Trading statement for the unaudited interim group financial results for the six months ended 30 September 2019

In terms of paragraph 3.4(b) of the JSE Limited (“JSE”) Listings Requirements, companies are required to publish a trading statement as soon as they are satisfied, with a reasonable degree of certainty, that the financial results for the period to be reported upon next will differ by at least 20% from those of the previous corresponding reporting period. SepHold is in the process of finalising its interim results for the six months ended 30 September 2019, which will be released on SENS on or about 13 November 2019 and published in the press on or about 14 November 2019.

Accordingly, SepHold, Métier Mixed Concrete (Pty) Ltd (“Métier” or “the subsidiary”) and Dangote Cement SA (Pty) Ltd (“SepCem” or “the associate”) collectively referred to as the group, advise shareholders that, results for the six months ended 30 September 2019 compared to the six months ended 30 September 2018 (“H1 2019”) are as follows:

- earnings per share (“EPS”) of the Company are expected to be between (3.43) and (4.46) cents per share (H1 2019: 12.83 cents per share), and

- headline earnings per share (“HEPS”) of the Company are expected to be between (3.36) and (4.37) cents per share (H1 2019: 12.59 cents per share).

The continued decline in concrete sales volumes and flat pricing against inflationary cost increases resulted in a significant decrease in Métier’s net profit. The subsidiary is implementing a strategy to geographically diversify plant footprint to maintain optimal sales volumes and cost management initiatives to support profitability. Furthermore, SepCem’s 19% cement sales volume decrease during the related interim period ended 30 June 2019 resulted in negative equity- accounted earnings for the Company. Steady recovery in cement sales volumes in the post -period third quarter ended September 2019, has improved SepCem’s profitability. The group remains cautiously optimistic about the next 6 – 12 months following the commencement of several civil construction projects for the national road network rehabilitation and water storage infrastructure.

The challenging trading environment has had an impact on SepCem’s mining contractor Diesel Power OpenCast Mining (Pty) Ltd (“DPSA”) who filed for voluntary liquidation on 18 October 2019 with immediate seizure of mining activities. SepHold is however pleased to inform shareholders that SepCem has subsequently appointed a new mining contractor, because at the time of the liquidation notice the associate was well advanced in its tendering due to the expiration of DPSA’s contract in November 2019.
SepCem has sufficient levels of product stock to cater for any cement demand requirements and has therefore not been materially impacted by this event. SepHold will provide further details if necessary, in the next few weeks.

The financial information on which this trading statement is based has not been reviewed or reported on by the Company’s external auditors.

**Analyst results presentation conference call**

A results conference call for analysts will be at 11:00hs (SA time) on 14 November 2019. Registration is required and can be done using the following link to obtain the dial-in details:

[Sephaku Holdings - Interim Results conference call](http://sephakuholdings.com/investor-centre/presentations/)

The results presentation will be available on the company website on 14 November 2019 at 1030hs through the link:  [http://sephakuholdings.com/investor-centre/presentations/](http://sephakuholdings.com/investor-centre/presentations/)

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**Sponsor to Sephaku Holdings: Questco (Pty) Ltd**

**About Sephaku Holdings Limited**

Sephaku Holdings Limited (“SepHold”) is a building and construction materials company with a portfolio of investments in the building materials industry in South Africa. The company’s core investments are a 36% stake in Dangote Cement South Africa Proprietary Limited who manufacture the Sephaku Cement brand and 100% in Métier Mixed Concrete Proprietary Ltd. SepHold’s strategy is to generate growth and realise value for shareholders through the production of cement and ready mixed concrete in Southern Africa.  
[www.sephakuholdings.com](http://www.sephakuholdings.com)