

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")

**OPERATIONAL UPDATE, RESTRUCTURING AND REFINANCING PROJECT UPDATE AND RENEWAL OF CAUTIONARY ANNOUNCEMENT**

**OPERATIONAL UPDATE - NOVEMBER 2020**

As previously reported to shareholders of the Company ("Shareholders") in the announcement released on the Stock Exchange News Services on 9 October 2020, PPC experienced muted sales in April and May 2020 due to the COVID-19 restrictions imposed across most of the jurisdictions in which the group operates. A strong recovery was experienced in PPC South Africa & Botswana from June, with double-digit year-on-year growth in cement sales volumes since June. In the three months July to September, cement sales volumes increased by 20% to 25% year-on-year and.

This trend has continued in October 2020 with strong cement sales volumes experienced for the month, up 15% to 20% compared to the same period last year. These increased volumes are primarily retail led, as increases in disposable income due to reduced discretionary spending on other items due to reduced movement and an increase in income due to reduced interest rates and the various social relief grants continued. PPC has also started to experience the positive impact of increased infrastructure spending, which it hopes will carry the strong demand once retail sales volumes return to more normalised levels.

The International operations were less affected by the COVID-19 pandemic. In aggregate, total cement volumes sold also showed double-digit growth in June 2020 to September 2020 compared to the same period in 2019. For the first 6 months of FY21, PPC Zimbabwe, and PPC Barnet (DRC) experienced approximately 5% to 10% volume growth each compared to the prior comparable period. In the period July to September 2020, sales volumes in PPC Zimbabwe and PPC Barnet increased by 35% to 40% and 20% to 25% respectively, compared to the same period in 2019. October 2020 has seen more moderate growth in cement volumes for PPC Zimbabwe at approximately 5% compared to October 2019, whilst PPC Barnet has continued to experience strong growth, with cement volumes up 25% to 30% compared to October 2019. In Rwanda, CIMERWA experienced approximately 5% to 10% volume growth from April 2020 to September 2020 compared to the same period last year, and in the months July to September 2020 sales volumes increased by 15% to 20% year-on-year. October 2020 cement volumes have continued to show good growth, of 25% to 30% compared to October 2019.

As highlighted in the year-end results announcement, despite the continued positive sales momentum, the group remains cautious on the outlook for the rest of FY21 given the ongoing health crisis and its resultant impact on economic activity. PPC's initiatives remain focused on cash preservation, improving cost competitiveness by lowering operational costs, positioning the business for recovery and improving internal controls and accountability.

#### **RESTRUCTURING AND REFINANCING UPDATE**

As previously communicated to Shareholders and set out in detail in the annual consolidated financial statements for the year ended 31 March 2020, PPC is undertaking a restructuring and refinancing project ("Project") with the objective of implementing a sustainable capital structure and improving the investment prospects of the group. PPC continues to make positive progress on the Project with finalisation of revised facilities documentation with its South African lenders expected this month and restructuring negotiations progressing constructively with its DRC lenders on the basis of the term sheet and de facto standstill agreed in September 2020. PPC is on track to test investor appetite regarding recapitalising the International operations before the end of this calendar year.

PPC will provide a more comprehensive update to Shareholders when it reports its interim results, which is expected to be in early December 2020.

#### **RENEWAL OF CAUTIONARY ANNOUNCEMENT**

Shareholders are advised to continue exercising caution when dealing in securities of PPC until the funding arrangements with its respective lenders are finalised and details of the proposed capital raise are published.

Sandton

11 November 2020

Sponsor  
Merrill Lynch South Africa (Pty) Limited

Financial Communications Advisor:  
Instinctif Partners  
Louise Fortuin  
Mobile: +27 71 605 4294