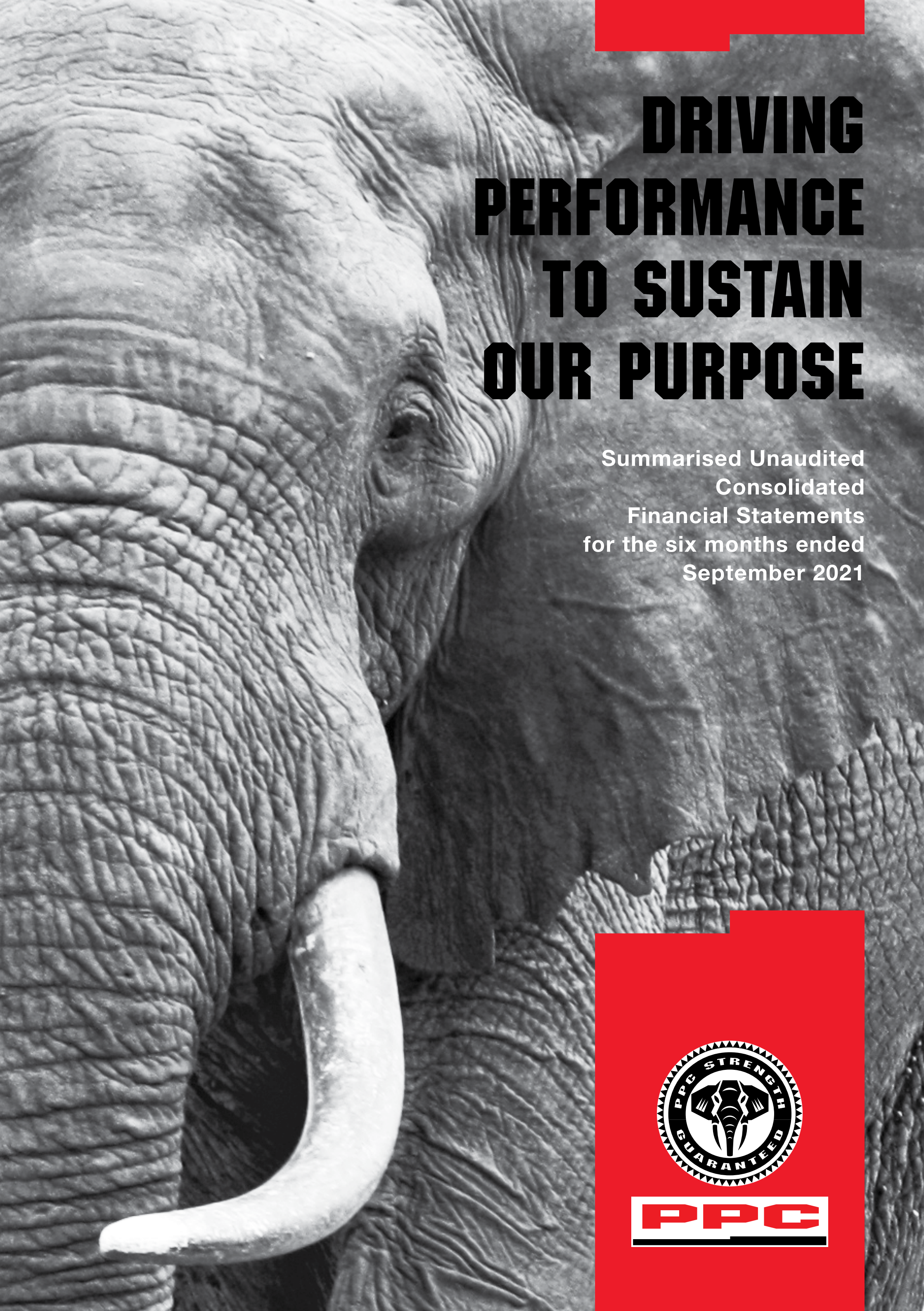


# DRIVING PERFORMANCE TO SUSTAIN OUR PURPOSE

Summarised Unaudited Consolidated Financial Statements for the six months ended September 2021

PPC STRENGTH GUARANTEED

PPC

# CONTENTS

## SUMMARISED UNAUDITED FINANCIAL STATEMENTS



### FEEDBACK

We encourage feedback on our reporting.

Kindly direct feedback to the group company secretary,


**Mr Kevin Ross**
kevin.ross@ppc.co.za
+27(11) 386 9585


*These results and other information are available on the PPC website: www.ppc.africa*

# PPC AT A GLANCE

## OUR PURPOSE

To empower people to experience a better quality of life.

## OUR VALUES

**R** – **PPC always does the RIGHT thing**
Holding each other accountable and always acting with integrity

**E** – **PPC strives for EXCELLENCE**
Striving for excellence in everything

**P** – **PPC's PEOPLE are its strength**
PPC values its people and recognises that every person is essential to the company's success

**P** – **PPC has a PASSION for winning**
Inspiring each other with a positive attitude and energy in striving to be the best

**C** – **PPC is CUSTOMER-focused**
Customers are at the heart of everything as PPC strives to exceed expectations every time

## SALIENT FEATURES – CONTINUING OPERATIONS

**R5 131 million** – **Group revenue:** (September 2020: R4 272 million)

**R945 million** – **Group EBITDA:** (September 2020: R839 million)

**South Africa and Botswana cement**
- Revenue: **R2 753 million** (September 2020: R2 355 million)
- EBITDA: **R515 million** (September 2020: R337 million)
- EBITDA margin: **18,7%** (September 2020: 14,3%; September 2019: 14,4%)

**66 cents** – **Group basic earnings per share:** (September 2020: 30 cents)

**55 cents** – **Group basic headline earnings per share:** (September 2020: 30 cents)

Further de-gearing of the group balance sheet by **R309 million** since 31 March 2021

The group did not declare a dividend for the current or previous period

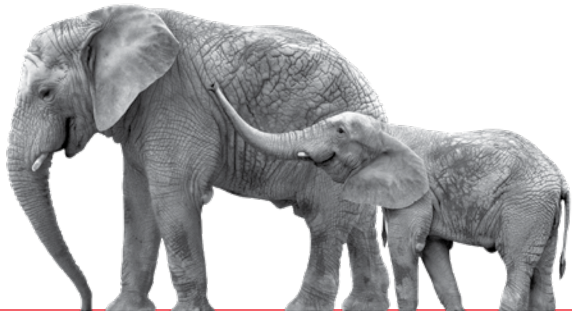
Group restructuring and refinancing project nears completion without the need for a capital raise

www.ppc.africa

# COMMENTARY

***Roland van Wijnen, CEO, said:***

*"Team PPC delivered a solid performance, showing results from our efforts to reposition the business and ensure financial sustainability. My gratitude goes to all my colleagues who have worked diligently under stringent health and safety protocols to serve our customers and sustain our purpose of empowering people to experience a better quality of life. Despite some challenging conditions across our markets, we made significant progress on our strategic objectives which underpin this achievement. We are also nearing the completion of our capital restructure without the need for an equity capital raise. Optimising our operational efficiencies to mitigate increasing input cost pressures and reduce our environmental footprint remains a key focus together with further enhancing our financial position. PPC will continue to play a meaningful role in helping build the countries we operate in by reliably and responsibly providing high-quality building materials and services."*





## GROUP PERFORMANCE – CONTINUING OPERATIONS

Revenue for the six months ended 30 September 2021 increased by 20 % to R5 131 million (September 2020: R4 272 million) supported by a 12 % period-on-period increase in cement sales volumes. Compared to the interim period ended September 2019, group revenue increased by 25 %.

Excluding the financial results of PPC Zimbabwe, which benefited positively from the effects of hyperinflation accounting, group revenue increased by 12 % period-on-period. Group revenue excluding PPC Zimbabwe, increased by 7 % compared to the interim period ended September 2019.

Cost of sales increased by 24 % to R4 004 million (September 2020: R3 241 million). Excluding Zimbabwe's cost of sales for both periods, the increase amounts to 10 % period-on-period which is in line with the increase in cement volumes excluding Zimbabwe.

Administration and other operating expenditure net of sundry income, increased by 15 % period-on-period to R526 million (September 2020: R458 million) due to higher consultancy and legal fees incurred during the current period on the group restructuring and refinancing project.

Group EBITDA increased by 13 % to R945 million (September 2020: R839 million). Compared to the interim period ended September 2019, EBITDA increased by 29 %. Excluding PPC Zimbabwe, EBITDA increased by 28 % compared to the six months ended September 2020 and 23 % compared to the six months ended September 2019. Group operating profit increased by 10 % to R633 million (September 2020: R576 million).

Fair value adjustments and foreign exchange movements resulted in a loss of R1 million (September 2020: R369 million loss), mainly due to significant depreciation of the Zimbabwean dollar (ZWL) against the United States dollar (US$) of 226 % in the comparable period compared to only 4 % in the current period.

Fair value gain on the Zimbabwe financial asset amounted to R41 million (September 2020: R139 million). This consists of intrinsic value gain of R3 million (September 2020: R202 million) and credit risk fair value gain of R38 million (September 2020: R63 million loss).

During the current period, the group realised a net profit on disposal of subsidiaries of R189 million (September 2020: nil) from the sale of PPC Lime and PPC Botswana Aggregates.

The application of IAS 29 Financial Reporting in Hyperinflationary Economies resulted in a net monetary gain amounting to R440 million (September 2020: R326 million).

Finance costs decreased by 6 % to R147 million (September 2020: R156 million). In South Africa, finance costs remained constant due to the benefit of lower average borrowings being offset by an increase in interest rates. International finance costs decreased by 34 % due to a decrease in the principal debt balances and a strengthening of the rand.

# COMMENTARY continued

Taxation increased to R201 million (September 2020: R110 million) due to improved profitability. Profit for the period amounted to R969 million (September 2020: R396 million). Headline earnings increased to R786 million (September 2020: R396 million).

Group basic earnings per share improved by 120 % to 66 cents (September 2020: 30 cents) while total group basic earnings per share including discontinued operations improved by 221 % to 61 cents (September 2020: 19 cents).

Group basic headline earnings per share from continuing operations increased by 83 % to 55 cents (September 2020: 30 cents).

Net cash inflow before financing activities amounted to R413 million (September 2020: R598 million) – a decrease of R185 million. However, adjusting for items relating to discontinued operations, net cash inflow before financing activities from continuing operations decreased by R66 million.

Gross debt declined to R2 319 million on 30 September 2021 (March 2021: R2 628 million) due to cash generation. Proceeds from the sale of PPC Lime and the aggregates business in Botswana were also used to repay debt after the period end.

## SOUTH AFRICA AND BOTSWANA CEMENT

Cement sales volumes in the region increased by 12 % – 15 % period-on-period for the six months ended 30 September 2021 benefiting from strong retail demand. Relative to the comparable period in 2019, cement sales in the region increased by 3 % – 6 %. Sales to the retail and rural markets continue to outpace other segments of the market.

PPC implemented price increases that partially offset the input cost inflation of 9,2 % with realised selling prices increasing by 4 % – 8 % year-on-year for the six months ended 30 September 2021. The effect of cost control and the increased volumes enabled an increase in EBITDA margin.

PPC welcomes the recent classification of locally produced cement as a designated product by the South African Government. Designation implies that it is no longer permissible to use imported cement on all government-funded projects. Furthermore, designation is likely to positively impact the local cement industry once the government's infrastructure roll out programme gathers momentum. PPC views this development as an essential first step in ensuring the economic sustainability of the South African cement industry, thereby protecting jobs and ensuring that the sector can play a meaningful role in helping to rebuild the South African economy.

PPC estimates that cement and clinker imports increased by 30 % year-on-year for the nine months ended September 2021. As a result, PPC forecasts that imports will account for approximately 10 % of total industry volumes by the end of 2021.

In conjunction with Cement & Concrete SA (CCSA) and other industry players, PPC is awaiting a decision from the relevant authorities on an application that seeks relief against unfair competition. The application has been updated to include both clinker and cement. PPC is committed to working with all parties within the parameters of the prevailing competition laws to achieve a speedy outcome.

For the six months ended September 2021, PPC South Africa and Botswana cement revenue increased by 17 % to R2 753 million (September 2020: R2 355 million). Relative to the comparable period in 2019, revenue increased by 8 %. EBITDA improved by 53 % to R515 million (September 2020: R337 million) with a margin of 18,7 % (September 2020: 14,3 %). Both EBITDA and EBITDA margin benefited from increased cement sales, higher realised prices and stringent cost control. Relative to the comparable period in 2019, EBITDA increased by 40 % and EBITDA margins increased by 4,4 %.

## AGGREGATES, READYMIX AND ASH

For the six months ended 30 September 2021, the readymix and aggregates businesses experienced increased demand due to a recovery in construction activity in the respective addressable markets. Readymix volumes increased by 34 % year-on-year, while aggregates volumes increased by 27 % year-on-year. Fly ash sales volumes decreased by 7 % year-on-year off a high base as ash sales in the prior period benefited from the shortage of alternative extenders like slag. Relative to the interim period ended September 2019, readymix and aggregates volumes declined by 17 % and 6 %, respectively due to a slower ramp-up of the infrastructure roll out, while fly ash volumes increased by 18 %. Overall, revenue for the materials division increased by 30 % to R600 million (September 2020: R461 million), due to the increase in sales of readymix and aggregates. Compared to the six months ended September 2019, revenue increased by 6 %. EBITDA improved to R37 million (September 2020: R8 million, loss) for the six months ended 30 September 2021.

## INTERNATIONAL

### *Zimbabwe*

Despite the challenging macro-economic environment, PPC Zimbabwe continues to trade well and ahead of expectations. For the six months ended 30 September 2021, PPC Zimbabwe's cement sales volumes increased by 19 % year-on-year due to retail demand, increased sales to concrete product manufacturers, and support from government-funded projects. Relative to the comparable period in 2019, cement sales volumes increased by 31 %.

Revenue increased by 55 % to R1,239 million (September 2020: R797 million) supported by the increase in cement sales. PPC Zimbabwe adjusted selling prices upwards in local currency to reflect input cost inflation. EBITDA declined by 12 % to R287 million (September 2020: R326 million) with a reduced EBITDA margin of 23 % (September 2020: 41 %). EBITDA was negatively impacted by additional costs incurred in the importation of clinker to offset the impact of a planned and unplanned kiln shut down during the period. Furthermore, the kiln shut down resulted in higher maintenance costs. The rand strengthened significantly by some 83 % against the ZWL compared to the prior period and this negatively impacted the rand EBITDA. In its functional currency (pre-hyperinflation) EBITDA increased by 26 %.

# COMMENTARY continued

PPC Zimbabwe is financially self-sufficient and is focused on cash preservation and maximising US$ EBITDA given the prevailing economic conditions. Further, the Reserve Bank of Zimbabwe continues to honour its obligation to settle PPC Zimbabwe's debt from legacy funds. Management expects the debt to be fully repaid during FY22. During the period under review, a further dividend of US$3 million was declared of which US$2,7 million was received by PPC.

***Rwanda***

CIMERWA's cement sales were unfavourably impacted by COVID-19 related lockdowns imposed by the authorities during the period under review. In addition, the prior comparable period benefited from government infrastructure projects, which did not reoccur in the current period. As a result, cement sales volumes for the six months ended 30 September 2021 were in line with the prior comparable period. Relative to the same period in 2019, cement sales volumes increased by 10 %. Revenue in rand for the six months ended 30 September 2021 declined by 18 % to R539 million (September 2020: R659 million) mainly due to rand strength against the functional currency. Relative to the comparable period in 2019, revenue increased by 5 %. EBITDA declined by 27 % to R153 million (September 2020: R211 million) and EBITDA margin reduced to 28,4 % (September 2020: 32,0 %). A timing difference in plant maintenance impacted EBITDA. CIMERWA incurred maintenance costs in the current period versus comparable costs being incurred in the second half of FY21. Adjusting for the timing of the maintenance, EBITDA generation remained at the same level as the comparable period in Rwandan francs.

## GROUP RESTRUCTURING AND REFINANCING PROJECT AND POST REPORTING PERIOD EVENTS

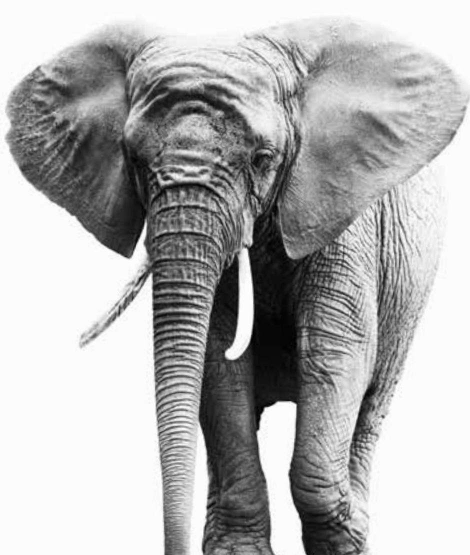
On 29 October 2021, an addendum to the sale and purchase agreement for the sale of PPC Lime was signed in terms of which R25,1 million of the purchase price was deferred to 31 March 2022 to allow for the conclusion of the rehabilitation financial provisioning matters. The transaction closed on 29 October 2021 and the purchase price (excluding the R25,1 million) was received. In total, PPC has received R504 million from the sale of PPC Lime, and the Botswana aggregates business, which has been used to repay existing debt.

The successful completion of the sale of PPC Lime has eliminated the requirement by the SA lenders for an equity raise. Pursuant to the term sheets signed with the SA lenders, long-form agreements are progressing well and are expected to be concluded shortly.

The DRC capital restructuring is progressing, albeit slightly slower than expected. It is now expected that binding refinancing agreements will be entered into by 30 November 2021 and that the recapitalisation of the PPC Barnet's balance sheet will occur as a condition subsequent before 31 December 2021. Regardless, subsequent to signing the binding settlement agreement on 31 March 2021, there is no further recourse by PPC Barnet's lenders to PPC Limited's balance sheet.

## OUTLOOK

Despite the uncertain trading environment and macro-economic backdrop, the group is well-positioned to benefit from growing cement demand in its markets. PPC will continue to take the necessary measures to mitigate the impact of input cost inflation, reduce carbon intensity, and enhance its financial resilience.



# SUMMARISED UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2021

| | Notes | 30 September 2021 Unaudited Rm | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | **10 940** | 11 958 | 10 147 |
| Property, plant and equipment | 2 | **10 342** | 10 816 | 9 577 |
| Right-of-use-assets | | **53** | 110 | 68 |
| Goodwill | | **39** | 44 | 38 |
| Other intangible assets | | **165** | 419 | 194 |
| Equity-accounted investments | | **–** | 3 | – |
| Financial assets | | **200** | 262 | 196 |
| Other non-current assets | | **121** | 272 | 50 |
| Deferred taxation assets | | **20** | 32 | 24 |
| **Current assets** | | **3 273** | 4 052 | 2 676 |
| Inventories | | **1 190** | 1 857 | 1 111 |
| Trade and other receivables | | **1 433** | 1 378 | 993 |
| Taxation receivable | | **40** | 112 | 115 |
| Cash and cash equivalents | | **610** | 705 | 457 |
| **Assets held for sale and held by disposal groups** | 3 | **2 383** | 151 | 2 984 |
| **Total assets** | | **16 596** | 16 161 | 15 807 |
| **EQUITY AND LIABILITIES** | | | | |
| **Capital and reserves** | | | | |
| Stated capital | | **3 940** | 3 965 | 3 965 |
| Other reserves | | **(2 729)** | (2 524) | (2 731) |
| Retained profit | | **6 619** | 5 835 | 5 649 |
| **Equity attributable to shareholders of PPC Ltd** | | **7 830** | 7 276 | 6 883 |
| Non-controlling interests | | **(143)** | (259) | (153) |
| **Total equity** | | **7 687** | 7 017 | 6 730 |
| **Non-current liabilities** | | **3 112** | 2 240 | 2 855 |
| Provisions | | **240** | 410 | 219 |
| Deferred taxation liabilities | | **1 874** | 1 047 | 1 621 |
| Long-term borrowings | 4 | **970** | 664 | 983 |
| Lease liabilities | | **28** | 58 | 32 |
| Other non-current liabilities | | **–** | 61 | – |
| **Current liabilities** | | **2 647** | 6 904 | 2 923 |
| Provisions | | **28** | 14 | 30 |
| Trade and other payables | | **1 156** | 2 261 | 1 167 |
| Lease liabilities | | **21** | 29 | 28 |
| Short-term borrowings | 4 | **1 349** | 4 554 | 1 645 |
| Taxation payable | | **81** | 46 | 30 |
| Other current liabilities | | **12** | – | 23 |
| **Liabilities associated with assets held for sale and disposal groups** | 3 | **3 150** | – | 3 299 |
| **Total equity and liabilities** | | **16 596** | 16 161 | 15 807 |

# SUMMARISED UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2021

| | Notes | Six months ended 30 September 2021 Rm | Six months ended 30 September 2020[(a)] Rm | Twelve months ended 31 March 2021 Rm |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| **Revenue** | 5 | **5 131** | 4 272 | 8 938 |
| Cost of sales | | **(4 004)** | (3 241) | (6 877) |
| **Gross profit** | | **1 127** | 1 031 | 2 061 |
| Expected credit losses on trade receivables | | **32** | 3 | (3) |
| Administration and other operating expenditure | | **(526)** | (458) | (1 007) |
| **Operating profit before items listed below:** | | **633** | 576 | 1 051 |
| Empowerment transactions IFRS 2 charges | | **–** | (1) | – |
| Fair value and foreign exchange movements | 6.1 | **(1)** | (369) | (376) |
| Fair value gain on Zimbabwe financial asset | 7.1 | **41** | 139 | 256 |
| Fair value gain/(loss) on Zimbabwe blocked funds | 7.2 | **1** | (10) | (17) |
| Net profit on disposal of subsidiaries | 8 | **189** | – | – |
| Net monetary gain/(loss) on hyperinflation in Zimbabwe | 1.5 | **440** | 326 | (200) |
| (Impairments)/reversal of impairments | | **(3)** | – | 1 317 |
| **Profit before finance costs, investment income and equity-accounted investments** | | **1 300** | 661 | 2 031 |
| Finance costs | 9 | **(147)** | (156) | (283) |
| Investment income | | **17** | – | 15 |
| **Profit before equity-accounted investments** | | **1 170** | 505 | 1 763 |
| Profit from equity-accounted investments | | **–** | 1 | 2 |
| **Profit before taxation** | | **1 170** | 506 | 1 765 |
| Taxation | 10 | **(201)** | (110) | (742) |
| **Profit for the period from continuing operations** | | **969** | 396 | 1 023 |
| **Loss for the period from discontinued operations** | 3.3 | **(36)** | (122) | (1 141) |
| **Profit/(loss) for the period** | | **933** | 274 | (118) |
| *Attributable to:* | | | | |
| Shareholders of PPC Ltd – continuing operations | | **994** | 453 | 983 |
| Shareholders of PPC Ltd – discontinued operations | | **(75)** | (166) | (794) |
| Non-controlling interests | | **14** | (13) | (307) |
| | | **933** | 274 | (118) |
| **Earnings/(loss) per share (cents)** | 11.3 | | | |
| **Basic – Group** | | **61** | 19 | 12 |
| **Diluted – Group** | | **61** | 19 | 13 |
| **Basic – Continuing operations** | | **66** | 30 | 65 |
| **Diluted – Continuing operations** | | **66** | 30 | 65 |
| **Basic – Discontinued operations** | | **(5)** | (11) | (53) |
| **Diluted – Discontinued operations** | | **(5)** | (11) | (52) |

[(a)] *The September 2020 comparative figures have been re-presented to separately disclose discontinued operations. Refer to note 3.*

# SUMMARISED UNAUDITED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

for the six months ended 30 September 2021

| | Foreign currency translation reserve | | | Financial assets at fair value through other comprehensive income | | |
|---|---|---|---|---|---|---|
| | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm |
| **Profit/(loss) for the period** | **–** | – | – | **–** | – | – |
| **Items that will be reclassified to profit or loss on disposal** | | | | | | |
| Translation of foreign operations[(a)] | **(61)** | (2 865) | (3 101) | **–** | – | – |
| Revaluation of financial assets[(b)] | **–** | – | – | **–** | (3) | (2) |
| **Other comprehensive loss net of taxation** | **(61)** | (2 865) | (3 101) | **–** | (3) | (2) |
| **Total comprehensive income/(loss)** | **(61)** | (2 865) | (3 101) | **–** | (3) | (2) |
| *Attributable to:* | | | | | | |
| Shareholders of PPC Ltd – continuing operations | **(59)** | (2 846) | (3 065) | **–** | (3) | (2) |
| Shareholders of PPC Ltd – discontinued operations | **–** | – | – | **–** | – | – |
| Non-controlling interests | **(2)** | (19) | (36) | **–** | | – |

(a) *The currency conversion guide is presented in note 1.5.*
(b) *Revaluation of financial assets has a tax impact of R0,01 million (September 2020: R0,7 million; March 2021: R0,6 million).*

| Retained profit | | | Total comprehensive loss | | |
|---|---|---|---|---|---|
| **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm |
| **933** | 274 | (118) | **933** | 274 | (118) |
| **–** | – | – | **(61)** | (2 865) | (3 101) |
| **–** | – | – | **–** | (3) | (2) |
| **–** | – | – | **(61)** | (2 868) | (3 103) |
| **933** | 274 | (118) | **872** | (2 594) | (3 221) |
| **994** | 287 | 983 | **935** | (2 562) | (2 084) |
| **(75)** | – | (794) | **(75)** | – | (794) |
| **14** | (13) | (307) | **12** | (32) | (343) |

# SUMMARISED UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2021

| | **Six months ended 30 September 2021 Unaudited Rm** | Six months ended 30 September 2020 Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| **Balance at 1 April 2021** | **6 730** | 7 553 | 7 553 |
| IFRS 2 charges | **10** | 18 | 21 |
| Shares purchased in terms of forfeitable share plan (FSP) incentive scheme treated as treasury shares | **(25)** | – | – |
| Other movement | **(2)** | – | (10) |
| Zimbabwe hyperinflation impact[(a)] | **104** | 2 040 | 2 392 |
| Total comprehensive income/(loss) | **860** | (2 562) | (2 878) |
| Profit for the period | **919** | 287 | 189 |
| Other comprehensive loss | **(59)** | (2 849) | (3 067) |
| Equity attributable to shareholders of PPC | **7 677** | 7 049 | 7 078 |
| Non-controlling interest | **10** | (32) | (348) |
| **Closing balance** | **7 687** | 7 017 | 6 730 |

(a) *Refer to note 1.5 for the hyperinflation impact on PPC Zimbabwe.*

# SUMMARISED UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2021

| | Note | Six months ended 30 September 2021 Unaudited Rm | Six months ended 30 September 2020 Unaudited Rm | Twelve months ended 31 March2021 Audited Rm |
|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| **Operating cash flows before movements in working capital** | | 961 | 874 | 1 559 |
| Working capital movements | | (112) | 70 | (184) |
| **Cash generated from operations** | | 849 | 944 | 1 375 |
| Finance costs paid | | (110) | (149) | (219) |
| Taxation refund/(paid) | | 40 | (60) | (134) |
| **Cash available from operations** | | 779 | 735 | 1 022 |
| Net operating activities from discontinued operations | | (61) | 34 | 342 |
| **Net cash inflow from operating activities** | | 718 | 769 | 1 364 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Investment in intangible assets | | (7) | (5) | (16) |
| Investment in property, plant and equipment (adjusted for capital expenditure accruals) | | (279) | (162) | (367) |
| Proceeds from disposal of property, plant and equipment | | 9 | – | 10 |
| Disposal of subsidiaries | | (20) | – | – |
| Net investing activities from discontinued operations | | (8) | (4) | (19) |
| **Net cash outflow from investing activities** | | (305) | (171) | (392) |
| **Net cash inflow before financing activities** | | 413 | 598 | 972 |
| **CASH FLOWS FROM FINANCING ACTIVITIES**[b] | | | | |
| Repayment of borrowings | | (687) | (305) | (538) |
| Proceeds from borrowings raised | | 365 | – | 250 |
| Repayment of lease liabilities | | (5) | (18) | (39) |
| Dividends paid to non-controlling interest | | (3) | – | (5) |
| Net financing activities from discontinued operations | | (159) | (3) | (5) |
| **Net cash outflow from financing activities** | | (489) | (326) | (337) |
| **Net movement in cash and cash equivalents** | | (76) | 272 | 635 |
| Cash and cash equivalents at the beginning of the period | | 870 | 398 | 398 |
| Effect of exchange rate movements on cash and cash equivalents – continuing operations | | 2 | 40 | (148) |
| Effect of exchange rate movements on cash and cash equivalents – discontinued operations | | – | (5) | (15) |
| **Cash and cash equivalents at the end of the period** | | 796 | 705 | 870 |
| Cash and cash equivalents comprise: | | | | |
| Cash and cash equivalents – continuing operations | | 610 | 705 | 457 |
| Cash and cash equivalents – discontinued operations | 3 | 186 | | 413 |
| **Group cash and cash equivalents at the end of the period** | | 796 | 705 | 870 |

[a] *The September 2020 comparative figures have been re-presented to separately disclose discontinued operations. Refer to note 3.*

[b] *During the period the favourable non-cash changes on borrowings amounted to R11 million (September 2020: unfavourable R304 million; March 2021: favourable R710 million) arising from unrealised foreign exchange differences. Refer to note 1.4 for the relevant currency conversions.*

# SEGMENTAL INFORMATION

for the period ended 30 September 2021

The group discloses its operating segments according to the business units, which are reviewed by the group executive committee, whose members are the chief operating decision-makers for the group. The operating segments are initially identified based on the products produced and sold and then per geographical location. The operating segments are South Africa and Botswana cement, international cement, lime, aggregates and readymix, and group shared services.

No individual customer comprises more than 10 % of the group revenue.

| | | | | Cement | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Consolidated | | | South Africa and Botswana | | | International[a] | | |
| | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm |
| **Revenue** | | | | | | | | | |
| Gross revenue | **5 296** | 4 356 | 9 140 | **2 918** | 2 439 | 5 398 | **1 778** | 1 456 | 2 751 |
| Intersegment revenue[c] | **(165)** | (84) | (202) | **(165)** | (84) | (202) | **–** | – | – |
| **Total revenue[d]** | **5 131** | 4 272 | 8 938 | **2 753** | 2 355 | 5 196 | **1 778** | 1 456 | 2 751 |
| **Operating profit before items listed below** | **633** | 576 | 1 051 | **306** | 220 | 587 | **368** | 445 | 638 |
| Empowerment transactions IFRS 2 charges | **–** | (1) | – | **–** | – | – | **–** | (1) | – |
| Fair value and foreign exchange movements | **(1)** | (369) | (376) | **26** | (34) | 4 | **(25)** | (254) | (260) |
| Fair value gain on Zimbabwe financial asset | **41** | 139 | 256 | **–** | – | – | **41** | 139 | 256 |
| Fair value gain/(loss) on Zimbabwe blocked funds | **1** | (10) | (17) | **–** | – | – | | – | – |
| Net profit on disposal of subsidiaries | **189** | – | – | **–** | – | – | | – | – |

| | Materials business | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Lime | | | Aggregates and readymix | | | Group services and other[b] | | |
| | South Africa | | | South Africa and Botswana | | | | | |
| | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm |
| | **–** | – | – | **600** | 461 | 991 | **–** | – | – |
| | **–** | – | – | **–** | – | – | **–** | – | – |
| | **–** | – | – | **600** | 461 | 991 | **–** | – | – |
| | **–** | – | – | **8** | (46) | (84) | **(49)** | (43) | (90) |
| | **–** | – | – | **–** | – | – | **–** | – | – |
| | **–** | – | – | **–** | – | (1) | **(2)** | (81) | (119) |
| | **–** | – | – | **–** | – | – | **–** | – | – |
| | **–** | – | – | **–** | – | – | **1** | (10) | (17) |
| | **–** | – | – | **–** | – | – | **189** | – | – |

# SEGMENTAL INFORMATION continued

for the period ended 30 September 2021

| | Consolidated | | | Cement: South Africa and Botswana | | | Cement: International[(a)] | | |
|---|---|---|---|---|---|---|---|---|---|
| | 30 September 2021 Unaudited Rm | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | 30 September 2021 Unaudited Rm | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | 30 September 2021 Unaudited Rm | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm |
| Net monetary gain/(loss) on hyperinflation in Zimbabwe | 440 | 326 | (200) | – | – | – | 440 | 326 | (200) |
| (Impairments)/reversal of impairments | (3) | – | 1 317 | – | – | 1 450 | (3) | – | 2 |
| **Profit/(loss) before finance costs, investment income and equity-accounted investments** | 1 300 | 661 | 2 031 | 332 | 186 | 2 041 | 821 | 655 | 436 |
| Finance costs | (147) | (156) | (283) | (171) | (123) | (234) | (48) | (64) | (122) |
| Investment income | 17 | – | 15 | 159 | 61 | 158 | 3 | (1) | 5 |
| **Profit/(loss) before equity-accounted earnings** | 1 170 | 505 | 1 763 | 320 | 124 | 1 965 | 776 | 590 | 319 |
| Earnings from equity-accounted investments | – | 1 | 2 | – | – | – | – | – | – |
| **Profit/(loss) before taxation** | 1 170 | 506 | 1 765 | 320 | 124 | 1 965 | 776 | 590 | 319 |
| Taxation | (201) | (110) | (742) | (121) | (33) | (570) | (64) | (93) | (199) |
| **Profit/(loss) for the period from continuing operations** | 969 | 396 | 1 023 | 199 | 91 | 1 395 | 712 | 497 | 120 |
| **Loss for the period from discontinued operations** | (36) | (122) | (1 141) | – | – | – | (24) | (120) | (1 098) |
| **Profit/(loss) for the period** | 933 | 274 | (118) | 199 | 91 | 1 395 | 688 | 377 | (978) |
| *Attributable to:* | | | | | | | | | |
| Shareholders of PPC Ltd – continuing operations | 994 | 453 | 983 | 199 | 91 | 1 395 | 737 | 554 | 80 |
| Shareholders of PPC Ltd – discontinued operations | (75) | (166) | (794) | – | – | – | (63) | (164) | (751) |
| Non-controlling interests | 14 | (13) | (307) | – | – | – | 14 | (13) | (307) |
| | 933 | 274 | (118) | 199 | 91 | 1 395 | 688 | 377 | (978) |

| Materials business | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Lime | | | Aggregates and readymix | | | Group services and other[b] | | |
| South Africa | | | South Africa and Botswana | | | | | |
| **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm |
| **–** | – | – | **–** | – | – | | – | – |
| **–** | – | – | **–** | – | (135) | | – | – |
| **–** | – | – | **8** | (46) | (220) | **139** | (134) | (226) |
| **–** | – | – | **(40)** | (8) | (26) | **112** | 39 | 99 |
| **–** | – | – | **16** | 6 | 13 | **(161)** | (66) | (161) |
| **–** | – | – | **(16)** | (48) | (233) | **90** | (161) | (288) |
| **–** | – | – | **–** | – | – | **–** | 1 | 2 |
| **–** | – | – | **(16)** | (48) | (233) | **90** | (160) | (286) |
| **–** | – | – | **(7)** | 2 | 24 | **(9)** | 14 | 3 |
| **–** | – | – | **(23)** | (46) | (209) | **81** | (146) | (283) |
| **(1)** | (1) | (33) | **(11)** | (1) | 2 | **–** | – | (12) |
| **(1)** | (1) | (33) | **(34)** | (47) | (207) | **81** | (146) | (295) |
| **–** | – | – | **(23)** | (46) | (209) | **81** | (146) | (283) |
| **(1)** | (1) | (33) | **(11)** | (1) | 2 | **–** | – | (12) |
| **–** | – | – | **–** | – | – | **–** | – | – |
| **(1)** | (1) | (33) | **(34)** | (47) | (207) | **81** | (146) | (295) |

# SEGMENTAL INFORMATION continued

for the period ended 30 September 2021

| | | | | Cement | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Consolidated | | | South Africa and Botswana | | | International[a] | | |
| | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm |
| **Basic – continuing operations** | **66** | 30 | 65 | **13** | 6 | 93 | **49** | 37 | 5 |
| **Basic – discontinued operations** | **(5)** | (11) | (53) | | – | – | **(4)** | (11) | (50) |
| Depreciation and amortisation | **315** | 263 | 547 | **209** | 117 | 279 | **65** | 93 | 165 |
| EBITDA[f] | **945** | 839 | 1 598 | **515** | 337 | 866 | **431** | 537 | 803 |
| EBITDA margin (%)[f] | **18,4** | 19,6 | 0,2 | **18,7** | 14,3 | 0,2 | **24,2** | 36,9 | 0,3 |
| **Assets** | | | | | | | | | |
| Non-current assets (excluding equity-accounted investments) | **10 940** | 11 955 | 10 147 | **4 278** | 2 905 | 4 378 | **6 331** | 8 154 | 6 137 |
| Equity-accounted investments | **–** | 3 | – | **–** | – | – | | – | – |
| Assets held for sale and held by disposal groups | **2 383** | 151 | 2 984 | **–** | – | – | **2 383** | 151 | 2 439 |
| Current assets | **3 273** | 4 052 | 2 676 | **1 266** | 1 302 | 1 324 | **1 285** | 2 212 | 1 149 |
| **Total assets** | **16 596** | 16 161 | 15 807 | **5 544** | 4 207 | 5 702 | **9 999** | 10 517 | 9 725 |
| Investments in property, plant and equipment (refer to note 2) and intangible assets | **292** | 147 | 396 | **76** | 102 | 251 | **202** | 40 | 108 |
| **Liabilities** | | | | | | | | | |
| Non-current liabilities | **3 112** | 2 254 | 2 855 | **799** | 100 | 652 | **5 220** | 5 081 | 4 967 |
| Liabilities associated with assets held for sale and disposal groups | **3 150** | – | 3 299 | | – | – | **3 150** | – | 3 114 |
| Current liabilities | **2 647** | 6 890 | 2 923 | **1 736** | 2 456 | 2 129 | **624** | 3 950 | 499 |
| **Total liabilities** | **8 909** | 9 144 | 9 077 | **2 535** | 2 556 | 2 781 | **8 994** | 9 031 | 8 580 |
| Capital commitments | **175** | 238 | 144 | **114** | 128 | 27 | **41** | 91 | 101 |

(a) *International comprises Zimbabwe, Rwanda, the Democratic Republic of Congo (DRC), Mozambique and cross border sales from southern Africa.*

(b) *Group shared services and other comprises group shared services, BEE entities and group eliminations.*

(c) *Segments are disclosed net of intersegment transactions.*

(d) *Revenue from external customers generated by the group's material foreign operations is as follows:*
*Botswana R233 million (September 2020: R201 million; March 2021: R432 million)*
*DRC R442 million (September 2020: R402 million; March 2021: R766 million)*
*Rwanda R539 million (September 2020: R659 million; March 2021: R1 128 million)*
*Zimbabwe R1 239 million (September 2020: R797 million; March 2021: R1 623 million)*

(e) *EBITDA is defined as operating profit before empowerment transactions IFRS 2 charges, depreciation and amortisation.*

(f) *EBITDA margin is defined as EBITDA divided by total revenue.*

| | Materials business | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Lime | | | Aggregates and readymix | | | Group services and other[b] | | |
| | South Africa | | | South Africa and Botswana | | | | | |
| | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm | **30 September 2021 Unaudited Rm** | 30 September 2020 Unaudited Rm | 31 March 2021 Audited Rm |
| | **–** | – | – | **(2)** | (3) | (14) | **6** | (10) | (19) |
| | **–** | – | (2) | **(1)** | – | – | **–** | – | (1) |
| | **–** | – | – | **29** | 37 | 76 | **12** | 16 | 27 |
| | **–** | – | – | **37** | (8) | (8) | **(38)** | (27) | (63) |
| | **–** | – | – | **6,2** | (1,7) | – | | | |
| | **–** | 294 | – | **217** | 431 | 240 | **114** | 171 | (608) |
| | **–** | – | – | **–** | – | – | | 3 | – |
| | **–** | – | 467 | **–** | – | 78 | | – | – |
| | **–** | 254 | – | **268** | 301 | 221 | **454** | (17) | (18) |
| | **–** | 548 | 467 | **485** | 732 | 539 | **568** | 157 | (626) |
| | **–** | – | 9 | **6** | 2 | 10 | **8** | 3 | 18 |
| | **–** | 18 | – | **196** | 334 | 289 | **(3 103)** | (3 279) | (3 053) |
| | **–** | – | 147 | | – | 38 | | – | – |
| | **–** | 95 | – | **192** | 216 | 184 | **95** | 173 | 111 |
| | **–** | 113 | 147 | **388** | 550 | 511 | **(3 008)** | (3 106) | (2 942) |
| | **–** | – | – | **4** | 4 | 1 | **16** | 15 | 15 |

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

for the period ended 30 September 2021

## 1. BASIS OF PREPARATION

The summarised unaudited consolidated financial statements have been prepared in accordance with the provisions of the JSE Ltd (JSE) Listings Requirements for abridged reports, and the requirements of the Companies Act 71 of 2008 (Companies Act) as applicable to the summary financial statements. The Listings Requirements require the abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council, and contain at a minimum the information required by IAS 34 *Interim Financial Reporting*. The accounting policies applied in the preparation of the summarised unaudited consolidated financial statements were derived in terms of IFRS. These summarised unaudited consolidated financial statements do not include all the information required for the full consolidated financial statements. These summarised unaudited consolidated financial statements have been prepared using the historical cost convention except for certain financial instruments which are stated at fair value, the impact of inflation as a result of hyperinflationary economies and assets held for sale that are measured at fair value less costs to sell.

These summarised unaudited consolidated financial statements have been prepared under the supervision of B Berlin CA(SA), chief financial officer, and were approved by the board of directors on Monday, 22 November 2021. The directors take full responsibility for the preparation of these summarised unaudited consolidated financial statements.

### 1.1 Accounting policies

All accounting policies applied in the preparation of these summarised unaudited consolidated financial statements are in compliance with IFRS and consistent with those applied in the 31 March 2021 audited consolidated annual financial statements.

### 1.2 Significant judgements made by management and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make estimates, assumptions and judgements that affect reported amounts and related disclosures and therefore actual results, when realised in the future, could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements made by management in applying the accounting policies that could have a significant effect on the amounts recognised in the financial statements are disclosed in the respective notes.

## 1. BASIS OF PREPARATION continued

### 1.3 Going concern

The directors have considered whether the group can continue as a going concern in the foreseeable future and concluded that it can, taking into account all the considerations mentioned in note 16. On this basis, these summarised unaudited consolidated financial statements have been prepared on a going concern basis.

Refer to note 16 for the detailed going concern assessment.

### 1.4 Foreign currency conversion guide

Items included in the financial reports of each entity in the group are measured using the entity's functional currency. The summarised consolidated financial statements are presented in South African rand, which is the functional and presentation currency of the group. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. The statement of profit or loss and other comprehensive income, cash flows and financial position of group entities which are not accounted for as entities operating in hyperinflationary economies and that have a functional currency different from the presentation currency of the group are translated into the presentation currency. An entity may have a monetary item that is receivable from a foreign operation. An item for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the entity's net investment in that foreign operation. On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income and accumulated in the foreign currency translation reserve.

Approximate value of foreign currencies relative to the rand:

| | Average rate | | | Closing rate | | |
|---|---|---|---|---|---|---|
| | **September 2021** | September 2020 | March 2021 | **September 2021** | September 2020 | March 2021 |
| Botswana pula (BWP) | **1,32** | 1,46 | 1,42 | **1,34** | 1,44 | 1,33 |
| US dollar (US$) | **14,44** | 17,25 | 16,26 | **15,19** | 16,65 | 14,77 |
| Rwandan franc (RWF) | **0,01** | 0,02 | 0,02 | **0,02** | 0,02 | 0,01 |
| Zimbabwe dollar (ZWL) | **0,17** | 0,21 | 0,18 | **0,17** | 0,21 | 0,18 |

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 1. BASIS OF PREPARATION continued

### 1.5 IAS 29 *Financial Reporting in Hyperinflationary Economies*

The general price index used as published by the Zimbabwe National Statistics Agency is as follows:

| Date | Base year | General price index | Inflation rate |
|---|---|---|---|
| 30 September 2021 | 2019 | 3 342 | 51,6 |

| Hyperinflation impact | 30 September 2021 Including hyperinflation Rm | 30 September 2021 Hyperinflation adjustment Rm | 30 September 2021 Excluding hyperinflation Rm |
|---|---|---|---|
| **STATEMENT OF PROFIT OR LOSS** | | | |
| **Revenue** | 5 131 | 94 | 5 037 |
| **EBITDA**[(a)] | 944 | 19 | 925 |
| **Profit for the period from continuing operations** | 969 | 470 | 499 |
| **EARNINGS PER SHARE (CENTS)** | | | |
| Basic – continuing operations | 66 | 31 | 35 |
| Diluted – continuing operations | 66 | 31 | 35 |
| **STATEMENT OF FINANCIAL POSITION** | | | |
| Property, plant and equipment | 10 342 | 4 480 | 5 862 |
| Right-of-use assets | 53 | 2 | 51 |
| Other intangible assets | 165 | 11 | 154 |
| Inventories | 1 190 | 122 | 1 068 |
| Trade and other receivables | 1 433 | 12 | 1 421 |
| **Retained profit** | 6 619 | – | 6 619 |
| Total comprehensive income | 919 | – | 919 |
| Other movement | (2) | – | (2) |
| Opening balances | 5 702 | – | 5 702 |
| **Other reserves** | (2 729) | (2 451) | (278) |
| Equity compensation reserve | 963 | 322 | 641 |
| Foreign currency translation reserve | (3 692) | (2 773) | (919) |
| Long-term provisions | 240 | 11 | 229 |
| Short-term provisions | 28 | – | 28 |
| Deferred taxation liabilities | 1 874 | 1 033 | 841 |

(a) *EBITDA is defined as operating profit before empowerment transactions IFRS 2 charges, depreciation and amortisation.*

## 2. PROPERTY, PLANT AND EQUIPMENT

| | Six months ended 30 September 2021 Unaudited Rm | Six months ended 30 September 2020 Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| **Movements during the period** | | | |
| Net carrying value at the beginning of the period | **9 577** | 12 277 | 12 277 |
| Additions | **278** | 147 | 387 |
| Depreciation | **(277)** | (339) | (651) |
| Disposals | **–** | – | (13) |
| (Impairments)/impairment reversals | **(3)** | – | 646 |
| Other movements[(a)] | **25** | (4) | 42 |
| Hyperinflation impact[(b)] | **802** | 2 268 | 2 709 |
| Transfer to assets held for sale and held by disposal groups | **–** | – | (1 621) |
| Translation differences | **(60)** | (3 533) | (4 199) |
| Net carrying value at the end of the period | **10 342** | 10 816 | 9 577 |
| *Comprising:* | | | |
| Freehold and leasehold land, buildings and mineral rights[(c)] | **2 119** | 1 281 | 2 104 |
| Decommissioning assets | **282** | 227 | 262 |
| Plant, vehicles, furniture and equipment | **7 941** | 9 308 | 7 211 |
| | **10 342** | 10 816 | 9 577 |
| *Translation differences comprise:* | | | |
| Botswana | **–** | (1) | (3) |
| Rwanda | **29** | (137) | (320) |
| DRC | **–** | (164) | (435) |
| Zimbabwe | **(89)** | (3 231) | (3 441) |
| **Total** | **(60)** | (3 533) | (4 199) |

(a) *Other movements include:*
*– Reclassification of assets between different categories*
*– Movement in the remeasurement of the decommissioning assets*

(b) *Hyperinflation resulted in a R4 480 million cumulative uplift of the carrying amount of property, plant and equipment.*

(c) *Mineral rights comprise capitalised exploration and evaluation costs*

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 2. PROPERTY, PLANT AND EQUIPMENT continued

| | Six months ended 30 September 2021 Unaudited Rm | Six months ended 30 September 2020 Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| **Carrying amount of assets pledged as security:** | | | |
| PPC Cement SA | 3 190 | – | 2 202 |
| DRC[(a)] | – | 2 386 | – |
| Rwanda | 1 164 | 1 423 | 1 164 |
| Zimbabwe | 3 955 | 3 661 | 3 955 |
| | 8 309 | 7 470 | 7 321 |

[(a)] *Transferred to assets held for sale and held by disposal groups. Refer to note 3.*

## 3. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS

| | Notes | Six months ended 30 September 2021 Unaudited Rm | Six months ended 30 September 2020 Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|---|
| Disposal of houses in PPC Zimbabwe | | – | 123 | – |
| Disposal of land in PPC Barnet DRC Trading | | – | 28 | – |
| Non-current assets held for sale | 3.1 | 2 383 | – | 2 984 |
| Liabilities associated with assets held for sale and disposal groups | 3.2 | (3 150) | – | (3 299) |
| | | (767) | 151 | (315) |

## 3. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS continued

**Judgements made by management and sources of estimation uncertainty**

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

**PPC Barnet DRC Holdings and its DRC subsidiaries (PPC Barnet)**

On 31 March 2021 PPC Ltd entered into a binding agreement with PPC Barnet's lenders terminating their right of recourse to PPC Ltd. Simultaneously, PPC Ltd entered into a binding term sheet to restructure the debt in PPC Barnet and to reorganise the governance of PPC Barnet (the restructuring). On implementation of the restructuring, PPC Ltd will lose control of PPC Barnet, and therefore the restructuring is a deemed disposal within the scope of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. All the parties to the term sheet agreed that the long-stop date for the restructuring to occur is 31 December 2021, from which date PPC Ltd will no longer consolidate its stake in PPC Barnet. As the terms of the restructure have been agreed between PPC and the PPC Barnet's lenders and the implementation of the restructure as set out in the term sheet is largely of an administrative nature, it is highly probable that the restructure will be complete by 31 December 2021. Because PPC Barnet is a separate geographical component, it has been accounted for as a discontinued operation.

Upon classification of PPC Barnet as an asset held for sale at group level, the carrying amount of net assets was in excess of the fair value less costs to sell and accordingly an impairment loss of R761 million was recognised at 31 March 2021. The carrying value of the net assets has decreased over the six months to 30 September 2021 and an impairment reversal of R100 million has been recognised on PPC Barnet in the summarised unaudited consolidated financial statements.

PPC Barnet was previously presented in the cement international segment.

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 3. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS continued

### 3.1 Assets held for sale and by disposal groups

| | PPC Barnet – DRC Rm |
|---|---|
| Property, plant and equipment[(a)] | 1 423 |
| Right-of-use assets | 8 |
| Other intangibles | 136 |
| Other non-current assets | 118 |
| Inventory | 305 |
| Trade and other receivables | 207 |
| Cash and other equivalents | 186 |
| **Total assets** | **2 383** |
| **3.2 Liabilities associated with assets held for sale and disposal groups** | |
| Provisions | (61) |
| Lease liabilities | (9) |
| Other non-current liabilities | (19) |
| Trade and other payables | (664) |
| Short-term portion of long-term borrowings | (2 390) |
| Taxation payable | (7) |
| **Total liabilities** | **(3 150)** |
| **Total equity[(b)]** | **(767)** |

(a) *The DRC property, plant and equipment are pledged as security.*
(b) *Total equity equals non-controlling interest in the DRC.*

# 3. ASSETS CLASSIFIED AS HELD FOR SALE AND DISPOSAL GROUPS continued

## 3.3 Discontinued operations

| | 30 September 2021 Rm | 30 September 2020 Rm |
|---|---|---|
| **Revenue** | **869** | 734 |
| Cost of sales | **(750)** | (654) |
| **Gross profit** | **119** | 80 |
| Expected credit losses on trade receivables | **(3)** | (2) |
| Administration and other operating expenditure | **(64)** | (44) |
| **Operating profit before items listed below:** | **52** | 34 |
| Fair value and foreign exchange loss | **(3)** | 3 |
| Reversal of impairments | **100** | – |
| **Loss before finance costs and investment income** | **149** | 37 |
| Finance costs | **(188)** | (174) |
| Investment income | **10** | 14 |
| **Loss before taxation** | **(29)** | (123) |
| Taxation | **(7)** | 1 |
| **Loss for the period from discontinued operations** | **(36)** | (122) |
| *Attributable to:* | | |
| Shareholders of PPC Ltd | **(75)** | (166) |
| Non-controlling interests | **39** | 44 |
| | **(36)** | (122) |
| **Loss per share (cents)** | | |
| Basic – discontinued operations | **(5)** | (11) |
| Diluted – discontinued operations | **(5)** | (11) |

## 3.4 Cash flows from discontinued operations

| | 30 September 2021 Rm | 30 September 2020 Rm |
|---|---|---|
| Net operating cash flows from discontinued operations | **(61)** | 34 |
| Net investing cash flows from discontinued operations | **(8)** | (4) |
| Net financing cash flows from discontinued operations | **(159)** | (3) |
| Effect of exchange rate movements on cash and cash equivalents | **–** | (5) |
| **Net increase in cash and cash equivalents** | **(228)** | 22 |

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 4. BORROWINGS

| Terms | Security |
|---|---|
| **South Africa term funding** | |
| R350 million amortising loan facility, maturing 30 September 2021 | Secured |
| R800 million general banking facility expiring 31 March 2022 | Secured |
| R300 million general banking facility expiring 19 June 2023 | Secured |
| R400 million general banking facility expiring 19 June 2024 | Secured |
| Capitalised transaction costs | |
| **Project funding** | |
| US$53 million, repayable in monthly instalments over a 10-year period starting March 2016 | Secured by CIMERWA's property, plant and equipment (refer to note 2) |
| RWF35 billion, repayable in monthly instalments over a 10-year period starting March 2016 | Secured by CIMERWA's property, plant and equipment (refer to note 2) |
| US$55 million, interest payable biannually; biannual repayments in equal instalments over five years starting December 2016 | Secured by PPC Zimbabwe's property, plant and equipment (refer to note 2), inventory and trade and other receivables |
| US$163 million, capital and interest payable biannually starting July 2017 ending January 2027 | Secured by PPC Barnet DRC's property, plant and equipment |
| **Short-term facilities and bank overdrafts** | |
| South African short-term facilities and overdrafts | |
| CIMERWA | |
| DRC | |
| **Total borrowings** | |

| | Six months ended 30 September 2021 Unaudited Rm | Six months ended 30 September 2020 Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| **Interest rate** | **1 393** | 1 444 | 1 691 |
| Variable rates at 370 basis points above three-month JIBAR | **–** | 350 | 350 |
| Variable rates at 405 basis points above three-month JIBAR | **800** | 800 | 800 |
| Variable rates at 425 basis points above three-month JIBAR | **300** | 300 | 300 |
| Variable rates at 445 basis points above three-month JIBAR | **300** | – | 250 |
| | **(7)** | (6) | (9) |
| | **601** | 3 484 | 602 |
| Variable at 725 basis points above six-month US dollar LIBOR | **173** | 239 | 140 |
| Fixed rate of 16 % | **364** | 497 | 323 |
| Six-month US dollar LIBOR plus 700 basis points | **64** | 243 | 139 |
| Six-month US dollar LIBOR plus 975 basis points | **–** | 2 505 | – |
| | **1 994** | 4 928 | 2 293 |
| | **325** | 290 | 335 |
| | **325** | 287 | 204 |
| | **–** | – | 131 |
| | **–** | 3 | – |
| | **2 319** | 5 218 | 2 628 |

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 4. BORROWINGS continued

| | Six months ended 30 September 2021 Unaudited Rm | Six months ended 30 September 2020 Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| **Broken down as follows:** | | | |
| **Long-term portion of term funding** | | | |
| South Africa | 600 | – | 542 |
| CIMERWA | 370 | 583 | 441 |
| Zimbabwe | – | 81 | – |
| | 970 | 664 | 983 |
| **Short-term portion of term funding** | | | |
| South Africa | 793 | 1 444 | 1 148 |
| CIMERWA | 167 | 153 | 23 |
| Zimbabwe | 64 | 162 | 139 |
| DRC | – | 2 505 | – |
| | 1 024 | 4 264 | 1 310 |
| Short-term facilities and bank overdrafts | 325 | 290 | 335 |
| | 2 319 | 5 218 | 2 628 |
| **Maturity analysis of total borrowings:** | | | |
| One year | 1 349 | 4 554 | 1 645 |
| Two years | 782 | 259 | 462 |
| Three years | 188 | 189 | 436 |
| Four years | – | 216 | 85 |
| | 2 319 | 5 218 | 2 628 |
| **Carrying amount of assets encumbered** | | | |
| Property, plant and equipment (refer to note 2) | 8 309 | 7 470 | 7321 |
| Inventories | 776 | 571 | 674 |
| Trade receivables | 62 | 47 | 38 |

## 4. BORROWINGS continued

PPC has a security pool arrangement with FirstRand Bank Ltd (acting through its Rand Merchant Bank division) (RMB) and Nedbank Ltd (acting through its Nedbank Corporate and Investment Banking division) (Nedbank) (collectively, the SA lenders). As is the practice in South Africa, PPC established a special purpose company (the shareholding of which is held 100% by a special purpose owner trust) to hold and enforce security for the benefit of the SA lenders.

The debt guarantor established for PPC and its subsidiaries' South African refinancing with the SA lenders is Maitlantic 6060 (RF) (Pty) Ltd (the SPV). The SPV is ring-fenced and the effect of this is that its memorandum of incorporation only permits it to enter into the relevant finance documents associated with the South African PPC refinancing with the SA lenders.

The shares in the SPV are held by a special purpose owner trust established in terms of a trust deed, which has been registered with the Master of the High Court. The trust and the SPV are administered by a reputable corporate fiduciary service provider called Maitland Group South Africa Ltd.

PPC registered bonds over immovable property, including certain property, plant and equipment, inventories and trade receivables, in favour of the SPV.

The SPV has issued guarantees in favour of the SA lenders (collectively the debt guarantor guarantees). In terms of the debt guarantor guarantees, the SPV guarantees the liabilities and obligations of PPC Cement SA (Pty) Ltd, PPC Ltd, PPC South Africa Holdings (Pty) Ltd, PPC Lime Ltd, Pronto Holdings (Pty) Ltd, Pronto Building Materials (Pty) Ltd (collectively the obligors) that are owing from time to time by the obligors to the SA lenders under the relevant finance documents.

The obligations of the SPV under the debt guarantor guarantees is limited to what the SPV recovers from the obligors. This is achieved in terms of a counter indemnity agreement that the SPV entered into with the obligors.

PPC does not have any power over either the SPV or the trust and, as such, these entities are not consolidated. PPC is not exposed to any risk from either entity or any variable return from either entity.

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 5. REVENUE FROM CONTRACTS WITH CUSTOMERS

The group's revenue is derived from the sale of cementitious products to the group's customers. For cementitious products, revenue is recognised when the related performance obligations are satisfied by transferring control of the promised cementitious product to the group's customers. Revenue is disclosed net of indirect taxes, rebates and discounts offered to customers and after eliminating intergroup sales.

Revenue is recognised at the amount of the transaction price that is allocated to each performance obligation. For contracts that contain multiple performance obligations, the transaction price is allocated to each performance obligation based on relative standalone selling prices. Revenue recognised is based on the amount that depicts the consideration to which the group expects to be entitled in exchange for transferring the goods and services promised to the customer.

The group has the following revenue stream, which is recognised at a point in time:

| | **Six months ended 30 September 2021 Unaudited Rm** | Six months ended 30 September 2020[(a)] Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| **Disaggregation of revenue** | | | |
| Revenue from the sale of cementitious goods | **5 131** | 4 272 | 8 938 |
| **Total revenue** | **5 131** | 4 272 | 8 938 |
| **Major goods and services per primary geographical markets** | | | |
| Cementitious goods | **5 131** | 4 272 | 8 938 |
| South Africa | **3 120** | 2 615 | 5 755 |
| Botswana | **233** | 201 | 432 |
| Zimbabwe | **1 239** | 797 | 1 623 |
| Rwanda | **539** | 659 | 1 128 |

(a) *The September 2020 comparative figures have been re-presented to separately disclose discontinued operations. Refer to note 3.*

Refer to the segmental information for a disaggregation of revenue presented per segment, as a disaggregation between key geographic regions best depicts the impact of economic factors on the recognition of revenue. No further disaggregation is deemed necessary based on the homogenous nature of the sub-categories of cementitious goods.

## 5. REVENUE FROM CONTRACTS WITH CUSTOMERS continued

**Sale of cementitious products**

The group manufactures and sells a range of cementitious products that include cement, readymix, limestone, clinker, and aggregates. Revenue from the sale of cementitious goods is recognised when delivery has taken place and control of the goods has been transferred to the customer. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer. This occurs upon delivery, when the bill of lading is signed by the customer as evidence that they have obtained physical possession and accepted the products delivered.

Cementitious products are often sold with retrospective volume rebates based on aggregate sales over a specified period. Revenue from these sales is recognised based on the selling price specified in the contract, net of the estimated volume rebates. Accumulated experience is used to estimate and provide for the rebates using the most likely amount method. In this regard, revenue is recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognised for expected volume rebates payable to customers in relation to sales made until the end of the reporting period. As part of the assessment of whether the estimated volume rebate should be constrained, it was noted that there were no significant reversals from the refund liability that were recognised in the current year. Management will continue to reassess its ability to reasonably estimate the expected volume rebates.

A receivable is recognised when the goods are delivered. This is the point in time that the consideration becomes unconditional as only the passage of time is required before the payment is due. No significant financing element is deemed present as the sales are made with credit terms largely ranging between 30 and 60 days, which is consistent with market practice.

Generally, cementitious products are not returned as a customer will only accept these products once they have passed a stringent quality check at delivery. No warranty provision of right of return contract liabilities have therefore been recognised by the group in this regard.

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 6. FAIR VALUE AND FOREIGN EXCHANGE MOVEMENTS

Items included in the financial statements of each entity in the group are measured using the entity's functional currency. The group financial statements are presented in South African rand, which is the functional and presentation currency of the company.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**Translation of foreign operations**

The results, cash flows and financial position of group entities which are not accounted for as entities operating in hyperinflationary economies and that have a functional currency different from the presentation currency of the group are translated into the presentation currency as follows:

- Assets and liabilities, including goodwill and fair value adjustments arising on acquisition, are translated at rates of exchange ruling at the reporting date
- Specific transactions in equity are translated at rates of exchange ruling at the transaction dates
- Income and expenditure and cash flow items are translated at weighted average exchange rates for the period or translated at exchange rates at the date of the transaction, where applicable
- Foreign exchange translation differences are recognised as other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent the difference is allocated to non-controlling interests.

The results, cash flows and financial position of group entities that are accounted for as entities operating in hyperinflationary economies and that have functional currencies different from the presentation currency of the group are translated into the presentation currency of their immediate parent at rates of exchange ruling at the reporting date.

**Judgements made by management**

***Valuation of financial instruments***

The valuation of financial instruments is based on the market position at the reporting date and other assumptions such as volatility, intrinsic value, time value and interest rates. The value of the derivative instrument fluctuates and the actual amounts realised may differ materially from their value at the reporting date.

# 6. FAIR VALUE AND FOREIGN EXCHANGE MOVEMENTS continued

## 6.1 Fair value and foreign exchange movements

Movements in the fair value and foreign exchange gains/losses are recognised in the statement of profit or loss and comprise the following;

| | **Six months ended 30 September 2021 Unaudited Rm** | Six months ended 30 September 2020[a] Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| Fair value (loss)/gain on ineffective portion of economic hedge[b] | **–** | (6) | 6 |
| Fair value gain/(loss) on remeasurement of interest rate swap liability | **11** | (17) | 1 |
| Fair value loss on unlisted collective investments | **–** | 4 | (17) |
| Foreign exchange movements on translation of foreign currency denominated monetary items[c] | **(12)** | (350) | (366) |
| | **(1)** | (369) | (376) |

[a] *The September 2020 comparative figures have been re-presented to separately disclose discontinued operations. Refer to note 3.*
[b] *Gains on open forward exchange contracts held for capital purchases and working capital requirements.*
[c] *Loss on translation of foreign currency denominated monetary items.*

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 6. FAIR VALUE AND FOREIGN EXCHANGE MOVEMENTS continued

### 6.2 Translation of foreign operations

Movements in the translation of foreign operations are recognised in the statement of comprehensive income. The group's foreign currency translation reserve arises from the following foreign subsidiaries:

| | **Six months ended 30 September 2021 Unaudited Rm** | Six months ended 30 September 2020[(a)] Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| PPC Zimbabwe[(b)] | **(80)** | (2 858) | (3 028) |
| CIMERWA Limitada | **27** | (100) | (243) |
| PPC DRC Barnett | **(20)** | 96 | 180 |
| PPC Botswana | **12** | (3) | (11) |
| PPC Mozambique | **–** | – | 1 |
| | **(61)** | (2 865) | (3 101) |

(a) *The 2020 comparative figures have been re-presented to separately disclose discontinued operations. Refer to note 3.*
(b) *PPC Zimbabwe was significantly impacted by the devaluation of ZWL to the US$ as a result of Zimbabwe being a hyperinflationary economy.*

The loss recorded in the current period is due to the strengthening of the rand against the functional currencies of the group's subsidiaries.

Details on fair value hierarchies are disclosed in note 12.

Details on foreign exchange rates can be found in note 1.4.

## 7. FAIR VALUE GAIN/(LOSS) ON ZIMBABWE ASSETS

### 7.1 Fair value gain on Zimbabwe financial asset

| | **Six months ended 30 September 2021 Unaudited Rm** | Six months ended 30 September 2020 Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| Fair value adjustment – intrinsic value | **3** | 202 | 152 |
| Fair value adjustment – credit risk | **38** | (63) | 104 |
| Fair value gain on Zimbabwe financial asset | **41** | 139 | 256 |

### 7.2 Fair value gain/(loss) on Zimbabwe blocked funds

| | **Six months ended 30 September 2021 Unaudited Rm** | Six months ended 30 September 2020 Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| Fair value adjustment – intrinsic value | **9** | (19) | (68) |
| Fair value adjustment – credit risk | **(8)** | 9 | 51 |
| Fair value profit/(loss) on Zimbabwe blocked funds | **1** | (10) | (17) |

## 8. NET PROFIT ON DISPOSAL OF SUBSIDIARIES

| | **PPC Lime Rm** | **PPC Botswana aggregates Rm** | **Total Rm** |
|---|---|---|---|
| Consideration receivable | **476** | **64** | **540** |
| Carrying amount of net assets | **(322)** | **(17)** | **(339)** |
| Gain on sale before reclassification of foreign currency translation reserve | **154** | **47** | **201** |
| Reclassification of foreign currency translation reserve | **–** | **(12)** | **(12)** |
| Profit on sale of subsidiaries | **154** | **35** | **189** |

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 9. FINANCE COSTS

| | Six months ended 30 September 2021 Unaudited Rm | Six months ended 30 September 2020[(a)] Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| Bank and other short-term borrowings | 9 | 22 | 32 |
| Interest expense on lease liabilities | 2 | 5 | 8 |
| Term loans and project funding | 112 | 121 | 231 |
| Finance costs before time value of money adjustments and interest on penalties | 123 | 148 | 271 |
| Interest on penalties | 10 | 1 | 7 |
| Time value of money adjustments on rehabilitation and decommissioning provisions | 14 | 7 | 5 |
| | 147 | 156 | 283 |
| Southern Africa | 100 | 91 | 161 |
| International | 47 | 65 | 122 |

[(a)] *The September 2020 comparative figures have been re-presented to separately disclose discontinued operations. Refer to note 3.*

## 10. TAXATION

### 10.1 Normal taxation

| | Six months ended 30 September 2021 Unaudited Rm | Six months ended 30 September 2020[(a)] Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|
| Normal taxation | | | |
| Current taxation | 125 | 64 | 118 |
| Deferred taxation | 76 | 46 | 624 |
| Taxation charge | 201 | 110 | 742 |

## 10. TAXATION continued

### 10.2 Taxation rate reconciliation

| | Six months ended 30 September 2021 Unaudited % | Six months ended 30 September 2020[a] Unaudited % | Twelve months ended 31 March 2021 Audited % |
|---|---|---|---|
| **Taxation rate reconciliation** | | | |
| Effective tax rate | **17** | 22 | 42 |
| Prior years' taxation impact | **(3)** | (2) | 2 |
| Income taxation effect of: | | | |
| Foreign taxation rate differential | **2** | 1 | 1 |
| Expenditure attributable to non-taxable income | **(1)** | (1) | (1) |
| Transfer pricing adjustment | **–** | (2) | (1) |
| Expenditure not deductible in terms of taxation legislation | **(1)** | (2) | – |
| Withholding taxation | **(1)** | (1) | (1) |
| Fair value adjustments on financial instruments not taxable or deductible | **–** | – | 1 |
| Deferred taxation not raised | **(2)** | 3 | (8) |
| Non-taxable profit on disposal of investments | **5** | – | |
| Impairment of capitalised costs | **–** | 1 | – |
| Fair value adjustment on Zimbabwe blocked funds | **–** | 1 | – |
| Fair value adjustment on Zimbabwe financial asset | **1** | | 2 |
| Tax effect of Zimbabwe hyperinflation | **11** | 8 | (9) |
| South African normal taxation rate | **28** | 28 | 28 |

[a] *The September 2020 comparative figures have been re-presented to separately disclose discontinued operations. Refer to note 3.*

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 11. EARNINGS AND HEADLINE EARNINGS PER SHARE

### 11.1 Number of shares and weighted average number of shares

| | 30 September 2021 shares | 30 September 2020 shares | 31 March 2021 shares |
|---|---|---|---|
| **Total shares in issue** | **1 593 114 301** | 1 593 114 301 | 1 593 114 301 |
| Treasury shares | **(87 322 827)** | (84 919 403) | (84 902 185) |
| **Weighted average number of shares for calculation of basic earnings per share** | **1 505 791 474** | 1 508 194 898 | 1 508 212 116 |
| *Adjusted for:* | | | |
| Shares held by consolidated Safika Trust treated as treasury shares | **1 354 347** | 1 354 347 | 1 354 347 |
| FSP share incentive scheme shares not expected to vest | **754 007** | 7 911 823 | 7 450 326 |
| **Weighted average number of shares for calculation of diluted earnings per share** | **1 507 899 828** | 1 517 461 068 | 1 517 016 789 |

### 11.2 Basic earnings/(loss)

| | Discontinued operations | | | Continuing operations | | | Group | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Sept 2021 Rm** | Sept 2020 Rm | Mar 2021 Rm | **Sept 2021 Rm** | Sept 2020 Rm | Mar 2021 Rm | **Sept 2021 Rm** | Sept 2020 Rm | Mar 2021 Rm |
| **Profit/(loss) for the period** | **(36)** | (122) | (1 141) | **969** | 396 | 1 023 | **933** | 274 | (118) |
| *Attributable to:* | | | | | | | | | |
| Shareholders of PPC Ltd | **(75)** | (166) | (794) | **994** | 453 | 983 | **919** | 287 | 189 |
| Non-controlling interests | **39** | 44 | (347) | **(25)** | (57) | 40 | **14** | (13) | (307) |
| | **(36)** | (122) | (1 141) | **969** | 396 | 1 023 | **933** | 274 | (118) |

### 11.3 Earnings/(loss) per share

| | Discontinued operations | | | Continuing operations | | | Group | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Sept 2021 Cents** | Sept 2020 Cents | Mar 2021 Cents | **Sept 2021 Cents** | Sept 2020 Cents | Mar 2021 Cents | **Sept 2021 Cents** | Sept 2020 Cents | Mar 2021 Cents |
| **Earnings/(loss) per share** | | | | | | | | | |
| Basic | **(5)** | (11) | (53) | **66** | 30 | 65 | **61** | 19 | 12 |
| Diluted | **(5)** | (11) | (52) | **66** | 30 | 65 | **61** | 19 | 13 |

## 11. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

### 11.4 Headline earnings/(loss)

| | Discontinued operations | | | Continuing operations | | | Group | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Sept 2021 Rm** | Sept 2020 Rm | Mar 2021 Rm | **Sept 2021 Rm** | Sept 2020 Rm | Mar 2021 Rm | **Sept 2021 Rm** | Sept 2020 Rm | Mar 2021 Rm |
| **Headline earnings/(loss)** | | | | | | | | | |
| Headline earnings/(loss) is calculated as follows: | | | | | | | | | |
| **Profit/(loss) for the period** | **(36)** | (122) | (1 141) | **969** | 396 | 1 023 | **933** | 274 | (118) |
| *Adjusted for:* | | | | | | | | | |
| Reversal of impairment of property, plant and equipment and intangible assets | **(100)** | – | – | **–** | – | (1 455) | **(100)** | – | (1 455) |
| Impairment of property, plant and equipment, intangible assets and right-of-use assets | **–** | – | 761 | **3** | – | 138 | **3** | – | 899 |
| Taxation on impairments | **–** | – | – | **(1)** | – | 369 | **(1)** | – | 369 |
| Net profit on sale of subsidiaries | **–** | – | – | **(189)** | – | – | **(189)** | – | – |
| Loss on sale of property, plant and equipment | **–** | – | – | **5** | – | 4 | **5** | – | 4 |
| Profit on sale of equity-accounted associates | **–** | – | – | **–** | – | (1) | **–** | – | (1) |
| Taxation on loss on sale of assets | **–** | – | – | **(1)** | – | (1) | **(1)** | – | (1) |
| **Headline earnings/(loss)** | **(136)** | (122) | (380) | **786** | 396 | 77 | **650** | 274 | (303) |
| *Attributable to:* | | | | | | | | | |
| Shareholders of PPC Ltd | **(192)** | (166) | (269) | **811** | 453 | 37 | **619** | 287 | (232) |
| Non-controlling interests | **56** | 44 | (111) | **(25)** | (57) | 40 | **31** | (13) | (71) |

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 11. EARNINGS AND HEADLINE EARNINGS PER SHARE continued

### 11.5 Headline earnings/(loss) per share

| | Discontinued operations | | | Continuing operations | | | Group | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Sept 2021 Cents** | Sept 2020 Cents | Mar 2021 Cents | **Sept 2021 Cents** | Sept 2020 Cents | Mar 2021 Cents | **Sept 2021 Cents** | Sept 2020 Cents | Mar 2021 Cents |
| **Headline earnings/(loss) per share** | | | | | | | | | |
| Basic | **(13)** | (11) | (18) | **55** | 30 | 3 | **42** | 19 | (15) |
| Diluted | **(12)** | (11) | (17) | **54** | 30 | 2 | **42** | 19 | (15) |

## 12. FINANCIAL RISK MANAGEMENT

**Methods and assumptions used by the group in determining fair values**

The estimated fair value of financial instruments is determined at discrete points in time, by reference to the mid-price in an active market wherever possible. Where no such active market exists for the particular asset or liability, the group uses valuation techniques to arrive at fair value, including the use of prices obtained in recent arm’s length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

The fair value of unlisted collective investment is valued using the closing unit price at the end of the period.

The fair value of loans receivable and payable is based on the market rates of the loan and the recoverability.

The fair values of cash and cash equivalents, trade and other financial receivables and trade and other financial payables approximate the respective carrying amounts of these financial instruments because of the short period to maturity.

The PPC Zimbabwe financial asset (refer to note 7.1) should be valued using ZWL forward curves. However, these are not available. As a result of there being no other similar available market data, the financial asset has been valued at the year-end US$:ZWL exchange rate and further credit risk adjustment was recognised.

## 12. FINANCIAL RISK MANAGEMENT continued

**Fair value hierarchy disclosures**

| | Notes | Level | Six months ended 30 September 2021 Unaudited Rm | Six months ended 30 September 2020 Unaudited Rm | Twelve months ended 31 March 2021 Audited Rm |
|---|---|---|---|---|---|
| **2021** | | | | | |
| **Financial assets** | | | | | |
| *At amortised cost* | | | | | |
| Trade and other financial receivables | | | **1 244** | 1 089 | 815 |
| Cash and cash equivalents | | | **610** | 705 | 457 |
| *At fair value through other comprehensive income* | | | | | |
| Investment in Old Mutual shares on the Zimbabwe Stock Exchange | | 1 | **3** | 2 | 3 |
| *At fair value through profit and loss* | | | | | |
| Unlisted collective investments at fair value (held for trading) | | 2 | **177** | 152 | 129 |
| PPC Zimbabwe financial asset | | 3 | **19** | 108 | 57 |
| Zimbabwe blocked funds | | 3 | **51** | 57 | 50 |
| Cell captive investment | | 3 | **14** | – | 7 |
| **Financial liabilities** | | | | | |
| *At amortised cost* | | | | | |
| Long-term borrowings | 4 | | **970** | 664 | 983 |
| Short-term borrowings | 4 | | **1 349** | 4 554 | 1 645 |
| Lease liabilities | | | **49** | 87 | 60 |
| Liability to non-controlling shareholder in subsidiary company | | | **–** | 20 | – |
| Trade and other financial payables | | | **939** | 1 893 | 1 167 |
| *At fair value through profit and loss* | | | | | |
| Interest rate swap liability | | 2 | **12** | 41 | 23 |

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 12. FINANCIAL RISK MANAGEMENT continued

**Fair value hierarchy disclosures** continued

Level 1 – financial assets and liabilities that are valued with reference to unadjusted market prices for similar assets and liabilities. Market prices in this instance are readily available and the price represents regularly occurring transactions which have been concluded on an arm's length transaction.

Level 2 – financial assets and liabilities are valued using observable inputs, other than the market prices noted in the level 1 methodology, and make reference to pricing of similar assets and liabilities in an active market or by utilising observable prices and market related data.

Level 3 – financial assets and liabilities that are valued using unobservable data, and requires management judgement in determining the fair value.

This note has been refined from that reported in the prior period to only include financial instruments held at fair value.

**Level 3 sensitivity analysis**

| Financial instrument | Valuation technique | Key unobservable inputs | Sensitivity % | Carrying value Rm | Increase or decrease Rm |
|---|---|---|---|---|---|
| PPC Zimbabwe financial asset | US$:ZWL exchange rate | Credit risk adjustment of 50 % | 1% higher and 1% lower | 19 | – |
| Zimbabwe blocked funds | US$:ZWL exchange rate | Credit risk adjustment of 85 % | 1% higher and 1% lower | 51 | 1 |
| Cell captive investment | Net asset value | Cash and cash equivalents, investment in unit trusts, insurance fund liabilities | 1% higher and 1% lower | 14 | – |

| Movements in level 3 financial instruments | 30 September 2021 Rm | 30 September 2020 Rm | 31 March 2021 Rm |
|---|---|---|---|
| **Financial assets at fair value through profit or loss** | | | |
| Balance at the beginning of the period | **114** | 220 | 220 |
| New financial assets recognised | **–** | 6 | 15 |
| Fair value adjustments | **12** | 185 | 84 |
| Fair value adjustment – credit risk | **23** | (53) | 155 |
| Translation differences | **(4)** | (80) | (121) |
| Repayments | **(75)** | (113) | (239) |
| **Balance at the end of the period** | **70** | 165 | 114 |

Remeasurements are recorded in fair value adjustments on financial instruments in the statement of profit or loss.

## 13. RELATED-PARTY TRANSACTIONS

Parties are considered to be related if one party directly or indirectly has the ability to control or jointly control the other party or exercise significant influence over the other party or is a member of the key management of PPC group. In particular, this relates to associates, as transactions with the consolidated subsidiaries are eliminated. PPC regards non-executive directors, executive directors and the executive committee to be key management. In the prior year, in the ordinary course of business, PPC group Services (Pty) Ltd, a subsidiary of PPC Ltd, entered into various transactions with Habesha Cement Share Company, an associate of PPC Ltd. The effect of these transactions is less than R1 million and is included in the financial performance and results of the group. No impairment of receivables related to the amount of outstanding balances is required.

| | **30 September 2021 Rm** | 30 September 2020 Rm | 31 March 2021 Rm |
|---|---|---|---|
| The following table shows transactions with the related parties that are included in the group's summarised financial statements. | | | |
| **Dividends received from a related party** | | | |
| **Olegra (Pty) Ltd** | – | 1 | 1 |

## 14. ADDITIONAL DISCLOSURE

**Zimbabwe indigenisation**

In March 2008, Zimbabwe passed the Indigenisation and Economic Empowerment Act which required all foreign-owned companies, including those in the manufacturing sector like PPC Zimbabwe, to submit indigenisation plans for local Zimbabweans. PPC Zimbabwe accordingly submitted implementation plans and associated term sheets to the National Indigenisation and Economic Empowerment Fund in August 2012 and entered into indigenisation transactions with various parties, including an employee share option scheme, in terms of which 29,6% of PPC Zimbabwe shares have been allotted to the indigenisation partners.

All the indigenisation transactions are subject to notional vendor funding (NVF) arrangements. Central to the operation of this NVF arrangement is the concept of an "NVF balance" which is defined in the transaction documents as meaning "the full extent of the notional vendor facilitation outstanding from time to time, calculated in accordance with the agreements". The "initial NVF balance" was fixed in US$. The currently applicable NVF balance has been escalated by interest and reduced by a percentage of dividends declared in accordance with methodology set out in the transaction documents.

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 14. ADDITIONAL DISCLOSURE continued

During 2019 the Zimbabwe government issued Statutory Instrument 33 (SI33) that provides as follows:

*"that Real Time Gross Settlement system balances expressed in the United States dollar (other than those referred to in section 44C(2) of the principal Act), immediately before the effective date, shall from the effective date be deemed to be opening balances in RTGS dollars at par with the United States dollar and (d) for accounting and other purposes (including the discharge of financial or contractual obligations), all assets and liabilities that were, immediately before the effective date, valued and expressed in United States dollars (other than assets and liabilities referred to in section 44C(2) of the principal Act) shall on and after the effective date be deemed to be values in RTGS dollars at a rate of one-to-one to the United States dollar".*

One of the indigenisation participants believes that the NVF Balance should have been converted to ZWL (ie RTGS) when SI33 was issued. The result of this would have been that the NVF Balance would have reduced much faster than anticipated by PPC due to dividends being declared in US$.

PPC obtained a legal opinion on this matter, which legal opinion has been confirmed by a senior advocate in Zimbabwe. The legal opinion confirms that the NVF Balance is a notional balance, which functions as a mere reference amount in the agreement and, accordingly, cannot and does not convert from a (notional) US$ amount to a (notional) ZWL amount. PPC therefore continues calculate the NVF Balance using the US$ as the reference currency. The non-controlling interests for the indigenisation parties will only be recognised when the shares allocated to the participants cease to incur any restrictions and become exposed to the full risks and rewards associated with ownership. The use of US$ as a reference currency does not result in the risk and rewards having passed to the indigenisation parties and accordingly, PPC does not account for any non-controlling interests in relation to the indigenisation transaction.

**Contingent liabilities and guarantees**

The total guarantees issued by the group, by means of a bank guarantee, in favour of the various suppliers were R102 million (2020: R102 million). Included in this amount are financial guarantees for the environmental rehabilitation and decommissioning obligations of the group to the Department of Mineral Resources amounting to R76 million (2020: R76 million).

## 15. EVENTS AFTER REPORTING DATE

On 2 May 2021, PPC South Africa Holdings (Pty) Ltd, a wholly owned subsidiary of PPC Ltd, entered into transaction agreements with Kgatelopele Lime (Pty) Ltd (the acquirer) for the sale of 100% of PPC Lime. An addendum to the sale and purchase agreement was entered into on 29 October 2021 in terms of which R25,1 million of the purchase price would be deferred to no later than 31 March 2022 to allow either a release of PPC Lime's rehabilitation financial provisioning trust monies to PPC or failing that, the establishment of a new rehabilitation trust by the acquirer and the transfer of PPC Lime's trust monies to such new trust. In this event the acquirer will pay the deferred amount directly to PPC. Other than the addendum referred to above, there were no other events that occurred after the reporting date that warrant disclosure.

## 16. GOING CONCERN ASSESSMENT

**Introduction**

In determining the appropriate basis of preparation of the interim financial statements, the directors are required to consider whether the group can continue as a going concern for the foreseeable future.

The directors' assessment of going concern has focused on three principal areas, namely:

1. The sustainability, or viability, of the group, or its ability to continue trading as a going concern. The assessment included, inter alia, current trading trends, performance against budget for the six months ended 30 September 2021 and key assumptions underpinning the forecasts and the impact of stress testing on such forecasts.
2. The solvency of the group: whether the fair value of assets exceeds the fair value of liabilities, including any contingent assets and liabilities to the extent applicable and likewise the ability to settle all debts as they fall due until at least 30 November 2022.
3. The liquidity of the group for the next 12 months and beyond, considering whether the group has sufficient liquidity and headroom (the level of unutilised but available facilities) up to 30 November 2022, taking into account current available facilities and the impact of the financial restructuring which is currently underway.

**Group restructuring and refinancing project**

As at 30 September 2021, the net debt in the South African operations was R1,7 billion (30 September 2020: R1,7 billion; 31 March 2021: R1,9 billion). The directors were of the view that the levels of debt at September 2020 were not sustainable and commenced a restructuring and refinancing project. The particulars around the project were disclosed in detail in the 31 March 2021 consolidated annual financial statements in note 35.

Progress on each of the components of the group restructuring and refinancing project after publishing the audited annual financial statements for the year ended 31 March 2021 up to the last practicable date before publishing these interim financial statements, is dealt with on the following page.

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 16. GOING CONCERN ASSESSMENT continued

**Funding confirmation from SA lenders**

On 31 March 2021, PPC Ltd and the SA primary lenders entered into agreements that provide for:

- R625 million of short-term banking facilities that were in place at financial year-end, will continue in place under similar terms until at least 30 June 2022
- The R1,85 billion long-term facilities that were in place at financial year-end will remain in place, with facility settlement dates as set out below

| Quantum Rm | Settlement date |
|---|---|
| 350 | 30 September 2021 |
| 800 | 31 March 2022 |
| 300 | 19 June 2023 |
| 400 | 19 June 2024 |
| 1 850 | |

An amendment to the commitment to reduce the level of gearing in South Africa through a combination of an equity capital raise of a minimum of R750 million by 31 March 2021 and the sale of PPC Lime by 31 December 2021 as follows:

- A commitment to reduce the level of gearing through an equity capital raise of a minimum of R750 million to no later than 30 September 2021.
- A commitment to conclude the sale of PPC Lime Ltd (PPC Lime) by 30 June 2021, with the proceeds received by no later than 30 September 2021.
- The agreements with the SA Primary Lenders remained conditional on resolution of PPC Ltd's exposure to the DRC.

On 27 September 2021, PPC signed non-binding term sheets with the SA primary lenders to refinance the existing debt obligations (as set out above) and remove the undertaking for an equity capital raise subject to the completion of the disposal of PPC Lime (PPC Lime disposal) by 31 October 2021. All the outstanding conditions precedent in relation to the PPC Lime disposal were met on 17 September 2021 and the PPC Lime disposal closed successfully on 29 October 2021. Accordingly, there is no further obligation for PPC to undertake an equity capital raise.

## 16. GOING CONCERN ASSESSMENT continued

**Funding confirmation from South African lenders** continued

Due to satisfactory trading performance over the six months, stringent capital expenditure control and the successful PPC Lime Disposal, the SA Group's facility utilisation has improved as follows:

| | 2 November 2021 Rm | 30 September 2021 Rm | 31 March 2021 Rm |
|---|---|---|---|
| **Short-term facilities** | | | |
| Available | 625 | 625 | 625 |
| Utilised | 151 | 421 | 309 |
| Unutilised | 474 | 204 | 316 |
| % headroom | 76 | 33 | 51 |
| **Long-term facilities** | | | |
| Available | 1 500 | 1 500 | 1 850 |
| Utilised | 1 100 | 1 400 | 1 700 |
| Unutilised | 400 | 100 | 150 |
| % headroom | 27 | 7 | 8 |
| **Total facilities** | | | |
| Available | 2 125 | 2 125 | 2 475 |
| Utilised | 1 251 | 1 821 | 2 009 |
| Unutilised | 874 | 304 | 466 |
| % headroom | 41 | 14 | 19 |

| | 30 September 2021 Rm | | Non-binding term sheets Rm | |
|---|---|---|---|---|
| Short-term debt | | 625 | | 550 |
| Availability | | 30 Jun 2021 | | 31 Dec 2022 |
| Long-term debt | | 1 500 | | 1 500 |
| Due dates | 800 | 31 Mar 2022 | 400 | Dec 2024 |
| | 300 | 19 Jun 2023 | 500 | Dec 2025 |
| | 400 | 19 Jun 2024 | 600 | Dec 2026 |
| **Total** | | 2 125 | | 2 050 |

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 16. GOING CONCERN ASSESSMENT continued

**Funding confirmation from South African lenders** continued

PPC will use the new facilities to refinance the drawn portions of existing facilities leaving adequate headroom and financial flexibility over the next five years. As at 30 September 2021, all financial covenants were met and forecasts indicate that covenants contained in the non-binding term sheets will continue to be met through 30 November 2022

There is no absolute certainty that binding long-form agreements will be entered into with the SA lenders by the target date of 15 December 2021, but management and the board are confident that this will be achieved timeously.

***Sale of PPC Lime***

As stated above, a key term of the agreements with the SA lenders was the completion of the PPC Lime disposal before 31 October 2021 in order for the obligation to undertake an equity capital raise to be removed. To re-iterate, this transaction successfully completed on 29 October 2021 on the terms described below. On 2 May 2021, PPC South Africa Holdings (Pty) Ltd, a wholly owned subsidiary of PPC Ltd, entered into transaction agreements with Kgatelopele Lime (Pty) Ltd, to dispose of the entire issued share capital of PPC Lime for a consideration of R520 million on a debt-free and cash-free basis. This R520 million was also subject to a positive or negative adjustment if the net working capital was respectively above or below an amount of R169 million. As at 31 March 2021, the net working capital of PPC Lime was R124 million which will result in the purchase price being reduced to R475,9 million.

An addendum was entered into with the acquirer in terms of which R25,1 million of the purchase price would be deferred to no later than 31 March 2022 to allow either a release of PPC Lime's rehabilitation financial provisioning trust monies to PPC or failing that, the establishment of a new rehabilitation trust by the acquirer and the transfer of PPC Lime's trust monies to such new trust. In this event the acquirer will pay the deferred amount directly to PPC.

***Sale of Botswana Aggregates***

PPC entered into a binding agreement for the sale of 100% of the shares in PPC Aggregate Quarries Botswana (Pty) Ltd to a construction and mining company in Botswana (PPC AQB disposal). The last of the conditions precedent relating to this transaction were met on 15 September 2021 and the transaction closed on 16 September 2021. The provisional purchase price was agreed at BWP47,5 million and the actual amount received after the agreed true-up process was BWP45,5 million. This amount will be declared out to PPC as a dividend after 31 October 2021 and will be applied to further de-gear PPC's South African balance sheet by some R60 million.

## 16. GOING CONCERN ASSESSMENT continued

**Funding confirmation from South African lenders** continued

***Resolution of DRC exposures***

The binding settlement agreement entered into on 31 March 2021 with the DRC lenders terminated PPC's obligations to make further deficiency funding payments to PPC Barnet. The term sheet, also signed on 31 March 2021, envisaged restructuring of PPC Barnet's balance sheet by 30 September 2021. It is now envisaged that binding long-form restructuring agreements with the DRC lenders will only be signed after 30 September 2021, with the administrative processes to restructure PPC Barnet's balance sheet to restore solvency and liquidity to be effective by mid-December 2021. Notwithstanding the delay in the restructuring, the DRC lenders have no further recourse to PPC Ltd.

**International operations**

***DRC***

In terms of the binding settlement agreement referred to in the immediately preceding paragraph, the PPC Barnet lenders are entitled to give PPC notice to capitalise its quasi-equity and deficiency loans so as restore solvency to PPC Barnet's balance sheet. On 27 September 2021, such notice was received by PPC and this process has commenced as part of the overall restructure. The terms of the overall restructure will also restore liquidity to PPC Barnet and has provided a degree of certainty with regards to future cash flows and the company's ability to continue as a going concern and its ability to realise assets and discharge liabilities in the normal course of business. The implementation of the terms of the restructure are largely administrative and PPC Ltd and the PPB Barnet lenders' respective advisers continue to make progress in this regard.

***Zimbabwe***

PPC Zimbabwe generates cash surpluses and operates as a going concern, with no compromises or payment plans required. The cash headroom remains sufficient for the next 12 months.

As referred to in note 7.1, there is uncertainty around the ability of the RBZ to meet the payments of the third-party loan as they become due. However, all payments due to date have been honoured and only one further payment US$4,2 million due on 31 December 2021 remains.

Subsequent to year-end a dividend of US$3 million was paid by PPC Zimbabwe of which US$2,7 million is attributable to PPC Ltd.

***Rwanda (CIMERWA)***

CIMERWA continues to trade as a going concern with no expected cash shortfalls in the next 12 months and beyond. A minimum cash balance in excess of RWF10 billion (R152 million is forecast over the period to November 2022).

CIMERWA is a going concern on a standalone basis and there is no funding required from PPC Ltd or elsewhere within the group.

# NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS continued

for the period ended 30 September 2021

## 16. GOING CONCERN ASSESSMENT continued

**International operations** continued

***Ethiopia (Habesha)***

Habesha is an associate in which PPC Ltd sees long-term value. Habesha has appointed advisers to develop a financial restructuring plan to optimise its capital structure, the results of which are expected to be presented to the Habesha board of directors during CY2021.

PPC Ltd has no obligation to support the business nor invest further capital and will assess the restructuring plan on its merits in due course.

**Group solvency**

On a consolidated basis, the fair value of assets exceeds the fair value of liabilities for the group, with total carrying value of assets at R14,2 billion (excluding discontinued operations), compared to total (lender) debt of R2,3 billion (excluding discontinued operations) and total balance sheet liabilities of R5,8 billion (excluding discontinued operations).

The aforementioned is based on detailed impairment testing of PPC's cash-generating units, resulting in no impairments being required.

**Operational performance in line with cash flow forecasts**

PPC Ltd consistently utilises a detailed liquidity model in its liquidity forecasting. This model and the reasonableness of assumptions contained therein have been reviewed and tested internally, as well as by external consultants and the various lender groups. The forecasts run through this model demonstrate adequate headroom as described above, which addresses the risk of the forecasts not being achieved.

Overall, the PPC group met its budgets for volumes and revenues for the six months ended 30 September 2021 and exceeded its cash generation budget. The forecasts for the remainder of the 2022 financial year remain conservative and continue to assume the headwind effect of imports and do not yet reflect increased volumes on the back of the recent requirement by the government to only use locally produced cement in government infrastructure projects.

**Conclusion**

The events, conditions, judgements and assumptions described above inherently include uncertainty on the timing of future cash flows. Any significant deviations in the assumptions made may cast doubt on the group's ability to continue as a going concern and its ability to realise assets and discharge liabilities in the normal course of business.

The directors have considered all of the above, including a detailed consideration of all financial plans and forecasts, the actions taken by the company, and the actions that remain outstanding, and based on the information available to them, are of the opinion that the going concern assumption is appropriate in the preparation of the financial statements.

The directors have therefore prepared the consolidated and company financial statements on a going concern basis.

# CORPORATE INFORMATION

## PPC LTD
Incorporated in the Republic of South Africa
Registration number: 1892/000667/06
JSE/ZSE code: PPC
JSE ISIN: ZAE 000170049
JSE code: PPC003
JSE ISIN: ZAG000117524
"PPC" or "company" or "group"

## DIRECTORS
PJ Moleketi (chair), R van Wijnen* (CEO), AC Ball, B Berlin (CFO), N Gobodo, BM Hansen**, K Maphisa***, NL Mkhondo, CH Naude, MR Thompson

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** *Denmark*
*** *Zimbabwean*

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## FORWARD LOOKING STATEMENT
This report, including statements on the demand outlook, PPC's expansion projects and its capital resources and expenditure, contains certain forward looking views that are not historical facts and relate to other information which is based on forecasts of future results and estimates of amounts not yet determinable. By their nature, forward looking statements involve uncertainties and the risk that these forward looking statements will not be achieved. Although PPC believes the expectations reflected in these statements are reasonable, no assurance can be given that these expectations will prove correct. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, outcomes could differ materially from those set out in the forward looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment, other government action and business and operational risks.

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