



MEDIA RELEASE

PPC TURNAROUND CONTINUES DELIVERING STRONG RESULTS

“Our performance continues to improve, reflecting the progress we are making in executing our Awaken the Giant strategy. While market conditions have become more challenging, we remain focused on positioning PPC to deliver sustainable value creation and an even stronger earnings trajectory.”

Matias Cardarelli, PPC CEO

Johannesburg, 28 September 2026: PPC, the leading Southern African supplier of cement and related products, has issued a five-month trading update for the period ended 31 August 2026. Group EBITDA has increased by 40%, and the group EBITDA margin strengthened by 6,2 percentage points to 22,1% from 15,9% in the five-month comparable period last year.

Group revenue increased by 1%, with the positive revenue growth in Zimbabwe of 4% offsetting the 2% decline in SA and Botswana cement revenue, which reflects lower sales volumes partly recovered through improved price and product mix.

PPC CEO Matias Cardarelli said: “Our performance has further improved with higher margins, demonstrating the quality PPC’s earnings base and the effectiveness of our strategy. Operating in two distinct contexts, PPC Zimbabwe operations delivered an outstanding performance, while in South Africa we continue to prove that value creation, not volume at any cost, is the winning strategy. In an environment of weaker demand, rising diesel costs and inflationary pressures, we have expanded margins once again, through pricing discipline, product mix enhancement and operational efficiency improvement”.

The Awaken the Giant strategic plan continues to be embedded across the organisation. As set out with the group’s FY26 annual results, FY27 is a year in which the substantial gains delivered in FY25 and FY26 are consolidated, while the group completes the construction of its new integrated cement plant in the Western Cape (RK3). With RK3 and the next phase of the Awaken the Giant turnaround, the group is positioning itself for a meaningful acceleration in growth, profitability and value creation, supporting a further step change in performance from FY28 onwards.

SOUTH AFRICA AND BOTSWANA

SA and Botswana cement sales volumes were 8% lower than the comparable period. However, revenue declined by just 2%, a materially smaller decline than the reduction in volumes reflecting the positive impact of the sales mix and pricing adjustments, including the diesel cost surcharge.

Importantly, EBITDA, including group services, grew by 3,3% over the comparable period and margin EBITDA expanded 0,4 percentage points to 17,9%, highlighting PPC's ability to continue driving earnings growth and margin improvement even in an inflationary, low demand environment, with irrational competition.

Statistics South Africa reported on 8 September 2026 that real GDP contracted by 0,2% quarter on quarter in the second calendar quarter of 2026, while gross fixed capital formation declined by a further 0,2%, following a contraction of 1,0% in the preceding quarter. Cardarelli commented, "Against a backdrop of weak demand, certain producers pursued volume growth through aggressive price discounting. This behaviour is self-destructive because it does not create additional demand for cement nor sustained market share; it simply destroys value and undermines profitability".

PPC continues choosing to protect value and preserve sustainability, maintaining the commercial discipline established under Awaken the Giant, prioritising value accretive sales and margin growth. While not PPC strategy, the group's superior asset base, technological advantages, footprint and strong balance sheet, make it best positioned to respond to price, should it be required.

ZIMBABWE CEMENT

Cement sales volumes in Zimbabwe continue to expand and increased by 3% in the current period, supported by robust demand across both the industrial and retail sectors.

The plant performance improvement plan continues to deliver tangible results. Higher own-clinker production is translating directly into improved profitability, while the Collen Bawn kiln achieved world-class operating performance during the first quarter of FY27.

PPC Zimbabwe's delivered another strong performance with EBITDA margin expanding to 34,2% from 19,1% in the comparable period. While the prior period was impacted by an extended planned maintenance shutdown at Collen Bawn, the current results also reflect the structural benefits of improved plant reliability, higher clinker self-sufficiency and disciplined operational execution. The planned maintenance shut down is currently underway and will moderate the margins to be reported for the first half of FY27.

Profitability is expected to remain materially ahead of the prior year, underscoring the significant progress achieved through the turnaround and the strength of the Zimbabwe business.

OUTLOOK

PPC continues to demonstrate high-quality earnings, supported by structural operational improvements, disciplined commercial execution, and a clear focus on value creation and growing shareholder returns.

Cardarelli added, “PPC does not anticipate a near-term improvement in the South African cement trading conditions, while some competitors continue irrationally discounting cement prices, even while elevated diesel prices continue to pressure on both distribution and production costs. PPC will remain disciplined and focused on what it can control - competing on quality, service reliability and continuing to strengthen operational performance”.

The current anti-dumping application before the International Trade Administration Commission related to cement imports from Mozambique and Vietnam has progressed and a favorable outcome would represent an important step towards restoring fair competition in the market. Creating a level playing field between local producers and importers is essential to supporting continued investment, employment and industrial capacity in South Africa.

Cardelli commented, “The continued growth of dumped imports, particularly from Mozambique, is not only undermining fair competition, but also placing South African jobs, investment and industrial capacity at risk. While local producers invest in environmental compliance, labour standards and community development, imported cement is not subject to the same obligations. The urgent implementation of anti-dumping measures and carbon-border mechanisms is critical to restoring fair market conditions and preventing the further transfer of economic activity, employment opportunities and industrial value outside South Africa”.

In Zimbabwe, EBITDA reported at the half-year will be moderated by the planned Colleen Bawn plant shut down, while the compounding impact of improved margins with cement volume growth are expected to continue to benefit the results in the second half of the year. Progress continues to be made on the proposed development of the new integrated plant in Zimbabwe, including ongoing engagement with Sinoma on the EPC contract, mine prospecting activities and the assessment of acceptable financing alternatives.

Cardarelli concluded, “Our expectations for FY27 remain unchanged from those set out with the FY26 annual results. FY27 is a year of consolidation of the improvements achieved in FY25 and FY26, with the next meaningful step change in financial performance anticipated in FY28 following the commissioning of RK3, which we are eagerly anticipating”.

Full details of the group’s performance will be provided in PPC’s summarised unaudited consolidated financial statements for the six months ending 30 September 2026, which are expected to be released on or about 16 November 2026.

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About PPC Ltd

PPC is an iconic material and solutions provider of quality and consistent cement, aggregates, readymix and fly ash, and provides technical support to its customers. PPC’s story stretches back over 130 years to where it was first incorporated on the outskirts of Pretoria in 1892. As the first cement plant in South Africa, and now operating outside of these borders, the industry leader has established itself as a resilient organisation by adapting to ever-changing economic, operating and political environments. PPC is proud to be a leading provider of quality building materials and solutions to empower people to experience a better quality of life. Follow PPC on LinkedIn PPC Africa, on X @PPC_Africa, like us on www.facebook.com/PPC.Cement and visit us at www.ppc.africa.

Issued by Aprio on behalf of PPC

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