

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



## **Sephaku Cement 2024 financial results and Métier operational update**

Following Dangote Cement PLC's ("DCP") 2024 financial results announcement for the period ended 31 December 2024, SepHold reports on Dangote Cement SA (Pty) Ltd.'s ("Sephaku Cement", "SepCem" or "the associate") performance. The commentary also includes an update on Métier Mixed Concrete (Pty) Ltd.'s ("Métier" or "the subsidiary") operational performance.

### **Commentary**

#### **Sephaku Cement**

##### *Sales, Revenue and Profitability*

SepCem's after-tax profit for the 12 months ended 31 December 2024 was R42.6 million, compared to R41.9 million in 2023. Of this, R15.3 million (2023: R15.1 million) will be included in SepHold's results for the period ending 31 March 2025, as SepHold'.

For the 12 months ended 31 December 2024, sales volume decreased by 4% year-on-year ("y-o-y"), resulting in a 1.4% decline in revenue, which amounted to R2,785 million (2023: R2,823 million).

EBITDA for the year dropped by 11.2%, from R361.2 million to R320.7 million. Sephaku Cement experienced strong EBITDA growth in the first half of 2024, with an increase from R106.9 million to R146.7 million. However, as highlighted in the Interim Results for the nine months ending 30 September 2024, the improved performance in the first half was subsequently negatively impacted by the impact of unplanned kiln stoppages for repairs, which led to overheads being absorbed by lower production levels. These disruptions carried over into the fourth quarter, resulting in an overall decrease in EBITDA.

SepCem continues to implement various cost-saving initiatives, measured by the Dangote Group, to mitigate the negative impact of low demand in the market. Furthermore, an easing of finance cost and a lower depreciation charge contributed to maintaining a flat profit after-tax number.

##### *Debt management*

At 31 December 2024, the bank loan capital balance was R135 million following the repayment of R183 million, which included the repayment of accrued interest of R27 million. Bank loan capital attracts an interest rate equal to the preceding 3-month JIBAR plus 3.25%. DCP's subordinated loan balance was R872 million, at an interest rate of JIBAR plus 4%, which is accrued and capitalised.

SepCem repayments are current, and the associate is in full compliance with the loan covenants.

The full Dangote Cement PLC's results, which incorporate SepCem's results for the year ended 31 December 2024, can be accessed at the following link:

<https://www.dangotecement.com/wp-content/uploads/2025/03/Dangote-Cement-Full-Year-2024-Account.pdf>

## **Métier**

### *Sales, Revenue and Profitability*

Métier was impacted by deteriorating economic conditions and ongoing challenges in the construction sector, resulting in lower sales volumes for the 11 months ended 28 February 2025 in comparison to the prior period. However, it still managed to achieve an increase in EBITDA based on management's unaudited accounts. This performance improvement was primarily driven by cost-saving measures and higher selling prices, which outpaced inflation.

### *Debt management*

Métier utilizes various vehicle and property finance facilities to fund its fleet and expansion projects. The current utilization stands at R125 million, from an available R200 million, in addition to an overdraft facility of R40 million. The net debt position at the end of February 2025 was R75 million.

## **Outlook**

While the Government of National Unity (GNU) remains intact, economic outcomes remain stagnant. However, the commencement of certain government infrastructure projects has been observed, and these are expected to contribute to the growth of the construction sector. As a leading indicator for construction activity, data on building plans passed continues to indicate constrained demand for building materials.

Given the current economic conditions, a defensive approach is necessary, with the flexibility to respond to short-term opportunities as they arise.

*Any forward-looking information in this announcement has not been reviewed or reported on by the Company's external auditors. All Sephaku Cement figures included below are shown on a 100% basis and do not reflect SepHold's 36% attributable interest unless otherwise stated.*

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31 March 2025

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Sponsor: Questco Corporate Advisory (Pty) Ltd

### **About Sephaku Holdings Limited**

SepHold is a building and construction materials company with a portfolio of investments in the cement sector in South Africa. The strategy of SepHold is to generate growth and realise value for shareholders through the production of cement and ready mixed concrete in Southern Africa. The Company's core investments are a 36% stake in Dangote Cement South Africa (Pty) Ltd (Sephaku Cement) and 100% in Métier Mixed Concrete (Pty) Ltd.

[www.sephakuholdings.com](http://www.sephakuholdings.com)