

Bespoke Financial Engineering by Differential Capital Reinvigorates South African Industrial Giant

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In a R1 billion transaction that tested the limits of conventional deal-making, Differential Capital has successfully completed the acquisition of one of Southern Africa’s most technically accomplished underground mining contractors, following the collapse of the Murray & Roberts group.

Murray & Roberts Cementation officially rebranded as Cementation Africa in July 2025, after the conclusion of a business rescue process in which a Differential Capital-led consortium acquired the former mining assets of Murray & Roberts Ltd. The transaction — which saved 1 934 jobs and positioned the business for a new chapter of continental growth — was nearly two years in the making. Differential Capital identified the opportunity at a time when most institutional capital was distancing itself from distressed assets in a sector under pressure.

A deal built on data

“It was a very unique transaction, and we took a long-term view,” said Vincent Anthonyrajah, CEO of Differential Capital. “We saw two quality businesses within the Murray & Roberts group that could be separated in a manner that was quite visionary. The issue was not the businesses themselves, but rather the capital structure, which carried excessive debt. That debt, however, was secured against the best assets in the business — and that is where we identified the value.”

Differential Capital acquired 50% of the secured debt from the lending banks towards the end of 2024, securing an influential position in the business rescue process. In January 2026, R45 million in post-commencement funding was provided to help stabilise Cementation Africa’s balance sheet at a critical juncture.

“Due diligence was extensive. There were very limited warranties available in a business rescue environment, and the transaction structure had to evolve several times. We are pleased to have concluded a comprehensive agreement with the Business Rescue Practitioners and to have finalised the transaction. That so many South Africans were able to retain their jobs through this acquisition gives us a strong sense of pride in the work we have done,” Anthonyrajah added.

Unconventional financial engineering

The financing architecture behind the deal was as innovative as the transaction itself. Corporate finance firm Red Inc managed the fundraising, structuring a hybrid preference share instrument listed on the JSE Interest Rate Market. An initial R260 million tranche was issued in November 2025, followed by a R590 million tranche in February 2026.

The structure combined debt-like priority returns with equity-style features, enabling the raising of approximately R850 million towards the overall R1 billion transaction. This provided the capital runway required to stabilise and grow the business.

Future-fit for the African continent

The backing of a strong shareholder in the Differential Capital-led consortium enables Cementation Africa to pursue large-scale projects, strengthen its balance sheet, and support effective project execution. It also positions the business to partner with clients in bringing projects to fruition, using flexible commercial structures that prioritise long-term relationships over purely rate-driven engagements.

Over a 12-year period, Cementation Africa — which has a formidable technical pedigree — has achieved more than 8.5 million fatality-free shifts. Over the past 15 years, the company has sunk the majority of vertical shafts in Southern Africa, with capabilities extending to some of the deepest and most technically demanding orebody access projects globally. This includes the deepest single-lift shaft in the United States, executed by Cementation USA.

Across Africa, many established open-pit mines are approaching end of life and require transition to underground operations — an area in which Cementation specialises. The company’s most significant recent award is a multi-billion rand contract with Tharisa Plc, supporting its transition to underground platinum group metals mining over the next five years and significantly strengthening Cementation Africa’s order book.

With a presence and strong local partnerships in Zambia, Botswana, Namibia, Tanzania, Ghana, Zimbabwe and the DRC, Cementation Africa is well positioned to capitalise on new opportunities across the continent, supported by a robust project pipeline.

“Differential Capital has demonstrated the role that patient, intelligent local capital can play in preserving and rebuilding industrial capacity when others step back,” said Anthonyrajah.

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