

PPC Ltd  
(Incorporated in the Republic of South Africa)  
(Company registration number 1892/000667/06)  
JSE ISIN: ZAE000170049  
JSE code: PPC ZSE code: PPC  
("PPC" or "Company" or "Group")

**Voluntary Announcement - PPC Ltd repays Bond and withdraws Credit Rating**

PPC wishes to inform shareholders that it successfully completed the repayment of the Bond Program on October 31, 2019 and subsequently terminated the rating service agreement with the ratings agency S&P Global Ratings ("S&P"). In accordance with internal procedures, S&P has issued a research update dated January 13, 2020 informing the market about the withdrawal and their view on the ratings of PPC following the interim results released by PPC on the Stock Exchange News Service on November 20, 2019. The credit rating of 'zaBBB-/zaA-3' South African national scale corporate credit ratings has remained unchanged since last issued in March 2019. The full report can be found at [https://www.standardandpoors.com/en\\_US/web/guest/home](https://www.standardandpoors.com/en_US/web/guest/home).

The S&P's commentary makes reference to PPC's debt maturity profile and trading environment. PPC management provided guidance to the market on these topics in the Company's November 2019 interim results. Amongst others, PPC said it would initiate a process to review the overall capital structure of the Group with the aim to improve the debt maturity profile. This process is currently underway and PPC will inform the market as relevant developments become available.

Sandton

14 January 2020

Sponsor

Merrill Lynch South Africa (Pty) Limited

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Research Update:

# Ratings On South African Cement Producer PPC Ltd. Withdrawn At The Company's Request

January 13, 2020

## Rating Action Rationale

On Jan. 13, 2020, S&P Global Ratings withdrew its 'zaBBB-/zaA-3' South Africa national scale issuer credit ratings on PPC Ltd. at the company's request.

Our ratings on PPC reflected our view of the company's established brand presence and market position in South Africa and its other African operations. However, persistent macroeconomic risks and intense competition across PPC's portfolio has affected its return on capital and free cash flows, dampening debt-reduction prospects. Furthermore, the company is yet to refinance its largely amortizing debt maturity profile, which could pressure liquidity further.

The ratings on PPC at the time of withdrawal reflected the weak trading environment across the company's portfolio and risks on reprofiling its debt maturities.

### PRIMARY CREDIT ANALYST

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## Ratings List

### Not Rated Action

	To	From
<b>PPC Ltd.</b>		
Issuer Credit Rating		
South Africa National Scale	NR	zaBBB-/--/zaA-3

NR--Not rated.

## Regulatory Disclosures

Primary Credit Analyst: Rishav Singh, Associate

Rating Committee Chairperson: G.Andrew Stillman

Date initial rating assigned: Feb. 18, 2013

Date of previous review: July 17, 2019

## **Disclaimers**

This rating has been determined by a rating committee based solely on the committee's independent evaluation of the credit risks and merits of the issuer or issue being rated in accordance with S&P Global Ratings published criteria and no part of this rating was influenced by any other business activities of S&P Global Ratings.

This credit rating is solicited. The rated entity did participate in the credit rating process. S&P Global Ratings did have access to the accounts, financial records and other relevant internal, non-public documents of the rated entity or a related third party. S&P Global Ratings has used information from sources believed to be reliable but does not guarantee the accuracy, adequacy, or completeness of any information used.

Materials Used In The Credit Rating Process: Sufficient information in general consists of both (i) financial statements that describe the Issuer's financial condition, results of operations and cash-flows, and (ii) a description of the activities and obligations of the entity including of its governance and legal structure.

This credit rating was disclosed to the rated entity or related third party before being issued.

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## **Glossary**

- Creditworthiness: Ability and willingness of a company to meet its debt and debtlike obligations; measured by assessing the level current and future resources relative to the size and timing of its commitments.
- Earnings: Proxy for profit or surplus yielded by an entity after production and overhead costs have been accounted for in a given period.
- Free operating cash flow: Cash flow from operations minus capital expenditure.
- Issuer credit rating: This is a forward-looking opinion of an obligor's overall creditworthiness.
- Leverage: The level of a company's debt in relation to its earnings before interest, tax, depreciation, and amortization.
- Liquidity: This is the assessment of a company's monetary flows, assessed over a 12 to 24 month period. It also assesses the risk and potential consequences of a company's breach of covenant test, typically tied to declines in EBITDA.
- Outlook: This is the assessment of the potential direction of a long-term issuer rating over the short to intermediate term (typically six months to two years).

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at [www.standardandpoors.com](http://www.standardandpoors.com) for further information. Complete ratings

**Research Update: Ratings On South African Cement Producer PPC Ltd. Withdrawn At The Company's Request**

information is available to subscribers of RatingsDirect at [www.capitaliq.com](http://www.capitaliq.com). All ratings affected by this rating action can be found on S&P Global Ratings' public website at [www.standardandpoors.com](http://www.standardandpoors.com). Use the Ratings search box located in the left column.

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