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>
<tbody>
<tr>
<td>2.0 mtpa</td>
<td>Slurry</td>
<td>6 stage pre-heater ILC and grate cooler</td>
<td>★★★★★</td>
<td>• SK9 latest kiln technology (2018)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Capex – R1.9bn</td>
</tr>
<tr>
<td>2.0 mtpa</td>
<td>Dwaalboom + Hercules</td>
<td>6 stage pre-heater ILC and grate cooler</td>
<td>★★★★★</td>
<td>• VRM technology</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Capex – R2.0bn</td>
</tr>
<tr>
<td>1.2 mtpa</td>
<td>DeHoek</td>
<td>4 stage pre-heater and grate cooler</td>
<td>★★★★★</td>
<td>• Kiln upgrade</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Capex – R500m</td>
</tr>
</tbody>
</table>

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

- **18Mt**
  - Industry capacity
  - 25% excess capacity gap

- **14Mt**
  - Locally produced

- **1,0Mt**
  - Imports
  - 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

AP indexed from January 2015

WE CONTINUE TO REALISE EFFECTIVE PRICE INCREASES
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
2. De Hoek SITE VISIT
2.1 DE HOEK TEAM

Johan Vorster
General Manager
BSc, MBA (9 years)

Michael Daniels
Production Manager
BSc, (Hons) (17 years)

Jan Vorster
Human Resources Manager
BS, (Hons): DPLR (27 years)

Johan Steyn
B-Com, MBA, Dip Tax,
Charted Management Accountant (18 years)

Jaco Joubert
Environmental Manager
M Tech : Env Health, ND Safety Mng (22 years)

Vincent Diergaardt
Mining Manager
B-Tech Mining Eng (12 years)

Annetjie Minnaar
Risk Manager
B-Tech Safety Mng (14 years)

Adele Stone
Quality Assurance Manager
NHD Microbiology (29 years)

Steven Strauss
Engineering Manager
N Dip, GCC (11 years)
2.2 DE HOEK HISTORY

1919 Lime Company discovered limestone at De Hoek.
1923 Cape Portland Cement took over and began production with one kiln.
The company continued to trade under this name until 1983 when the name changed to Pretoria Portland Cement.

160 Feet long, (49 m)
Diameter of 9 feet, (2.7m)

Limestone transported with trolleys to the factory.
2.3 DE HOEK OVERVIEW
2.4 PRODUCTION PROCESS

Limestone mining → Crushing plant → Kiln feed preparation and blending → Coal stockpile

Crushing plant

Kiln feed preparation and blending

Coal stockpile

Pre-heater, kiln line & cooler

Finish milling & dispatch

Clinker storage
2.5 MINING | ZOUTKLOOF PIT & VONDELING PIT

- Commenced during 1979/80
- Planned mining until end 2017
- Final depth 190m

- Commenced during 2007
- Planned mining until 2042
- Current depth is 60m
- Final depth will be 200m
2.6 MINING | SCREENING, STOCKPILING, CRUSHING AND RECLAIMING

• Semi-mobile Primary Crusher (Cone)
• Move once in 3-4 years for maintenance
• Takes 1 day to travel to the service area

• 2 x Secondary crushers (Impact)
• Transportation via a 4 km belt conveyor underneath the N7 to the plant

Raw materials
Mined on site
• 91% Limestone
• 1.5% Shale
External Supply
• 5% Sand
• 6-10t/hr Coal
• 2.5% FDG (Fe)

Product extender
• 9 - 37% Slag
• 3% Gypsum
• 7-15% Limestone
## 2.7 CEMENT ASSET PORTFOLIO IN SOUTH AFRICA | COASTAL

### DE HOEK

**Clinker**
- **DK5** – Capacity: 310 kt
  - 4 stage preheater kiln
- **DK6** – Capacity: 460 kt
  - Upgraded in 2012
  - 4 stage preheater kiln

**Finishing Mills**
- **FM 5** – 65 tph (Unblended cement)
- Open circuit ball mill
- Commissioned in 1972
- **FM 6** – 60 tph (OPC)
- 2nd Generation closed circuit ball mill
- All product ranges

### RIEBEECK

**RK1** – Capacity: 240 kt
- Long dry kiln

**RK2** – Capacity: 270 kt
- 1 stage preheater kiln

### GEORGE

- Warehouse and bulk cement distribution

### PE FM4

- 30t/h (OPC) Open Circuit Ball Mill with KHD Roller Press Pre-Grinding Circuit

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17 PPC SITE VISITS SLURRY AND DE HOEK – SEPTEMBER 2018
2.8 KEY EQUIPMENT
2.9 PRODUCTS PACKAGING AND LOGISTICS

- Two packing machines 2 900 bags p/h each
- Bulk loading facilities by road and rail
- Cement storage capacity = 20 000 tons
- We can pack in excess of 1.4 million bags of cement per month
- De Hoek can sell approximately 26 000 tons of cement per week

PRODUCTS
- Suretech (CEM II 52.5 N)
- Surebuild (CEM II 42.5 N)
- Surecast (CEM I 42.5R)
2.10 WATER SAVINGS INITIATIVES

- Geophysical Survey: Determine Underground Water Source
- Desalination Plant 40m³/h (Raw Water from old Quarry convert to 20m³/h drinkable water)
- Employees staying in village reduce water consumption from 150 litres to 80 litres per person
- Overall plant consumption reduce water consumption by 60%
2.11 ALTERNATIVE FUELS | TYRE BURNING

RDF 15% | 15 000 tons
Main firing

Tyres 10% | 5000 tons

Clinker

TONS TYRES PROCESSED

FY15 | FY16 | FY17 | FY18 | FY19

Actual: 229 | 422 | 1 275 | 2 069 | 6 637
Forecast: 0

TONS TYRES PROCESSED

FY15 | FY16 | FY17 | FY18 | FY19

0 | 1 000 | 2 000 | 3 000 | 4 000 | 5 000 | 6 000 | 7 000

PPC SITE VISITS SLURRY AND DE HOEK – SEPTEMBER 2018
• End use for mining area is agricultural activities
• Rehabilitated 9.5 ha during 2018
• Wheat planted

• Backfilling Zoutkloof pit
• Use overburden from new Vondeling pit
• Already filled ¼ of the pit
• Concurrent rehabilitation costs approx. R1.5m per annum
2.13 PPC DE HOEK SHEQ PERFORMANCE

INTEGRATED SHEQ MANAGEMENT SYSTEM

- Quality Management System
- Environmental Management System
- Health & Safety Management System
- Bag mass e-mark
- Energy Management System
- HIV/AIDS Management system

WE ARE CERTIFIED IN THE FOLLOWING STANDARDS

- ISO 9001
- ISO 14001
- OHSAS 18001
- SANS 1841
2.14 PPC DE HOEK CSI AND SLP ACTIVITIES

Porterville Youth Centre – launch June 2018

Witewater Water project - phase 1 & 2

Mini Science Lab to Steynville Secondary School

Mr Saal and Kabira Akoob (PPC Group CSI Manager), sign a five year contract
QUESTIONS
INVESTOR CONTACTS

Anashrin Pillay
Investor Relations

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