



Raubex – FY26 Results

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Key message: Roads and renewable energy keep the order book full – but as yet no general infrastructure spend uptick.

Analyst

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- Raubex reported FY26 results. HEPS increased by 2% to 611.3c on a 5% and 12% increase in revenue and operating profit respectively. A final dividend of 121c was declared (total dividend 202c). The order book increased by 12% to R31.46bn with continued strong activity in the roads and infrastructure sectors.
- **Key takeaways from the discussion:** Bauba had a strong 2H that added to the continued good performance from the Roads & Earthworks and Infrastructure divisions. This boosted the operating margin to 7.9% (from 7.4%). Bauba was boosted by the start of PGM sales in January 2026 and higher chrome prices. The strategic decision to sell Bauba remains intact although the process is not expected to be concluded in the short-term. Raubex is looking to exit the mining business completely and will not hold onto any of Bauba assets. We believe that this is the right decision as the mining sector is very cyclical and more capital intensive than Raubex expected. However, achieving the R1.5bn NAV value in a sale may prove challenging.
- Construction Materials demand remains strong, driven by roads projects. We expect this to maintain given the high activity levels in that sector. The expected restarting of the ferrochrome smelters should boost bentonite sales. The Roads & Earthworks division continues to execute well, but replacement of the order book is a risk as the order book declined in 2H FY26. While R5.5bn of tenders await adjudication, SANRAL has slipped back into a lull – the length of which is always uncertain.
- While the loss-making project in Australia was a disappointment, the risk of further problem contracts is low as long as Raubex sticks to simple contracting work. Integrating all of Raubex's road and civils capabilities in Australia is a work-in-progress.
- Raubex continues to stick to their strength – low-risk contracting that delivers a steady margin. This should help maintain earnings stability, although order-book replacement could be challenging should SANRAL tenders enter a period of inactivity. Margin growth from current levels (ex-Bauba) is linked to increased infrastructure spend due to the shortage of large liquid contractors – something still awaited from government. We increase our FY27 and FY28 HEPS forecasts by 2% and 3% respectively. We maintain our Target Price at R66.

Rating: **Outperform**

Price (14/05/2026): R52.00

Target Price: R66.00

Dividend yield: 4.7%

Total return: 32%

Market cap R9.38bn

Shares in issue 180.7mn

Financial summary

ZARmn (year to February)	FY25A	FY26A	1H FY27	2H FY27	FY27E	FY28E	FY29E
Revenue	21077	22048	12037	11887	23925	25441	27086
EBITDA	2325	2531	1496	1729	3225	3453	3698
Net income	1082	1100	616	728	1345	1513	1695
Headline EPS (diluted)	592	599	335	396	731	822	921
PE Ratio	7.0	9.3			7.1	6.3	5.6
Dividend	198	202	112	132	244	274	307
Dividend yield (%)	4.7%	3.5%			4.7%	5.3%	5.9%

Source: Factset, Company data, Chronux Research estimates

Figure 1 Financial summary

Financial year to February	FY25A	FY26A	1H FY27	2H FY27	FY27E	FY28E	FY29E
ZAR/AUD exchange rate	11.71	11.23	11.15	11.22	11.18	11.33	11.50
Per share data							
Earnings (diluted)	594	597	335	396	731	822	921
Headline earnings (diluted)	592	599	335	396	731	822	921
<i>HEPS growth</i>		1.2%	39.3%	10.5%	22.1%	12.5%	12.0%
NAV	36.67	40.46			48.87	54.99	65.63
Dividend	198	202	112	132	244	274	307
Valuation ratios							
P/E ratio	7.0	9.3			7.1	6.3	5.6
EV/EBITDA	3.7	4.6			3.7	3.5	3.3
P/B	1.15	1.41			1.06	0.94	0.79
Dividend yield	4.7%	3.5%			4.7%	5.3%	5.9%
ROE	15.1%	14.0%			15.3%	15.3%	14.3%
ROCE	16.9%	16.7%			21.1%	21.0%	19.7%
Income Statement (ZARmn)							
Sales	21,077	22,048	12,037	11,887	23,925	25,441	27,086
<i>Sales growth</i>		4.6%	11.0%	6.1%	8.5%	6.3%	6.5%
Cost of Goods Sold (COGS)	18,578	19,175	10,472	10,342	20,814	22,134	23,565
Gross Income	2,499	2,873	1,565	1,545	3,110	3,307	3,521
<i>Gross margin</i>	11.9%	13.0%	13.0%	13.0%	13.0%	13.0%	13.0%
SG&A Expense	(1,053)	(1,183)	(494)	(278)	(772)	(794)	(820)
Other Operating Income/Expense	110	43	0	0	0	0	0
EBITDA	2,325	2,531	1,496	1,729	3,225	3,453	3,698
<i>EBITDA margin</i>	11.0%	11.5%	12.4%	14.5%	13.5%	13.6%	13.7%
Depreciation & Amortisation	(768)	(795)	(426)	(461)	(887)	(940)	(997)
EBIT (Operating Income)	1,556	1,737	1,070	1,268	2,338	2,513	2,701
<i>EBIT margin</i>	7.4%	7.9%	8.9%	10.7%	9.8%	9.9%	10.0%
Nonoperating Income - Net	6	9	9	9	9	9	9
Net Interest Expense	(32)	(91)	(68)	(73)	(141)	(58)	32
Equity in Earnings of Affiliates	(2)	(3)	1	(4)	(3)	(3)	(3)
PBT	1,528	1,652	1,012	1,200	2,203	2,461	2,740
Income Taxes	(453)	(477)	(301)	(357)	(658)	(736)	(819)
<i>Tax rate</i>	29.6%	28.9%	29.7%	29.8%	29.9%	29.9%	29.9%
Consolidated Net Income	1,069	1,166	702	833	1,536	1,717	1,911
Minority Interest	13	(66)	(86)	(105)	(191)	(203)	(216)
Net Income	1,082	1,100	616	728	1,345	1,513	1,695
Cash flow statement (ZARmn)							
Changes in working capital	153	(601)	(13)	(13)	(27)	(5)	(4)
Cash from operating activities	1,959	1,167	1,231	1,165	2,396	2,652	2,905
Capital expenditure	(1,382)	(1,372)	(337)	(380)	(717)	(779)	0
Other	83	210	0	0	0	0	0
Investing cash flow	(1,299)	(1,162)	(337)	(380)	(717)	(779)	0
Changes in borrowings	306	167	(138)	(124)	(263)	(213)	(172)
Dividend paid	(434)	(387)	(270)	(218)	(488)	(538)	(605)
Other	(35)	(18)	0	0	0	0	0
Financing cash flow	(163)	(238)	(408)	(342)	(750)	(751)	(777)
Change in cash	497	(233)	486	443	929	1,122	2,127
Balance sheet (ZARmn)							
Total assets	14,907	16,459	16,793	17,556	17,556	18,910	21,165
Cash and equivalents	2,117	1,875	2,361	2,804	2,804	3,926	6,053
Other current assets	5,323	5,829	5,947	6,282	6,282	6,753	7,268
Non-current assets	7,467	8,755	8,485	8,470	8,470	8,231	7,844
Total liabilities	7,758	8,586	8,505	8,749	8,749	9,002	9,340
Long-term liabilities	2,053	2,547	2,409	2,285	2,285	2,072	1,900
Current liabilities	5,705	6,039	6,096	6,464	6,464	6,930	7,440
Total shareholders' funds	7,149	7,872	8,288	8,807	8,807	9,908	11,826
Net cash/(debt)	(151)	(859)	(235)	0	332	1,667	3,966

Source: Factset, Company data, Chronux Research estimates

Valuation

Figure 2 Sum-of-the-Parts Valuation – FY27 EBITDA

ZARm	Multiple range	Comment	FY27 EBITDA	EV/EBITDA Multiple	Enterprise Value
Materials Handling & Mining	2-4x	Low-end with volatile mining earnings	1,083	3.0x	3,249
Construction Materials	3-6x	High end with demand picking up	559	5.0x	2,794
Roads & Earthworks	3-6x	High end with good execution and a full order book	723	6.0x	4,339
Infrastructure	3-6x	High end with growing diversification	570	6.0x	3,422
Australia	3-6x	High end with growing diversification	290	5.0x	1,448
			2,935	5.2x	15,252
Other assets		From balance sheet			35
Minorities		From balance sheet			-575
Net (debt)/cash		Assume 5% of order book is locked up			-2,432
Equity value					12,279
Number of shares ('m)					184.048
Valuation (ZAR per share)					66.72

Source: Company data, Chronux Research estimates

- The Materials Handling & Mining exit multiple is low due to the high proportion of more volatile mining revenue from Bauba Resources. The entry into the junior mining sector is not without risks – the capex profile has increased significantly to fund the capitalisation of the operations.
- We increase our FY27 and FY28 HEPS forecasts by 2% and 3% respectively. We maintain our Target Price at R66.

Figure 3 HEPS Adjustments

	<u>FY27E</u>	<u>FY28E</u>
Previous forecast	715	800
Current forecast	731	822
% change	2.2%	2.8%

Source: Company data, Chronux Research estimates

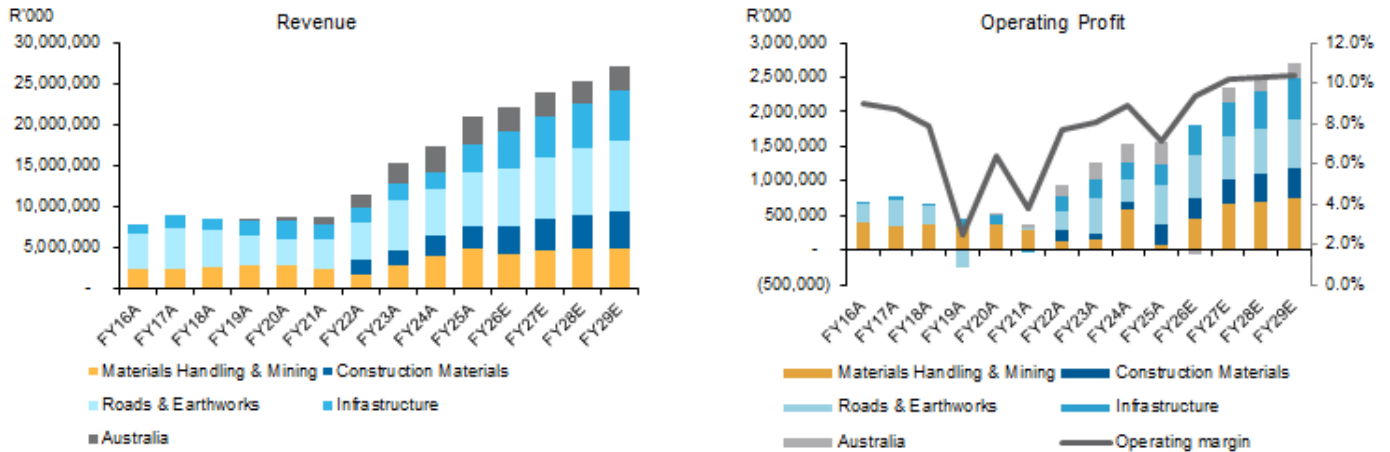
- On a PE valuation, we would put Raubex on a normalised 6-8 times PE multiple in the long-term given the increasing diversity and low risk contracting nature of the business.

Figure 4 PE Valuation

	<u>2026A</u>	<u>2027E</u>	<u>2028E</u>	<u>2029E</u>
HEPS	599	731	822	921
RBX PE	8.7	7.1	6.3	5.7
TP Fwd PE	11.1	9.1	8.1	7.2

Source: Company data, Chronux Research estimates

Figure 5 Revenue and Operating Profit

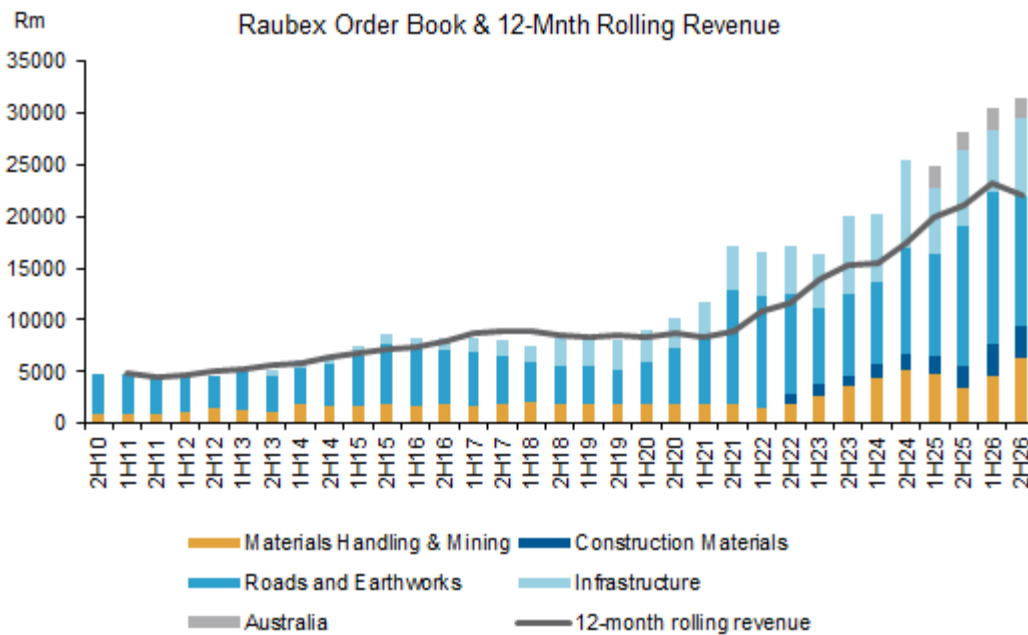


Source: Chronux Research

Order Book

- The order book has grown strongly and provides good visibility for growth into and FY27 and FY28.
- The order book increased to R31.5bn (from R28.2bn). The risk profile in the order book remains low with projects starting to be selectively bid.

Figure 6 Order Book by Division

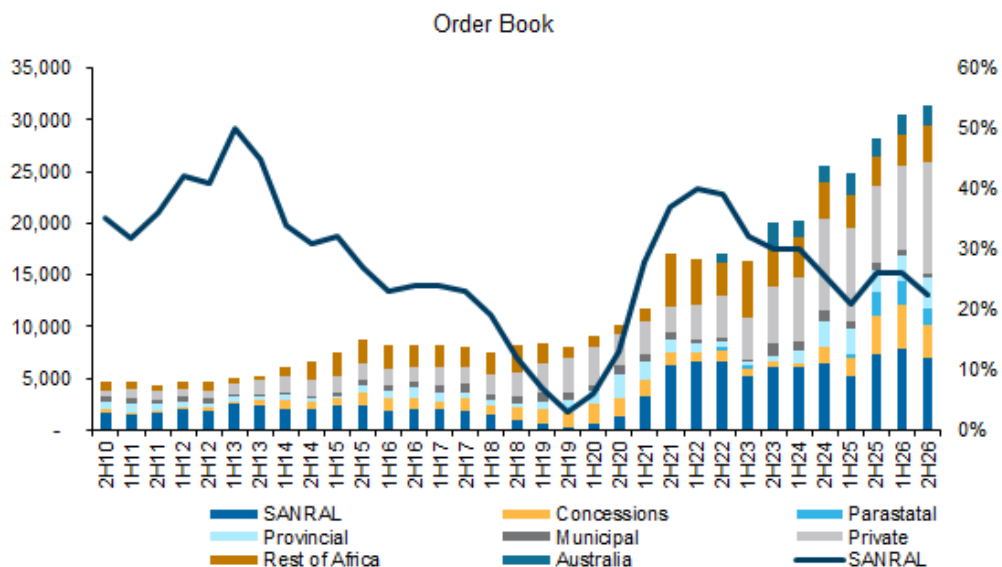


Source: Company data, Chronux Research estimates

- The diversity of the order book through the divisions is evident as the order book has grown in recent periods. There is a more evenly spread of work through the divisions now providing more sustainability to the business.

- SANRAL makes up 22% of the total order book. Raubex is looking to diversify away from SANRAL, and this exposure is likely to slowly decline over time. However, it remains an important part of the business and an active SANRAL also soaks up capacity – allowing margin expansion in the overall road sector.

Figure 7 Order Book by Sector

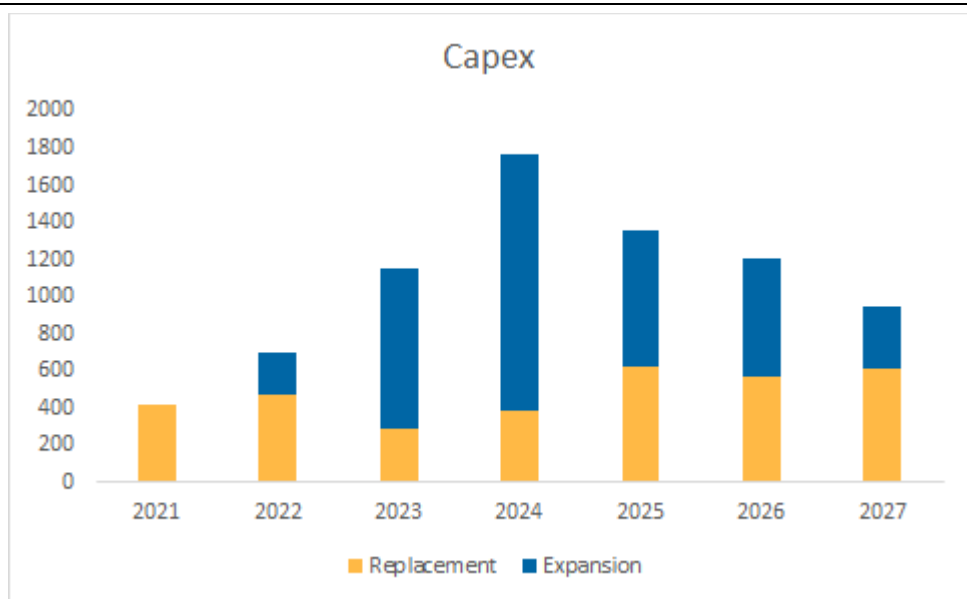


Source: Company data, Chronux Research estimates

Capex

- Raubex now owns 50% of Bauba, with Pelagic – a commodity trader – owns the other 50%. Pelagic looks after the logistics operations.
- Raubex paid a total of approx. R180m for the purchase of 65% of Bauba Resources. Capex for the division is high (approx. R1.5bn to be spent at Bauba) – this was largely finished in FY25.
- Raubex should be able to fund the capex from internal resources and will not need to raise debt. The payback period looks to be 4-5 years. Ongoing maintenance capex for the mining division should be approx. R40-50m/annum.

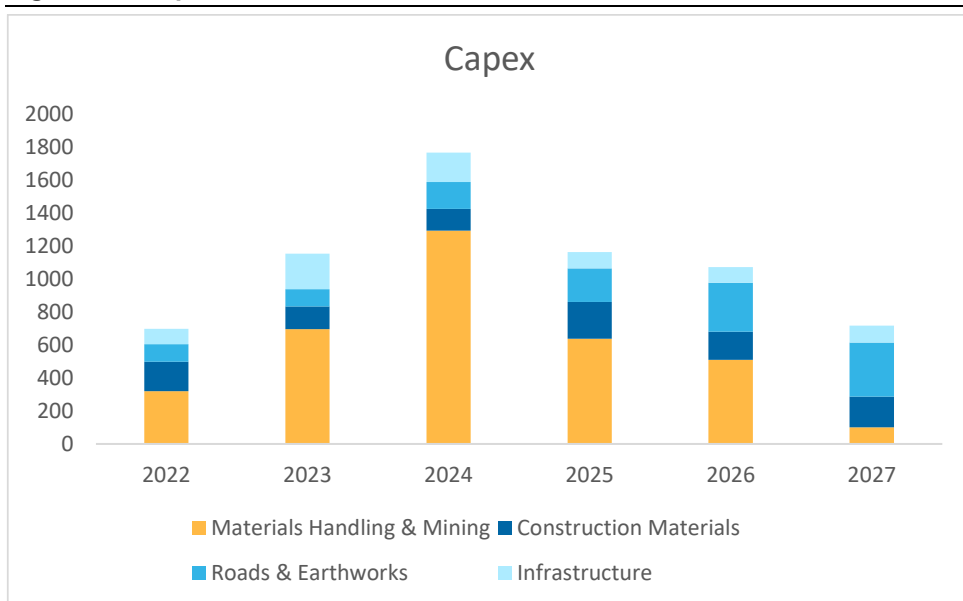
Figure 8 Capex



Source: Company data, Chronux Research estimates

- Capex by division is shown below.

Figure 9 Capex



Source: Company data, Chronux Research estimates

Notes from the results

Bauba

- Sales process underway, hopefully concluded over next 12 months.
- RBX will try to sell the full business and is not looking to retain any parts of it.
- NAV is R1.5bn.
- FeCr price was lower 2H.
- The bulk of the uplift in profitability in 2H was due to the commencement of sales of PGM's.
- Moeijlik
 - New contractor settled.
 - Production is at 35ktpm, target is 40ktpm.
 - However, there is still pressure on production.
 - The mine is low margin but making positive operating profit.
 - It is loss making after loan cost.
- Kookfontein
 - Mining lower grade – this is putting pressure on unit costs.
 - It is operating at 80ktpm – full capacity.
 - Yield 44–45%.
 - Chrome ore is not too profitable.
 - PGM's
 - Sold 9000 oz (@ R30k/oz) in FY26.
 - Costs R15m/month.
 - Should be producing ~1500 oz/month
 - Plant performance has been good.
 - Starting selling product in Jan/Feb 2026.

Other Materials Handling

- B&E – good year – good Namibian performance.
 - Contract crushing good.
 - Mozambique operations starting up again.
- SPH – good year.
 - Shiploading at Saldanha going well.

Construction Materials

- Extreme weather in 1H FY26 impacted the result, but 2H was much better.
- Tosas, National Asphalt performed well after May 2026.
- Aggregates
 - Northern region – good demand (roads).
 - Southern region – lower ballast sales to Transnet.
- OMV – performed well.
 - Bentonite sales impacted by FeCr smelter closures.
 - Offset by gypsum acquisition.

- Order book good
- Bitumen supply OK, not yet impacted by Strait closure.
 - 6 weeks stock.
 - Source mainly from Europe.

Roads

- Senqu bridge finished.
 - Good profits released.
- SANRAL, concessionaires still active.
 - R5,5bn imminent awards.
 - lull in recent SANRAL tender activity.
- SANRAL
 - N3/N2 works ongoing.
 - Flood damage – provincial/municipal
 - Chinese contractors – well behind on N3 project.
- Botswana, Namibia active.
- Zambia – all money out.
 - Some activity expected.

Infrastructure

- Renewable energy
 - 40% of revenue
 - Only contracting on private IPP's.
- Transmission PPP's – slow progress.
- Eskom – some transmission projects.
 - Civil works subcontractor.
 - Concrete bases, roads
- Water
 - Tendering on waste-water plants.
 - Water pipeline projects expected.
- Building
 - Student accommodation.
 - Affordable housing.
- Industrial
 - Not that active.
 - Data centres – Raubex not involved.

Australia

- Problem project fully settled.
- Otherwise going well
- Axis acquisition
 - Family-owned business
- Margins – 6–8%

- Integrated model in Australia not yet fully established.

Other financial

- Minorities line will increase in FY27.
 - Bauba 50%.
 - Australia 30%.

Figure 10 Divisional Forecast

	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue	8,846,454	11,577,951	15,307,479	17,425,168	21,076,974	22,048,117	23,924,625	25,441,185	27,086,278
Materials Handling & Mining	2,452,181	1,611,100	2,877,958	4,017,939	4,826,519	4,127,535	4,731,775	4,861,134	4,993,029
Contracting	992,853	1,114,360	1,147,042	1,099,387	1,547,533	1,607,718	1,720,258	1,806,271	1,896,585
Sale of ore		21,569	1,359,851	2,367,974	2,648,090	2,398,969	2,878,584	2,912,625	2,947,094
Commercial quarry aggregates gypsum	1,107,148	433,359	369,602	548,899	629,907	120,848	132,933	142,238	149,350
Plant hire	352,180	41,537	-	-	-	-	-	-	-
Property sales & rentals		275	1,463	1,679	989	-	-	-	-
Construction Materials		1,842,024	1,877,175	2,421,660	2,678,218	3,499,571	3,760,859	4,041,770	4,343,785
Contracting		40,557	14,789	7,417	6,105	-	-	-	-
Commercial quarry aggregates gypsum		878,980	629,331	960,289	1,013,618	1,828,365	1,956,351	2,093,295	2,239,826
Bitumen emulsion products and services		521,630	682,264	696,261	828,040	725,286	783,309	845,974	913,651
Asphalt supply		400,857	550,791	757,693	830,455	940,996	1,016,276	1,097,578	1,185,384
Property sales & rentals						4,924	4,924	4,924	4,924
Roads & Earthworks	3,549,996	4,576,198	6,037,985	5,668,427	6,796,350	7,130,149	7,629,259	8,163,308	8,734,739
Contracting	2,930,578	4,576,198	6,037,985	5,668,427	6,796,350	7,130,149	7,629,259	8,163,308	8,734,739
Bitumen emulsion products and services	296,156	-	-	-	-	-	-	-	-
Asphalt supply	323,262	-	-	-	-	-	-	-	-
Infrastructure	1,746,040	1,908,550	1,990,501	1,997,166	3,342,691	4,353,345	4,865,215	5,437,456	6,077,207
Contracting	1,643,370	1,837,540	1,934,951	1,836,530	2,823,904	3,826,767	4,285,979	4,800,297	5,376,332
Property sales rentals and development	102,670	71,010	55,550	160,636	518,787	526,578	579,236	637,159	700,875
Australia	1,098,237	1,640,079	2,523,860	3,319,976	3,433,196	2,937,517	2,937,517	2,937,517	2,937,517
Revenue growth	1%	31%	32%	14%	21%	5%	9%	6%	6%
Materials Handling & Mining	-11%	-34%	79%	40%	20%	-14%	15%	3%	3%
Contracting	-15%	12%	3%	-4%	41%	4%	7%	5%	5%
Sale of ore				74%	12%	-9%	20%	1%	1%
Commercial quarry aggregates gypsum	0%	-61%	-15%	49%	15%	-81%	10%	7%	5%
Plant hire	-26%	-88%							
Property sales & rentals			432%	15%	-41%	-100%			
Construction Materials			2%	29%	11%	31%	7%	7%	7%
Contracting			-64%	-50%					
Commercial quarry aggregates gypsum			-28%	53%	6%	80%	7%	7%	7%
Bitumen emulsion products and services			31%	2%	19%	-12%	8%	8%	8%
Asphalt supply			37%	38%	10%	13%	8%	8%	8%
Property sales & rentals									
Roads & Earthworks	10%	29%	32%	-6%	20%	5%	7%	7%	7%
Contracting	23%	56%	32%	-6%	20%	5%	7%	7%	7%
Bitumen emulsion products and services	-49%								
Asphalt supply	15%								
Infrastructure	-21%	9%	4%	0%	67%	30%	12%	12%	12%
Contracting	-18%	12%	5%	-5%	54%	36%	12%	12%	12%
Property sales rentals and development	-50%	-31%	-22%	189%	223%	2%	10%	10%	10%
Australia	100%	49%	54%	32%	3%				
Operating profit	364,456	945,316	1,276,139	1,536,688	1,556,436	1,736,562	2,338,005	2,513,430	2,701,430
Materials Handling & Mining	301,811	124,124	168,589	584,660	80,693	444,887	659,430	706,816	754,925
Materials Handling			(37,311)	227,860	316,493	201,187	259,447	272,791	286,431
Bauba			205,900	356,800	(235,800)	243,700	399,984	434,025	468,494
Construction Materials		178,720	81,511	115,042	284,244	312,519	376,086	404,177	434,379
Roads & Earthworks	10,439	267,205	510,859	331,495	587,175	612,691	610,341	653,065	698,779
Infrastructure	(22,070)	197,799	267,819	226,891	300,392	426,911	486,521	543,746	607,721
Australia	74,276	177,468	247,361	278,600	303,932	(60,446)	205,626	205,626	205,626
Other									
Operating margin	4.1%	8.2%	8.3%	8.8%	7.4%	7.9%	9.8%	9.9%	10.0%
Materials Handling & Mining	12.3%	7.7%	5.9%	14.6%	1.7%	10.8%	12.0%	12.0%	12.0%
Materials Handling			-2.5%	13.8%	14.5%	11.6%	14.0%	14.0%	14.0%
Bauba			15.1%	15.1%	-8.9%	10.2%	13.9%	14.9%	15.9%
Construction Materials		9.7%	4.3%	4.8%	10.6%	8.9%	10.0%	10.0%	10.0%
Roads & Earthworks	0.3%	5.8%	8.5%	5.8%	8.6%	8.6%	8.0%	8.0%	8.0%
Infrastructure	-1.3%	10.4%	13.5%	11.4%	9.0%	9.8%	10.0%	10.0%	10.0%
Australia	6.8%	10.8%	9.8%	8.4%	8.9%	-2.1%	7.0%	7.0%	7.0%

Source: Company data, Chronux Research estimates

Figure 11 Income Statement - Forecast

Raubex Group Limited	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	02/2026	02/2027	02/2028	02/2029
Sales	9006	8542	8519	8735	8846	11578	15307	17425	21077	22048	23925	25441	27086
Cost of Goods Sold (COGS) incl. D&A	7765	7419	7795	7648	7840	10021	13239	14957	18648	19209	20814	22134	23565
Gross Income	1241	1123	724	1087	1006	1557	2069	2468	2429	2839	3110	3307	3521
SG&A Expense	479	507	526	528	611	633	824	971	977	1202	772	794	820
Other Operating Expense	0	0	0	0	0	0	1	-1	-7	-120	0	0	0
EBIT (Operating Income)	762	616	197	559	396	924	1244	1498	1460	1757	2338	2513	2701
Nonoperating Income - Net	73	101	91	13	80	85	145	183	187	105	119	178	250
Interest Expense	90	75	58	71	78	65	112	167	199	212	260	237	217
Unusual Expense - Net	127	3	49	54	55	22	49	42	-77	5	0	0	0
Income Taxes	209	188	64	145	139	288	363	399	453	477	658	736	819
Equity in Earnings of Affiliates	1	0	-1	0	-1	-8	-7	1	-2	-3	-3	-3	-3
Consolidated Net Income	410	453	117	301	203	625	859	1074	1069	1166	1536	1717	1911
Minority Interest	38	29	59	49	45	73	154	226	-13	66	191	203	216
Net Income	372	424	58	252	158	552	704	848	1082	1100	1345	1513	1695
Discontinued Operations	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Income available to Common	372	424	58	252	158	552	704	848	1082	1100	1345	1513	1695
Per Share													
EPS (recurring)	2.51	2.35	0.51	1.59	1.08	3.12	4.08	4.84	5.64	5.99	7.46	8.40	9.41
EPS (diluted)	2.02	2.34	0.32	1.38	0.87	3.04	3.89	4.67	5.94	5.97	7.31	8.22	9.21
Earnings Persistence	88.70	92.52	92.49	84.14	78.48	77.43	84.64	78.17	87.93	79.75			
Dividends per Share	0.90	0.78	0.34	0.22	0.53	1.01	1.29	1.55	1.98	0.22	2.44	2.74	3.07
EBITDA													
EBITDA	1139	980	588	1024	860	1361	1894	2255	2242	2599	3225	3453	3698

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

Raubex Group Limited	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	02/2026	02/2027	02/2028	02/2029
Rental Expense	53	40	36	38	48	73	85	74	100	124			
Stock Option Comp Exp (Net of Tax)	7	0	5	6	8	12	4	8	25	44			
Foreign Currency Translation Gains/Losses	-24	-9	2	-16	-14	11	55	24	-16	-35			
Tax Rate	33.8	29.4	35.1	32.5	40.5	31.2	29.6	27.1	29.7	29.0	30.0	30.0	30.0
Headline EPS	2.02	2.29	0.32	1.62	0.82	2.97	3.93	4.76	6.00	6.11	7.46	8.40	9.41
Headline EPS (diluted)	2.00	2.29	0.32	1.61	0.81	2.95	3.91	4.72	5.92	5.99	7.31	8.22	9.21

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

Raubex Group Limited	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	02/2026	02/2027	02/2028	02/2029
Price / Sales	0.5	0.5	0.4	0.4	0.5	0.6	0.3	0.3	0.4	0.5	0.4	0.4	0.3
Price / Earnings	12.0	9.7	58.3	15.1	26.2	13.1	7.3	5.9	7.0	9.3	7.1	6.3	5.6
Price / Book Value	1.2	1.0	0.8	0.9	0.9	1.5	1.0	0.9	1.1	1.4	1.1	0.9	0.8
Price / Tangible Book Value	1.5	1.3	1.1	1.2	1.2	1.9	1.2	1.0	1.4	1.6	1.2	1.0	0.8
Price / Cash Flow	4.6	4.9	5.5	6.5	3.7	12.9	3.2	3.4	3.9	9.0			
Price / Free Cash Flow	8.3	10.2	17.4	438.3	5.9	-	11.8	-	13.3	758.4			
Dividend Yield (%)	3.7	3.4	1.8	1.0	2.3	2.5	4.5	5.5	4.7	3.5	4.7	5.3	5.9
Enterprise Value / EBIT	5.8	6.5	16.9	7.7	9.4	8.2	4.4	4.1	5.7	6.7	5.2	4.8	4.5
Enterprise Value / EBITDA	3.9	4.1	5.7	4.2	4.3	5.5	2.9	2.7	3.7	4.6	3.7	3.5	3.3
Enterprise Value / Sales	0.5	0.5	0.4	0.5	0.4	0.7	0.4	0.4	0.4	0.5	0.5	0.5	0.4
EBIT / Interest Expense (Int. Coverage)	8.5	8.2	3.4	7.9	5.1	14.2	11.1	9.0	7.3	8.3	9.0	10.6	12.4

Source: Factset, Company data, Chronux Research estimates

Figure 12 Balance Sheet and Cash Flow - Forecast

	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	02/2026	02/2027	02/2028	02/2029
Assets													
Cash & Short-Term Investments	1104	1084	963	1014	1892	1505	1697	1662	2117	1875	2804	3926	6053
Short-Term Receivables	1829	1779	1745	1892	1651	2417	2488	2977	3533	3860	4333	4746	5200
Inventories	524	601	698	587	689	975	1278	1486	1629	1845	1901	1958	2018
Other Current Assets	58	20	28	242	61	56	43	176	160	124	48	49	50
Total Current Assets	3514	3484	3434	3733	4293	4953	5506	6301	7440	7704	9086	10679	13321
Net Property, Plant & Equipment	2364	2410	2536	2828	2679	3420	4004	4976	5694	6595	6990	7409	7853
Total Investments and Advances	49	112	43	97	119	465	628	600	509	510	5	5	5
Long-Term Note Receivable	101	82	54	108	157	14	4	2	0	-	0	0	0
Intangible Assets	851	948	1038	1028	1025	1000	1002	1084	1061	1029	833	675	547
Deferred Tax Assets	41	40	95	132	156	115	171	205	183	223	223	223	223
Other Assets	73	65	67	55	58	32	27	27	20	399	27	-473	-1176
Total Assets	6994	7140	7266	7982	8487	10000	11343	13195	14907	16459	17163	18517	20773
Liabilities & Shareholders' Equity													
ST Debt & Curr. Portion LT Debt	388	365	299	359	430	465	586	700	895	1375	1379	1379	1379
Accounts Payable	909	717	548	463	644	938	1092	1384	1560	1201	4921	5387	5896
Income Tax Payable	79	85	39	44	33	68	117	91	141	121	121	121	121
Other Current Liabilities	569	852	1172	1213	1479	1906	2202	2345	3109	3342	43	43	43
Total Current Liabilities	1945	2019	2058	2079	2586	3377	3998	4521	5705	6039	6464	6930	7440
Long-Term Debt	563	411	363	894	747	950	1033	1385	1489	1475	1212	1000	827
Provision for Risks & Charges	75	83	106	108	110	135	135	222	204	353	353	353	353
Deferred Tax Liabilities	312	342	292	280	268	245	317	425	334	471	471	471	471
Other Liabilities	150	87	120	107	102	75	56	36	25	249	249	249	249
Total Liabilities	3044	2942	2938	3468	3812	4782	5540	6588	7758	8586	8749	9002	9340
Common Equity	3797	4041	4065	4256	4403	4796	5298	5906	6598	7298	8041	8939	10640
Total Shareholders' Equity	3797	4041	4065	4256	4403	4796	5298	5906	6598	7298	8041	8939	10640
Accumulated Minority Interest	152	157	262	257	271	422	505	701	551	575	766	969	1185
Total Equity	3950	4198	4327	4514	4674	5218	5803	6607	7149	7872	8807	9908	11826
Total Liabilities & Shareholders' Equity	6994	7140	7266	7982	8487	10000	11343	13195	14907	16459	17556	18910	21165
Per Share													
Book Value per Share	21.05	22.24	22.37	23.54	24.35	26.64	29.56	32.85	36.67	40.46	48.87	54.99	65.63
Tangible Book Value per Share	16.33	17.02	16.66	17.85	18.68	21.08	23.96	26.82	30.78	34.75	44.25	51.24	62.59
	02/2017	02/2018	02/2019	02/2020	02/2021	02/2022	02/2023	02/2024	02/2025	02/2026	02/2027	02/2028	02/2029
Operating Activities													
Net Income / Starting Line	619	641	181	446	342	913	1222	1473	1522	1643	1509	1712	1908
Depreciation, Depletion & Amortization	375	364	388	462	460	434	646	757	782	842	887	940	997
Other Funds	-88	-171	-132	-110	-273	-202	-299	-355	-489	-612	0	0	0
Funds from Operations	906	834	437	798	529	1145	1568	1875	1816	1873	2396	2652	2905
Changes in Working Capital	79	13	179	-208	592	-579	23	-393	143	-706	0	0	0
Net Operating Cash Flow	984	846	616	590	1120	566	1591	1481	1959	1167	2396	2652	2905
Investing Activities													
Capital Expenditures	-441	-441	-421	-582	-417	-696	-1153	-1701	-1382	-1167	-717	-779	0
Net Assets from Acquisitions	-26	-123	-117	-18	0	-84	-156	-128	-44	-343	0	0	0
Sale of Fixed Assets & Businesses	89	100	60	116	102	187	64	75	55	94	0	0	0
Purchase/Sale of Investments	2	-38	-37	-14	-1	-110	-73	-45	45	101	0	0	0
Other Funds	0	0	0	0	180	0	0	31	-7	2	0	0	0
Net Investing Cash Flow	-375	-502	-515	-497	-136	-703	-1317	-1768	-1334	-1313	-717	-779	0
Financing Activities													
Cash Dividends Paid	-160	-164	-82	-80	-43	-137	-192	-249	-335	-333	-488	-538	-605
Change in Capital Stock	-120	0	0	-15	0	-42	-68	34	0	-6	0	0	0
Issuance/Reduction of Debt, Net	-156	-182	-140	129	-9	15	236	499	351	191	-263	-213	-172
Other Funds	-35	-15	-13	-38	-24	-36	-27	19	-99	86	0	0	0
Net Financing Cash Flow	-471	-360	-235	-56	-112	-238	-118	247	-128	-87	-750	-751	-777
Exchange Rate Effect	-4	-4	12	6	5	-3	37	4	-43	-9	0	0	0
Net Change in Cash	134	-20	-121	44	877	-379	192	-35	455	-242	929	1122	2127
Free Cash Flow													
Free Cash Flow per Share	2.96	2.23	1.07	0.05	3.86	-0.71	2.42	-1.21	3.16	0.08	9.12	10.18	15.78
Free Cash Flow Yield (%)	12.1	9.8	5.8	0.2	16.9	-1.8	8.5	-4.3	7.5	0.1	17.7	19.7	30.6

Source: Factset, Company data, Chronux Research estimates

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