

ANNUAL GENERAL MEETING INVESTOR PRESENTATION



SEPHOLD REVIEW AND UPDATE : 21 August 2014

DISCLAIMER

This presentation includes certain forward-looking information. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: Sephaku Holdings' strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for Sephaku Holdings' operations, individually or in the aggregate; liquidity and capital resources and expenditure; and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect Sephaku Holdings' current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases. Similarly, statements concerning Sephaku Holdings' objectives, plans or goals are or may be forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may affect Sephaku Holdings' actual results, performance or achievements expressed or implied by these forward-looking statements. Although Sephaku Holdings believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct.

AGENDA

Financial review *Neil Crafford-Lazarus*

Operational update *Dr Lelau Mohuba*

Questions



Born in the New SA

Sephaku Cement was born in the New South Africa; the South Africa that today celebrates its democracy's 20th anniversary. A new South Africa, a new democracy, and a new freedom to choose. And, just like you have the freedom to choose your government, you have the freedom to choose your cement. Sephaku Cement is the first new entrant into the cement industry in 80 years: a new cement for a new South Africa. Choose freedom. Choose new. Choose Sephaku Cement. We're not the only choice; we're the obvious choice.





www.sephakucement.co.za 



FINANCIAL REVIEW



SALIENT POINTS FOR THE FY2014 PERIOD

- ❑ SepHold overhead cash costs were contained at R13,4 million
- ❑ The group achieved a profit before tax of R13,4 million
- ❑ Métier performed very well as indicated by:
 - Revenue  by 38% from R414,3 million to R571,5 million
 - EBIDTA  by 22% from R81,6 million to R100,0 million
 - Operating profit  by 18% from R63,8 million to R75,5 million
 - Profit after tax  from R40,1 million to R41,3 million

STATEMENT OF COMPREHENSIVE INCOME 1/2

□ Group net loss of R2,8 million:

- SepHold operating loss of R18,7 million;
 - R5,4 million relates to vesting of share options
- SepCem loss of R40,9 million due to market entry expenditure;
 - SepHold's equity-accounted loss of R14,7 million
- Group finance charges of R25,7 million:
- R6,9 million is present value adjustment on the Métier purchase price
- Balance due to Métier acquisition debt and asset finance

STATEMENT OF COMPREHENSIVE INCOME 2/2

❑ Group taxation of R16,2 million includes:

- Métier's of R17,8 million
- Reversal of deferred taxation R1,6 million

❑ Métier acquisition impact on FY 2013 figures:

- Retrospectively adjusted amortisation of R377 330 net of tax
- Amortisation of intangible assets of R4 million net of tax

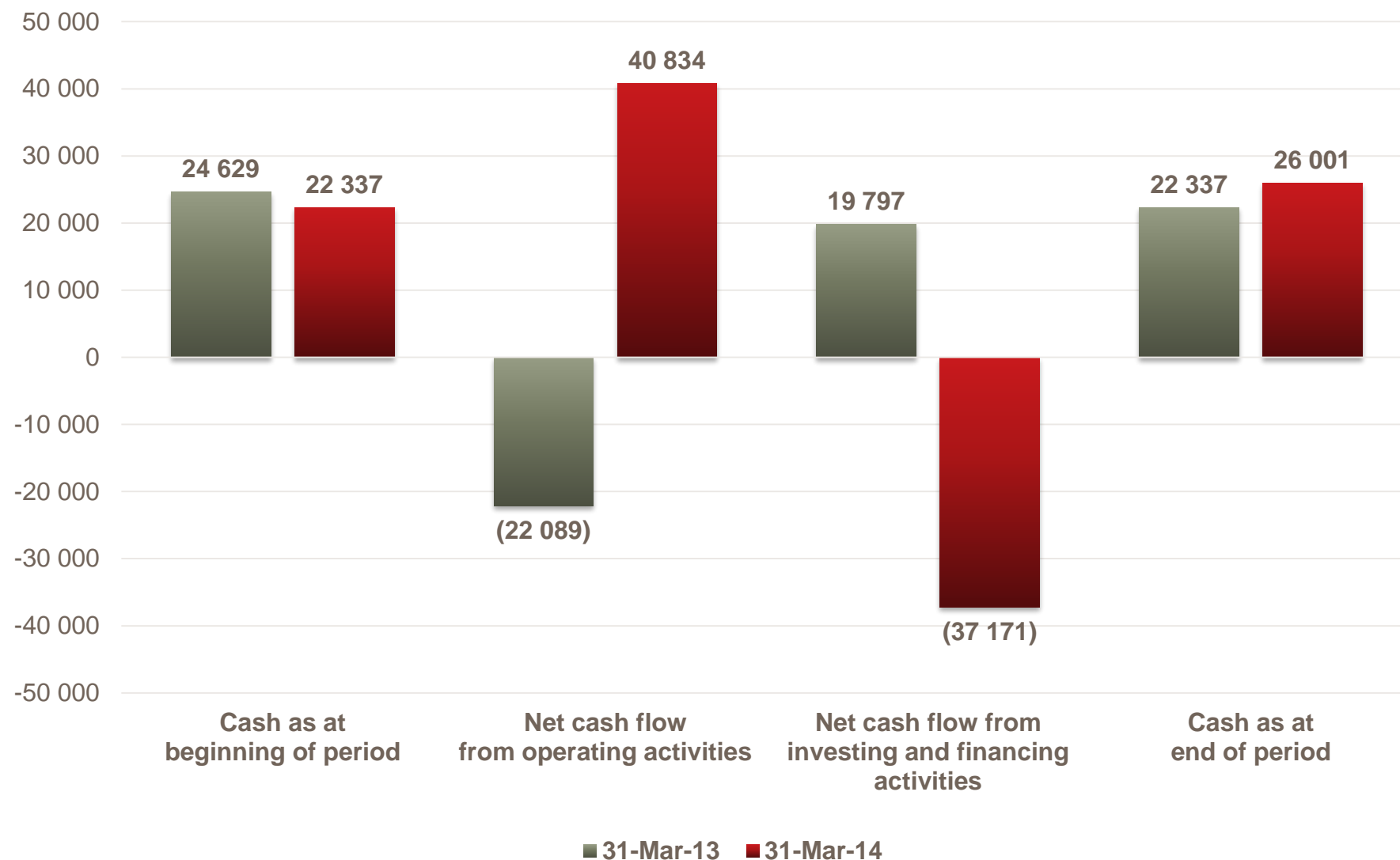
❑ Group profit before the non-cash IFRS adjustments is R13,5 million

❑ Basic loss per share of 1,49 cents

❑ Headline loss per share of 2,36 cents



STATEMENT OF CASH FLOWS (R'000)



OPERATIONAL REVIEW: OUR BRAND-NEW PLANTS



Above: Aganang integrated plant

Below: Delmas milling plant



SEPCEM COMMENCES CLINKER PRODUCTION



Aganang

- Aganang integrated plant commenced production of clinker on 20 August 2014
 - Establishes SepCem as a key cement producer in the country



Delmas

- Delmas milling plant commenced production in January 2014
- Capacity utilisation at 60% by end of June 2014 targeting mainly the inland bag market
- Increasing presence in the market through various distribution channels
 - By end of June 2014 product distributed through over 250 resellers
- SepCem unaudited H1 FY14 revenue at approximately R206 million by end of June 2014

OUR FIRST OWN CLINKER



SEPCEM MARKET READINESS CAMPAIGN



Dedicated team established to execute the client management drive in its targeted bag and bulk markets



Focus on delivering consistent quality cement products and offering excellent service to the market



Efficient outsourced cement delivery function is a major element of the campaign



SepCem product distributed into inland markets namely:

- Gauteng, Mpumalanga, Limpopo and North West provinces
- Will ramp up cement volumes at both plants in line with market demand
- Expect to reach steady state during the 2015 calendar year

BULK TRUCK DEPARTING DELMAS TO MARKET



OUR PRODUCTS ALWAYS GET TO THE MARKET





In line with the expansion plans to increase plant footprint and gain market share in the Gauteng province , Métier to begin production at a fourth plant with a capacity of 70m³/hour in September 2014

- Métier will then have a complement of 11 plants including 7 in KwaZulu Natal



FY2014 Highlights

- A plant with a capacity of 70m³/hour was added to Métier's Gauteng footprint
 - Commenced supplies from its new Chloorkop concrete mixing plant, on time and within budget, in April 2013
 - Awarded 15 000m³ contract for the Atterbury Office Park , Waterfall
- Two major contracts awarded in KZN for a total volume of 70 000m³



- Specialised concrete and Gauteng sales accounted for 29% and 40% of total sales respectively
- Expansion of concrete mixer fleet size by 18% to transport additional volumes, and acquisition of an additional concrete boom pump
- Maintaining gross margin while gaining market share was a key focus area for the past financial year

MÉTIER PLANT


SEPHAKU
HOLDINGS LTD



- ❑ Technologically advanced plants with higher cost efficiencies
- ❑ Profitable concrete operation providing solid earnings and positive cash flow
- ❑ Strategically positioned cement producer with access to higher margin inland markets
- ❑ Focused strategy on the lucrative cement manufacturing sector offering increasing growth opportunities
- ❑ Key operational management with approximately 250 years combined experience in cement manufacturing and over 80 years in mixed concrete technology

THANK YOU FOR YOUR ATTENTION AND ATTENDANCE



CONTACT

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