



WBHO – FY21 Results

Date: 07 September 2021

Key message: *Actively managing down the order book should improve the quality of earnings. Signs of a recovery in the mining sector is a positive for WBO.*

- WBHO released FY21 results. HEPS swung back to profitability with reduced losses in Australia off an 11% decline in revenue (14% increase in South Africa and 26% increase in Rest of Africa). Revenue from Australia and the UK declined 24% and 15% respectively.
- A dividend was paid after passing the dividend at the interim stage – the final dividend was equivalent to a full year (3 times dividend cover).
- Improved activity levels in South Africa are important for WBHO as it remains a preferred contractor for the private sector. Signs of activity from the building and mining sectors are encouraging for growth.
- High activity levels in Mozambique for gas infrastructure projects will not be repeated this year and activity levels in the Rest of Africa are likely to decline, although signs of mining activity are emerging.
- WBHO is managing down the Australian business to focus Probuild on Victoria and NSW only. This will reduce the size of the business to 50-60% of its peak, in our opinion. The order book has reduced substantially as a result of this and Covid-related restrictions. Margins are likely to be depressed as retrenchment costs in Australia are high. Further cost provisions taken in FY21 for WRU (A\$28m), 443 Queens (A\$12m) and other (A\$6m) exceeded the reported loss – but margins are expected remain positive but low for FY22.
- The UK order book has also declined, although some new orders were picked up post period end. The London region is showing signs of renewed activity although Manchester remains slow.
- Overall, WBHO is targeting a higher quality order book (especially in Australia) and as a result we forecast revenue to decline by 9% in FY22. However, margins are expected to grow and we update our HEPS forecast to 1230c.
- We are encouraged by the growing activity levels in the private sector in South Africa, as it allows WBHO to concentrate on securing only quality work in the offshore divisions. With the general demise of the large contractor sector WBHO is likely to grow market share and start to regain some pricing power. We adjust our Target Price marginally to R144 (from R145) based on FY22 earnings.

Analyst

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Rating:

Price (07/09/2021):

Target Price:

Total return:

Overweight

R116.21

R144.00

24%

Market cap

R6,947m

Shares in issue

53.186mn

Financial summary

ZARmn (year to June)	FY20	FY21A	FY22E	FY23E	FY23E
Revenue	43080	38331	34885	37799	40644
EBITDA	-216	760	1194	1613	1506
Net income	-498	316	654	931	1070
Headline EPS (diluted)	-923	619	1230	1749	2010
PE Ratio	-10.8	19.0	9.8	9.8	6.9
Dividend	80	205	410	583	670
Dividend yield (%)	0.8%	0.7%	3.4%	3.4%	4.8%

Source: Factset, Company data, Chronux Research estimates

Figure 1 Financial summary

Financial year to June	FY20	FY21A	FY22E	FY23E	FY23E
ZAR/AUD exchange rate	10.49	11.48	11.26	11.54	11.84
ZAR/GBP exchange rate	19.71	20.70	20.44	20.96	21.49
Per share data					
Earnings (diluted)	(936)	594	1,230	1,749	2,010
Headline earnings (diluted)	(923)	619	1,230	1,749	2,010
NAV	106.74	92.32	107.79	107.79	109.90
Dividend	80	205	410	583	670
Valuation ratios					
P/E ratio	(10.8)	19.0	9.8	9.8	6.9
EV/EBITDA	3.0	2.0	(1.0)	(1.0)	(0.9)
P/B	0.95	1.22	1.12	1.12	1.10
Dividend yield	0.8%	0.7%	3.4%	3.4%	4.8%
Income Statement (ZARmn)					
Sales	43,080	38,331	34,885	37,799	40,644
<i>Sales growth</i>	<i>#REF!</i>	<i>-11.0%</i>	<i>-9.0%</i>	<i>8.4%</i>	<i>7.5%</i>
Contracting costs	(42,266)	(36,641)	(32,681)	(35,256)	(37,953)
Contracting Income	814	1,690	2,204	2,543	2,691
<i>Contracting margin</i>	<i>1.9%</i>	<i>4.4%</i>	<i>6.3%</i>	<i>6.7%</i>	<i>6.6%</i>
SG&A Expense	(1,390)	(1,274)	(1,331)	(1,275)	(1,227)
Other Operating Income/Expense	34	40	41	42	43
EBITDA	(216)	760	1,194	1,613	1,506
<i>EBITDA margin</i>	<i>-0.5%</i>	<i>2.0%</i>	<i>3.4%</i>	<i>4.3%</i>	<i>3.7%</i>
Depreciation & Amortisation	(325)	(303)	(279)	(304)	0
EBIT (Operating Income)	(541)	457	914	1,310	1,506
<i>EBIT margin</i>	<i>-1.3%</i>	<i>1.2%</i>	<i>2.6%</i>	<i>3.5%</i>	<i>3.7%</i>
Nonoperating Income - Net	(44)	(8)	(32)	(32)	(32)
Net Interest Expense	(166)	(74)	(69)	(70)	(73)
Equity in Earnings of Affiliates	109	102	63	66	69
PBT	(310)	624	1,014	1,413	1,616
Income Taxes	(198)	(273)	(304)	(424)	(485)
<i>Tax rate</i>	<i>-63.8%</i>	<i>43.8%</i>	<i>30.0%</i>	<i>30.0%</i>	<i>30.0%</i>
Consolidated Net Income	(508)	351	710	989	1,131
Minority Interest	10	(35)	(56)	(59)	(62)
Net Income	(498)	316	654	931	1,070
Cash flow statement (ZARmn)					
Changes in working capital	1,120	(1,934)	(349)	(378)	(406)
Cash from operating activities	867	(1,242)	742	1,014	820
Capital expenditure	(137)	(95)	(250)	(263)	(276)
Other	275	313	0	0	0
Investing cash flow	138	218	(250)	(263)	(276)
Changes in borrowings	103	(0)	0	0	0
Dividend paid	(114)	0	(254)	(352)	(445)
Other	(334)	(364)	(158)	(158)	(158)
Financing cash flow	(344)	(364)	(412)	(510)	(603)
Change in cash	662	(1,388)	80	241	(58)
Balance sheet (ZARmn)					
Total assets	20,910	18,475	17,748	18,341	18,942
Cash and equivalents	7,599	5,681	5,760	6,001	5,943
Other current assets	7,642	7,757	6,436	7,351	8,311
Non-current assets	5,669	5,037	5,552	4,989	4,688
Total liabilities	15,029	12,850	12,013	12,494	12,981
Long-term liabilities	686	555	504	506	507
Current liabilities	14,342	12,295	11,508	11,988	12,474
Total shareholders' funds	5,882	5,625	5,735	5,847	5,962
Net debt/(cash)	(7,293)	(5,429)	(5,560)	(5,801)	(5,743)

Source: Factset, Company data, Chronux Research estimates

Figure 2 Sum-of-the-Parts Valuation

		FY22 EBITDA	EV/EBITDA Multiple	Enterprise Value
Building & Civil Engineering	2-5X multiple for SA construction co's	396	2.0x	791
Roads and Earthworks	2-5X multiple for SA construction co's	337	2.0x	675
Australia	3-6X multiple for Australian construction co's	125	3.0x	375
UK	3-6X multiple for UK construction co's	297	3.0x	892
Construction Materials	3-5X multiple for construction material co's	38	3.0x	115
Enterprise Value		1,193	2.4	2,848
Investments in associates	From balance sheet			885
Investments in securities	From balance sheet			0
Minorities	From balance sheet			-96
Net (debt)/cash	Assume 5% of order book is locked up			4,034
Equity value				7,671
Number of shares (m)				53.197
Valuation (ZAR per share)				144

Source: Company data, Chronux Research estimates

- We retain relatively low exit multiples while the order book is declining, but believe that the quality of the order book is improving and that should drive earnings growth.
- The signs of activity on the mining sector is encouraging and we do believe that should this result in order book growth that this would be a re-rating opportunity for WBHO – the mining sector is traditionally a large and profitable part of WBHO's earnings.
- While the WRU losses did absorb almost R2bn, WBHO's balance sheet remains robust.
- We adjust our Target Price marginally to R144 (from R145) based on FY22 earnings.
- On a PE valuation, we would put WBHO on a normalised 8 times PE multiple in the long-term.

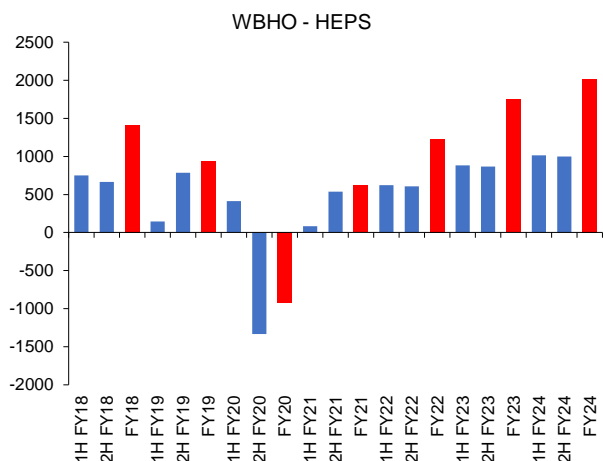
Figure 3 PE Valuation

	<u>2021A</u>	<u>2022E</u>	<u>2023E</u>
HEPS	619	1230	1749
WBO PE	19.4	9.8	6.9
TP exit PE	23.3	11.7	8.2

Source: Company data, Chronux Research estimates

- The following charts show the PE range we believe applicable to WBHO and the forward and exit PE multiple. The exit multiple applies to our FY23 Target Price of R164.

Figure 4 HEPS



Source: Chronux Research

Figure 5 PE Valuation Range



Source: Chronux Research

■ Our FY23 valuation appears in the following table.

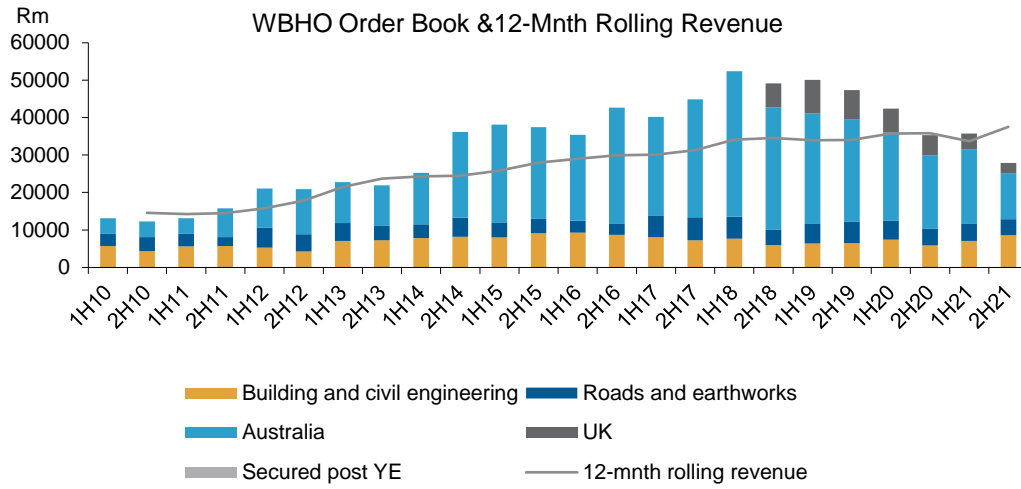
Figure 6 Valuation (using FY23 EBITDA)

ZARm	Comment	FY23 EBITDA	EV/EBITDA Multiple	Enterprise Value
Building & Civil Engineering	2-5X multiple for SA construction co's	524	2.0x	1,048
Roads and Earthworks	2-5X multiple for SA construction co's	436	2.0x	872
Australia	3-6X multiple for Australian construction co's	267	3.0x	801
UK	3-6X multiple for UK construction co's	341	3.0x	1,023
Construction Materials	3-5X multiple for construction material co's	45	3.0x	136
Enterprise Value		1,613	2.4	3,880
Investments in associates	From balance sheet			885
Investments in securities	From balance sheet			0
Minorities	From balance sheet			-96
Net (debt)/cash	Assume 5% of order book is locked up			4,034
Equity value				8,703
Number of shares ('m)				53,197
Valuation (ZAR per share)				164

Source: Company data, Chronux Research estimates

Order Books

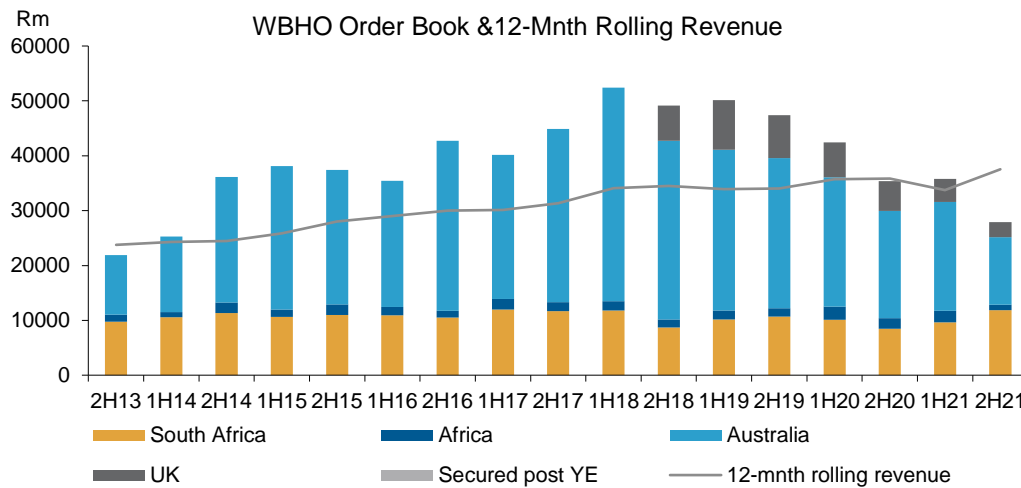
Figure 7 Order Book by Division



Source: Company data, Chronux Research estimates

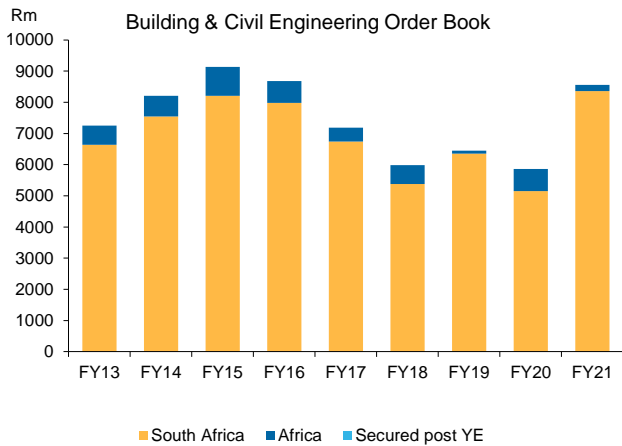
- The overall order book is starting to stabilise after a number of years of decline. Some of this decline is a managed de-risking of the Australian order book.
- We would anticipate order book growth in South Africa and Africa and the UK to be the main driver of growth in the forecast period.

Figure 8 Order Book by Geography



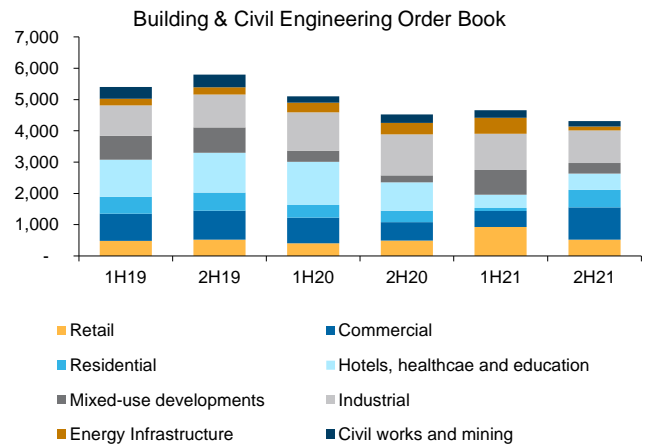
Source: Company data, Chronux Research estimates

Figure 9 Order Book – Building & Civil Engineering



Source: Company data, Chronux Research estimates

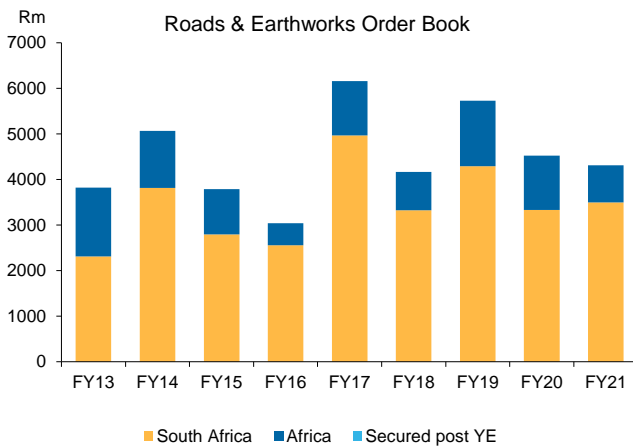
Figure 10 Order Book – Building & Civil Engineering



Source: Company data, Chronux Research estimates

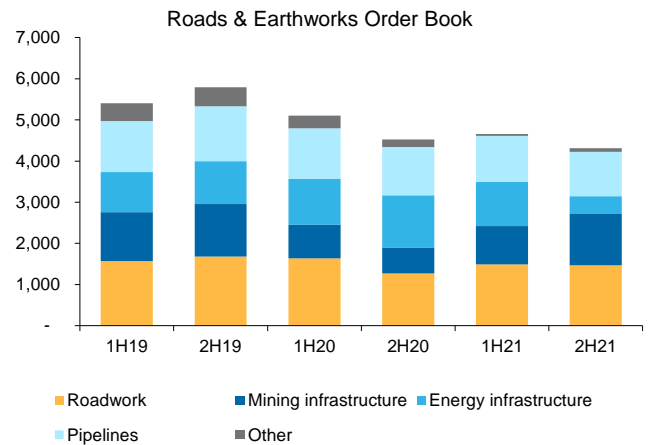
- The order book has recovered well in the Building division as >R250m projects have emerged, with WBHO well positioned competitively (due to the demise of the large contractor sector). Work is available in warehousing, offices, retail and residential – as a preferred contractor WBHO is able to build its order book quickly when work is available.
- The focus on sub-R250m projects continues in Gauteng to keep the order book ticking over. This is lower margin work as it is more competitive without the ability to negotiate terms, but has kept the order book ticking over.
- Activity levels in Civil Engineering are also starting to recover. Work in Mozambique is not expected to return for some time.

Figure 11 Order Book – Roads & Earthworks



Source: Company data, Chronux Research estimates

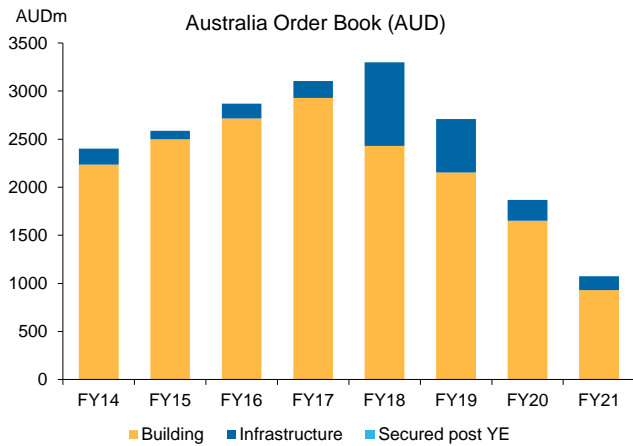
Figure 12 Order Book – Roads & Earthworks



Source: Company data, Chronux Research estimates

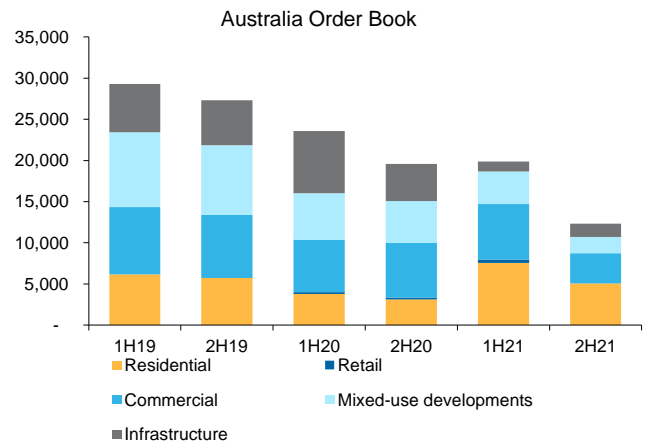
- WBHO has priced R30bn of SANRAL work and is awaiting the awards of some large tenders where it is well positioned. R1bn of work was picked up in FY21 and a further R600m post June. R15bn of tenders are expected for the N2/N3 roads in the next 12 months. SANRAL work could make up approx. 30% of the order book.
- In Africa work has been through a cyclical low but enquiries are starting to emerge in W Africa and Zambia. Botswana has been slow but is also picking up activity levels.

Figure 13 Order Book – Australia (AUD)



Source: Company data, Chronux Research estimates

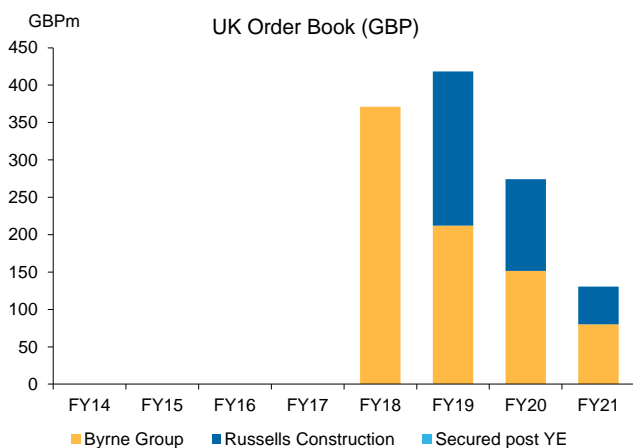
Figure 14 Order Book – Australia (ZAR)



Source: Company data, Chronux Research estimates

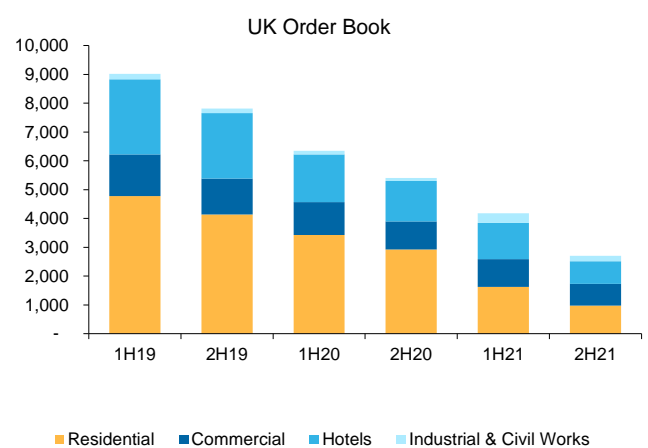
- The Australian order book is being managed down to improve quality. The completion OF WRU will bring down the Infrastructure order book substantially and it will remain low as WBHO looks for construction-only (no design) work only in Western Australia.
- As the population growth trends go negative the demand for new residential towers is declining and work in the region is very competitive. Asian demand for residential apartments in Australia has declined substantially due to travel restrictions and the soured relationship between China and Australia.
- Probuild will now focus on Victoria (traditionally 60% of the order book) and NSW.
- As the order book is downsized working capital is absorbed and margins do suffer – this region will have low margins for a year or two. Retrenchments are expensive in Australia and costs are difficult to shrink quickly. Covid restrictions are impacting current projects.

Figure 15 Order Book – UK (GBP)



Source: Company data, Chronux Research estimates

Figure 16 Order Book – UK (ZAR)



Source: Company data, Chronux Research estimates

- The UK business have been impacted by Covid restrictions but London is showing signs of activity. Manchester remains slow.
- Margins are expected to decline due to the lower activity levels.

Figure 17 Divisional Forecast

	1H20	2H20	2020A	1H21	2H21	2021A	1H22	2H22	2022E	1H23	2H23	2023E	1H24	2H24	2024E
Revenue	22894	19877	42771	20361	17969	38330	17416	17469	34885	18871	18927	37799	20284	20360	40644
Building & Civil Engineering	4033	2462	6495	3853	4047	7900	4322	4577	8899	4673	4946	9619	5044	5340	10384
South Africa	3877	2152	6029	3542	3826	7368	4073	4400	8473	4399	4752	9151	4751	5132	9883
Africa	156	310	466	311	221	532	249	177	426	274	194	468	293	208	501
Roads and Earthworks	2796	1874	4670	2645	2613	5258	2454	2397	4852	2779	2710	5489	3020	2947	5968
South Africa	1710	1033	2743	1471	1367	2838	1574	1463	3037	1810	1682	3492	1955	1817	3772
Africa	1086	841	1927	1174	1246	2420	881	935	1815	969	1028	1997	1065	1131	2196
Australia	12073	12584	24657	10315	8552	18867	7177	7625	14803	7726	8209	15935	8317	8837	17154
Building	8514	9146	17660	7924	7779	15703	6038	6282	12320	6500	6762	13263	6998	7280	14277
Infrastructure	3559	3438	6997	2391	773	3164	1139	1344	2482	1226	1446	2672	1320	1557	2877
UK	3491	2961	6452	3129	2379	5508	3014	2465	5479	3219	2633	5852	3399	2780	6180
Byrne	2128	1544	3672	1664	1294	2958	1752	1461	3213	1886	1573	3459	1992	1661	3653
Russells	1363	1417	2780	1465	1085	2550	1262	1004	2266	1333	1060	2393	1407	1120	2527
Property Developments	1	2	3	1	0	1	1	1	2	1	1	2	1	1	2
Construction Materials	500	-6	494	418	378	796	447	405	851	474	429	902	502	455	957
ZAR/AUD	10.05	10.92	10.49	11.75	11.22	11.48	11.19	11.33	11.26	11.47	11.62	11.54	11.76	11.91	11.84
% change	-0.1%	8.2%	4.0%	16.9%	2.7%	9.5%	-4.7%	1.0%	-1.9%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
ZAR/GBP	18.65	20.93	19.71	21.22	20.18	20.70	20.32	20.57	20.44	20.83	21.09	20.96	21.35	21.62	21.49
% change	2.0%	9.8%	5.6%	13.8%	-3.6%	5.0%	-4.3%	1.9%	-1.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Revenue growth	14%	-1%	7%	-11%	-10%	-10%	-14%	-3%	-9%	8%	8%	8%	7%	8%	8%
Building & Civil Engineering	3%	-28%	-11%	-4%	64%	22%	12%	13%	13%	8%	8%	8%	8%	8%	8%
South Africa	14%	-31%	-8%	-9%	78%	22%	15%	15%	15%	8%	8%	8%	8%	8%	8%
Africa	-69%	12%	-41%	99%	-29%	14%	-20%	-20%	-20%	10%	10%	10%	7%	7%	7%
Roads and Earthworks	7%	-21%	-7%	-5%	39%	13%	-7%	-8%	-8%	13%	13%	13%	9%	9%	9%
South Africa	-9%	-33%	-20%	-14%	32%	3%	7%	7%	7%	15%	15%	15%	8%	8%	8%
Africa	49%	0%	22%	8%	48%	26%	-25%	-25%	-25%	10%	10%	10%	10%	10%	10%
Australia	13%	14%	14%	-15%	-32%	-23%	-30%	-11%	-22%	8%	8%	8%	8%	8%	8%
Building	-1%	10%	4%	-7%	-15%	-11%	-24%	-19%	-22%	8%	8%	8%	8%	8%	8%
Infrastructure	70%	28%	47%	-33%	-78%	-55%	-52%	74%	-22%	8%	8%	8%	8%	8%	8%
UK	37%	0%	17%	-10%	-20%	-15%	-4%	4%	-1%	7%	7%	7%	6%	6%	6%
Byrne	26%	-20%	1%	-22%	-16%	-19%	5%	13%	9%	8%	8%	8%	6%	6%	6%
Russells	57%	40%	48%	7%	-23%	-8%	-14%	-7%	-11%	6%	6%	6%	6%	6%	6%
Property Developments	-75%	-17%	-46%	149%	-100%	-41%	5%	#DIV/0!	5%	5%	5%	5%	5%	5%	5%
Construction Materials	59%	-102%	-15%	-16%	-6401%	61%	7%	7%	7%	6%	6%	6%	6%	6%	6%
Operating Profit	252	-794	-542	146	371	516	464	450	914	661	648	1310	761	746	1506
Building & Civil Engineering	143	-1	142	139	180	319	183	190	373	245	255	500	264	275	539
South Africa	116	-16	100	122	159	281	163	176	339	220	238	458	238	257	494
Africa	27	15	42	17	21	38	20	14	34	25	18	42	26	19	45
Roads and Earthworks	136	101	237	153	147	300	132	129	261	176	173	349	192	188	380
South Africa	72	35	107	93	44	137	79	73	152	109	101	210	117	109	226
Africa	64	66	130	60	103	163	53	56	109	68	72	140	75	79	154
Australia	-175	-1024	-1199	-323	-89	-412	23	27	50	90	97	186	131	140	272
Building	10	-143	-133	2	-5	-3	0	0	0	65	67	133	105	109	214
Infrastructure	-185	-881	-1066	-325	-84	-409	23	27	50	25	29	53	26	31	58
UK	149	153	302	162	100	262	116	94	210	137	111	247	158	128	286
Byrne	56	44	100	61	49	110	53	44	96	57	47	104	60	50	110
Russells	93	109	202	101	59	160	63	50	113	80	64	144	99	78	177
WBHO UK						-8									
Property Developments	0	0	1	12	10	22	0	0	0	0	0	0	0	0	0
Construction Materials	-1	-23	-24	2	23	25	11	10	21	14	13	27	15	14	29
Operating Profit Margin	1.1%	-4.0%	-1.3%	0.7%	2.1%	1.3%	2.7%	2.6%	2.6%	3.5%	3.4%	3.5%	3.7%	3.7%	3.7%
Building & Civil Engineering	3.5%	0.0%	2.2%	3.6%	4.4%	4.0%	4.2%	4.2%	4.2%	5.2%	5.2%	5.2%	5.2%	5.2%	5.2%
South Africa	3.0%	-0.7%	1.7%	3.4%	4.2%	3.8%	4.0%	4.0%	4.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Africa	17.3%	4.8%	9.0%	5.5%	9.5%	7.1%	8.0%	8.0%	8.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Roads and Earthworks	4.9%	5.4%	5.1%	5.8%	5.6%	5.7%	5.4%	5.4%	5.4%	6.3%	6.4%	6.4%	6.4%	6.4%	6.4%
South Africa	4.2%	3.4%	3.9%	6.3%	3.2%	4.8%	5.0%	5.0%	5.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Africa	5.9%	7.8%	6.7%	5.1%	8.3%	6.7%	6.0%	6.0%	6.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Australia	-1.4%	-8.1%	-4.9%	-3.1%	-1.0%	-2.2%	0.3%	0.4%	0.3%	1.2%	1.2%	1.2%	1.6%	1.6%	1.6%
Building	0.1%	-1.6%	-0.8%	0.0%	-0.1%	0.0%	0.0%	0.0%	0.0%	1.0%	1.0%	1.0%	1.5%	1.5%	1.5%
Infrastructure	-5.2%	-25.6%	-15.2%	-13.6%	-10.9%	-12.9%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
UK	4.3%	5.2%	4.7%	5.2%	4.2%	4.8%	3.8%	3.8%	3.8%	4.2%	4.2%	4.2%	4.7%	4.6%	4.6%
Byrne	2.6%	2.8%	2.7%	3.7%	3.8%	3.7%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Russells	6.8%	7.7%	7.3%	6.9%	5.4%	6.3%	5.0%	5.0%	5.0%	6.0%	6.0%	6.0%	7.0%	7.0%	7.0%
Property Developments	75.0%	2.6%	19.7%	829.7%	#DIV/0!	1498.2%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Construction Materials	-0.2%	383.3%	-4.9%	6.0%	3.2%		2.5%	2.5%	2.5%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Source: Company data, Chronux Research estimates

Figure 18 Income Statement - Forecast

	06/2012	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019	06/2020	06/2021	06/2022	06/2023	06/2024
Sales	17893	23773	25777	29523	30650	31907	35028	40614	43080	38331	34885	37799	40644
Cost of Goods Sold (COGS) incl. D&A	15897	21698	23678	27376	28620	29768	34193	38652	42266	36641	32681	35256	37953
Gross Income	1996	2075	2099	2147	2031	2139	836	1963	814	1690	2204	2543	2691
SG&A Expense	1050	1204	1189	1422	1227	1219	-	1484	1534	1274	1331	1275	1227
Other Operating Expense	0	0	0	0	0	0	0	0	0	0	-41	-42	-43
EBIT (Operating Income)	946	872	910	724	804	920	836	478	-720	417	914	1310	1506
Nonoperating Income - Net	283	178	237	212	408	288	388	241	335	143	76	79	84
Interest Expense	14	20	34	48	17	16	24	24	35	37	39	41	43
Unusual Expense - Net	60	6	16	170	-	170	1	0	0	0	0	0	0
Income Taxes	403	334	333	251	396	319	351	199	198	273	304	424	485
Equity in Earnings of Affiliates	-40	-15	11	46	46	69	-5	52	109	102	63	66	69
Consolidated Net Income	713	675	775	514	844	771	843	549	-508	351	710	989	1131
Minority Interest	64	63	-175	12	78	49	28	50	-10	35	56	59	62
Net Income	649	612	950	502	766	722	816	499	-498	316	654	931	1070
Discontinued Operations	0	0	-527	67	-40	0	0	0	0	0	0	0	0
Net Income available to Common	649	612	423	569	726	722	816	499	-498	316	654	931	1070
Per Share													
EPS (recurring)	12.54	11.01	7.82	12.45	13.22	15.67	15.35	9.39	-9.36	5.94	12.30	17.49	20.10
EPS (diluted)	11.78	10.93	7.63	10.30	13.22	13.45	15.34	9.39	-9.37	5.94	12.30	17.49	20.10
Earnings Persistence	72.39	88.92	63.41	55.63	28.97	36.89	70.11	70.10	0.00	0.89			
Dividends per Share	3.52	3.68	3.68	3.68	4.48	4.75	4.75	1.90	0.80	0.80	4.10	5.83	6.70
EBITDA													
EBITDA	1219	1150	1237	1020	1046	1131	1076	762	-394	722	1194	1310	1506

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

Wilson Bayly Holmes-Ovcon Limited													
	06/2012	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019	06/2020	06/2021	06/2022	06/2023	06/2024
Rental Expense	22	9	45	63	68	76	48	92	29	-			
Stock Option Comp Exp (Net of Tax)	8	16	24	26	31	42	46	35	32	14			
Foreign Currency Translation Gains/Losses	91	43	80	11	140	-6	128	29	96	-			
Tax Rate	34.9	32.6	30.4	34.9	33.1	31.2	29.3	28.6	-	52.3	30.0	30.0	30.0
Headline EPS	11.67	11.51	11.73	11.75	12.94	13.08	14.15	9.32	-9.23	6.20	12.30	17.49	20.10
Headline EPS (diluted)	11.60	11.39	11.71	11.75	12.94	13.08	14.14	9.32	-9.23	-	12.30	17.49	20.10

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

Wilson Bayly Holmes-Ovcon Limited													
	06/2012	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019	06/2020	06/2021	06/2022	06/2023	06/2024
Price / Sales	0.4	0.4	0.3	0.2	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2
Price / Earnings	10.9	13.9	16.6	9.6	9.5	10.4	9.7	11.7	-10.8	19.0	9.8	6.9	6.0
Price / Book Value	2.2	2.3	1.5	1.4	1.3	1.4	1.4	1.0	0.9	1.2	1.1	1.1	1.1
Price / Tangible Book Value	2.4	2.6	1.8	1.6	1.4	1.6	1.5	1.2	1.2	1.5	1.4	1.3	1.3
Price / Cash Flow	9.6	6.7	22.7	2.4	4.2	6.7	6.6	4.4	6.2	-4.8			
Price / Free Cash Flow	20.9	10.2	891.4	2.7	4.5	8.3	8.2	5.2	7.4	-			
Dividend Yield (%)	2.7	2.4	2.9	3.7	3.6	3.4	3.2	1.7	0.8	0.7	3.4	4.8	5.6
Enterprise Value / EBIT	6.3	8.3	5.5	4.2	1.9	2.5	3.0	0.9	1.6	3.5	-1.3	-0.9	-0.8
Enterprise Value / EBITDA	4.9	6.3	4.0	3.0	1.5	2.0	2.3	0.6	3.0	2.0	-1.0	-0.9	-0.8
Enterprise Value / Sales	0.3	0.3	0.2	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
EBIT / Interest Expense (Int. Coverage)	69.6	43.6	26.8	15.0	47.8	56.3	35.4	20.3	-20.6	11.2	23.3	31.8	34.8

Source: Factset, Company data, Chronux Research estimates

Figure 19 Balance Sheet and Cash Flow - Forecast

	06/2012	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019	06/2020	06/2021	06/2022	06/2023	06/2024
Assets													
Cash & Short-Term Investments	3069	3346	2759	3995	5773	5546	5992	5952	7599	5681	5760	6001	5943
Short-Term Receivables	5009	5248	6169	6302	5618	6314	7833	8199	6843	7320	5895	6774	7697
Inventories	183	191	259	215	210	259	285	328	365	406	434	465	498
Other Current Assets	37	168	70	203	303	228	263	65	164	-	107	111	116
Total Current Assets	8298	8952	9257	10715	11904	12346	14373	14543	14972	13407	12196	13352	14255
Net Property, Plant & Equipment	1645	1950	2163	1984	1710	1635	1883	1937	2461	2084	1749	1836	1927
Total Investments and Advances	455	486	195	352	411	454	745	1069	1105	885	885	885	885
Long-Term Note Receivable	170	166	292	119	235	643	423	391	553	265	270	276	281
Intangible Assets	460	583	646	498	572	524	531	921	1086	1006	1006	1006	1006
Deferred Tax Assets	218	201	366	462	559	632	668	904	734	797	719	649	586
Other Assets	0	0	478	238	0	0	0	0	0	0	922	338	3
Total Assets	11246	12337	13398	14369	15391	16234	18624	19765	20910	18475	17748	18341	18942
Liabilities & Shareholders' Equity													
ST Debt & Curr. Portion LT Debt	79	136	283	139	116	82	155	102	177	-	0	0	0
Accounts Payable	1648	1828	1259	1777	2281	3390	3727	6103	6826	7506	9204	9871	10527
Income Tax Payable	189	176	278	50	51	210	287	15	63	18	18	19	20
Other Current Liabilities	4939	5449	5940	6912	7198	6862	8239	7043	7276	4771	2286	2098	1926
Total Current Liabilities	6855	7589	7760	8879	9645	10544	12407	13264	14342	12295	11508	11988	12474
Long-Term Debt	132	142	166	113	17	193	170	193	658	274	200	200	200
Provision for Risks & Charges	0	0	0	0	0	-	0	0	0	0	0	0	0
Deferred Tax Liabilities	12	12	33	48	24	57	28	174	28	29	31	32	33
Other Liabilities	19	19	575	455	18	0	0	0	0	252	0	0	0
Total Liabilities	7018	7762	8533	9494	9704	10794	12605	13631	15029	12850	11739	12220	12707
Common Equity	3956	4423	4591	4613	5428	5301	5812	5866	5676	5529	5639	5751	5865
Total Shareholders' Equity	3956	4423	4591	4613	5428	5301	5812	5866	5676	5529	5639	5751	5865
Accumulated Minority Interest	272	152	274	262	258	140	208	268	205	96	96	96	96
Total Equity	4228	4575	4865	4875	5687	5440	6019	6134	5882	5625	5735	5847	5962
Total Liabilities & Shareholders' Equ	11246	12337	13398	14369	15391	16234	18624	19765	20910	18475	17474	18067	18669
Per Share													
Book Value per Share	59.94	67.02	82.95	69.89	98.95	99.70	109.24	110.32	106.74	92.32	107.79	109.90	112.05
Tangible Book Value per Share	52.97	58.19	71.27	62.34	88.52	89.85	99.26	93.00	86.32	75.52	88.89	91.00	93.15
	06/2012	06/2013	06/2014	06/2015	06/2016	06/2017	06/2018	06/2019	06/2020	06/2021	06/2022	06/2023	06/2024
Operating Activities													
Net Income / Starting Line	976	939	934	891	1005	986	1045	561	-541	-	679	1259	1094
Depreciation, Depletion & Amortization	273	279	356	296	258	211	240	283	326	-	279	0	0
Other Funds	-501	-153	-430	-71	74	-106	-336	463	-37	692	0	0	0
Funds from Operations	748	1065	860	1116	1336	1092	950	1308	-252	692	959	1259	1094
Changes in Working Capital	-4	218	-550	1142	313	32	263	33	1120	-1934	-349	-378	-406
Net Operating Cash Flow	743	1282	310	2259	1649	1124	1213	1341	867	-1242	610	881	688
Investing Activities													
Capital Expenditures	-403	-435	-302	-202	-116	-220	-238	-223	-137	-95	-250	-263	-276
Net Assets from Acquisitions	-41	-243	-55	0	0	0	-93	-736	-133	-186	0	0	0
Sale of Fixed Assets & Businesses	54	50	135	296	213	139	78	60	30	93	0	0	0
Purchase/Sale of Investments	90	-40	-81	-139	-96	-37	-242	-144	213	145	0	0	0
Other Funds	0	-8	-195	-218	421	-62	93	30	32	75	0	0	0
Net Investing Cash Flow	-301	-676	-498	-263	422	-180	-402	-1014	5	33	-250	-263	-276
Financing Activities													
Cash Dividends Paid	-204	-282	-265	-252	-274	-302	-275	-167	-114	0	-254	-352	-445
Change in Capital Stock	0	0	0	-52	0	-279	0	0	-11	-20	0	0	0
Issuance/Reduction of Debt, Net	-36	-103	-186	-178	-281	-89	-63	-208	103	0	0	0	0
Other Funds	0	0	0	-65	-42	-185	-74	-117	0	0	-158	-158	-158
Net Financing Cash Flow	-240	-385	-451	-546	-596	-854	-412	-491	-211	-179	-412	-510	-603
Exchange Rate Effect	-	45	-60	-146	259	-167	-31	-16	986	-531	0	0	0
Net Change in Cash	203	267	-699	1303	1734	-78	368	-180	1647	-1919	-53	109	-190
Free Cash Flow	340	847	8	2056	1533	904	975	1118	730	-1337	360	619	412
Free Cash Flow per Share	6.17	15.14	0.14	37.23	27.94	16.84	18.33	21.05	13.74	-25.13	6.76	11.63	7.75
Free Cash Flow Yield (%)	4.8	9.8	0.1	37.6	22.2	12.0	12.3	19.2	13.6	-22.2	5.6	9.7	6.4

Source: Factset, Company data, Chronux Research estimates

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