COVID-19 pandemic



Mareesburg Tailings Facility
Limpopo



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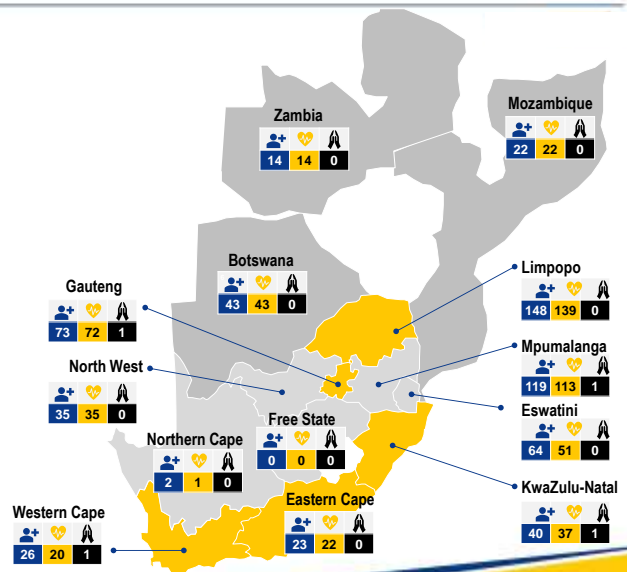
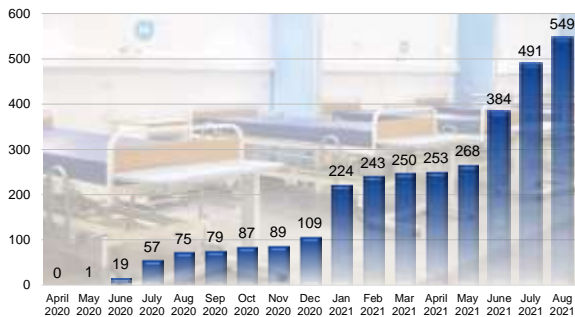
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COVID-19 Statistics: as at 31 August 2021



Tuesday	609 Total cases				
31	549	60	569	4	346
Aug 2021	Stefanutti Stocks positive cases identified	Contractor positive cases	Total recoveries	Total deaths	New cases since March 2021
93% recovery rate					



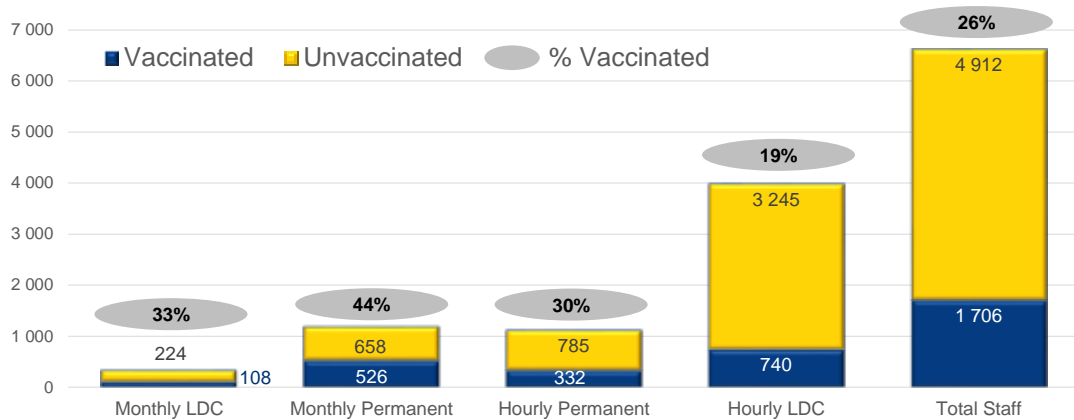
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Vaccination status



Total employees: 6 618 = 26% already vaccinated



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Key indicators (continuing operations)



Brixton Tower repairs
Gauteng

Contract revenue
R3.2 bn

Operating profit
R5.4m

Current order book
R4.6 bn

Cash on hand
R531m

Health and safety
LTIFR **0,03**
RCR **0,30**

B-BBEE
Level 1
64.28% Black Economic
Interest score

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Normalised operating profit



Rms	Unaudited 31 Aug 2021	Restated 31 Aug 2020
Continuing operations		
Contract Revenue	3 217	2 556
Operating Profit / (Loss)	5	(161)
<i>Adjusted for abnormal items:</i>		
Restructuring costs	48	58
Legal fees	10	6
<i>Other non-operational items:</i>		
Fair value adjustment – property	15	8
Civil unrest	8	0
Normalised Operating Profit / (Loss)	86	(89)
<i>Normalised operating margin %</i>	2.7%	(3.5%)

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Operational overview



ITemba Laboratories,
Western Cape



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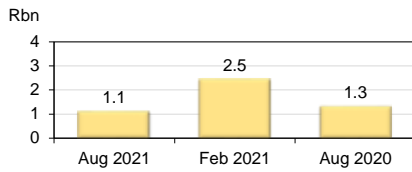
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Inland Region

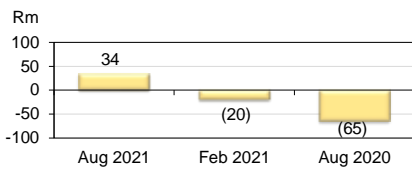


Total operations

Contract revenue

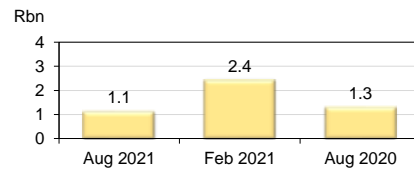


Operating profit / (loss)

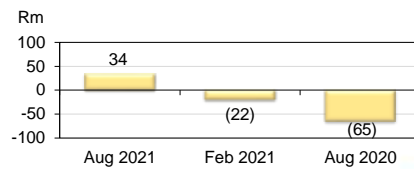


Continuing operations

Contract revenue



Operating profit / (loss)



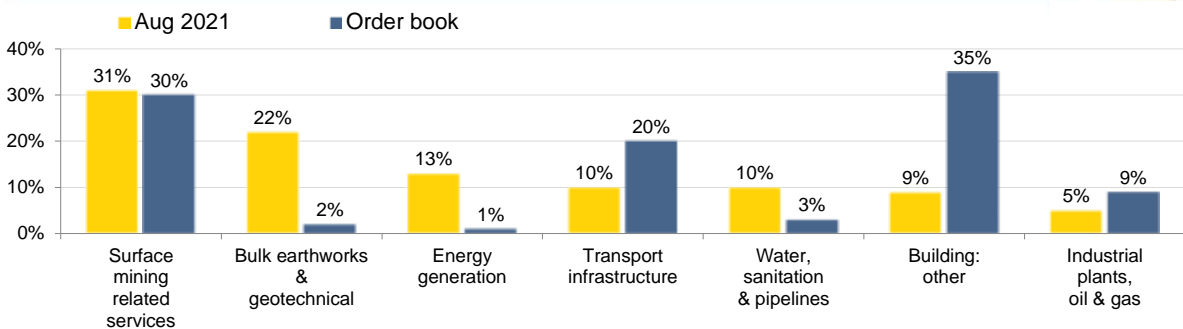
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Inland Region (continuing operations)

% turnover and order book by sector



	Aug 2021	Order book
Total work outside South Africa	14%	4%
Public sector work in SA	25%	56%
Public sector work outside SA	10%	4%

Current Order Book
R1.6 bn

- Short-term potential awards ±R5.1 billion
- Identified prospects ±R26.2 billion

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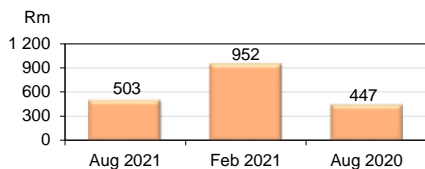
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Coastal Region

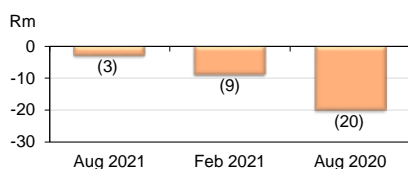


Total operations

Contract revenue

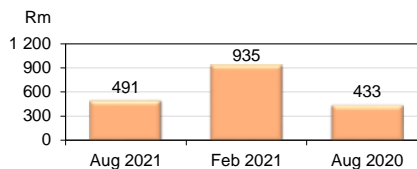


Operating loss

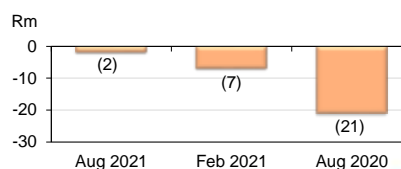


Continuing operations

Contract revenue



Operating loss



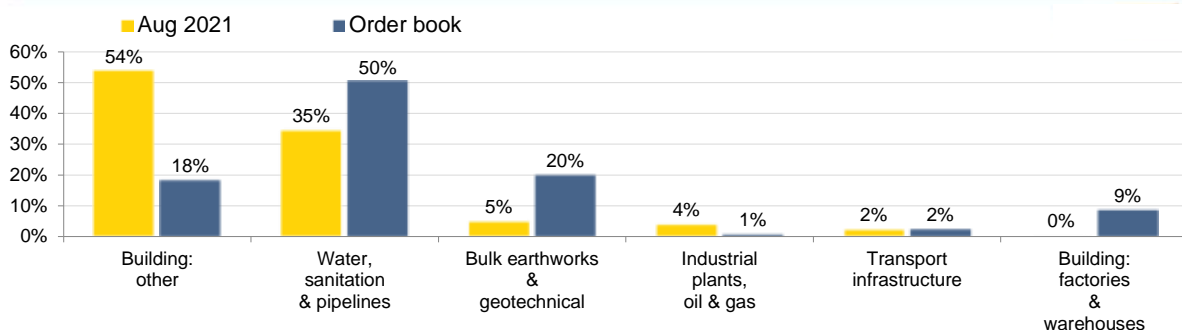
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Coastal Region (continuing operations)

% turnover and order book by sector



	Aug 2021	Order book
Total work outside South Africa	1%	2%
Public sector work in SA	36%	31%
Public sector work outside SA	0%	0%

Current Order Book
R888m

- Short-term potential awards ±R966 million
- Identified prospects ±R21.2 billion

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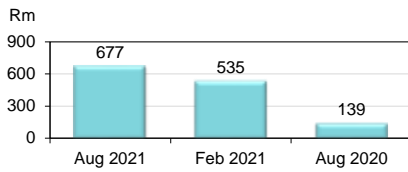
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Western Cape Region

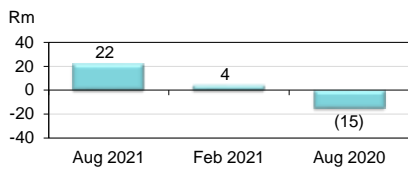


Total operations

Contract revenue

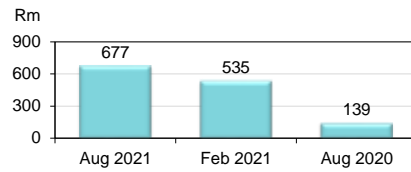


Operating profit / (loss)

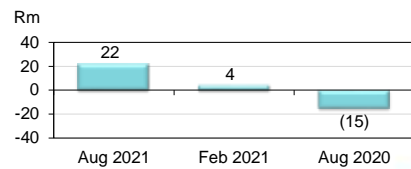


Continuing operations

Contract revenue



Operating profit / (loss)



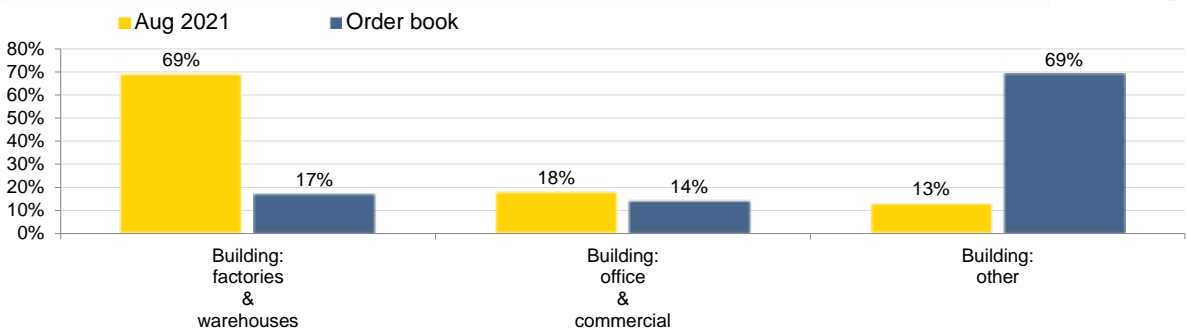
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Western Cape Region (continuing operations)

% turnover and order book by sector



	Aug 2021	Order book
Total work outside South Africa	0%	0%
Public sector work in SA	1%	37%
Public sector work outside SA	0%	0%

Current Order Book
R458m

- Short-term potential awards ±R728 million
- Identified prospects ±R8.1 billion

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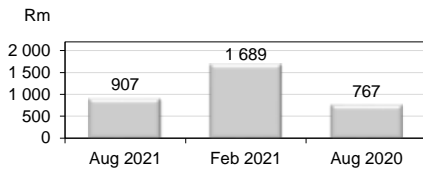
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Africa Region

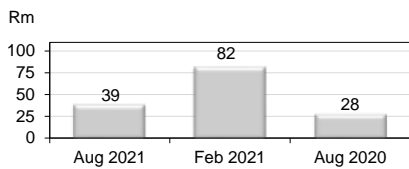


Total operations

Contract revenue

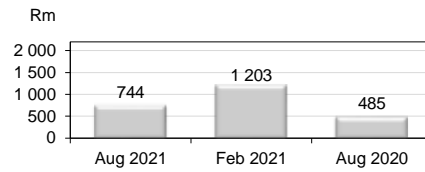


Operating profit

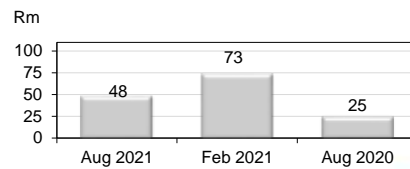


Continuing operations

Contract revenue



Operating profit

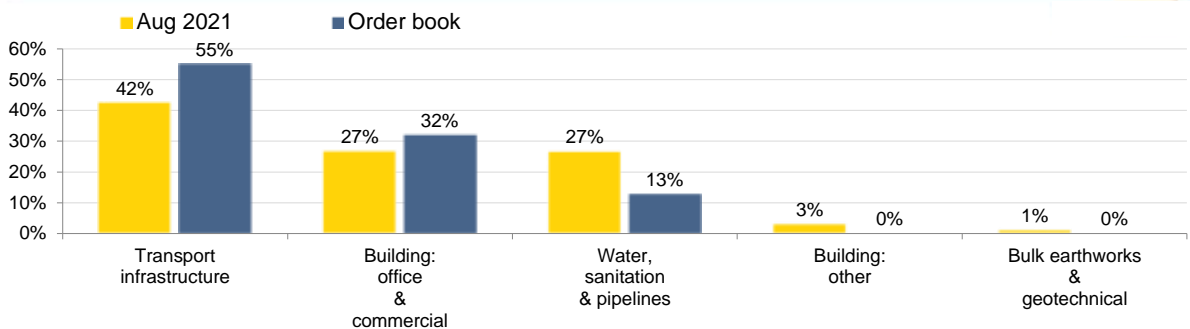


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Africa (continuing operations) % turnover and order book by sector



	Aug 2021	Order book
Total work outside South Africa	100%	100%
Public sector work in SA	0%	0%
Public sector work outside SA	58%	52%

Current Order Book
R1.6 bn

- Short-term potential awards ±R793 million
- Identified prospects ±R13.9 billion

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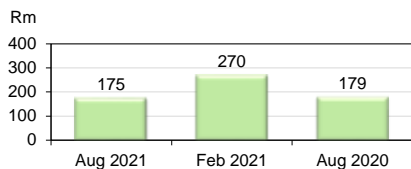
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Mechanical Electrical Piping (MEP)

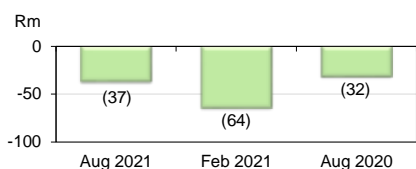


Total operations

Contract revenue

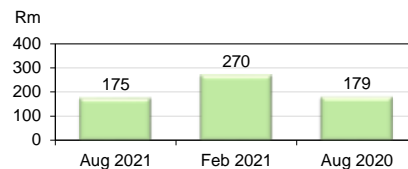


Operating loss

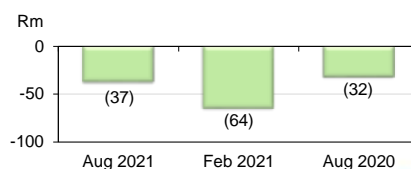


Continuing operations

Contract revenue



Operating loss



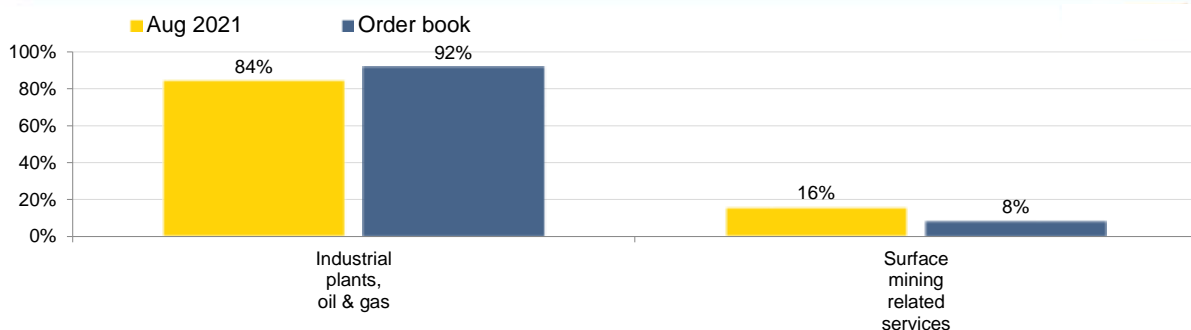
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Mechanical Electrical Piping (MEP) (continuing operations)

% turnover and order book by sector



	Aug 2021	Order book
Total work outside South Africa	0%	0%
Public sector work in SA	0%	0%
Public sector work outside SA	0%	0%

Current Order Book
R53m

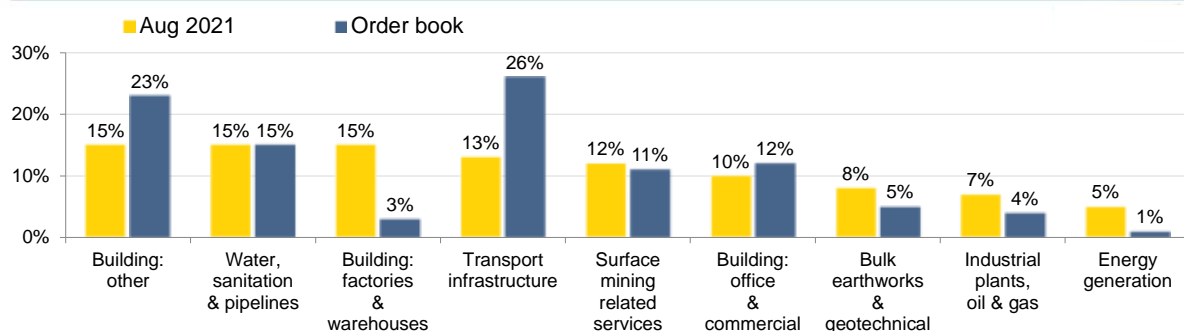
- Short-term potential awards ±R450 million
- Identified prospects ±R8.1 billion

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Group (continuing operations) % turnover and order book by sector



	Aug 2021	Order book
Total work outside South Africa	28%	36%
Public sector work in SA	14%	30%
Public sector work outside SA	17%	19%

Current Order Book
R4.6 bn

- Short-term potential awards ±R8 billion
- Identified prospects ±R77.5 billion

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Operating Segments: Interim FY2021



As at 31 Aug 2020

R'000s	Inland Region	Coastal Region	Western Cape Region	Africa Region	MEP	Head Office	Total Operations as reported
Contract revenue continuing ops	1 319 780	432 673	139 242	484 736	179 381	-	2 555 812
Contract revenue discontinued ops	5 231	14 043	-	282 391	-	-	301 665
Operating (loss) continuing ops	(65 110)	(21 086)	(15 002)	25 148	(32 359)	(52 819)	(161 228)
Operating (loss)/profit discontinued ops	(263)	1 573	-	2 745	-	-	4 055
Operating margin % continuing ops	(4.9%)	(4.9%)	(10.8%)	5.2%	(18.0%)	-	(6.3%)
Operating margin % discontinued ops	(5.0%)	11.2%	-	1.0%	-	-	1.3%

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Operating Segments: FY2021



As at 28 Feb 2021

R'000s	Inland Region	Coastal Region	Western Cape Region	Africa Region	MEP	Head Office	Total Operations as reported
Contract revenue continuing ops	2 444 672	934 603	534 667	1 202 925	269 786	-	5 386 653
Contract revenue discontinued ops	17 329	17 524	-	485 850	-	-	520 703
Operating (loss)/ profit continuing ops	(22 018)	(7 169)	4 327	73 224	(64 168)	(87 421)	(103 225)
Operating (loss)/profit discontinued ops	2 385	(1 739)	-	8 390	-	-	9 036
Operating margin % continuing ops	(0.9%)	(0.8%)	(0.8%)	6.1%	(23.8%)	-	(1.9%)
Operating margin % discontinued ops	13.8%	(9.9%)	-	1.7%	-	-	1.7%

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Operating Segments: Interim FY2022



As at 31 Aug 2021

R'000s	Inland Region	Coastal Region	Western Cape Region	Africa Region	MEP	Head Office	Total Operations as reported
Contract revenue continuing ops	1 130 457	491 034	677 025	744 096	174 528	-	3 217 140
Contract revenue discontinued ops	-	12 280	-	162 867	-	-	175 147
Operating profit/(loss) continuing ops	33 978	(1 895)	21 943	47 782	(37 208)	(59 122)	5 478
Operating (loss)/profit discontinued ops	-	(829)	-	(8 862)	-	(71 206)*	(80 897)
Operating margin % continuing ops	3.0%	(0.4%)	3.2%	6.4%	(21.3%)	-	0.2%
Operating margin % discontinued ops	-	(6.8%)	-	(5.4%)	-	-	(46.2%)*

* Includes fair value adjustment relating to AI Tayer Stocks LLC

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Financial overview



Eswatini Sugar Warehouse



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Financial indicators – continuing operations

Results for the 6 months ended 31 August 2021



Contract revenue	R3.2bn
Operating profit	R5.4m
Adjusted operating profit	R63m
Loss after tax attributable to equity holders	(R188m)
Loss per share	(61.82c)
Headline loss per share	(59.88c)
Headline loss per share - total operations	(67.12c)
Cash on hand	R531m

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Statement of Profit or Loss



R'000	Unaudited 31 Aug 2021	Restated 31 Aug 2020
Continuing operations		
Contract Revenue	3 217 140	2 555 812
EBITDA	63 173	(76 126)
EBITDA %	2.0%	(3.0%)
Depreciation & amortisation, fair value adjustments, and impairment of PPE	(57 695)	(85 102)
Operating Profit / (Loss)	5 478	(161 228)
Operating margin %	0.2%	(6.3%)
Equity accounted investees	(2 263)	(5 124)
Net finance costs	(50 261)	(46 680)
Loss before tax	(47 046)	(213 032)
Taxation	(56 342)	(40 429)
Loss for the period	(103 388)	(253 461)
Discontinued operations	(85 087)	4 180
Loss for the period total operations	(188 475)	(249 281)
Loss attributable to ordinary shareholders	(188 475)	(245 951)
Headline loss attributable to ordinary shareholders	(112 257)	(214 769)
Weighted average shares in issue	167 243 684	167 243 684
Diluted weighted average shares in issue	167 243 684	167 243 684
EPS - Continuing operations (cents)	(61.82)	(151.55)
- Total operations (cents)	(112.69)	(147.06)
HEPS - Continuing operations (cents)	(59.88)	(133.60)
- Total operations (cents)	(67.12)	(128.42)

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Extracts from Statement of Profit or Loss



R'000	Unaudited 31 Aug 2021	Restated 31 Aug 2020
Continuing operations		
Contract Revenue	3 217 140	2 555 812
EBITDA	63 173	(76 126)
EBITDA %	2.0%	(3.0%)

- Increased contract revenue
- EBITDA improvement to a profit of R63m
- Adjusted EBITDA of R121m excluding restructuring fees and abnormal legal fees of R58m (restated Aug 2020: loss of R12m)

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Extracts from Statement of Profit or Loss



R'000	Unaudited 31 Aug 2021	Restated 31 Aug 2020
Continuing operations		
Contract Revenue	3 217 140	2 555 812
EBITDA	63 173	(76 126)
EBITDA %	2.0%	(3.0%)
Depreciation & amortisation, fair value adjustments, and impairment of PPE	(57 695)	(85 102)
Operating Profit / (Loss)	5 478	(161 228)
Operating margin %	0.2%	(6.3%)

- Depreciation of R40m (restated Aug 2020: R64m)
 - Includes IFRS 16 depreciation charge of R4m (restated Aug 2020: R16m)
- Amortisation, fair value adjustments and impairment of PPE of R17m (restated Aug 2020: R21m)
- Resulting in an operating profit of R5.4m (restated Aug 2020: loss of R161m)
- Excluding restructuring fees and abnormal legal fees, adjusted operating profit is R63m (restated Aug 2020: operating loss of R97m)

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Extracts from Statement of Profit or Loss



R'000	Unaudited 31 Aug 2021	Restated 31 Aug 2020
Operating Profit / (Loss)	5 478	(161 228)
Operating margin %	0.2%	(6.3%)
Equity accounted investees	(2 263)	(5 124)
Net finance costs	(50 261)	(46 680)
Loss before tax	(47 046)	(213 032)
Taxation	(56 342)	(40 429)

- Net finance costs:
 - Interest earned R10m (restated Aug 2020: R20m)
 - Interest paid R60m (restated Aug 2020: R67m)
- The tax charge has been impacted by the profitability of the cross-border operations at their varying tax rates and the group at this stage has not provided deferred tax on the losses incurred by the South African operations

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Extracts from Statement of Profit or Loss



R'000	Unaudited 31 Aug 2021	Restated 31 Aug 2020
Loss for the period	(103 388)	(253 461)
Discontinued operations	(85 087)	4 180
Loss for the period total operations	(188 475)	(249 281)
Loss attributable to ordinary shareholders	(188 475)	(245 951)
Headline loss attributable to ordinary shareholders	(112 257)	(214 769)
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Diluted weighted average shares in issue	167 243 684	167 243 684
EPS - Continuing operations (cents)	(61.82)	(151.55)
- Total operations (cents)	(112.69)	(147.06)
HEPS - Continuing operations (cents)	(59.88)	(133.60)
- Total operations (cents)	(67.12)	(128.42)

- Loss for the period from continuing operations is R103m
- Discontinued operations reporting a loss of R85m
- Loss for the period for total operations amounted to R188m
- HEPS continuing operations – loss of 59.88 cents per share
- HEPS total operations – loss of 67.12 cents per share

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Statement of Financial Position



R'000	Unaudited 31 Aug 2021	Audited 28 Feb 2021
ASSETS		
Non-current assets		
Property, plant and equipment	544 807	608 411
Goodwill and intangible assets	378 487	345 664
Equity-accounted investees	13 271	25 703
Deferred tax assets	209 310	231 872
Current assets		
Bank balances	530 761	755 638
Other current assets	2 390 843	2 285 196
Non-current assets held for sale and disposal groups	870 191	1 053 068
TOTAL ASSETS	4 937 670	5 305 552
EQUITY AND LIABILITIES		
Capital and reserves		
Ordinary shareholders' interest	164 594	352 568
Non-current liabilities		
Interest-bearing liabilities	126 202	182 821
Excess billings over work done	-	46 506
Provisions	-	40 376
Current liabilities		
Other current liabilities	2 784 837	2 651 350
Excess billings over work done	1 135 314	1 205 771
Provisions	515 804	551 512
Taxation	(16 300)	(10 079)
Liabilities associated with disposal groups held for sale	227 219	284 727
TOTAL EQUITY AND LIABILITIES	4 937 670	5 305 552
Current interest-bearing liabilities	1 377 132	1 352 478

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Extracts from Statement of Financial Position



R'000	Unaudited 31 Aug 2021	Audited 28 Feb 2021
ASSETS		
Non-current assets		
Property, plant and equipment	544 807	608 411
Goodwill and intangible assets	378 487	345 664
Equity-accounted investees	13 271	25 703
Deferred tax assets	209 310	231 872
Current assets		
Other current assets	2 390 843	2 285 196
Non-current assets held for sale and disposal groups	870 191	1 053 068

- Capex spend of R7m (Feb 2021: R34m)
 - Excludes IFRS 16 right-of-use assets of R1m (Feb 2021: R55m)
 - Maintaining R7m (excluding IFRS 16 right-of-use assets)

Other current assets		
Inventories	49 307	59 594
Contracts in progress	710 392	610 758
Trade accounts receivable	1 027 809	1 106 091
Other receivables	603 335	508 753
	2 390 843	2 285 196

- Work in progress has increased to R710m
- 7% reduction in trade accounts receivable
 - Debtors days (excluding retentions) decreased to 58 days from 75 days

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Extracts from Statement of Financial Position



R'000	Unaudited 31 Aug 2021	Audited 28 Feb 2021
ASSETS		
Current assets		
Bank balances	530 761	755 638
Other current assets	2 390 843	2 285 196
Non-current assets held for sale and disposal groups	870 191	1 053 068
TOTAL ASSETS	4 937 670	5 305 552

- Net cash on hand is R531m
- The group on 1 July 2020 entered into a term loan agreement with its Lenders on standard terms and conditions applicable to this type of funding, amended on 25 May 2021, terminating on 28 February 2022.
- Due to the slower than anticipated sales of certain operations, a delay in the regulatory processes relating to the disposal of AI Tayer Stocks LLC and the non-implementation of the Materials Handling and Tailings Management sub-divisions transaction, the capital portion of the loan repayments envisaged to commence in July 2021, had not materialised.
- The group received the initial purchase consideration of R92m relating to the AI Tayer Stocks transaction on 8 November 2021. A capital repayment of R45m was made on 15 November 2021.
- The group is currently in negotiations with the Lenders to extend the capital repayments and duration of the loan to 28 February 2023.
- Lenders continue to provide guarantee support for current and future projects being undertaken by the group.
- The directors consider it appropriate that the group's results for the reporting period be prepared on the going concern basis, based on:
 - having converted the short-term funding agreement with the Lenders to a term loan;
 - the assumption of a successful completion of current negotiations with the Lenders with regards to the extension of the capital repayments and loan duration to February 2023;
 - ongoing support from the Lenders; and
 - successfully implementing the Restructuring Plan.
- The funding provided by the Lenders has assisted in relieving the group's liquidity pressures even though current liabilities exceed current assets as at 31 August 2021.
- The group believes that it is still currently commercially solvent based on the cashflow projections included in the Restructuring Plan.
- However, uncertainties surrounding the COVID-19 pandemic and contingent liabilities as noted in note 26 of the group's Consolidated Annual Financial Statements for the year ended 28 February 2021, continue to indicate that a material uncertainty exists that may cast doubt on the group's ability to continue as a going concern in the short term.

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Extracts from Statement of Financial Position



R'000	Unaudited 31 Aug 2021	Audited 28 Feb 2021
Non-current liabilities		
Interest-bearing liabilities	126 202	182 821
Excess billings over work done	-	46 506
Provisions	-	40 376
Current liabilities		
Other current liabilities	2 784 837	2 651 350
Excess billings over work done	1 135 314	1 205 771
Provisions	515 804	551 512
Taxation	(16 300)	(10 079)
Liabilities associated with disposal groups held for sale	227 219	284 727

- Total interest bearing debt R1 522m (Feb 2021: R1 553m)
- Including amounts due to:
 - Term loan funding (R1 288m) - (Feb 2021: R1 321m)
 - IFRS 16 rental liability (R53m) - (Feb 2021: R55m)
 - VRP Settlement Agreement (R113m) - (Feb 2021: R111m)
- Other current liabilities includes short term interest bearing liabilities of R1 377m (Feb 2021: R1 352m)

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Extracts from Statement of Financial Position



R'000	Unaudited 31 Aug 2021	Audited 28 Feb 2021
Non-current liabilities		
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Provisions	515 804	551 512
Taxation	(16 300)	(10 079)
Liabilities associated with disposal groups held for sale	227 219	284 727

- Trade payables, accruals and other current liabilities have increased from R1.3bn to R1.4bn
- Decrease in excess billings over work done of R117m
- Contracting provisions decreased by R76m to R516m from R592m in Feb 2021
- Liabilities associated with disposal groups held for sale amount to R227m

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Abridged statement of cash flows (total operations)



31 Aug 2021 (Rm)		28 Feb 2021 (Rm)
756	Opening cash balance	741
92	Opening cash balance – discontinued operations	0
-89	Cash consumed from operations	-217
-52	Working capital changes	8
-46	Net investment and dividend income	-84
-27	Taxation paid	-70
-7	Investing activities maintaining	-30
0	Investing activities expanding	-4
39	Other investing activities	279
-80	Financing activities	241
0	Exchange rate effects and other	-16
-55	Cash at the end of the period - discontinued operations	-92
531	Closing balance	756

No dividend has been declared

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Industry-related matters



Swazimed Hospital, Eswatini



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Industry-related matters



- With respect to the civil claim received from the City of Cape Town (Green Point Stadium)
 - The arbitration hearing commenced but was subsequently adjourned and postponed to July 2022 at the request of the City of Cape Town.
 - The group remains confident it can defend this claim.
- Voluntary Rebuild Programme (VRP)
- Informal business forums and communities

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Conclusion



Midway Shopping Centre &
Newlands Expressway,
KwaZulu-Natal

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Conclusion



Successful implementation of the Restructuring Plan



Kusile Power Projects:

- Resolve non-payment of measured work
- Pursue our contractual entitlements and compensation events



Maintain focus on the collection of slow-paying receivables



No loss-making projects and return the group to profitability

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Questions & Answers



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Disclaimer



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