

# CONDENSED CONSOLIDATED INTERIM UNAUDITED FINANCIAL RESULTS

## for the six months ended 30 September 2018



(Incorporated in the Republic of South Africa)  
(Registration number: 2005/003306/06)  
Share code: SEP ISIN: ZAE000138459  
("SepHold" or "the Company")

Group net profit increased by **R11,72 million (79.2%)** from R14,80 million to R26,52 million

Métier revenue increased by **R20,18 million (4.5%)** from R447,82 million to R468,00 million

Basic earnings per share increased by **5.54 cents (75.9%)** from 7.29 cents to 12.83 cents

Métier net profit decreased by **R11,39 million (35.9%)** from R31,69 million to R20,30 million

Headline earnings per share increased by **5.49 cents (77.3%)** from 7.10 cents to 12.59 cents

SepCem<sup>1</sup> equity accounted earnings increased by **R21,99 million** from the prior year loss of R5,79 million to R16,20 million for the six months ended 30 June 2018



Sephaku Holdings Limited hereby announces the unaudited financial results for the six months ended 30 September 2018. SepHold, Métier Mixed Concrete Proprietary Limited ("Métier" or "the subsidiary") and Dangote Cement South Africa Proprietary Limited ("SepCem" or "the associate") are collectively referred to as the group. The unaudited, unreviewed interim results in respect of the comparative period, being the six months ended 30 September 2017, are highlighted above.

### COMMENTARY

The group revenue increased by 4.5% to R468,00 million from R447,82 million as a result of an increase in sales volume and a marginal increase in mixed concrete pricing for Métier. The increase in sales volume is attributable to the strategic plant footprint expansion through the 12th and 13th plant in Gauteng during the past 12 months. The thirteenth plant that commenced production in September 2018 is located in the Centurion area and provides access to the surrounding markets. To support margins, the subsidiary's management optimised the logistics function by reducing the proportion of outsourced trucks to improve cost efficiencies. Although Métier's exposure to the distressed construction companies has been limited, the subsidiary continued to intensively manage their debtors by implementing stricter terms including

suspension of concrete supply for late payment to ensure customer compliance.

SepCem's interim revenue increased by 5.4% to R1,16 billion (2017: R1,10 billion) mainly due to an average price increase per tonne of 3% in August 2017 and 5% in February 2018. SepCem's optimisation programme had a positive impact on profitability by contributing to the 30% increase in interim EBITDA of R256 million (margin: 22%) compared to R197 million (margin: 18%) in 2017. The associate's operating and net profits achieved were R170 million (2017: R112 million) and R45 million (2017: loss R16 million) respectively.

The group's interim operating profit was lower at R22,71 million (2017: R39,70 million) but net profit increased to R26,52 million compared to R14,80 million achieved in 2017 because of the increase in SepCem's equity accounted profit.

### Post period

Following the Dangote Cement PLC results released on 22 October 2018 for the nine months ended 30 September 2018, SepCem's revenue increased marginally to R1,77 billion (2017: R1,76 billion) with sales volumes 3.5% lower year on year. SepCem's net profit increased by 86.8% from R16,37 million to R30,57 million for the period. The associate's third quarter results will be accounted for in the SepHold

audited financial results for the twelve months ending 31 March 2019. The group's focus for the 24 months is to reduce debt, reduce head office expenses, complete the fleet efficiency improvement programme at Métier and continue to evaluate opportunities to enhance shareholder value.

This short-form announcement is the responsibility of SepHold's directors and is only a summary of the information contained in the full announcement. This short-form announcement does not contain full or complete details pertaining to the group's results. Investment decisions by investors and/or shareholders should therefore be based on consideration of the full announcement which was released on SENS on 13 November 2018 and is available for viewing on the company's website at [www.sephakuholdings.com/investor-centre/sens-news-and-archives/press-releases/](http://www.sephakuholdings.com/investor-centre/sens-news-and-archives/press-releases/).

Copies of the full announcement may be requested at the company's registered office, at no charge, during office hours from the date of this announcement for a period of 30 days.

On behalf of the board  
Pretoria

Chief executive officer Financial director  
*Dr. Lelau Mohuba Neil Crafford-Lazarus*

14 November 2018

<sup>1</sup> SepCem has a December year-end as a subsidiary of Dangote Cement PLC.

### Company information

#### Directors

B Williams<sup>o</sup> (chairman)  
MJ Janse van Rensburg<sup>o</sup>  
B Bulu<sup>o</sup>  
MM Ngoasheng<sup>o</sup>  
J Pitt<sup>o</sup>  
PF Fourie<sup>^</sup>  
RR Matjiu<sup>^</sup>  
Dr L. Mohuba\* (chief executive officer)  
NR Crafford-Lazarus\* (financial director)  
KJ Capes\*

\* Executive    <sup>o</sup> Independent  
~ Alternate    ^ Non-executive

#### Company secretary

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#### JSE sponsor

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The full announcement is available at:  
[www.sephakuholdings.com/investor-centre/sens-news-and-archives/press-releases/](http://www.sephakuholdings.com/investor-centre/sens-news-and-archives/press-releases/)