This is our story of resilience in the pursuit of shareholder value
1. Our investment case

1.1 Our investment case
1.2 PPC is well positioned as a market leader
1.3 PPC has exposure to regions with solid economic fundamentals
1.4 Strong management team appointed
1.5 BEE III transaction summary
1.1 OUR INVESTMENT CASE

- Quality asset base with ~40% capacity being new
- Strong leadership and senior management team with combined expertise of more than 100 years
- Well developed footprint in Africa with strong presence in southern & East Africa
- Market leader in more than 80% of markets we operate in
- Improved liquidity and deleveraged balance sheet
- Improving free cash flows as major capex has ended
- RoA delivering good results, especially Zimbabwe and Rwanda

PPC is well positioned to deliver long term sustainable shareholder value

POSITION • ASSETS • MANAGEMENT
1.2 PPC IS WELL POSITIONED AS A MARKET LEADER

**Market leader in southern Africa**

In top 4 in the markets in which we operate

<table>
<thead>
<tr>
<th>Revenue (March 2017)</th>
<th>R9.6 billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA (March 2017)</td>
<td>R2.1 billion</td>
</tr>
<tr>
<td>Capacity (cement)</td>
<td>11.7 mtpa</td>
</tr>
<tr>
<td>Plants</td>
<td>18 plants</td>
</tr>
<tr>
<td>Lime factories</td>
<td>1 factory (1mtpa)</td>
</tr>
<tr>
<td>Aggregate quarries</td>
<td>4 quarries (4mtpa)</td>
</tr>
<tr>
<td>Readymix plants</td>
<td>29 plants (100 000 m$^3$ per month)</td>
</tr>
<tr>
<td>Cement capacity replacement value (EV)</td>
<td>~US$2.7bn @US$230 per tonne</td>
</tr>
</tbody>
</table>

**MARKET LEADER IN SOUTHERN AFRICA**

**IN TOP 4 IN EMERGING RoA MARKETS**
1.3 PPC HAS EXPOSURE TO REGIONS WITH SOLID ECONOMIC FUNDAMENTALS

Cement consumption per capita (kg) for selected countries

<table>
<thead>
<tr>
<th>Countries of operation</th>
<th>Consumption per capita (kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vietnam</td>
<td>605</td>
</tr>
<tr>
<td>Germany</td>
<td>333</td>
</tr>
<tr>
<td>Australia</td>
<td>391</td>
</tr>
<tr>
<td>US</td>
<td>292</td>
</tr>
<tr>
<td>Botswana</td>
<td>220</td>
</tr>
<tr>
<td>South Africa</td>
<td>302</td>
</tr>
<tr>
<td>Brazil</td>
<td>278</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>82</td>
</tr>
<tr>
<td>Vietnam</td>
<td>605</td>
</tr>
<tr>
<td>Germany</td>
<td>333</td>
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<td>Brazil</td>
<td>278</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>82</td>
</tr>
</tbody>
</table>

PPP IS WELL POSITIONED TO TAKE ADVANTAGE OF OPPORTUNITIES IN EMERGING MARKETS
ASPIRATION IS TO BE AN AFRICAN CHAMPION

MERRILL LYNCH SUN CITY CONFERENCE MARCH 2018
1.4 STRONG MANAGEMENT TEAM APPOINTED

Combined expertise of more than 100 years

SUPPORTED BY AN EXPERIENCED AND WELL DIVERSIFIED MANAGEMENT TEAM
1.5 BEE III TRANSACTION SUMMARY | SENS ANNOUNCEMENT 14 DECEMBER 2017

- Top-up transaction to achieve an effective 30% BEE shareholding
- The transaction will be a 24.6% top-up transaction at PPC SA Holdings (a wholly-owned subsidiary housing South African operations)
- Transaction participants include employees, communities and black entrepreneurs
- Funded through a notional vendor financing (NVF) structure as used for BEE II
- Vests after 10 years, but communities component will be perpetual
- Taking into account the residual BEE shareholding of 4.3% at PPC Ltd (BEE 1 – 1.80% and BEE2 – 2.47%), the effective BEE shareholding in respect of SA operations will be 30% post implementation
- As BEE II transaction will mature in December 2019, the 24.6% top-up transaction will cushion the company from doing another top-up should the currently promulgated 26% BEE ownership requirement be retained
- The IFRS 2 charge is in line with similar transactions of this nature
- A fairness opinion which will be made available for public inspection

BEE III TRANSACTION IS EXPECTED TO BE IMPLEMENTED BY END OF FY18
2. DELIVERING ON STRATEGIC PRIORITIES

2.1 FOH – FOUR strategic priorities (Group)
2.2.1 Priority action plans in November 2017
2.2.2 Progress on key priorities
2.1 FOH – FOUR STRATEGIC PRIORITIES FOR THE NEXT 12 TO 18 MONTHS

Group

FINANCIAL
1. Optimal capital structure
2. Liquidity
3. Financial discipline
4. BEE III

OPERATIONS
1. Southern Africa Cement – R50/tonne improvement to profitability
2. Rest of Africa Cement – operationalise businesses with key focus on ramp up and route to market (RTM)
3. Materials – maintain cash generation and entrench value chain
4. Adopt value based management principles

HUMAN CAPITAL
1. HR solutions
2. Talent management
3. High performing organisation
4. Organisational culture

DELIVER SUSTAINABLE SHAREHOLDER VALUE
## 2.2.1 PRIORITY ACTION PLANS IN NOVEMBER 2017

<table>
<thead>
<tr>
<th>Priorities November 2017</th>
<th>3 months progress</th>
<th>12-18 months progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Finalise debt re-structuring to lengthen and the smooth Group maturity profile</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Finalise DRC debt restructuring</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. BEE III implemented</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Implement R50/tonne improvement to profitability (PIP Phase II)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Optimise RTM, raw materials and plant efficiencies in RoA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Grow and develop globally competent teams (fit for purpose)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Ensure value based management philosophy will create long term sustainable success</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*WE HAVE SUCCESSFULLY EXECUTED ON KEY PRIORITIES*
## 2.2.2 Progress on Key Priorities | What We Have Achieved

<table>
<thead>
<tr>
<th>What we said</th>
<th>What we achieved</th>
<th>What we said</th>
<th>What we achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial</strong></td>
<td></td>
<td><strong>Operational</strong></td>
<td></td>
</tr>
<tr>
<td>Optimal capital structure</td>
<td>• Significant progress made with Group debt funding package</td>
<td>• Alternative fuel initiatives progressing well</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Group net debt to EBITDA at 2.1x (Sep 2018) – balance sheet deleveraged</td>
<td>• Cost optimisation programme underway to deliver targeted savings of R50/tonne</td>
<td>• Progressed with integration of Safika into SA Cement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Overall good cost control</td>
<td>• SA Cement</td>
</tr>
<tr>
<td>Liquidity</td>
<td>• Completed re-structuring of DRC funding – 24 month capital payment holiday</td>
<td>• Operationalising of businesses progressing well</td>
<td>• Rest of Africa</td>
</tr>
<tr>
<td></td>
<td>• Negotiations with EPC contractor to acquire an equity holding is progressing well</td>
<td>• Implementing RTM strategies</td>
<td>• Energy mix progressing well with Rwanda cost of production down</td>
</tr>
<tr>
<td></td>
<td>• Significant progress in lengthening and smoothing maturity profile</td>
<td>• Localisation of input cost progressing well</td>
<td>• Focus on development of leadership and young talent</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Significant progress in lengthening and smoothing maturity profile</td>
<td>• Entrench succession planning</td>
</tr>
<tr>
<td>Financial discipline</td>
<td>• Developed tax risk matrix across Group</td>
<td>• Rationalisation and integration underway</td>
<td>• High Performance Organisation</td>
</tr>
<tr>
<td></td>
<td>• Developed funding and liquidity framework</td>
<td>• Entrench value chain through cement pull through</td>
<td>• Recognition of performance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Focus on the well-being of employees</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Fit for purpose</td>
</tr>
<tr>
<td>BEE III</td>
<td>• Significant progress on BEE III structure</td>
<td>• Project underway to align the Group</td>
<td>• Organisation Culture</td>
</tr>
<tr>
<td></td>
<td>• On track to announce terms structure before March 2018</td>
<td>• Measurements and metrics being established</td>
<td>• Leadership to set the tone at the top</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Ensure that the behaviour of employees resonate with the ethos of PPC</td>
</tr>
</tbody>
</table>

### Aligning Our Optimisation to Ensure Delivery

**MERRILL LYNCH SUN CITY CONFERENCE MARCH 2018**
3. STRENGTHENED GROUP FINANCIAL POSITION

3.1 FOH – FOUR strategic priorities (Group Finance)
3.2 Investment in a diversified portfolio of assets
3.3 DRC de-risked | steps taken to reduce balance sheet impact
3.4 Deleveraged balance sheet and improved maturity profile
3.5 Key drivers of free cash flow
3.1 FOH – FOUR STRATEGIC PRIORITIES FOR THE NEXT 12 TO 18 MONTHS

**GROUP FINANCE**

- **FINANCIAL**
  1. Optimal capital structure – long term gearing target, maturity profile, liquidity
  2. Financial portfolio optimisation – cost of capital & hurdle rates vs returns, capital allocation priorities, dividend framework
  3. Free cash flow generation

- **OPERATIONS**
  Financial disciplines and processes which include:
  1. Embedding ERP systems across the Group
  2. Entrenching governance structures
  3. Entrenching standardised policies and procedures

- **HUMAN CAPITAL**
  1. Implementing BEE III
  2. Developing centres of excellence across the Group
  3. Performance culture geared towards shareholder value

**GROWING SUSTAINABLE SHAREHOLDER VALUE THROUGH EFFECTIVE AND EFFICIENT FINANCIAL STRATEGY**
3.2 INVESTMENT IN A DIVERSIFIED PORTFOLIO OF QUALITY ASSETS

**Capex E (Rm)**

**Capex guidance**

FY18 still expected to be within guidance range

**Capacity build-up 2015 – 2018 (mtpa)**

Rest of Africa capacity increased to 4.7mtpa

*Change in product mix

**Capex guidance (Rm)**

<table>
<thead>
<tr>
<th>FY</th>
<th>FY18</th>
<th>FY19</th>
<th>FY20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern Africa</td>
<td>450 - 600</td>
<td>650 - 800</td>
<td>800 - 1000</td>
</tr>
<tr>
<td>RoA</td>
<td>200 - 400</td>
<td>100 - 200</td>
<td>100 - 200</td>
</tr>
</tbody>
</table>

* PPC HAS INVESTED > $750M SINCE 2014 IN A QUALITY ASSET PORTFOLIO  •  PEAK CAPEX IN FY16
**3.3 DRC DERISKED | STEPS TAKEN TO REDUCE BALANCE SHEET IMPACT**

**UPDATE ON OPTIONS**

1. Negotiation with funders with regard to debt restructuring completed

2. Negotiation with EPC contractor progressing well
   - 18 - 24 month extension of ~US$24m EPC contract retention fee

3. Conversion of ~US$24m into equity subject to due diligence

**SUCCESSFUL DERISKING OF PPC’s BALANCE SHEET**

1) Moratorium on capital repayments in the DRC
   - 2 year capital repayment moratorium
   - Next capital repayment scheduled for January 2020
   - New interest rate 6 month US$ LIBOR plus 975bps
   - PPC support for DRC for FY18 within previous guidance
   - This has been funded from internal cash flows
**3.4 DE-LEVERAGED BALANCE SHEET AND IMPROVED MATURITY PROFILE**

### Current debt maturity profile (Rm)

- FY18: Net debt below R4.0bn (R4.4bn Sep 2017)
- FY19: Gross debt below R5.0bn (R5.4bn Sep 2017)
- FY20: Group Gross debt/EBITDA 2.1x – 2.3x (2.6x Sep 2017)
- FY21: Group Net debt/EBITDA 1.7x – 1.8x (2.1x Sep 2017)

### Post re-structure debt maturity profile* (Rm)

- RSA: Effective cost of funding is expected to reduce from ~13% -14% to 10% - 11% through the cycle

**WE HAVE IMPROVED GROUP MATURITY PROFILE AND LOWERED BORROWING COSTS**

---

*Based on current RSA utilisation

*Includes DRC capital repayment moratorium

**Capital structure**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target capital structure (equity : debt)</td>
<td>70:30 (Intrinsic value)</td>
</tr>
<tr>
<td>Target Group Gross debt/EBITDA</td>
<td>3.0x – 3.5x</td>
</tr>
<tr>
<td>Target RSA Gross debt/EBITDA</td>
<td>2.5x – 2.8x</td>
</tr>
</tbody>
</table>

---

**WE HAVE IMPROVED GROUP MATURITY PROFILE AND LOWERED BORROWING COSTS**
3.5 KEY DRIVERS OF FREE CASH FLOW

1. CAPEX
   - Major capex spent in prior years
   - FY18 capex spend within guidance

2. FINANCE CHARGES
   - Reduced debt levels
   - RSA effective funding rates reduced

3. CASH TAX
   - Section 12 Incentive and 12 C allowance of the income tax act results in approximately R700m – R900m tax deduction in the year of production in South Africa

4. DRC DE-RISKING
   - Reduction in deficiency funding

EXECUTION TO DELIVER IMPROVED FREE CASH FLOWS
4.1 OPERATIONAL REVIEW

OPTIMISATION OF RTM AND PLANT EFFICIENCIES
IMPROVING COST REDUCTION ACROSS OUR OPERATIONS
DELIVER ON RoA BUSINESS PLANS
4.2 SOUTHERN AFRICA

4.2.1 FOH – FOUR outlook (southern Africa)
4.2.2 Continued price recovery in a difficult trading environment
4.2.3 Operational overview
4.2.4 Imports
4.2.5 Supply demand dynamics
4.2.6 Three mega plant strategy capitalises on our footprint
4.2.7 Slurry kiln 9 project update
4.2.8 Slurry complex overview
4.2.9 Operational efficiencies
4.2.10 PIP Phase 2
4.2.11 Carbon tax
4.2.1 FOH – FOUR STRATEGIC PRIORITIES FOR THE NEXT 12 TO 18 MONTHS

**FINANCIAL**
1. R50/tonne improvement in profitability
2. Realise SK9 benefits
3. Financial discipline
4. Implement value based management principles

**OPERATIONS**
1. Supply chain optimisation
2. Optimise RTM
3. Alternative fuel and plant efficiency
4. Safika cement integration

**HUMAN CAPITAL**
1. Structure optimisation
2. Talent management
3. Organisation culture

**COST OPTIMISATION TO DELIVER MARGIN IMPROVEMENT**
4.2.2 CONTINUED PRICE RECOVERY IN A DIFFICULT TRADING ENVIRONMENT

Average Selling Price (ASP) Trends

- Pricing bottomed
- Price increase

ASP indexed from January 2015

IMPROVEMENT IN VOLUMES NOTWITHSTANDING PRICE INCREASES

Source: PPC Research
Realised cement pricing up 2% in this period

• Pricing momentum maintained

• Further price increase of 2% – 5% implemented in Jan 2018

Cement volumes

• Estimate that the industry declined by 3% – 4% for calendar 2017

• PPC volumes declined 1% - 2% for 9 months to Dec 2017, improvement compared with interim performance

• Portfolio effect of PPC’s national footprint

Update on the Western Cape drought impact

• PPC operations have been secured from water input perspective to ensure continuity of supply
  • Cement manufacturing not a water-intensive process
  • Operations totally self sufficient from own surface water sources. These can potentially last for at least several months
  • Full bouquet of both water conservation and augmentation measures implemented since mid-2017
  • De Hoek plant commissioned a reverse osmosis plant of 700 000 litres per day at the end of Jan 2018
  • 1.2 million litres utilised to date

We continue to engage with local government as construction is viewed as a priority economic sector
4.2.4 IMPORTS INCREASED BUT STILL WELL BELOW THE 2014 PEAK

- Total imports have increased by 23% for Jan – Dec 2017
- Western Cape imports increased by 18%
- Still well below the peak in Q4 2014, ~11% of total cement volumes
- The bulk of the imports have been from China
- The major port of entry has been Durban and PE and to a lesser extent Cape Town
- R/US$ exchange rate has continued to strengthen since Jan 2016
4.2.5 SUPPLY DEMAND DYNAMICS

Annual cementitous supply and demand in South Africa, Botswana, Lesotho & Swaziland

- PPC PROVIDES PPC WITH NEWEST TECHNOLOGY IN THE DOMESTIC INDUSTRY
- IN 2020 AN ESTIMATED 3MTPA OF INDUSTRY CAPACITY WILL NOT MEET EMISSIONS REGULATIONS
- AFTER 2020 THE INDUSTRY WILL BE RUNNING AT HIGH CAPACITY SUGGESTING ADDITIONAL CAPACITY WILL BE REQUIRED

MERRILL LYNCH SUN CITY CONFERENCE MARCH 2018
4.2.6 THREE MEGA PLANT STRATEGY CAPITALISES ON OUR FOOTPRINT

**PPC footprint enables:**
- Integrated plants and depots to serve key markets
- Portfolio effect delivering profitability
- Ability to deliver at lowest cost through optimal sourcing

**Key**
- PPC
- PPC Grinding plant (3)
- PPC Mega plant (3)

* Grinding plant only

**WESTERN CAPE 1mtpa**
- Well positioned for alternative fuel
- Favourable proximity to market

**SLURRY 2mtpa**
- SK9 newest technology
- Increased optimal sourcing opportunities, increased competitiveness

**DWAALBOOM 2mtpa**
- Pioneered six stage pre-heater technology in South Africa
- Modernised plant
- Waste product substitution
- Increased energy efficiency

* cement capacity

PPC HAS THE MOST DESIRABLE CEMENT DELIVERY FOOTPRINT IN SOUTH AFRICA

MERRILL LYNCH SUN CITY CONFERENCE MARCH 2018
The R1.7bn SK9 project is 90% complete and scheduled for commissioning in 2Q 2018
SK9 is a new 3000tpd production line utilising the latest cement technology
This project will be delivered on time and within budget
The efficient Slurry complex will be able to deliver 2.0mpta

SK9 WILL ENHANCE PPC’S COMPETITIVE POSITION THROUGH COST, TECHNICAL AND ENVIRONMENTAL EFFICIENCIES
THE SLURRY COMPLEX IS A BROWNFIELDS EXPANSION WHICH COST ~US$70 – US$90/Tonne
4.2.9 WE CONTINUE TO DRIVE OPERATIONAL EFFICIENCIES

Logistics savings on a R/tonne basis

- Based to 100

Cost of Production per tonne (based to 100)

- VCOP – Variable Cost of Production
- VDCOP – Variable Delivered Cost of Production

PIP phase I exceeded R650m

Improvements in operational efficiency were mainly due to:
- Restructuring the business to meet operational requirements
- Multi-skilling and training of employees
- Optimising outbound logistics
- Improving energy efficiency
### 4.2.10 PIP PHASE 2 - PROGRESS MADE ON R50/TONNE SAVINGS

<table>
<thead>
<tr>
<th>What we said</th>
<th>What we achieved</th>
<th>What we did</th>
<th>Next 12 – 18 months</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue Enhancement</strong></td>
<td>• Implemented price increases in August 2017 and January 2018</td>
<td>• Enhanced product portfolio</td>
<td>• Complete Safika Cement integration</td>
</tr>
<tr>
<td>10% - 20%</td>
<td>• Secured volumes by enhanced value added technical support</td>
<td>20%</td>
<td>• Drive plant efficiencies to reflect operations requirements</td>
</tr>
<tr>
<td><strong>Strategic cost reduction</strong></td>
<td>• Integration of Safika Cement</td>
<td>30%</td>
<td>• Slurry kiln 9 complex coming online</td>
</tr>
<tr>
<td>40% - 60%</td>
<td>• Organisational restructure of Head Office and Operations</td>
<td></td>
<td>• Embed the 3 mega plant strategy</td>
</tr>
<tr>
<td><strong>Cost efficiencies</strong></td>
<td>• Embed tyre burning in the Western Cape</td>
<td>65%</td>
<td>• PE kiln 4 mothballed</td>
</tr>
<tr>
<td>20% - 40%</td>
<td>• Hercules kiln 5 (HK5) mothballed</td>
<td></td>
<td>• Implementation of alternative fuels in the Western Cape</td>
</tr>
<tr>
<td></td>
<td>• Optimisation of logistics</td>
<td></td>
<td>• Implement alternative route to market sourcing</td>
</tr>
</tbody>
</table>

**Target saving based on R50/tonne**

- 10% - 20%
- 40% - 60%
- 20% - 40%

**Next 12 – 18 months**

- Enhanced product portfolio
- Product strategy implementation
- Price escalation strategy
- Entrench strategic partnerships
- Complete Safika Cement integration
- Drive plant efficiencies to reflect operations requirements
- Slurry kiln 9 complex coming online
- Embed the 3 mega plant strategy
- PE kiln 4 mothballed
- Implementation of alternative fuels in the Western Cape
- Implement alternative route to market sourcing

**200-300 BASIS POINT IMPROVEMENT IN EBITDA MARGIN OVER THE NEXT 2-3 YEARS**
4.2.11 CARBON TAX UPDATE

OVERVIEW

• 2018 budget speech indicated that the carbon tax will be implemented from 1 January 2019
• The current tax structuring proposes R120/tonne applied to CO2 emissions
• PPC qualifies for the basic allowance of 60%, and other allowances including process allowances, carbon budget and trade exposure (once regulated) which increases the basic allowance
• PPC anticipates that the impact of carbon tax is likely to be in the region of ~R80 – R100m for cement and lime per annum
• PPC is continually looking to reduce its carbon emissions
  • Mega plant strategy – use of efficient kilns
  • SK9 – modern efficient technology – commissioned in Q2 2018
  • Use of alternative fuels – replacement of coal

ACCOUNTING IMPACT

• Carbon tax will be treated as an excise tax which is an indirect tax
• No direct impact on the PPC’s income statement same treatment as VAT which is also an indirect tax
• Accrual on the balance sheet until payment is made
• Ideally this tax should be passed on to the consumer
4.3 Rest of Africa

4.3.1 FOH – FOUR strategic priorities
4.3.2 Overview
4.3.3 Key drivers
4.3.4 PPC positioned to benefit from rapid urbanisation
4.3.5 Some key projects driving demand
4.3.6 Progress made on key priorities
4.3.7 Route to market overview
4.3.8 Rwanda operational review
4.3.9 Zimbabwe operational review
4.3.10 DRC operational review
4.3.11 Ethiopia operational review

STRONG PRESENCE IN GROWING URBAN CENTRES OF THE CONTINENT
4.3.1 FOH – FOUR STRATEGIC PRIORITIES FOR THE NEXT 12 TO 18 MONTHS

**Rest of Africa**

**FINANCIAL**
1. Renegotiation of funding agreements
2. Value based management principles
3. Improve liquidity to meet foreign payment obligations
4. Financial discipline to align to the Group

**OPERATIONS**
1. Operational efficiencies in all markets
2. Optimise RTM strategy in all markets
3. Energy mix optimisation in Rwanda, DRC & Ethiopia
4. Optimise raw materials sourcing (coal, gypsum) & packaging

**HUMAN CAPITAL**
1. Structure optimisation across all regions
2. Skills development and talent management in the local market
3. Embed organisational culture inline with Group, incorporating local requirements

LEVERAGING GROWING AFRICAN MARKETS WITH LOWER PER CAPITA CEMENT CONSUMPTION
### 4.3.2 OVERVIEW OF REST OF AFRICA CEMENT

<table>
<thead>
<tr>
<th>Country</th>
<th>Capacity (mtpa)</th>
<th>Annualised Capacity Utilisation</th>
<th>EBITDA Margin at Steady State</th>
<th>Average Retail Pricing (US$/tonne)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zimbabwe</td>
<td>1.4</td>
<td>50% - 60%</td>
<td>30% - 35%</td>
<td>170 - 255</td>
</tr>
<tr>
<td>Rwanda</td>
<td>0.65</td>
<td>60% - 70%</td>
<td>30% - 35%</td>
<td>205 - 235</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>1.4</td>
<td>Ramp-up</td>
<td>30% - 35%</td>
<td>80 - 100</td>
</tr>
<tr>
<td>DRC</td>
<td>1.2</td>
<td>Ramp-up</td>
<td>30% - 35%</td>
<td>150 - 200</td>
</tr>
</tbody>
</table>

*WELL POSITIONED TO GAIN MARKET SHARE IN EMERGING MARKETS*
4.3.3 REST OF AFRICA KEY DRIVERS

**REAL GDP**
- Strong growth in Ethiopia and Rwanda
- Zimbabwe recovering

**FDI FLOWS**
- Strong FDI flows in Ethiopia and Rwanda
- Zimbabwe stabilising

Source: NKC
4.3.4 PPC IS IDEALLY POSITIONED TO BENEFIT FROM RAPID URBANISATION

80% OF WORLD GDP IS DRIVEN BY CITIES*

Source: AfDB statistics 2016

* World cities report 2016
4.3.5 SOME KEY PROJECTS DRIVING DEMAND (CURRENT AND FUTURE)

- New Bugasera International airport
- Inland Port – Magerwa
- HQ Power peat plant
- IDP model villages and affordable housing projects
- Expansion of Rubavu airport
- Ancillary infrastructure development (access roads, warehouses etc.)

- CITE DU FLEUVE village project in Kinshasa
- Ancillary infrastructure development (access roads and rail upgrade into interior)
- Inga project

- Hwange thermal power station
- Victoria Falls shopping mall project
- Gwayi/Shangani Dam
- Beitbridge – Masvingo highway
- Caledonia affordable housing
- Batoka Gorge hydro power station

- Goods and passenger railway between Addis Ababa and Djibouti
- Grand Ethiopian Renaissance Dam on Nile river
- Approximately US$2 billion allocated to Road projects in 2018
- Geothermal power project (1000 MW)
- Koysha Hydro-dam (2000 MW) in the South of Ethiopia starting 2018

- Expansion of Rubavu airport
- Ancillary infrastructure development (access roads, warehouses etc.)

- Rwanda
- DRC
- Ethiopia
- Zimbabwe
4.3.6 PROGRESS MADE ON KEY PRIORITIES

ZIMBABWE
- Liquidity management
  - Identified export opportunities to neighbouring countries
  - Local sourcing of key input materials in progress
  - Packaging material and consumables
- Operational efficiencies
  - Entrenched RTM strategy in the north of Zimbabwe to support volume growth (>40%)
  - Diversifying product mix with SURECAST representing 10% - 15% of volumes, none in the previous year

ETHIOPIA
- RTM strategy
  - Concluded agreements for alternative energy source
  - In place to gain market share and grow volumes
  - Export strategy developed to gain forex
- Operational efficiencies
  - Identified thermal energy inputs to be sourced locally and preserve forex
  - Implementing business architecture to support growth in volumes
  - Identified alternative extender to optimise product mix

RWANDA
- Raw material optimisation
  - Identified 4 potential deposits to extend limestone reserves from 11.5 to approx. 16 years. Drilling is in progress to quantify. Completed 2 sites, await results
  - Also identified larger deposits in the eastern DRC, with ongoing engagements
- Operational efficiencies
  - Localising raw material inputs progressing well, diversified sources for gypsum and coal
  - Project to localise thermal energy costs with methane gas is in progress

DRC
- RTM strategy
  - Entrenching strategy with market share > 20%
- Operational efficiencies
  - Renegotiating electricity tariff structure
  - Power planning to reduce maximum demand charge
  - Multi-skilling and job rotation to increase productivity
  - Right-sizing at all levels
- Funding
  - Renegotiation of funding agreements progressing well with additional capital holiday imminent

EXECUTING ON OUR PROMISES
4.3.7 ROUTE TO MARKET STRATEGIC OVERVIEW

**RAMP-UP PHASE**

**DEFEND AND GROW**

- DRC
- Rwanda
- Ethiopia
- Zimbabwe

MERRILL LYNCH SUN CITY CONFERENCE MARCH 2018
4.3.8 RWANDA OPERATIONAL REVIEW

**RWANDA DOMESTIC MARKET SHARE**

- Sep-16
- Mar-17
- Sep-17

**9 MONTH FY18 OPERATIONAL UPDATE**

- Cement volumes increased by 20% - 30% compared to previous year due to:
  - Successful route to market strategy
  - Excellent service delivery
  - Product consistency and technical support
  - Significant increase in exports
- Retail cement pricing remained fairly stable

**SPOT RETAIL PRICE (US$)**

- Mar-16
- Sep-16
- Mar-17
- Sep-17

**COST BREAKDOWN**

- Energy 35%
- Raw materials & other 20%
- Dep 17%
- Labour & overheads 23%

By mid-2019 we expect to be at full capacity
4.3.9 ZIMBABWE OPERATIONAL REVIEW

**ZIMBABWE DOMESTIC MARKET SHARE**

- **Mar 16**
- **Sept 16**
- **Sept 17**

**SPOT RETAIL PRICE (US$)**

- **Mar 16**
- **Sept 16**
- **Sept 17**

**COST BREAKDOWN**

- **Energy** 15%
- **Maintenance** 7%
- **Labour & overheads** 27%
- **Transport** 18%
- **Raw materials & other** 19%
- **Dep** 14%

**9 MONTH FY18 OPERATIONAL UPDATE**

- **Overall domestic cement volumes increased by 30% -40% compared to previous year due to:**
  - Enhanced product portfolio following launch of Surecast in March 2017
  - Excellent service delivery
  - Product consistency and technical support
  - There has also been an upsurge in construction activity as citizens are on a drive to convert their monetary investments to property

- **Net realised selling price marginally higher in dollar terms**

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**WE ARE ACHIEVING FULL CAPACITY ON CLINKER**

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**MERRILL LYNCH SUN CITY CONFERENCE MARCH 2018**
4.3.10 DRC OPERATIONAL REVIEW

**DRC RAMP-UP VOLUMES**

- The DRC operation commenced with sales in April 2017
- Increased market share to 25 – 30%
- Proven route to market strategy implemented to grow volumes with key focus on:
  - Building strategic partnerships
  - Technical support to customers
  - Enhance service delivery
  - Excellent product quality
  - Focus on construction and CPM segments
- Alignment of fixed cost to plant ramp-up completed
- Key focus is for DRC to generate positive cash flow

**9 MONTH FY18 OPERATIONAL UPDATE**

**SPOT RETAIL PRICE (US$)**

**COST BREAKDOWN**

GAINING MARKET SHARE IN A CHALLENGING MARKET
**ETHIOPIA OPERATIONAL REVIEW**

**SPOT RETAIL PRICE (US$)**  
- **Mar-16**: $32.5, $42.5  
- **Sep-16**: $110  
- **Mar-17**: $75  
- **Sep-17**: $55

**ETHIOPIA RAMP-UP VOLUMES**  
- **Jun-17**
- **Jul-17**
- **Sep-17**

<table>
<thead>
<tr>
<th>Month</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun-17</td>
<td></td>
</tr>
<tr>
<td>Jul-17</td>
<td>50k</td>
</tr>
<tr>
<td>Sep-17</td>
<td>100k</td>
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</tbody>
</table>

**9 MONTH FY18 OPERATIONAL UPDATE**

- Production commenced in June 2017
- To date presold ~300kt of which slightly more than 50% has been dispatched
- Retail selling price reduced due to devaluation of Ethiopian BIRR against the USD
- The provisional acceptance certificate (PAC) has been completed in December 2017
- Technical agreement between PPC and Habesha has been established to support ongoing operations
- Full ramp-up of Habesha will be in 12 - 24 months
- Expected to account for profit and loss for 3 months in FY18

**COST BREAKDOWN**

- **Energy**: 40%
- **Dep**: 6%
- **Labour & OH**: 10%
- **Transport**: 12%
- **Maintenance**: 6%
- **Other**: 26%
4.4 Materials

4.4.1 FOH FOUR strategic priorities
4.4.2 Aggregates & Readymix, Lime
4.4.1 FOH – FOUR STRATEGIC PRIORITIES FOR THE NEXT 12 TO 18 MONTHS

FINANCIAL
1. Financial discipline through integration
2. Value based management principles
3. Focus on cash generation and working capital management

OPERATIONS
1. Improve operational efficiencies through integration
2. Entrench the value chain through cement pull-through

HUMAN CAPITAL
1. Structure optimisation
2. Skills development and talent management
3. Organisation culture in line with Group

Materials

• CAPITALISING ON OPPORTUNITIES IN ZONES OF NATURAL ADVANTAGE
• GOOD PLATFORM FOR CEMENT VALUE CHAIN
• OPPORTUNITIES TO REPLICATE MODEL IN RoA

MERRILL LYNCH SUN CITY CONFERENCE MARCH 2018
4.4.2 AGGREGATES & READYMIX, LIME - 9 MONTH OPERATIONAL REVIEW

Aggregates & Readymix

- Pricing
  - Under pressure due to a competitive market

- Reduction in volumes due to
  - Exposure to the Gauteng market
  - Significant reduction in construction projects in Gauteng
  - Aggregates exposure to the readymix market

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Lime

- Pricing
  - At similar levels to the previous period

- Volumes declined marginally due to
  - Significantly exposed to the domestic steel industry
  - Major client shutdowns during the period
  - Non-extension of milk of lime contract
5. STRATEGIC ACTION PLANS

OPTIMISING OUR CAPITAL INVESTMENTS TO DELIVER LONG TERM SUSTAINABLE SHAREHOLDER VALUE
5.1 STRATEGIC ACTION PLANS

**6 MONTHS**
1. Capital portfolio optimisation & implementation
2. Commissioning of SK9
3. Optimisation of the Rwanda plant
4. Implementation of VBM* Principles

**6 - 12 MONTHS**
1. Implementation of BEE III
2. Full integration of Safika Cement
3. Implementation of RDF** supply pipeline in the Western Cape
4. Actively pursue the repatriation and utilisation of funds in Zimbabwe

**12 - 18 MONTHS**
1. Optimisation of Dwaalboom
2. Implementation of the de-risking options in the DRC
3. Entrenchment and optimisation of business processes across the Group
4. Measurement and monitoring of VBM Principles

*Value Based Management Principles
**Refuse Derived Fuels
Questions
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