

Extract Group

Full Restructuring Process

Extract Group was the largest contract miner in Southern Africa with annual revenues of c.R10bn. Birkett Stewart McHendrie acted as the restructuring and general corporate advisors to Extract Group. Through the sale of assets and a controlled wind down of the business the external debt of c.R1.5bn was successfully repaid.

Project Summary

Client	Extract Group Limited
Structure & Presence	South Africa, Botswana, Mozambique, Tanzania, Namibia and Indonesia
Industry	Contract Mining
Start Date	November 2016
End Date	June 2018
Transaction Highlights	Debt restructuring of R3bn; business and asset sales of R1.5bn; saving of c.2,000 jobs

Overview of the entity / business:

- Extract Group was a JSE-listed entity and the largest contract mining business in Southern Africa, which boasted a yellow metal fleet of over 1,000 items and annual revenues of over R10bn

High-level scope of services:

- Initially an Independent Business Review.
- Subsequently appointed for the full operational and financial restructuring of the entire Extract Group to include management and implementation of the full restructuring plan. Ultimately took over all major management functions whilst directly reporting into the Board of Directors.
- Responsibilities included; disposal of major businesses and assets, publishing of interim and full year results, reporting to lenders and shareholders, termination of onerous contracts, etc.

Result:

- Disposed of good businesses and assets and saved c.2,000 jobs.
- Restructured R3b debt obligations and repaid all external debt of c.R1.5bn.
- Terminated all major onerous contracts.
- Avoided business rescue and liquidation.
- Restored to solvency with net asset value of c.R400m.