RMB MORGAN STANLEY

OFF PISTE INVESTOR CONFERENCE

20 SEPTEMBER 2023

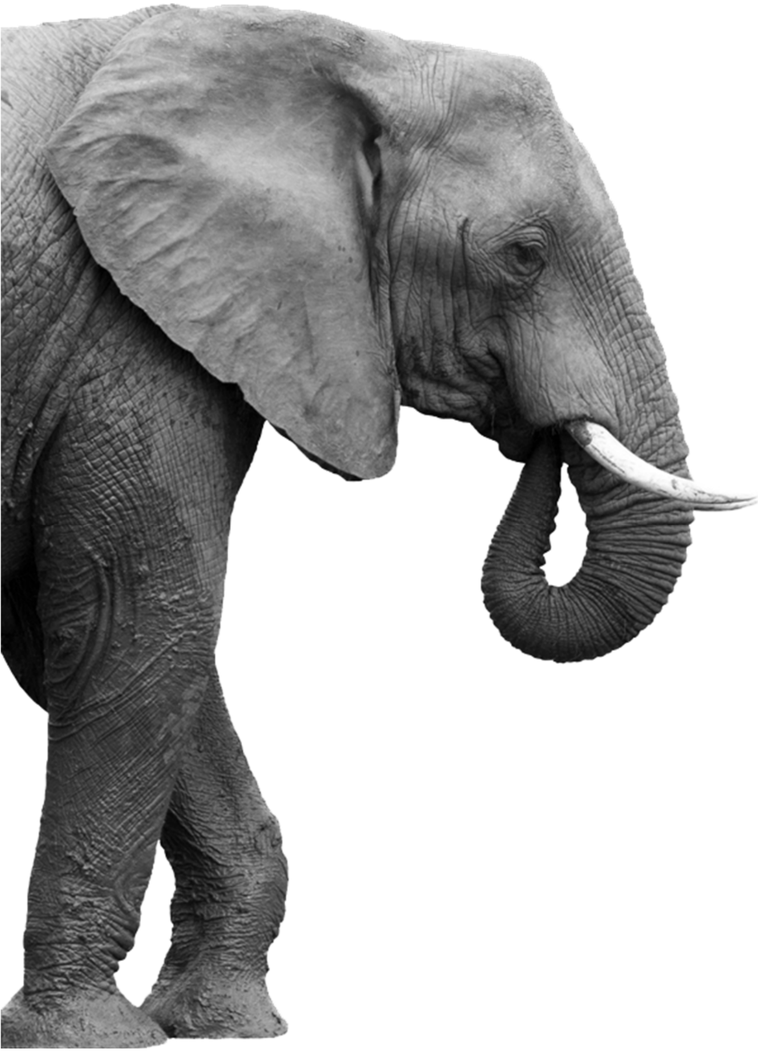
AGENDA

01 INTRODUCTION

02 FINANCIAL & OPERATIONAL UPDATE
- SA and Botswana
- Zimbabwe
- Rwanda

03 DECARBONISATION

04 CLOSING



INTRODUCTION 01

introduction

Managed and funded across key pillars

SA and botswana GROUP

CEMENT

- Comprises inland, coastal and Botswana business units
- Demand impacted by unfavourable macro factors
- Decarbonisation offers opportunities to innovate and reduce costs

MATERIALS

- Comprises readymix concrete, ash and aggregates business units
- Readymix and ash integral to SA operations
- Greater sensitivity to rain/weather and loadshedding and infrastructure spend

GROUP SERVICES/PPC LTD

Other INTERNATIONAL Businesses

ZIMBABWE

- PPC shareholding of 90% but enjoying 99.5% of the economics/dividends
- Own board and management team
- Management and technical support from South Africa
- Dividends continue to be declared and paid bi-annually without challenges

Rwanda (Cimerwa)

- PPC shareholding of 51%
- Own board and management team
- Management and technical support from South Africa
- Listed in Rwanda
- First dividend paid March 2023 following strong cashflow generation and full utilisation of assessed tax losses

DIVIDENDS

Group consolidated | key features

For the full year ended 31 march 2023

Revenue
▲0.2%
to R9 902 million

EBITDA margin
▼ 1.4% pts
to 13.7%

Distribution approved
R200 million
share repurchase

SA and Botswana leverage of 1.2 times[1] EBITDA

Free cashflow[2] of R392 million

1. Before the distribution
2. Free cashflow is net cashflow before financing activities

Introduction

footprint and strategy focused on southern Africa

- Primary market and focus is Southern Africa including South Africa (“SA”), Botswana and Zimbabwe
- Rwanda remains important with focus on securing additional limestone before allocating material capital for expansion
- DRC and Ethiopia transactions are completed and there is no further financial claim or risk on the group
- No footprint expansion is being considered outside the primary markets
- Cost containment and clinker factor reduction remain a primary focus
- Implementing value-accretive decarbonisation initiatives
- Capital allocation discipline maintained with a focus on improving ROIC[1] for SA & Botswana group and dividend upstreaming from Zimbabwe and Rwanda to continue
- SA and Botswana group gross leverage to be maintained at 1.3 – 1.5x gross debt : EBITDA, enabling continued distributions to shareholders

1. Return on invested capital

introduction

investment case remains sound and well poised | Internal business solid but facing external challenges

Performance and returns focused

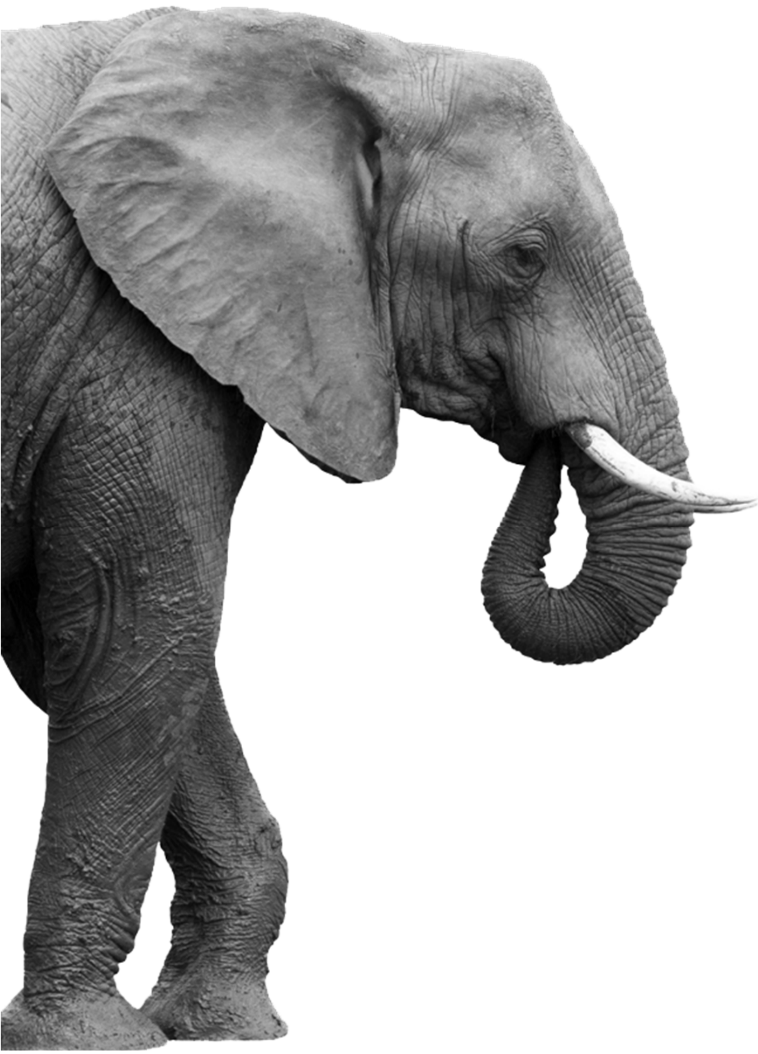
Leadership position in all markets with optimised asset base

Well positioned to take advantage of structural growth in infrastructure demand

A value-accretive pathway for reducing carbon intensity for a sustainable business

Optimal capital structure and disciplined capital allocation to support strategy

An experienced, focused and motivated leadership team



FINANCIAL & OPERATIONAL UPDATE

02

For the five months to 31 August 2023

Financial and operational update

LANDSCAPE IS DIFFERENTIATED ACROSS THE key MARKETS

SA and botswana

- Coastal demand softened due to weak retail while larger inland market performed relatively better
- Materials now EBITDA neutral
- Lack of government infrastructure spending
- Weak macro-environment
- 10% BEE transaction concluded

International

- Rwanda and eastern DRC demand remains strong albeit with increased regional competition
- Zimbabwean demand remains strong and PPC regained market share
- Zimbabwe reporting in US$ functional currency for H1:FY24

Across the portfolio

- New CEO, Matias Cardarelli announced
- Input cost pressures continue
- Energy reliability and stability risks persist
- Cement imports remain a structural challenge
- Decarbonisation opportunities
- Share repurchase ongoing in an environment with limited liquidity

SA and BOTSWANA CEMENT

focus on margin protection and cash generation

considerations

- Bi-annual price increases implemented in July 2023
- Inland performance improved despite continued weak retail demand
- Coastal demand impacted by higher than usual rains and weaker retail demand
- Botswana demand negatively impacted by Namibian imports
- Cost optimisation and improved pricing yielding margin stabilisation

Key features[1]

Volumes

- Sales volumes ▼ 6%

Price

- Average price increased ▲ 10 %

Revenue (excl materials)

- Revenue ▲ 5 %

EBITDA (excl materials)

- EBITDA ▲ 5%
- Margin 11%
  (prior period 11%)

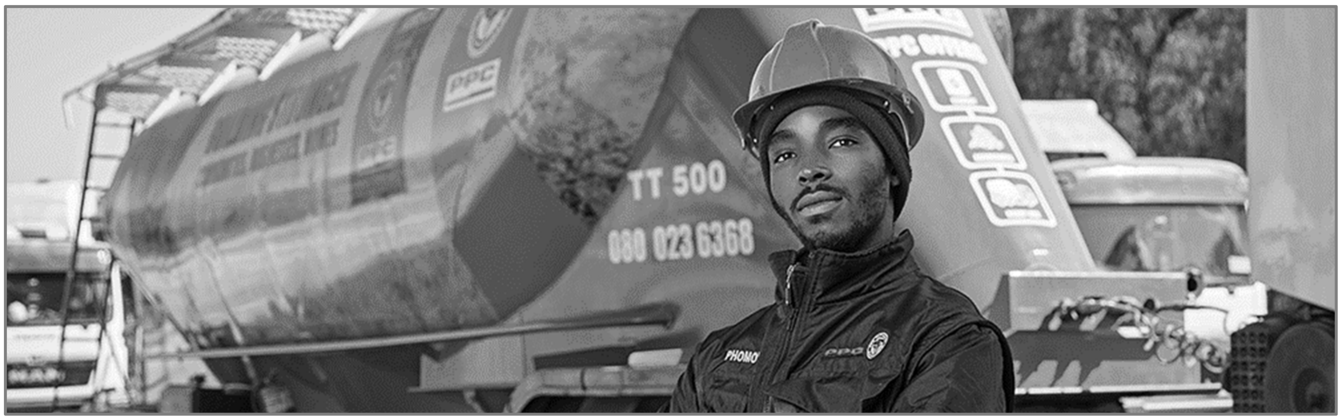
1. For the five months to 31 August 2023

materials

business unit now ebitda neutral

considerations

- Material business now contributing positively to the SA and Botswana following restructure
- Ash business remains sound (prior comparative was also positive)
- Readymix EBITDA margins now positive as variable component of cost base increased (largest contributor to the business)
- Aggregates EBITDA margin remains under pressure due to lack of projects around plants
- Pricing increases implemented across all segments



Key features[1]

Volumes

- Weaker volumes across all businesses

Revenue

- Total ▼ 3%

EBITDA

- EBITDA ▲ marginally positive (prior period loss)

1. For the five months to 31 August 2023

Zimbabwe

strong recovery following shutdown in h1:FY23

considerations

- Recovery of market share following shut down in prior comparative period
- Demand from both residential and government funded construction projects
- Clinker demand exceeds production capacity and imports well managed
- Prior period reported numbers significantly skewed by hyperinflation, while H1:FY24 numbers to be reported in US$ functional currency
- Continued cash generation and ability to repatriate, with $3.5million repatriated in July 2023
- Replacement of previous indigenisation plan implemented 29 August 2023

Key features[1]

Volumes

- Sales volumes ▲ 42%

Price

- Average price increased ▲ 12%

Revenue (in US$ parallel rate)

- Revenue ▲ 58%

EBITDA (in US$ parallel rate)

- EBITDA ▲ 200%
- EBITDA margin 27% (prior period 14%)

1. For the five months to 31 August 2023

RWANDA (CIMERWA)

strong growth with margin STABILITY

considerations

- Strong domestic demand due to infrastructure projects
- Export market impacted by increased regional competition
- Margin stability despite continued input cost pressures due to pricing increases combined with improved operational efficiencies
- Dividend cycle expected to result in declaration in Feb 2024 and payment before end of FY24
- Rand appreciated against the RwF by 2% and RwF depreciated against the US$ by 13%

Key features[1]

Volumes

- Sales volumes ▲ 13%

Price (in ZAR)

- Average price increased ▲ 6%

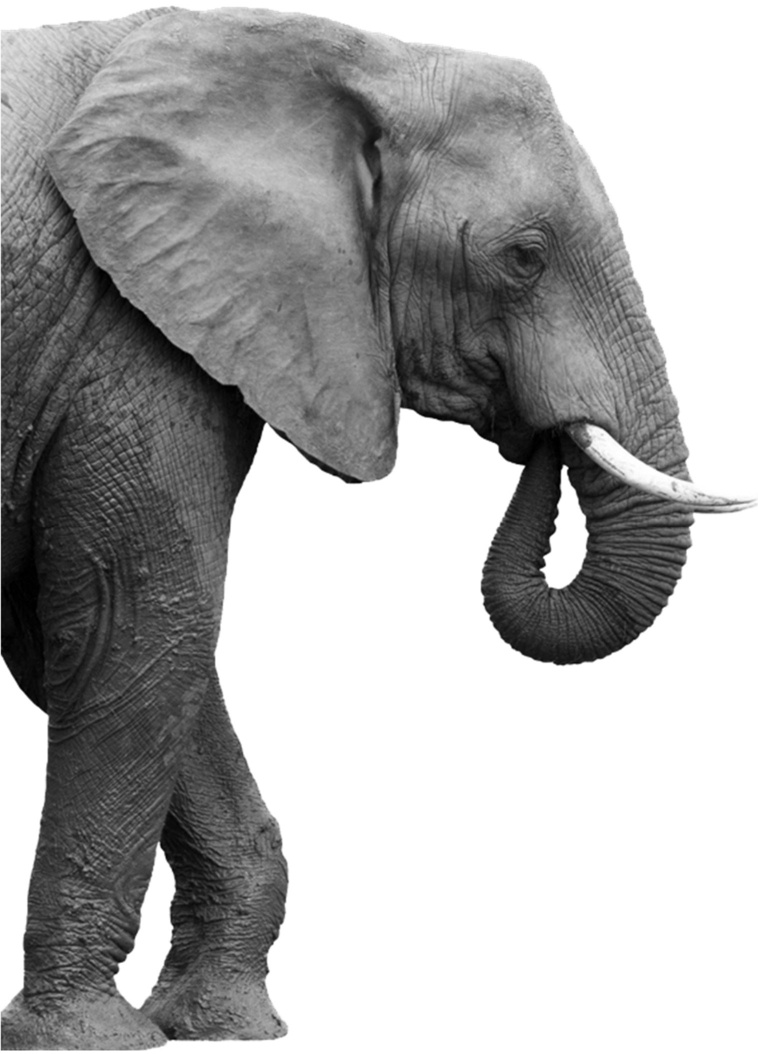
Revenue (in ZAR)

- Revenue ▲ 19%

EBITDA (in ZAR)

- EBITDA ▲ 9%
- EBITDA margin 29% (prior period 32%)

1. For the five months to 31 August 2023



DECARBONISATION PROJECTS UNPACKED

03

Decarbonisation

Our ambition for net-zero remains on track and unchanged

FY2020 — Short-term targets

756 kg CO_2/t cement[1] product

10% reduction

R664 million CAPEX allocation over the period

Medium-term targets — **FY2025**

680 kg CO_2/t cement[1] product

27% reduction compared to FY2020

CAPEX allocation to be determined

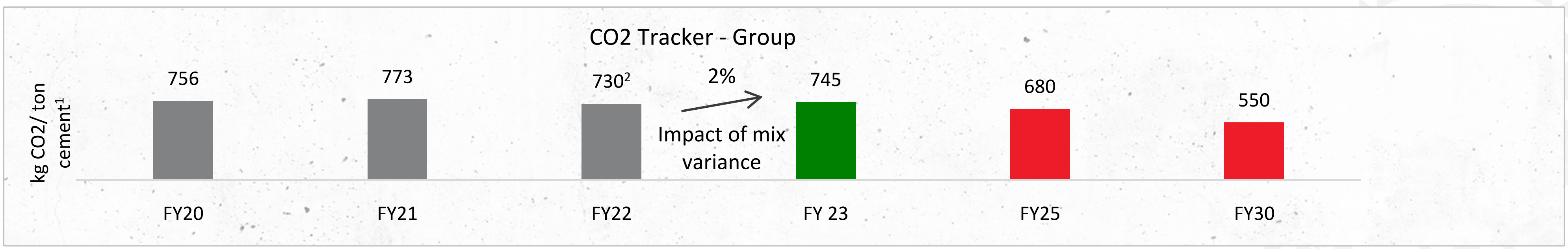
FY2030 — Long-term targets

Less than 550 kg CO_2/t cement[1] product

Targets may be refined inline with emerging policies and technologies, and changing market dynamics

Net Zero

(Scope 1 and 2)



1. Previously reported as cementitious, adjusted post assurance audit
2. Was previously 723 CO_2/ton cement, adjusted post assurance audit

Decarbonisation

Key decarbonisation enablers are known | focus areas

ELECTRICAL EFFICIENCY & RENEWABLES

- Optimise plant assets by making use of energy efficient equipment as part of plant asset care strategy
- Use of renewables, wind and solar into energy mix
  - Power purchase and power wheeling agreements.
  - Back up storage systems e.g. batteries

RENEWABLES PROJECT 1

CLINKER FACTOR REDUCTION

- Increase use of supplementary cementitious materials like fly ash, pozzolana, slags and calcine clay
- Identify opportunities for new product development / reclassification
- Optimal use of strength enhancers and grinding aids

ZIM FLY ASH PROJECT 2

OVERALL EQUIPMENT EFFICIENCY (OEE)

- Optimal outputs of all operating units – achieving best demonstrated practice and guided by industry benchmarks
- Improved availability/reliability – less frequent stop/starts results in reduction of fuel requirements
- Stable power supply

INDUSTRIAL PERFORMANCE IMPACT 3

THERMAL EFFICIENCY & ALTERNATE FUELS (AF)

- Operating our kiln lines at its best demonstrated practice or better
- Use of AF's e.g. waste tyres, refuse derived fuels etc.
- Enhanced automation – use of high-level control systems and artificial intelligence
- Training and development – across the workforce

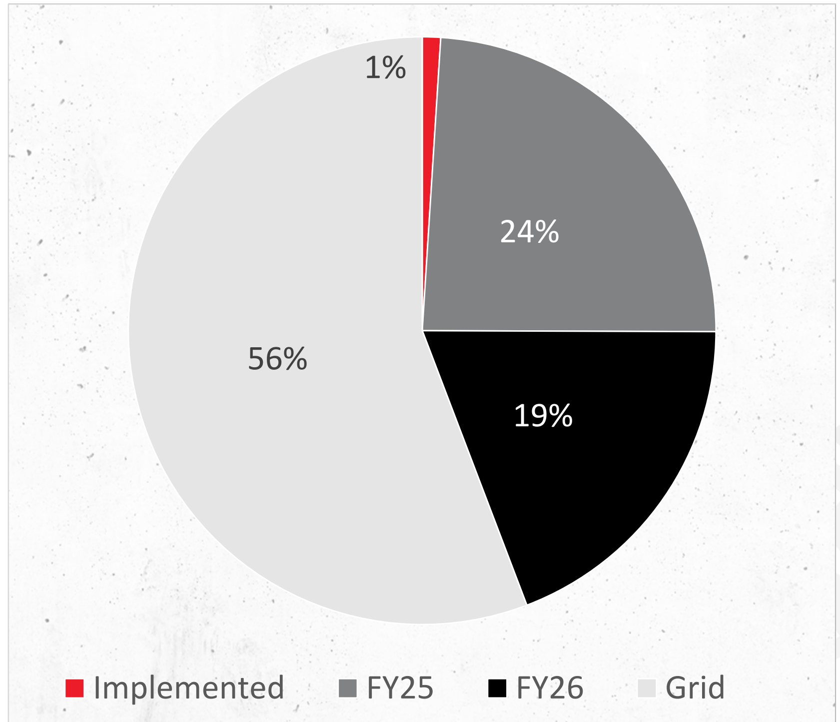
Decarbonisation

Electrical Efficiency and Renewables projects

	Solar project	Status	% Energy replacement	Commissioning schedule
1. Hercules	Roof Top	PPA implemented	0,8%	April 23
2. Jupiter	Roof Top	PPA implemented	0,2%	Feb 23
3. Port Elizabeth	Roof Top	Feasibility	-	FY25
4. Slurry	Embedded	PPA signed – in financial close	5,5%	FY25
	Wheeling	PPA signed – in financial close	6,0%	FY26
5. Dwaalboom	Embedded	PPA signed – in financial close	5,4%	FY25
	Wheeling	PPA signed – in financial close	5,4%	FY26
6. DeHoek	Wheeling	PPA signed – in financial close	3,6%	FY26
7. Riebeek	Embedded	RFP/RFQ	2,0%	FY26
	Wheeling	PPA signed – in financial close	2,9%	FY26
8. Colleen Bawn	Embedded	PPA signed – in financial close	8,1%	FY25
9. Bulawayo	Embedded	PPA signed – in financial close	3,0%	FY25
10. Harare factory	Wheeling	PPA signed – in financial close	1,2%	FY26
Total			**44.1%**	

Wheeling projects include solar and wind
FY 25 and FY 26 targets subject to financial close being reached in agreed time frames

Electrical energy consumption evolution



Decarbonisation

ZIM FLY ASH PROJECT | Hwange Fly Ash for Bulawayo

CLINKER FACTOR

- Refers to the amount of clinker used in cement, conforming to the cement manufacturing standards.
- Clinker is therefore extended using supplementary cementitious materials (SCM's) or extender which include limestone, pozzolanas, fly ash, slags, and more recently, calcine clay.
- The benefits of reducing the clinker factor are mainly:
  - Reduce the overall CO_2 footprint per ton cement produced.
  - Reduce the overall cost per ton produced.
  - Redirects a waste stream into a sustainable use product – fly ash, slag and silica fumes are normally stored in waste dumps if not redirected into processes such as cement.
  - Increase the amount of cement manufactured – product reclassification.

HWANGE FLY ASH PROJECT

- To introduce a fly ash blended cement at its Bulawayo factory plant in FY25 using fly ash from Hwange Electricity Supply Company (HESCO)
- Zimbabwe Power Company (ZPC) Hwange is currently commissioning two new units (units 7 and 8) at its thermal power plant. T,he two plants will produce gypsum and fly ash as by-products.
- Surecem will be converted from a CEM II B-L 32.5 to either CEM IV 32.5 or CEM II/C-M 32.5 product → unlocking additional cement capacity and at a lower CO_2 footprint.
- Any excess fly ash volumes could be sold into the market in the future, providing a potential new revenue stream.

OUTCOMES

- Clinker factor reduction : 68% → 55%
- CO_2 intensity reduction : 720 → 600 kg CO_2/ton cement
- Capex (BF and Hwange) – U$ 4 to 5 million

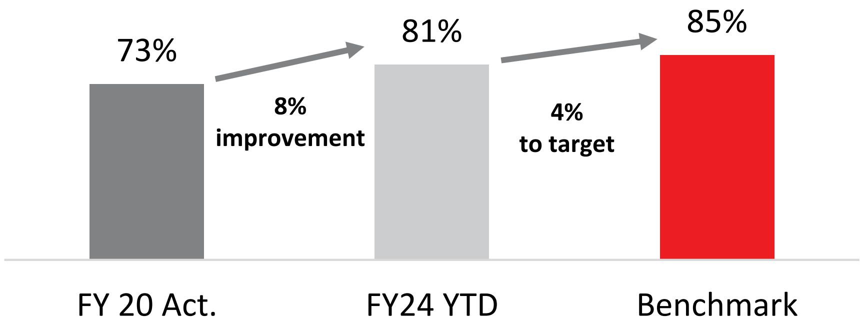
Decarbonisation

Industrial Performance impact

Kiln net overall equipment efficiency ("OEE")

- YTD FY24 all main production lines producing at better FY20 baseline
- performance and progressing towards benchmark.
- Performance sustained by focused optimisation initiatives around:
  - Improved plant reliability and availability.
  - Increase focus on skills development and training.

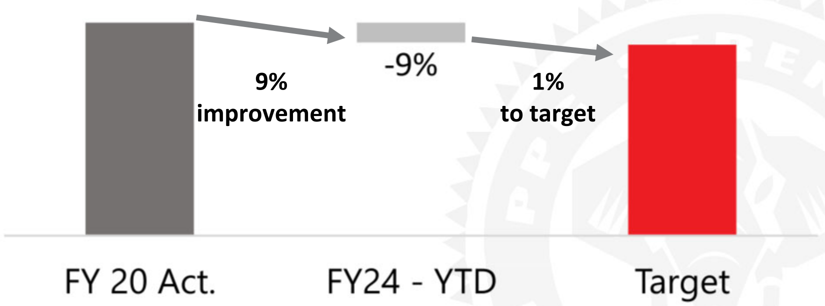
Net OEE



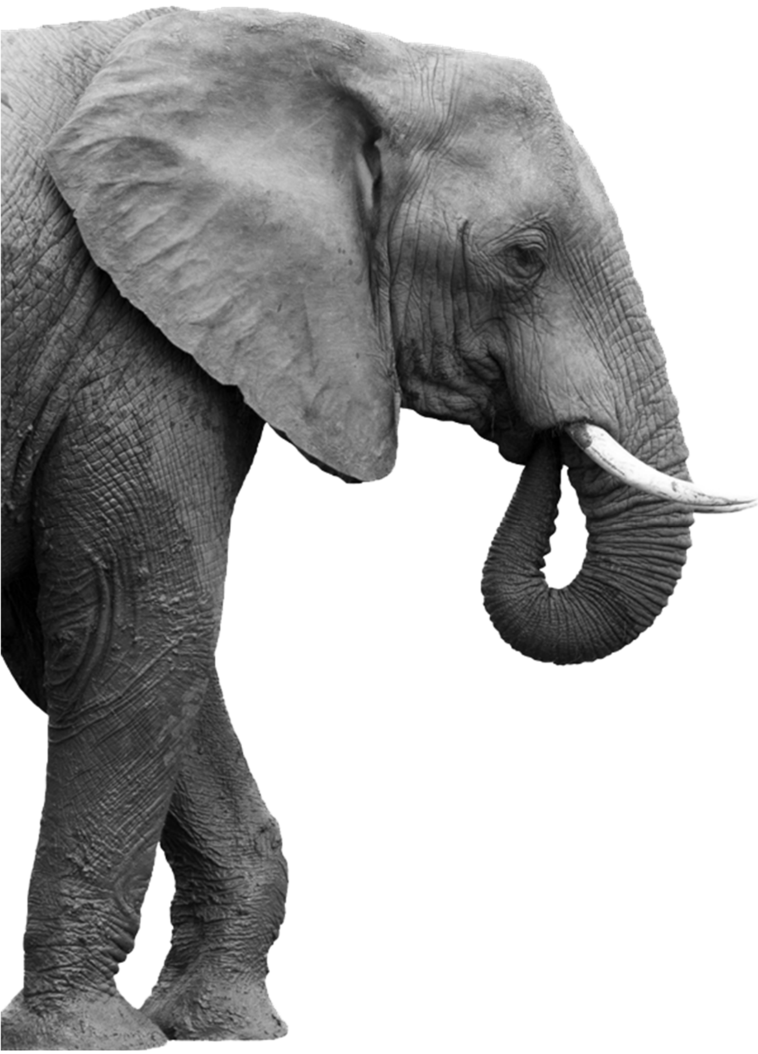
Kiln thermal heat consumption

- YTD FY24 performance has improved by 6% vs the original FY20 baseline
- Performance sustained by focused optimisation initiatives around:
  - Raw mix chemistry optimisation
  - Optimised run plan allowing for longer, more efficient run times
  - Reduced use of swing kilns (lower efficiency), whilst still sustaining production volumes.

Thermal heat consumption[1]



1. Gigojoule per ton clinker



CLOSING 04

Closing

Focus on profitability, cashflow and returns

- Implement measures to further improve OEE[1] and reduce cost and carbon intensity
- Focus on optimising our core Southern African assets while managing our geographical footprint
- Zimbabwe and CIMERWA dividend repatriations expected to continue
- Have the financial and operational flexibility to respond to an upsurge in cement demand or to withstand current economic conditions in South Africa
- Maintain optimal leverage at SA and Botswana group and continue distributions to shareholders

1. Overall equipment efficiency

THANK YOU