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

OPERATING UPDATE FOR THE FOUR MONTHS ENDED 31 JULY 2025

The PPC group comprises the South Africa ("SA") group and the Zimbabwean cement business. The SA group is fundamentally the SA and Botswana cement business, but also includes materials and group services.

The PPC group continues to successfully deliver on its "Awaken the Giant" strategic turnaround. This strategy is focused on increasing long-term leadership and competitiveness through increased profitability and cashflow. In a weak SA macro-economic environment, PPC's results for the four months ended 31 July 2025 ("the current period") showed a marked improvement compared to the results for the four months ended 31 July 2024 ("the comparable period").

As we enter the second year of the strategic turnaround, implementation is gaining traction resulting in the delivery of further growth and margin expansion on top of what was achieved in the 2025 financial year ("FY25"), which also showed marked improvements across all key metrics. In the current period, group EBITDA increased by more than 20% over the comparable period and EBITDA margin grew by over 2 percentage points ("PP").

SA AND BOTSWANA CEMENT

In the current period SA and Botswana sales volumes increased by 2% relative to the comparable period due to stronger retail sales and sales of clinker to PPC Zimbabwe.

As the benefits of the turnaround strategy become increasingly evident, SA and Botswana cement's current period EBITDA continued to see notable improvement and EBITDA margin increased materially to 17,7% from 10,3% in the comparable period. The timing of certain plant shutdowns contributed positively in the current period. As this normalises in the six months ending 30 September 2025 ("H1FY26"), the SA and Botswana cement margin is expected to remain at a level of some 17%.

ZIMBABWE

Cement sales volumes in Zimbabwe increased by 22% in the current period compared to the comparable period, largely as a result of a combination of strong consumer demand and the positive impact of the introduction of a 30% tariff on imported cement in May 2025.

During the first two months of the current period PPC Zimbabwe implemented an extended shutdown in its Colleen Bawn plant. This was planned, as part of the three-year plant performance improvement plan (PPIP), aimed at better positioning PPC Zimbabwe to produce higher volumes of own-clinker for the production of cement to supply the growing demand in the market.

The costs of the extended shutdown, combined with the higher consumption of imported clinker, impacted EBITDA and the EBITDA margin in the first three months of the current period. PPC Zimbabwe's EBITDA margin reduced to 15.3 % from 29.0% in the comparable period. After the extended shutdown, the monthly EBITDA margin returned to the level achieved in the comparable period.

Cash generation remained strong, notwithstanding the temporarily lower EBITDA margins. Dividends of US$6 million were declared in the current period (comparable period: Nil). Dividends totalling US$14 million have also been declared subsequent to the current period resulting in total dividends declared for H1FY26 of US$20 million (comparable period: US$4 million).

The sale of the Arlington property for US$30 million, as announced on SENS on 21 August 2025, remains on track but has not been accounted for in the current period.

GROUP RESULTS

Group revenue for the current period increased by 4%, driven by growth in both SA and Botswana cement and Zimbabwe. Group EBITDA continued to increase over the comparable period, and the EBITDA margin reached 15.9% in the current period, which is a growth in excess of 2PP in comparison with the 13.7% of the comparable period. As margins increase considerably in Zimbabwe and reduce marginally in South Africa over August and September, group EBITDA margins are expected to continue to increase from the current period level.

The operational cash generation by the SA and Botswana group, before financing activities and capital expenditure on the new integrated cement plant in the Western Cape ("RK3 project") and excluding dividends received from PPC Zimbabwe, is expected to continue to be positive.

Of the US$20 million dividends declared by Zimbabwe, US$12 million has been received and the remaining US$8 million is expected in October 2025. During the current period, an ordinary dividend totalling R274 million in respect of FY25 was declared and paid in line with the company's continued commitment to its stated dividend policy.

OUTLOOK

The positive impact of improved operational efficiency and the right commercial focus, in line with the "Awaken the Giant" strategy, will enable PPC to continue to compete effectively in the market while delivering returns to shareholders. Efforts will remain concentrated on leveraging PPC's quality assets and footprint, as well as continuing to increase margins.

The RK3 project remains on track and gearing projections remain unchanged. More details on the RK3 project can be found on PPC's website in the capital markets day FY25 presentation given on 27 March 2025.

Full details of the group's performance will be provided in the group's summarised unaudited consolidated financial statements for the six months ending 30 September 2025, which are expected to be released on or about 24 November 2025.

Dunkeld
22 September 2025

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