WELCOME
to the PPC Slurry Plant visit

27 September 2018
Executing on priorities in pursuit of stakeholder value

DE HOEK SITE VISIT 24 SEPTEMBER 2018
SLURRY SITE VISIT 27 SEPTEMBER 2018
1. SA OPERATING CONTEXT

NJOMBO LEKULA – MD SA CEMENT
1.1 SUPPLY DEMAND DYNAMICS

ANNUAL CEMENTITOUS SUPPLY AND DEMAND IN SOUTH AFRICA, BOTSWANA, LESOTHO & SWAZILAND

- SK9 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
### 1.2 PLANTS IN SOUTH AFRICA | MODERNISED

<table>
<thead>
<tr>
<th>Capacity</th>
<th>Complex</th>
<th>Technology</th>
<th>Efficiency</th>
<th>Comment</th>
</tr>
</thead>
</table>
| 2.0 mtpa | Slurry  | 6 stage pre-heater ILC and grate cooler | 🟣🌟🌟🌟🌟 | • SK9 latest kiln technology (2018)  
• Capex – R1.9bn |
| 2.0 mtpa | Dwaalboom + Hercules | 6 stage pre-heater ILC and grate cooler | 🟣🌟🌟🌟🌟 | • VRM technology  
• Capex – R2.0bn |
| 1.2 mtpa | DeHoek  | 4 stage pre-heater and grate cooler | 🟣🌟🌟🌟🌟 | • Kiln upgrade  
• Capex – R500m |

**ZAR 4.4bn MODERNISATION CAPEX SPENT IN SA IN THE LAST DECADE**

**PLANT SIZE AND TECHNOLOGY MATTER – WE HAVE BOTH**

**PRIME LOCATION – PROXIMITY TO MARKET, STRATEGIC RAW MATERIALS MANUFACTURING FOOTPRINT AND EFFICIENCY INCL ALTERNATIVE FUEL TECHNOLOGY**
1.3 THREE MEGA PLANT STRATEGY CAPITALISES ON OUR FOOTPRINT

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

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

* Grinding plant only

**PPC HAS THE MOST DESIRABLE CEMENT DELIVERY FOOTPRINT IN SOUTH AFRICA**
1.4 PPC STRATEGIC RESPONSES TO MARKET FACTORS

SOUTH AFRICA CEMENT DEMAND AND CAPACITY (2018e)*

<table>
<thead>
<tr>
<th>Industry Capacity</th>
<th>Locally Produced</th>
<th>Demand</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>18 Mt</td>
<td>14 Mt</td>
<td></td>
<td>1,0 Mt</td>
</tr>
</tbody>
</table>

- 25% excess capacity gap
- 29% excess capacity gap

KEY CHALLENGES
- Cement imports
- Growth of third party blenders leading to:
  - Erosion of quality
  - Detraction from market related pricing
- Value destruction for stakeholders

PPC STRATEGIC RESPONSES
- Lobbying government to impose tariffs on cement imports
- Driving efficiencies through cost leadership and optimal sourcing
- Continued innovation in alternative building technologies
- Enhanced product portfolio and route to market strategy implementation

PPC Continues to engage government and regulatory bodies on these issues

*Estimated data from market and industry sources
1.5 CONTINUED PRICE RECOVERY IN A CHALLENGING TRADING ENVIRONMENT

AVERAGE SELLING PRICE (ASP) TRENDS

Source: PPC Research

ASP indexed from January 2015

WE CONTINUE TO REALISE EFFECTIVE PRICE INCREASES

PPC SITE VISITS SLURRY AND DE HOEK – SEPTEMBER 2018
1.6 NEW SURE RANGE OF PRODUCTS LAUNCHED

**Masonry cement designed for plaster & mortar**

**Early strength cement designed for concrete, mortar, plaster & bricks**

**Premium multipurpose cement for general building & civil**

**High early strength cement designed for precast products**

**Superior high strength specialist cement**

**Cement for road stabilisation**

**FIT FOR PURPOSE RANGE OF CEMENTS TO CATER TO ALL CUSTOMER NEEDS**
3. SLURRY COMPLEX

SITE VISIT

FRIKKIE VAN ZYL – GM SLURRY COMPLEX
3.1 SLURRY COMPLEX TEAM

EXPERIENCED MANAGEMENT TEAM
### 3.2 SLURRY COMPLEX LOCATION AND MARKET

**Botswana: 42%**

- PPC has a dedicated rail line used for delivery to Botswana
- Some limited product goes to the Eastern Cape and Free State provinces
- Clinker transfers occur from Slurry to Jupiter with backhaul of boiler ash and gypsum

**North West: 32%**

- 387 unique customers

**Gauteng: 8%**

**Mpumalanga: 8%**

**KwaZulu Natal: 8%**

**Rest: 2%**
3.3 SLURRY COMPLEX AERIAL VIEW
3.4 SLURRY COMPLEX OVERVIEW | 2.0MTPA CAPACITY

THE SLURRY COMPLEX IS A BROWNFIELDS EXPANSION WHICH COST ~US$70 – US$90/TONNE
3.5 SLURRY COMPLEX OVERVIEW | 2.0MTPA CAPACITY

THE SLURRY COMPLEX IS A BROWNFIELDS EXPANSION WHICH COST ~US$70 – US$90/TONNE
3.6 PRODUCTION PROCESS

- Limestone mining
- Crushing plant
- Kiln feed preparation and blending
- Coal stockpile
- Raw mill
- Pre-heater, kiln line & cooler
- Coal mill
- Clinker storage
- Finish milling & dispatch
3.7 MINING OVERVIEW

LIMESTONE RESERVES CONFIRMED FOR 41 YEARS

- Crushing Plant 1000 tph capacity  
  • Osborn Crushers

- Earthmoving equipment  
  • 2 X CAT 770 haul trucks  
  • 7 X Heavy Construction Vehicles (Scania)  
  • 3 X CAT 988 Front end loaders

- Crusher material stored on stockpiles  
- Then extracted into factory by conveyor
3.8 MOTHBALED KILNS DRIVE EFFICIENCY

Thermal energy efficiency of Efficient Capacity

2015
SK5
SK6
SK7
SK8

Running only the most efficient kilns

2018
SK8
SK9

Weighted average heat consumption of 4.5 MJ/kg

Approximately 24% reduction in heat consumption

Weighted average heat consumption of 3.4 MJ/kg
3.9 CLINKER PRODUCTION AND FINISHING MILLS

**CLINKER**

- SK8 – Capacity: 780 ktpa
- 4 stage preheater kiln
- SK9 – Capacity: 1 mtpa
- 6 stage pre-calciner kiln

**FINISHING MILLS**

- 2 x 30 t/h Open circuit ball mill
- 1 x 30 t/h closed circuit ball mill
- 1 x 120 t/h Ball mill, upgraded to latest high efficiency separator technology in 2013
3.10 BAGGED AND BULK PRODUCTS

SLURRY PRODUCES BULK AND BAGGED PRODUCT

- Road bulk, rail bulk and palletised-covered options
- Slurry predominantly sends bagged cement by road in South Africa (80% bagged)
- Cement in paper and woven polypropylene bags

PRODUCTS

- Suretech (CEM I 52.5 N)
- Surebuild (CEM II/A-L 42.5 R)
- Botcem, Sureroad, Surecem (CEM II/B-L 32.5N)
3.11 FOCUS ON ENVIRONMENTAL MANAGEMENT

Environmental management system including an environmental policy and procedures to manage activities that can interact with the environment

*Aligned to group best practice guidelines

Our integrated SHEQ policy stipulates our overall intentions and direction related to our performance and is aligned to the Group Environmental Policy

Conform to ISO 14 000 standards where Internal and external audits are conducted on a regular basis

Follow limits as prescribed in the AEL as well as the National Environmental Management Air Quality Act (Act no. 39 of 2004)
# 3.12 PPC ALIVE | SAFETY STATISTICS FOR FY 2018

<table>
<thead>
<tr>
<th>Monthly Number of employees</th>
<th>275</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Number of contractors</td>
<td>120</td>
</tr>
<tr>
<td>Hours worked</td>
<td>1.1 Million</td>
</tr>
<tr>
<td>Lost Days</td>
<td>0</td>
</tr>
<tr>
<td>Number of Lti’s</td>
<td>0</td>
</tr>
<tr>
<td>LTIFR</td>
<td>0</td>
</tr>
</tbody>
</table>

Safety of our employee’s our number one priority
3.13 UPLIFTING OUR COMMUNITY | A SNAPSHOT

- Development of our own employee’s
- Creating Employment and employ from local community
- Training of local community through ABET programme
- Assisting local community through sponsorships
- Involved in numerous projects over wide spectrum
  - Local schools (Mapetla, Onkgopotse Tiro)
  - Day care centers (Ramatlabama, Mapetla)
  - Feeding scheme, food gardens
  - Informal settlement roads and water upgrades
  - Water supply project
QUESTIONS
4. TECHNICAL SKILLS ACADEMY (TSA)
LOUIS FOUCHE – MANAGER TECHNICAL TRAINING
CONTENT

- Brief history
- Training and Accommodation facilities & capacity
- Program vision and focus
- TSA customer footprint
- Expansion support
TSA (GTC) HISTORY – SOME HIGHLIGHTS

• 1976: Built first training facility – current Electrical workshop
• 1982: Admin, accommodation & Mechanical workshops added
• 1994: Conduct 1st Trade Tests
• 2005: SABS - ISO 9001:2008 Certification
• 2006: Auditorium & Block C accommodation expansion
• 2008: GTC name change to TSA
• 2010: Upgrade of Kitchen / Dining facilities
• 2014: Expansion of skills, functional competence programs & short courses
• 2015: Upgrade of Block B accommodation & “on the job” assessment facilities
• 2018: Addition of Production training & assessment facilities (In progress)
TRAINING FACILITIES & CAPACITY

TSA Workshop Capacity

- Electrical 15 - 20 learners
- Fitter & Turner 15 - 20 learners
- Plater / Welder 15 - 20 learners
- Production 10 - 15 learners

Auditorium 60 candidates
Lecture rooms 4 x 10 + 1 x 30
Computer room 12 candidates
ACCOMMODATION FACILITIES & CAPACITY

On-site Accommodation

- 62 rooms
- DSTV
- Laundry facilities
- Dining facilities
- Recreation facilities
VISION – Programs Technical Skills Academy (1)
Phased Technical Training Interventions per Functional Stream

1. MINING STREAM
2. PROCESS AND ENERGY STREAM
3. DESPATCH STREAM
4. QUALITY STREAM
5. ENGINEERING STREAM
6. ENVIRONMENT RISK

INTERNSHIP PROGRAMS
DIP’s / GRAD’s

FRONTLINE OPERATIONAL MANAGEMENT COURSES

FUNCTIONAL SHORT COURSES

FUNCTIONAL LEARNERSHIPS

FUNCTIONAL SKILLS PROGRAMS

BASIC SKILLS PROGRAMS

MINING
PROCESS AND ENERGY
DESPATCH
QUALITY
ENGINEERING
The Functional Streams as per previous plus,

- Different Specialist Programs per Functional Stream for higher level positions:
  - Process Risk within Quarry Operation
  - Energy Management
  - Environmental Matters
  - Process knowledge for Non Process Engineers
  - Milling Audits
  - Process Optimisation
  - Chemistry
  - Effective Data Analysis and Interpretation
CUSTOMER FOOTPRINT

SA Business
- PPC Cement
- PPC Lime
- PPC Aggregates
- Readymix
- Ash

Rest of Africa
- Zimbabwe
- DRC
- Rwanda
- Ethiopia
EXPANSION SUPPORT

- Various Rwanda & DRC training initiatives successfully completed in SA:
  - Process operator training, legal compliance training, etc.
- Establishment of satellite training centres in support of Africa expansion projects:
  - DRC training centre.
  - Rwanda options being evaluated.
- SK9 process operation competence development to align with new cement technology:
  - Elevating current competence and knowledge of process operators & shift supervisors.
  - Implemented a process operator internal learnership with chemical engineering students.
- Subsidiaries:
  - On-boarding of subsidiaries (legal training, learning material alignment, train the trainer).
  - CSI project support (Ulula Ash initiative).
- Harare:
  - Harare appointments ex Bulawayo or Colleen Bawn – sufficient skills to operate milling depot.
QUESTIONS
INVESTOR CONTACTS

Anashrin Pillay
Investor Relations

✉️  anashrin.pillay@ppc.co.za
📞  +27 11 386 9000
🌐  www.ppc.co.za
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