Raubex- FY21 Interim Results

Date: 10 November 2020

SANRAL Returns

***Key message**: Comfortably surviving the Covid-19 lockdowns, increased SANRAL activity bodes well for Raubex. A large building order book shows the growing diversity of the group.*

Analyst
Rowan Goeller
082 801 2071
rowan.goeller@chronux.co.za

Rating:	**Overweight**
Price (10/11/2020):	R20.75
Target Price:	R30.52
Total return:	47%
Market cap	R3,740m
Shares in issue	182.7mn

- Raubex reported 1H FY21 results, with revenue and operating profit decreasing by 10.5% and 90% respectively due mainly to Covid-19 lockdowns.
- However, cash generated from operations was a healthy R715m (up 72.4%) with working capital releasing R460m (debtors declined, advance payments positive). Raubex has maintained a strong conservative balance sheet and consequently paid a dividend of 24c (up from 22c in 1H FY20).
- **Materials:** *Revenue down 9.4%, operating profit down 26.1%.* Exposure to essential mining operations during lockdown helped to minimise the Covid-19 impact. Demand from commercial quarries has been high (up YoY) as construction material demand remains at high levels The demand is coming from smaller construction projects – with management unsure of the sustainability or reason for the strong market (much like other management teams in the sector).
- **Roads & Earthworks***: Revenue down 18.4%, operating loss R66.1m.* Badly impacted by Covid-19 lockdowns, the order book outlook has started to improve with SANRAL starting to award large tenders again. Bitumen and asphalt volumes remain depressed but should benefit as late-cycle products as road construction picks up.
- **Infrastructure:** *Revenue down 0.7%, operating loss R18.7m.* Also badly impacted by Covid-19 lockdowns and a R54.6m loss in Cameroon. Australia improved its contribution to R36.1m (from R23.1m). The Building division has an order book of R1.3bn – a growing diverse stream of earnings.
- Raubex was awarded one large SANRAL project (R1.48bn N3 upgrade) and a further R8bn of large projects are under adjudication with management believing award is imminent. SANRAL's tender activity has picked up over the last month with future tender prospects good. SANRAL have stated that funds are in place to be able to award projects

Financial summary

ZARmn (year to February)	FY19	FY20	FY21E	FY22E	FY23E
Revenue	8519	8735	8388	8706	9949
Ebitda	588	1024	766	1145	1331
Net income	58	252	285	668	831
Headline EPS (diluted)	0.32	1.62	1.56	3.69	4.60
PE Ratio	58.3	15.1	13.1	5.5	4.4
Dividend	0.34	0.22	0.77	1.46	1.52
Dividend yield (%)	1.8	1.1	3.8	7.2	7.5

Source: Factset, Company data, Chronux Research estimates

Figure 1 Financial summary

Financial year to February	FY19	FY20	FY21E	FY22E	FY23E
Per share data					
Earnings	0.51	1.59	1.57	3.69	4.60
Headline earnings (diluted)	**0.32**	**1.61**	**1.54**	**3.66**	**4.55**
NAV	22.37	23.54	25.07	25.63	26.05
Dividend	0.34	0.22	0.77	1.46	1.52
Valuation ratios					
P/E ratio	58.3	15.1	13.1	5.5	4.4
EV/EBITDA	5.7	4.2	5.3	3.5	3.0
P/B	0.83	0.89	0.81	0.79	0.78
Dividend yield	1.8%	1.1%	3.8%	7.2%	7.5%
Income Statement (ZARmn)					
Sales	8,519	8,735	8,388	8,706	9,949
Operating costs	8,322	8,176	8,100	8,064	9,185
EBIT	**197**	**559**	**289**	**642**	**764**
Net interest expense	58	71	104	102	90
Non-operating expenses	141	67	66	49	59
Pretax profit	**(1)**	**420**	**119**	**492**	**615**
Tax	(64)	(145)	(75)	(177)	(220)
Minorities	(59)	(49)	109	256	319
Net income	**58**	**252**	**285**	**668**	**831**
Cash flow statement (ZARmn)					
Depreciation/amortisation	388	462	462	503	567
Cash from operations	**569**	**908**	**372**	**826**	**1,006**
Changes in working capital	179	(208)	0	0	0
Other non-cash items	(132)	(110)	0	0	0
Available cash	**616**	**590**	**372**	**826**	**1,006**
Capital expenditure	(478)	(483)	(179)	(351)	(368)
Acquisitions/disposals	(37)	(14)	(5)	0	0
Investing cash flow	**(515)**	**(497)**	**(184)**	**(351)**	**(368)**
Changes in borrowings	(153)	76	(192)	(48)	(39)
Dividend paid	(82)	(80)	(54)	(218)	(273)
Financing cash flow	**(235)**	**(4)**	**(246)**	**(265)**	**(311)**
Change in cash	(121)	44	(36)	210	326
Balance sheet (ZARmn)					
Total assets	**7,266**	**7,982**	**7,567**	**7,904**	**8,270**
Cash and equivalents	963	1,014	970	1,180	1,506
Current assets	3,434	3,733	3,406	3,732	4,180
Fixed assets	2,536	2,828	2,799	2,951	3,113
Total liabilities	**2,938**	**3,468**	**3,726**	**3,706**	**3,709**
Long-term liabilities	881	1,389	1,357	1,256	1,175
Current liabilities	2,058	2,079	2,370	2,450	2,534
Total shareholders' funds	**4,327**	**4,514**	**4,535**	**4,636**	**4,711**
Net debt/(cash)	0	(301)	(454)	(797)	(9,498)
Key ratios					
Operating margin	2.3%	6.4%	3.4%	7.4%	7.7%
RoE	1.3%	5.6%	6.3%	14.4%	17.7%
RoIC	2.7%	7.0%	3.8%	8.1%	9.2%
Net debt/EBITDA	-	0.3	0.6	0.7	7.1
Net debt/equity	0%	-7%	-10%	-17%	-202%

Source: Factset, Company data, Chronux Research estimates

Valuation

Sum-of-the-Parts: EBITDA Multiple

Figure 2 Sum-of-the-Parts Valuation – FY22 EBITDA

ZARm	Multiple range	Comment	FY22 EBITDA	EV/EBITDA Multiple	Enterprise Value
Materials	4-6x	Mid range	680	5.0x	3,401
Roads & Earthworks	4-6x	Mid range	283	5.0x	1,415
Infrastructure	3-5x	Mid range multiple	181	4.0x	725
			1,145	**4.8x**	**5,541**
Other assets		From balance sheet			82
Minorities		From balance sheet			(259)
Net (debt)/cash		Assume 5% of order book is locked up			210
Equity value					**5,574**
Number of shares ('m)					182.668
Valuation (ZAR per share)					**30.52**

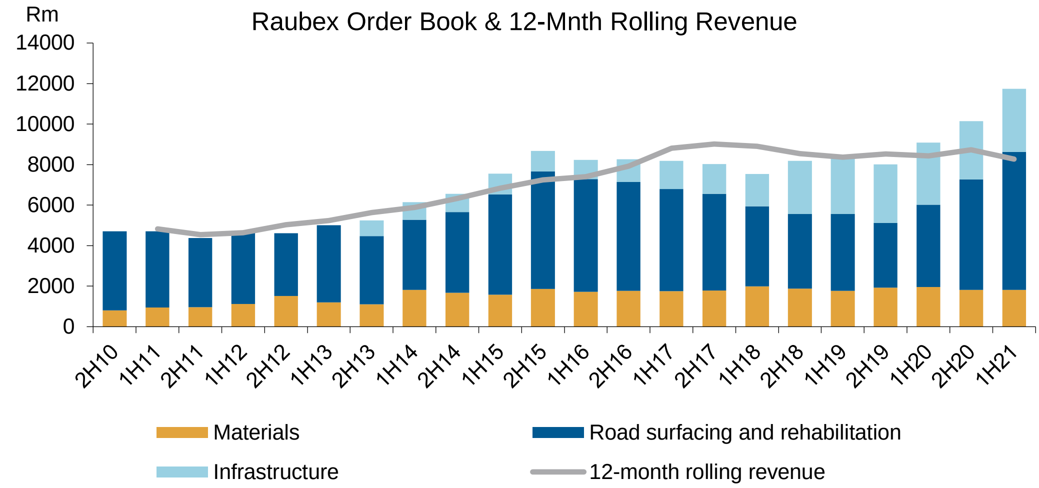
Source: Company data, Chronux Research estimates

- Our base case valuation uses FY22 EBITDA numbers and gives a medium-term Target Price of R30.52 (from R29.63).
- We retain our Overweight recommendation – the order book is starting to pick up and margins could recover strongly as the large contractor universe has shrunk dramatically.

Order Book

- The order book is shown in the following chart.
- The total order book has started to grow, driven by SANRAL tenders in Road Surfacing & Rehabilitation.

Figure 3 Order Book

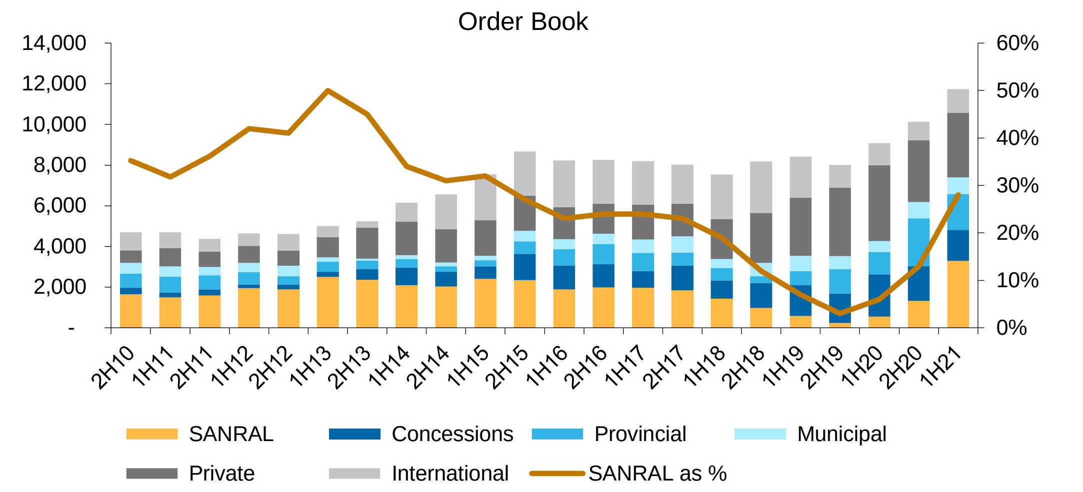


Source: Company data, Chronux Research estimates

- A further R8bn of tenders (3 large road projects) are due for adjudication by SANRAL shortly and Raubex has a good chance of picking up two of these.

- Management noted that although SANRAL is still working remotely and therefore progress is slow, SANRAL has still issued many tenders over the past month and a list of future tenders looks robust.
- SANRAL seem confident that funding is in place for the tender pipeline (having given back over R14bn to National Treasury in recent years due to underspend).
- The pickup in the SANRAL order book is evident in the chart below. SANRAL work as a percentage of the order book is back at historical levels.

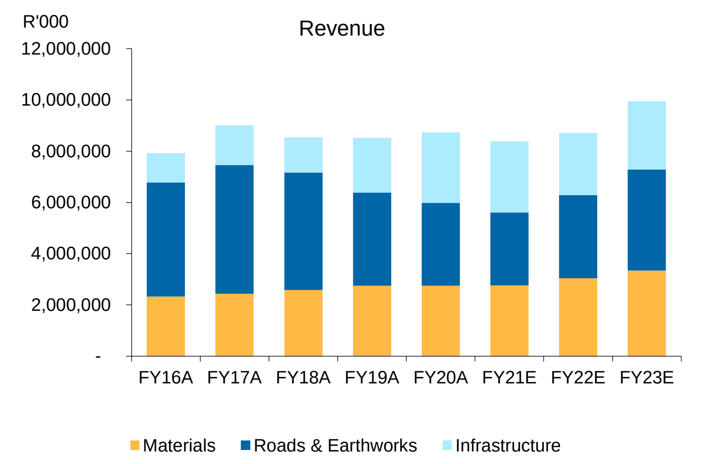
Figure 4 Order Book

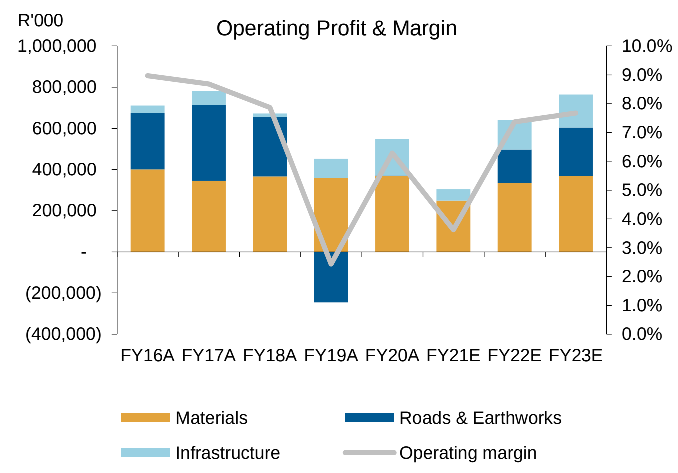


Source: Company data, Chronux Research estimates

- We expect the growth in the order book to start to reflect in FY22, but the full impact will only register in FY23 due to the late cycle characteristics of the bitumen and asphalt businesses (these are applied at the end of road construction/upgrade projects).
- We are conservative on the operating margin – a shortage of large contractors may result in stronger margin growth if demand grows as anticipated.

Figure 5 Revenue and Operating Profit





Source: Chronux Research

Notes from the Results

- 1H FY21 was significantly impacted by the Covid-19 lockdowns. Even though construction activities started up relatively quickly the impact of standing time and mobilisation to start up again plays havoc with margins.
- The outlook for 2H FY21 is similar to the last comparable period – 1H FY20. Management expect margins to normalise off still relatively muted revenue levels.
- The growth in the order book will only start to impact results in FY22 – in particular the SANRAL projects starting to generate revenue.

Materials

- Demand from commercial quarries has been high (up YoY) as construction material demand remains at high levels. The demand is coming from smaller construction projects – with management unsure of the sustainability or reason for the strong market (much like other management teams in the sector).
- Mozambique: cross-border logistical issues impacted the performance, but Raubex is well positioned for LNG related demand in Mozambique. It currently has two big crushing contracts.

Roads & Earthworks

- Roads work has been maintained through road concessionaire work on the N3 and N4. Margins are low (5-6%) as the concessionaires are aware that there is little other road work and road contractors are happy to bid at low margins to maintain order books.
- The new R1.4bn SANRAL project will only get going in 1H FY22 after a three-month community consultation. Community unrest remains a concern for construction companies, with SANRAL building the consultation process into tenders as a mitigating factor.
- SANRAL also requires 25% local contractor/content requirement and this does create risk for the main contractor who bears the performance risk. Raubex cannot use its normal transformation partners due to the local (drawn from surrounding communities) requirement – and 25% of a large contract is a large number.
- Mining exposure is low for Raubex outside of crushing contracts. WBHO is the dominant player in earthworks and roads in the mining sector, where long-term relationships are important.
- Asphalt demand has dropped by 40%. Raubex has rightsized this division and it made a small profit.
- The bitumen market is down 50%, with Tosas making a loss.
- Bitumen and asphalt are late-cycle products, applied at the end of road projects. This implies that the current increase in the road order book will only impact these divisions in late FY22/FY23.
- It is a very volume-driven market, with supply possibly being an issue in the future as refineries in South Africa face an uncertain future. Raubex has retained its bitumen importing facilities.
- These businesses have the potential to recover strongly as road construction recovers and should get back to the healthy profitability they have enjoyed in the past. The competitive landscape in asphalt is much improved with many players exiting the market.

Infrastructure

- There may be a gap in the order book in this division as the current renewable projects near completion and Round 5 of the renewable energy programme is yet to start. Raubex in bidding on R25bn of projects that will be bidding into Round 5.
- A major competitor, Conco, has gone into business rescue.
- However, Raubex is steadily growing the Building business in this division. The Building order book is at R1.3bn (margins approx. 5% - management would like to see this improve) and Raubex has built a team of the best building people from Basil Read, Group 5, Stefanutti Stocks and Power Construction.

- Activity levels are high in the residential and building markets, with Raubex winning some public works and government buildings.
- There is scope to steadily grow this business – it could grow to a R5bn business over time as other large players in the market have disappeared. Raubex will need to grow capacity in this sector – although not necessarily through acquisitions (better to secure good people than a company).

Australia

- Australia is a mature market with relatively low margins, but with significant work potential and an efficient tender and procurement process.
- Raubex currently operates at an approx. 8% margin.
- Raubex is exposed through Westforce (specialist contractor for reservoirs, concrete structures) and Raubex Construction (civils, roads, landfills).
- Raubex focuses on a mix of rural and urban work, but importantly does only cost re-measurable projects (no design and construct – the likes of which have hurt WBHO).

Financial & Risk

- The collapse of large parts of the large contractor market in South Africa (through largely bad risk management) does mean that a constructions companies view on risk is very important.
- Raubex maintains a very conservative outlook on risk and is currently moving away from the rest of Africa due to an unattractive risk/reward profile. Focus will be on South Africa for the time being.
- Raubex maintains a conservative balance sheet and, although lenders and guarantee providers are looking at exposure project by project, Raubex has facilities available and can raise the required guarantees to support order book growth.
- 83% of cash sits in South Africa presently and there have been no liquidity concerns.
- The current period saw a working capital release of R460m, due to completion payments from the renewable projects, good debtors' collection and advance payments. R150m of creditors need to paid post August, but there should be no significant absorption of working capital in 2H FY21.

Divisional Forecast

Figure 6 Divisional Forecast

	1H20	2H20	2020	1H21	2H21	2021	1H22	2H22	2022
Revenue	**4,398,589**	**4,336,307**	**8,734,896**	**3,938,303**	**4,450,052**	**8,388,355**	**4,079,583**	**4,626,571**	**8,706,154**
Materials	1,359,389	1,389,979	2,749,368	1,232,280	1,529,856	2,762,136	1,355,508	1,682,841	3,038,349
Contracting	*591,167*	*573,470*	*1,164,637*	*503,898*	*602,507*	*1,106,405*	*554,288*	*662,758*	*1,217,046*
Commercial quarry aggregates gypsum	*564,113*	*547,289*	*1,111,402*	*492,832*	*618,570*	*1,111,402*	*542,115*	*680,427*	*1,222,542*
Plant hire	*204,109*	*269,220*	*473,329*	*235,550*	*308,778*	*544,328*	*259,105*	*339,656*	*598,761*
Roads & Earthworks	1,758,265	1,478,869	3,237,134	1,433,939	1,413,350	2,847,289	1,636,714	1,610,473	3,247,187
Contracting	*1,264,547*	*1,110,057*	*2,374,604*	*1,187,614*	*1,115,752*	*2,303,366*	*1,365,756*	*1,283,115*	*2,648,871*
Bitumen emulsion products and services	*336,985*	*243,899*	*580,884*	*102,010*	*188,432*	*290,442*	*112,211*	*207,275*	*319,486*
Asphalt supply	*156,733*	*124,913*	*281,646*	*144,315*	*109,166*	*253,481*	*158,747*	*120,083*	*278,830*
Infrastructure	1,280,935	1,467,459	2,748,394	1,272,084	1,506,846	2,778,930	1,087,362	1,333,257	2,420,619
Contracting	*1,262,807*	*1,282,012*	*2,544,819*	*1,247,723*	*1,297,096*	*2,544,819*	*1,060,565*	*1,102,532*	*2,163,096*
Property sales rentals and development	*18,128*	*185,447*	*203,575*	*24,361*	*209,750*	*234,111*	*26,797*	*230,725*	*257,522*
Revenue growth	**-2%**	**7%**	**3%**	**-10%**	**3%**	**-4%**	**4%**	**4%**	**4%**
Materials	-11%	13%	0%	-9%	10%	0%	10%	10%	10%
Contracting	*-27%*	*-18%*	*-23%*	*-15%*	*5%*	*-5%*	*10%*	*10%*	*10%*
Commercial quarry aggregates gypsum	*9%*	*44%*	*23%*	*-13%*	*13%*	*0%*	*10%*	*10%*	*10%*
Plant hire	*7%*	*83%*	*40%*	*15%*	*15%*	*15%*	*10%*	*10%*	*10%*
Roads & Earthworks	-8%	-15%	-11%	-18%	-4%	-12%	14%	14%	14%
Contracting	*1%*	*-6%*	*-2%*	*-6%*	*1%*	*-3%*	*15%*	*15%*	*15%*
Bitumen emulsion products and services	*12%*	*-10%*	*1%*	*-70%*	*-23%*	*-50%*	*10%*	*10%*	*10%*
Asphalt supply	*-56%*	*-55%*	*-56%*	*-8%*	*-13%*	*-10%*	*10%*	*10%*	*10%*
Infrastructure	21%	36%	29%	-1%	3%	1%	-15%	-12%	-13%
Contracting	*27%*	*21%*	*24%*	*-1%*	*1%*	*0%*	*-15%*	*-15%*	*-15%*
Property sales rentals and development	*-69%*	*744%*	*152%*	*34%*	*13%*	*15%*	*10%*	*10%*	*10%*
Operating profit	**216,259**	**332,724**	**480,458**	**21,673**	**282,498**	**304,171**	**296,183**	**345,632**	**641,815**
Materials	144,103	223,573	367,676	106,441	142,151	248,592	149,106	185,113	334,218
Roads & Earthworks	(5,142)	8,252	3,110	(66,061)	66,061	-	81,836	80,524	162,359
Infrastructure	77,298	100,899	178,197	(18,707)	74,286	55,579	65,242	79,995	145,237
Other			(68,525)						
Operating margin	**4.9%**	**7.7%**	**5.5%**	**0.6%**	**6.3%**	**3.6%**	**7.3%**	**7.5%**	**7.4%**
Materials	10.6%	16.1%	13.4%	8.6%	9.3%	9.0%	11.0%	11.0%	11.0%
Roads & Earthworks	-0.3%	0.6%	0.1%	-4.6%	4.7%	0.0%	5.0%	5.0%	5.0%
Infrastructure	6.0%	6.9%	6.5%	-1.5%	4.9%	2.0%	6.0%	6.0%	6.0%
Operating profit growth	**37%**	**576%**	**132%**	**-90%**	**-15%**	**-37%**	**1267%**	**22%**	**111%**
Materials	-24.9%	34.1%	2.5%	-26.1%	-36.4%	-32.4%	40.1%	30.2%	34.4%
Roads & Earthworks	-91.5%	-104.5%	-101.3%	1184.7%	700.5%	-100.0%	-223.9%	21.9%	#DIV/0!
Infrastructure	187.8%	49.6%	89.0%	-124.2%	-26.4%	-68.8%	-448.8%	7.7%	161.3%
Percentage of group earnings									
Materials	66.6%	67.2%	76.5%	491.1%	50.3%	81.7%	50.3%	53.6%	52.1%
Roads & Earthworks	-2.4%	2.5%	0.6%	-304.8%	23.4%	0.0%	27.6%	23.3%	25.3%
Infrastructure	35.7%	30.3%	37.1%	-86.3%	26.3%	18.3%	22.0%	23.1%	22.6%
Depreciation & Amortisation	**230,128**	**231,573**	**461,701**	**237,567**	**224,134**	**461,701**	**241,294**	**261,401**	**502,695**
Materials	141,669	172,926	314,595	151,006	163,589	314,595	166,106	179,948	346,055
Roads & Earthworks	76,270	29,534	105,804	50,786	55,018	105,804	57,919	62,745	120,664
Infrastructure	12,188	29,114	41,302	19,825	21,477	41,302	17,269	18,708	35,977

Source: Company data, Chronux Research estimates

Tender Pipeline

- Several large tenders have been issued by SANRAL and are under adjudication. We highlight some of these in the tables below to give an indication of size and competitiveness. What is evident is the small number of contractors that are bidding for >R1bn tenders.
- Balance sheet precludes smaller companies from submitting compliant tenders for large projects, and often CIDB9 status is a requirement of bidding. The smaller projects (<=R100m) have a CIDB8 and CIDB7 requirement – the rapidly increasing numbers of tenderers at lower CIDB levels is clear.
- The lowest bidder is not necessarily guaranteed to win the project – there are many other factors including the capacity and experience of the contractors. SANRAL in previous times was very careful in awarding tenders on a basis that took careful consideration of contractor ability and financial strength. It is unclear how SANRAL will judge the current projects due to the lack of project awards over the past two years not providing any precedent.

Figure 7 Tenders awaiting adjudication – CIDB9

Region:	Eastern Region
Contract Number:	N002-260-2018/9
Project Number:	N002-260-2018/9
Contract Description:	FOR THE UPGRADING OF NATIONAL ROUTE 2 FROM KWAMASHU INTERCHANGE, SECTION 25 (KM 28.6) TO UMDLOTI RIVER BRIDGE, SECTION 26 (KM 14.0) CIDB REGULATION 25(1B) WILL NOT BE APPLICABLE TO THIS CONTRACT
Tender Notice:	The South African National Roads Agency SOC Limited (SANRAL) invites tenders for the Upgrading of the National Route 2 From KwaMashu Interchange, Section 25 (KM 28,6) to uMdloti River Bridge, Section 26 (KM 14,0). This project is in the province of KwaZulu-Natal in the eThekwini Municipality. The approximate duration is forty (40) months including mobilisation period. Only tenders with a B-BBEE contributor status level of 1, 2, 3 or 4, are eligible to tender. Only tenderers who comply with the eligibility criteria for: key persons; Environmental, Social, Health, and Safety (ESHS) past performance; financial capability; experience and past contract performance, as stated in the Tender Data, are eligible to tender. Only tenderers who are registered on the National Treasury Central Supplier Database, are eligible to tender. It is estimated that tenderers should have a CIDB contractor grading designation of 9CE. Tenders from tenderers registered as potentially emerging enterprises but with a CIDB contractor grading designation lower than a contractor grading designation determined in accordance with the sum tendered, or a value determined in accordance with Regulation 25(7A) of the Construction Industry Development Regulations, will not be accepted. Only locally produced or locally manufactured goods with a stipulated minimum threshold for local content and production as stated in the Tender Data will be considered. It is a requirement of this project that the successful tenderer subcontract a minimum of thirty percent (30 %) of the work by the end of the contract to Targeted Enterprise(s) as defined in the Contract Data.
Closing Date:	Tuesday, 15 October 2019 at 14h00
Queries To:	Mr. Richard Horner, Tel No: 031 277 6600, E-mail: Richard.Horner@smec.com
Opening Time:	6 November 2019 at 14h00

Tenderer's Name	Amount Tendered	Alt Tender	Notes
Raubex Construction	R 1 442 440 000.00	R 1 438 980 000.00	
Aqua Transformation	R 1 125 275 000.00	R	
LAI Joint Venture	R 2 088 716 313.40	R	
Xmoor Transport Pty Ltd	R 1 498 737 500.00	R	
Qinisa Construction	R 2 080 013 927.65	R	
WBHO	R 1 426 196 336.76	R	

Source: SANRAL, Chronux Research estimates

Figure 8 Tenders awaiting adjudication – CIDB9*this has been awarded to Raubex

Region:	Eastern Region
Contract Number:	NRA N.003-020-2017/8
Project Number:	NRA N.003-020-2017/8
Contract Description:	THE UPGRADE TO NATIONAL ROUTE 3, SECTION 2, FROM CATO RIDGE (KM 20,2) TO DARDANELLES (KM 26,6).
Tender Notice:	The South African National Roads Agency SOC Limited (SANRAL) invites tenders for THE UPGRADE TO NATIONAL ROUTE 3, SECTION 2, FROM CATO RIDGE (KM 20,2) TO DARDANELLES (KM 26,6). This project is in the province of KwaZulu Natal, in the District Municipality of Umgungundlovu (Local Municipality of Mkhambathini) and in the eThekwini Metropolitan Municipality. The approximate duration is 51 months including a 3 months mobilisation period. CIDB Regulation 25(1B) will not be applicable to this contract. Only tenderers with a B-BBEE contributor status level of 1, 2, 3 or 4, are eligible to tender. Only tenderers who comply with the eligibility criteria for: key persons; Environmental, Social, Health, and Safety (ESHS) past performance; financial capability; experience and past contract performance, as stated in the Tender Data, are eligible to tender. Only tenderers who are registered on the National Treasury Central Supplier Database, are eligible to tender. It is estimated that tenderers should have a CIDB contractor grading designation of 9CE, however tenderers attention is drawn to clause 4.1.1 of the Tender Data when submitting their tender. Tenderers should note that their proposed electrical subcontractor shall be registered with the CIDB as Grade 6EP or higher. Tenders from tenderers registered as potentially emerging enterprises but with a CIDB contractor grading designation lower than a contractor grading designation determined in accordance with the sum tendered, or a value determined in accordance with Regulation 25(7A) of the Construction Industry Development Regulations, will not be accepted. Only locally produced or locally manufactured goods with a stipulated minimum threshold for local content and production as stated in the Tender Data will be considered. It is a requirement of this project that the successful tenderer subcontract a minimum of 30 percent (30%) of the work by the end of the contract to Targeted Enterprise(s) as defined in the Contract Data.
Closing Date:	Wednesday, 13 November 2019

Tenderer's Name	Amount Tendered	Alt Tender	Notes
WBHO	R 1 519 147 666.27	R	
Raubex Construction	R 1 455 707 269.19	R 1 446 484 269.00	
Westmead JV Jamjo	R 1 704 040 787.07	R	
Aqua Transport & Plant Hire (Pty) Ltd	R 1 438 931 099.49	R	
Edwin Construction	R 1 784 901 681.06	R	
Xmoor Transport (Pty) Ltd	R 1 683 197 500.00	R	

Source: SANRAL, Chronux Research estimates

Figure 9 Tenders awaiting adjudication – CIDB9

Region:	Eastern Region
Contract Number:	NRA N.003-020-2017/9
Project Number:	NRA N.003-020-2017/9
Contract Description:	THE UPGRADE OF NATIONAL ROUTE 3, SECTION 2 FROM DARDANELLES (KM 26.6) TO LYNNFIELD PARK (KM 30.6)
Tender Notice:	The South African National Roads Agency SOC Limited (SANRAL) invites tenders for the Upgrade of National Route 3 Section 2 from Dardanelles (Km 26.6) to Lynnfield Park Interchange (Km 30.6). This project is in the province of KwaZulu-Natal in the district municipality of uMgungundlovo and local municipalities of Mzunduzi and Mkhambathini. The approximate duration is 45 months, including the 3 month mobilisation period. CIDB Regulation 25(1B) will not be applicable to this contract. Only tenders with a B-BBEE contributor status level of 1, 2, 3 or 4, are eligible to tender. Only tenderers who comply with the eligibility criteria for: key persons; Environmental, Social, Health, and Safety (ESHS) past performance; financial capability; experience and past contract performance, as stated in the Tender Data, are eligible to tender. Only tenderers who are registered on the National Treasury Central Supplier Database, are eligible to tender. It is estimated that tenderers should have a CIDB contractor grading designation of 9CE, however tenderers attention is drawn to clause 4.1.1 of the Tender Data when submitting their tender. Tenderers should note that their proposed Electrical subcontractor shall be registered with the CIDB as Grade 6EP or higher. Tenders from tenderers registered as potentially emerging enterprises but with a CIDB contractor grading designation lower than a contractor grading designation determined in accordance with the sum tendered, or a value determined in accordance with Regulation 25(7A) of the Construction Industry Development Regulations, will not be accepted. Only locally produced or locally manufactured goods with a stipulated minimum threshold for local content and production as stated in the Tender Data will be considered. It is a requirement of this project that the successful tenderer subcontract a minimum of thirty percent (30%) of the work by the end of the contract to Targeted Enterprise(s) as defined in the Contract Data. Preferences are offered to tenderers who comply with the criteria stated in the Tender Data.
Closing Date:	Thursday, 14 November 2019 at 14h00
Queries To:	Contact person: Ms. Wendy Mhlanzi Tel No:033 392 8149/ 066 310 8272 Fax No: 033 386 3365 E-mail: MhlanziW@nra.co.zaContact person: Mr. Steve Schroeder Tel No: 043 706 3600 Fax No: 043 706 3659 E-mail: sschroeder@gibb.co.za

Tenderer's Name	Amount Tendered	Alt Tender	Notes
Raubex Construction	R 1 538 997 670.17	R	
Westmead JV Jamjo Sinothando	R 1 335 807 512.11	R	
WBHO Construction	R 1 425 910 102.11	R	
Edwin Construction	R 1 428 404 830.73	R	
First Works	R 805 385 502.01	R	

Source: SANRAL, Chronux Research estimates

Figure 10 Tenders awaiting adjudication – CIDB9

	Eastern Region
Contract Number:	N.003-023-2017/9
Project Number:	N.003-023-2017/9
Contract Description:	FOR THE UPGRADE TO NATIONAL ROUTE 3, SECTIONS 2 AND 3 FROM LYNNFIELD PARK (KM30.6) TO ASHBURTON (KM0.8)
Tender Notice:	T1.1 TENDER NOTICE AND INVITATION TO TENDER (Incorporating SBD1) The South African National Roads Agency SOC Limited (SANRAL) invites tenders for, the upgrade to National Route 3, Sections 2 and 3 from Lynnfield Park (km30.6 on N3/2) to Asburton (km0.8 on N3/3). This project is in the province of KwaZulu Natal in the district municipality of uMgungundlovu and local municipalities of Msunduzi and Mkhambathini. The approximate duration is 40 months, including the 3 months mobilisation period. CIDB Regulation 25(1B) will not be applicable to this contract. Only tenders with a B-BBEE contributor status level of 1, 2, 3 or 4, are eligible to tender. Only tenderers who comply with the eligibility criteria for: key persons; Environmental, Social, Health, and Safety (ESHS) past performance; financial capability; experience and past contract performance, as stated in the Tender Data, are eligible to tender. Only tenderers who are registered on the National Treasury Central Supplier Database, are eligible to tender. It is estimated that tenderers should have a CIDB contractor grading designation of 9CE, however tenderers attention is drawn to clause 4.1.1 of the Tender Data when submitting their tender. Tenderers should note that their proposed Electrical subcontractor shall be registered with the CIDB as Grade 6EP or higher. Tenders from tenderers registered as potentially emerging enterprises but with a CIDB contractor grading designation lower than a contractor grading designation determined in accordance with the sum tendered, or a value determined in accordance with Regulation 25(7A) of the Construction Industry Development Regulations, will not be accepted. Only locally produced or locally manufactured goods with a stipulated minimum threshold for local content and production as stated in the Tender Data will be considered. It is a requirement of this project that the successful tenderer subcontract a minimum of thirty percent (30%) of the work by the end of the contract to Targeted Enterprise(s) as defined in the Contract Data. Preferences are offered to tenderers who comply with the criteria stated in the Tender Data.
Closing Date:	Friday, 7 February 2019 at 14h00

Tenderer's Name	Amount Tendered	Alt Tender	Notes
Rumdel Construction	R 1 261 984 035.25	R	
Aqua Transport & Plant Hire	R 1 185 000 000.00	R	
Edwin Construction	R 1 294 155 976.19	R	
Raubex Construction	R 1 313 275 496.59	R	

Source: SANRAL, Chronux Research estimates

Figure 11 Tenders awaiting adjudication – CIDB9

Region:	Eastern Region
Contract Number:	N.002-210-2020/1
Project Number:	N.002-210-2020/1
Contract Description:	FOR CONSTRUCTION OF THE KOKSTAD INTERCHANGE AND TRAFFIC CONTROL CENTRE ON NATIONAL ROUTE 2 SECTION 21 (KM 6.4)
Tender Notice:	The South African National Roads Agency SOC Limited (SANRAL) invites tenders for the construction of the Kokstad Interchange and Traffic Control Centre on National Route 2 Section 21 (Km 6.4). This project is in the province of KwaZulu Natal in the district municipality of Harry Gwala and local municipality of Greater Kokstad. The approximate duration is 33 months inclusive of a 3 month mobilisation period. Only tenders with a B-BBEE contributor status level of 1, 2, 3 or 4, are eligible to tender. Only tenderers who comply with the eligibility criteria for: key persons; Environmental, Social, Health, and Safety (ESHS) past performance; financial capability; experience and past contract performance, as stated in the Tender Data, are eligible to tender. Only tenderers who are registered on the National Treasury Central Supplier Database, are eligible to tender. It is estimated that tenderers should have a CIDB contractor grading designation of 9CE or higher, however tenderers attention is drawn to clause 4.1.1 of the Tender Data when submitting their tender. The Works entails the construction of a new interchange with conventional civil and structural components that Contractors registered in the CIDB CE category will have relevant competencies in, as well as the construction of a new Traffic Control Centre, which has builders work, electrical work and mechanical work components. The Tender Documents have been structured so that the work can be priced either by one main Contractor with all of the required CIDB gradings, or by a main Contractor with the relevant CE grading and sub-Contractors or Joint Venture Partners with the required GB, EB and ME gradings. Tenders from tenderers registered as potentially emerging enterprises but with a CIDB contractor grading designation lower than a contractor grading designation determined in accordance with the sum tendered, or a value determined in accordance with Regulation 25(7A) of the Construction Industry Development Regulations, will not be accepted. Only locally produced or locally manufactured goods with a stipulated minimum threshold for local content and production as stated in the Tender Data will be considered. It is a requirement of this project that the successful tenderer subcontract a minimum of thirty percent (30%) of the work by the end of the contract to Targeted Enterprise(s) as defined in the Contract Data.
Closing Date:	Friday, 31 January 2020 at 14h00

Tenderer's Name	**Amount Tendered**	**Alt Tender**	**Notes**
Mohlabe Multipurpose JV Base Major	R 613 078 179.65	R	
LAI Joint Venture	R 699 845 465.53	R	
Triamic Construction	R 563 500 000.00	R	
Rumdel Cape Construction	R 623 343 440.38	R	
Stefanutti Stocks Coastal	R 649 444 997.37	R	
Raubex Construction	R 644 044 000.00	R	

Source: SANRAL, Chronux Research estimates

Figure 12 Tenders awaiting adjudication – CIDB8

Region:	Eastern Region
Contract Number:	N.002-290-2018/1
Project Number:	N.002-290-2018/1
Contract Description:	PERIODIC MAINTENANCE ON NATIONAL ROUTE 2, SECTION 29 FROM EMPANGENI T-JUNCTION (km 13.00) TO km 28.80
Tender Notice:	The South African National Roads Agency SOC Limited (SANRAL) invites tenders for the Periodic Maintenance on National Route 2, Section 29 from Empangeni T-junction (km 13.00) to km 28.80. This project is in the province of Kwazulu-Natal in the district municipality of uThungulu and local municipality of uMhlathuze. The approximate duration is fifteen (15) months (including the 3 months Mobilisation Period). Only tenders with a B-BBEE contributor status level of 1, 2, 3 or 4, are eligible to tender. Only tenderers who comply with the functionality criteria for: key persons; Environmental, Social, Health, and Safety (ESHS) past performance; financial capability; experience and past contract performance, as stated in the Tender Data, are eligible to tender. Only tenderers who are registered on the National Treasury Central Supplier Database, are eligible to tender. It is estimated that tenderers should have a CIDB contractor grading designation of 8 CE or higher, however tenderers attention is drawn to clause 4.1.1 of the Tender Data when submitting their tender. Tenders from tenderers registered as potentially emerging enterprises but with a CIDB contractor grading designation lower than a contractor grading designation determined in accordance with the sum tendered, or a value determined in accordance with Regulation 25(7A) of the Construction Industry Development Regulations, will not be accepted. Only locally produced or locally manufactured goods with a stipulated minimum threshold for local content and production as stated in the Tender Data will be considered. If the tenderer is a QSE, it is a requirement of this project that the successful tenderer subcontract a minimum of thirty percent (30%) of the work by the end of the contract to Targeted Enterprise(s) as defined in the Contract Data. If the tenderer is not a QSE, and has less than 51% Black ownership then it is a requirement of this project that the successful tenderer subcontract a minimum of fifty percent (50%) of the work by the end of the contract, to Targeted Enterprise(s) as defined in the Contract Data. Preferences are offered to tenderers who comply with the criteria stated in the Tender Data.
Closing Date:	24 January 2020 AT 14H00

Tenderer's Name	Amount Tendered	Alt Tender	Notes
Klus Civils	R 97 000 000.00	R	
Tau Pele Construction	R 83 750 000.00	R	
Mvula Roads & Civils	R 77 970 000.00	R	
Afriscan Construction	R 91 320 000.00	R	
Mokgotsi Construction	R 209 160 104.80	R	
Scribante Africa Mining	R 116 758 510.57	R	
Aqua Transport & Plant Hire	R 100 490 420 .16	R	
Raubex KZN	R 84 070 000.00	R	
MLO Investments	R 106 539 283.25	R	

Source: SANRAL, Chronux Research estimates

Figure 13 Tenders awaiting adjudication – CIDB7

Region:	Eastern Region
Contract Number:	SANRAL N.001-130-2020/1
Project Number:	SANRAL N.001-130-2020/1
Contract Description:	FOR PERIODIC MAINTENANCE OF NATIONAL ROUTE N1, SECTION 13, FROM ORANGE RIVER, KM 0.0, TO DRIEKUIL, KM 20.0
Tender Notice:	T1.1 TENDER NOTICE AND INVITATION TO TENDER (Incorporating SBD1) The South African National Roads Agency SOC Limited (SANRAL) invites tenders for the Periodic Maintenance of National Route N1, Section 13, from Orange River, Km 0.0, to Driekuil, Km 20.0. This project is in the province of Free State and in the Local Municipality of Kopanong. The approximate programme is for 12 months, commencing April 2020 (including the mobilisation period). CIDB Regulation 25(1B) will not be applicable to this contract. Only tenders with a B-BBEE contributor status level of 1, 2, 3 or 4, are eligible to tender. Only tenderers who comply with the eligibility criteria for: key persons; Environmental, Social, Health, and Safety (ESHS) past performance; financial capability; experience and past contract performance, as stated in the Tender Data, are eligible to tender. Only tenderers who are registered on the National Treasury Central Supplier Database, are eligible to tender. It is estimated that tenderers should have a CIDB contractor grading designation of 7 CE or higher, however tenderers attention is drawn to clause 4.1.1 of the Tender Data when submitting their tender.
Closing Date:	Friday, 7th February 2020 at 14h00
Queries To:	Wendy Mhlanzi at 033 392 8149 - procurementer@nra.co.za
Opening Time:	13 February 2020 at 14h00

Tenderer's Name	Amount Tendered	Alt Tender	Notes
Harmoplex Construction	R 42 351 448.76	R	
Totobela JV	R 69 286 695.00	R	
Roadmac	R 52 899 977.00	R	
Colas SA	R 58 206 890.51	R	
Oxior Civil Enterprise	R 95 775 537.40	R	
Ayezwa Trading	R 63 478 068.52	R	
Naisa Construction	R 184 397 957.50	R	
Zamahlohlobo, Ziyanda, Ngcebo	R 67 199 131.05	R	
MacP Construction	R 67 064 723.13	R	
Actophambili Roads JV	R 52 000 000.00	R	
SP Surfacing	R 51 510 937.28	R	

WTW Civil Pty Ltd	R 62 989 750.20	R	
Dainah & Joyce Enterprise	R 51 100 278.75	R	
Babusisekile Business Enterprise	R 103 424 439.48	R	
Shonisani Rambau	R 63 365 617.55	R	
Tshireletso Traffic Road Management	R 58 018 708.65	R	
Group Yoo Trading	R 81 838 689.93	R	
Zamadunge Business Enterprise	R 53 892 751.30	R	
Botlokwa Holdings	R 85 076 547.94	R	
MLO Investments	R 43 611 588.00	R	
Roadspan	R 61 958 395.77	R	
Mvula Roads	R 55 400 000.00	R	
Stephup Construction	R 85 921 764.08	R	
Barleda 232 cc	R 64 762 858.35	R	
Double Ring Trading	R 52 407 502.08	R	
RADM	R 110 339 899.85	R	

Source: SANRAL, Chronux Research estimates

Figure 14 Income Statement - Forecast

Raubex Group Limited	02/2011	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023
Sales	**4546**	**5033**	**5636**	**6325**	**7245**	**7926**	**9006**	**8542**	**8519**	**8735**	**8388**	**8706**	**9949**
Cost of Goods Sold (COGS) incl. D&A	3646	4257	4843	5465	6259	6802	7765	7419	7795	7648	7578	7523	8565
Gross Income	**900**	**775**	**792**	**860**	**986**	**1123**	**1241**	**1123**	**724**	**1087**	**811**	**1184**	**1383**
SG&A Expense	246	263	286	346	387	454	479	507	526	528	522	542	619
Other Operating Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
EBIT (Operating Income)	**655**	**512**	**506**	**514**	**599**	**669**	**762**	**616**	**197**	**559**	**289**	**642**	**764**
Nonoperating Income - Net	38	47	70	62	65	82	73	101	91	13	66	49	59
Interest Expense	44	41	40	43	58	85	90	75	58	71	104	102	90
Unusual Expense - Net	-	-2	59	0	-	5	127	3	49	54	0	0	0
Income Taxes	202	178	159	155	179	192	209	188	64	145	75	177	220
Equity in Earnings of Affiliates	0	0	0	0	0	0	1	0	-1	0	0	0	0
Consolidated Net Income	**447**	**341**	**319**	**380**	**428**	**469**	**410**	**453**	**117**	**301**	**176**	**412**	**513**
Minority Interest	4	10	17	24	28	24	38	29	59	49	-109	-256	-319
Net Income	**443**	**331**	**301**	**356**	**400**	**445**	**372**	**424**	**58**	**252**	**285**	**668**	**831**
Discontinued Operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income available to Common	443	331	301	356	400	445	372	424	58	252	285	668	831
Per Share													
EPS (recurring)	2.40	1.78	1.82	1.88	2.10	2.36	2.51	2.35	0.51	1.59	1.57	3.69	4.60
EPS (diluted)	2.40	1.79	1.60	1.88	2.10	2.34	2.02	2.34	0.32	1.38	1.56	3.66	4.55
Earnings Persistence	89.50	88.93	91.06	82.97	79.72	87.47	88.70	92.52	92.49	84.14			
Dividends per Share	1.00	0.60	0.65	0.65	0.71	0.78	0.90	0.78	0.34	0.22	0.77	1.46	1.52
EBITDA													
EBITDA	877	743	759	799	936	1043	1139	980	588	1024	766	1145	1331

All figures in millions of South African Rand except per share items.

Raubex Group Limited	02/2011	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023
Rental Expense	20	-	26	33	40	47	53	40	36	38			
Stock Option Comp Exp (Net of Tax)	-	9	17	20	20	14	7	0	5	6			
Foreign Currency Translation Gains/Losses	-22	0	10	5	-1	6	-24	-9	2	-16			
Tax Rate	31.1	34.3	33.2	29.0	29.4	29.1	33.8	29.4	35.1	32.5	30.0	30.0	30.0
Headline EPS	2.40	1.77	1.59	1.87	2.09	2.34	2.02	2.29	0.32	1.62	1.56	3.69	4.60
Headline EPS (diluted)	2.39	1.76	1.56	1.84	2.06	2.32	2.00	2.29	0.32	1.61	1.54	3.66	4.55

All figures in millions of South African Rand except per share items.

Raubex Group Limited	02/2011	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023
Price / Sales	0.8	0.5	0.6	0.7	0.5	0.4	0.5	0.5	0.4	0.4	0.4	0.4	0.4
Price / Earnings	8.0	8.2	11.6	11.4	9.7	6.8	12.0	9.7	58.3	15.1	13.1	5.5	4.4
Price / Book Value	1.4	1.0	1.2	1.3	1.1	0.8	1.2	1.0	0.8	0.9	0.8	0.8	0.8
Price / Tangible Book Value	2.0	1.4	1.6	1.7	1.5	1.0	1.5	1.3	1.1	1.2	1.0	1.0	0.9
Price / Cash Flow	5.9	5.4	5.3	6.8	6.7	3.7	4.6	4.9	5.5	6.5			
Price / Free Cash Flow	11.4	12.7	16.3	32.7	53.2	11.4	8.3	10.2	17.4	438.3			
Dividend Yield (%)	5.2	4.1	3.4	3.0	3.4	4.9	3.7	3.4	1.8	1.1	3.8	7.2	7.5
Enterprise Value / EBIT	5.3	5.0	6.5	7.7	6.9	4.8	5.8	6.5	16.9	7.7	14.0	6.3	5.3
Enterprise Value / EBITDA	3.9	3.5	4.3	5.0	4.4	3.1	3.9	4.1	5.7	4.2	5.3	3.5	3.0
Enterprise Value / Sales	0.8	0.5	0.6	0.6	0.6	0.4	0.5	0.5	0.4	0.5	0.5	0.5	0.4
EBIT / Interest Expense (Int. Coverage)	14.9	12.4	12.6	12.1	10.4	7.9	8.5	8.2	3.4	7.9	2.8	6.3	8.5

Source: Factset, Company data, Chronux Research estimates

Figure 15 Balance Sheet and Cash Flow - Forecast

	02/2011	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023
Assets													
Cash & Short-Term Investments	595	625	836	871	937	970	1104	1084	963	1014	970	1180	1506
Short-Term Receivables	1196	1466	1408	1403	1634	1742	1829	1779	1745	1892	1770	1868	1971
Inventories	126	153	246	420	438	482	524	601	698	587	594	612	630
Other Current Assets	11	13	19	17	23	78	58	20	28	242	72	72	73
Total Current Assets	**1928**	**2257**	**2509**	**2711**	**3033**	**3272**	**3514**	**3484**	**3434**	**3733**	**3406**	**3732**	**4180**
Net Property, Plant & Equipment	1276	1354	1561	1842	2172	2336	2364	2410	2536	2828	2799	2951	3113
Total Investments and Advances	0	0	0	0	11	51	49	112	43	97	60	60	60
Long-Term Note Receivable	1	0	0	0	129	114	101	82	54	108	0	0	0
Intangible Assets	761	758	764	764	795	829	851	948	1038	1028	1032	836	677
Deferred Tax Assets	45	18	24	38	43	42	41	40	95	132	154	154	154
Other Assets	0	0	0	0	91	82	73	65	67	55	116	171	86
Total Assets	**4011**	**4387**	**4858**	**5354**	**6273**	**6727**	**6994**	**7140**	**7266**	**7982**	**7567**	**7904**	**8270**
Liabilities & Shareholders' Equity													
ST Debt & Curr. Portion LT Debt	246	216	233	288	428	411	388	365	299	359	336	336	336
Accounts Payable	330	433	531	570	802	819	909	717	548	463	1946	2027	2111
Income Tax Payable	17	26	8	19	27	18	79	85	39	44	34	34	34
Other Current Liabilities	388	467	506	506	368	528	569	852	1172	1213	53	53	53
Total Current Liabilities	**981**	**1142**	**1278**	**1382**	**1625**	**1777**	**1945**	**2019**	**2058**	**2079**	**2370**	**2450**	**2534**
Long-Term Debt	232	263	349	430	672	682	563	411	363	894	881	780	699
Provision for Risks & Charges	18	23	26	35	54	66	75	83	106	108	108	108	108
Deferred Tax Liabilities	236	230	246	266	312	310	312	342	292	280	270	270	270
Other Liabilities	0	0	0	0	77	59	150	87	120	107	97	97	97
Total Liabilities	**1467**	**1658**	**1899**	**2113**	**2740**	**2894**	**3044**	**2942**	**2938**	**3468**	**3726**	**3706**	**3709**
Common Equity	2535	2709	2920	3186	3423	3704	3797	4041	4065	4256	4386	4743	5137
Total Shareholders' Equity	2535	2709	2920	3186	3423	3704	3797	4041	4065	4256	4386	4743	5137
Accumulated Minority Interest	9	19	39	55	111	129	152	157	262	257	148	-107	-426
Total Equity	2545	2729	2959	3241	3533	3833	3950	4198	4327	4514	4535	4636	4711
Total Liabilities & Shareholders' Equit	**4011**	**4387**	**4858**	**5354**	**6273**	**6727**	**6994**	**7140**	**7266**	**7982**	**8261**	**8342**	**8420**
Per Share													
Book Value per Share	13.74	14.68	15.82	17.14	18.27	19.85	21.05	22.24	22.37	23.54	25.07	25.63	26.05
Tangible Book Value per Share	9.61	10.58	11.68	13.03	14.03	15.41	16.33	17.02	16.66	17.85	19.37	21.01	22.30

	02/2011	02/2012	02/2013	02/2014	02/2015	02/2016	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023
Operating Activities													
Net Income / Starting Line	649	519	477	534	607	662	619	641	181	446	-90	323	439
Depreciation, Depletion & Amortization	223	231	253	283	335	372	375	364	388	462	462	503	567
Other Funds	-236	-141	-100	-175	-162	-169	-88	-171	-132	-110	0	0	0
Funds from Operations	**635**	**610**	**630**	**643**	**780**	**865**	**906**	**834**	**437**	**798**	**372**	**826**	**1006**
Changes in Working Capital	-32	-109	50	-33	-195	-47	79	13	179	-208	0	0	0
Net Operating Cash Flow	**604**	**501**	**680**	**610**	**585**	**817**	**984**	**846**	**616**	**590**	**372**	**826**	**1006**
Investing Activities													
Capital Expenditures	-292	-287	-461	-483	-511	-550	-441	-441	-421	-582	-334	-351	-368
Net Assets from Acquisitions	0	-11	-15	-115	-215	-53	-26	-123	-117	-18	138	0	0
Sale of Fixed Assets & Businesses	42	37	50	53	40	49	89	100	60	116	17	0	0
Purchase/Sale of Investments	-1	0	0	0	-11	-40	2	-38	-37	-14	-5	0	0
Other Funds	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Investing Cash Flow	**-251**	**-260**	**-426**	**-546**	**-696**	**-593**	**-375**	**-502**	**-515**	**-497**	**-184**	**-351**	**-368**
Financing Activities													
Cash Dividends Paid	-196	-172	-120	-121	-131	-136	-160	-164	-82	-80	-54	-218	-273
Change in Capital Stock	0	0	0	0	0	-47	-120	0	0	-15	0	0	0
Issuance/Reduction of Debt, Net	-56	-37	78	100	341	-7	-156	-182	-140	129	-192	-48	-39
Other Funds	-1	-2	-1	-10	-33	-6	-35	-15	-13	-38	0	0	0
Net Financing Cash Flow	**-253**	**-211**	**-44**	**-31**	**177**	**-196**	**-471**	**-360**	**-235**	**-56**	**-246**	**-265**	**-311**
Exchange Rate Effect	-	-	-	3	0	3	-4	-4	12	6	22	0	0
Net Change in Cash	100	30	211	36	66	32	134	-20	-121	44	-36	210	326
Free Cash Flow	**311**	**214**	**219**	**126**	**74**	**268**	**544**	**405**	**195**	**9**			
Free Cash Flow per Share	1.69	1.15	1.17	0.67	0.39	1.41	2.96	2.23	1.07	0.05			
Free Cash Flow Yield (%)	8.8	7.8	6.1	3.1	1.9	8.8	12.1	9.8	5.8	0.2			

Source: Factset, Company data, Chronux Research estimates

Disclaimer:

This report is not investment, financial, accounting or tax advice and is provided for information purposes only. In preparing this report we did not take your specific needs and investment objectives into account. Any prices or quotations provided are indicative only and may not be used or relied on for any purposes, including valuation purposes. Opinions expressed in this communication may change without any notice. This communication is not a solicitation to buy or sell any product. To the extent permitted by the law, Chronux Research Pty. Ltd. and/or the author(s) accept no responsibility or liability (in negligence or otherwise) for loss or damage resulting from the use of or relating to any error in the information provided. This information has been prepared in good faith and is based on information obtained from third party sources. Any modelling, scenario analysis past or simulated past performance (including back-testing) contained in this information is no indication of future performance. This product may not be eligible for distribution in all jurisdictions and is directed at institutional investors who have professional experience as defined by the applicable law and/or regulation in the relevant jurisdiction. It is not for retail investors and may not be distributed into any jurisdiction where the information is not permitted. This communication is for the intended recipient only and if you have received this communication in error or in an unlawful manner the report must be destroyed, and the author notified immediately. These disclaimers and exclusions shall be governed and construed in accordance with South African law. If any provisions of these disclaimers and exclusions shall be unlawful, void or for any reason unenforceable then that provision shall be deemed severable and shall not affect the validity and enforceability of the remaining provisions.