



MEDIA RELEASE:

**PPC'S STRATEGIC TURNAROUND PLAN DELIVERS
EARLIER THAN EXPECTED EARNINGS AND CASH FLOW
IMPROVEMENT**

Highlights:

- **Awaken the Giant turnaround plan starting to deliver**
- **EBITDA margin growth of 3.2 percentage points and EBITDA growth of 20% for the 10 months ended January 2025**
- **90% increase in cash flow generation in the South Africa and Botswana group**
- **Record dividend received from Zimbabwe**

Johannesburg, 3 March 2025: The leading Southern African supplier of cement and related products, PPC Ltd (PPC), has today provided an operating update for the 10 months to end January 2025.

PPC Chief Executive Officer, Matias Cardarelli, commented, "It is very pleasing to see the results of our Awaken the Giant turnaround plan starting to take effect with good, solid, early, signals of success while the operational improvements slowly gain traction. All our business units are improving their operating results, leading to 3.2p.p. EBITDA margin expansion and a 20% increase of group EBITDA, when our overall sales revenues for the 10 months were 3% lower in comparison to the same period last year.

Group EBITDA margins improved to 16.6% in the current period from 13.4% in the comparable period.

The turnaround plan, necessary to ensure sustainable profitability and long-term growth, has been developed to execute on numerous opportunities identified to improve the performance of the group while scoping strategic opportunities. The plan was implemented following the appointment of Matias Cardarelli as CEO and changes to the executive leadership team just over a year ago.

Cardarelli continued, "As we advance our plan execution, we are starting to see early improvements in the key areas of commercial, operations and supply chain, such as plant sourcing optimisation, sales product mix enhancement, better thermal energy costs and logistics management. These have all contributed to significant EBITDA margin and cashflow generation increases".

As the stringent focus on costs, operational performance and working capital take effect, the South Africa & Botswana group's free cashflow, being net cash inflow before financing activities excluding dividends from Zimbabwe, increased by a substantial 90% to R692 million. PPC Zimbabwe also increased its free cashflow generation leading to an increase in total dividends declared and paid of US\$13 million year-to-date compared to the US\$11 million in the comparable period.

In the South Africa & Botswana cement segment, EBITDA increased 32% resulting in significant EBITDA margin expansion to 14.8% from 11.4% in the comparable period. While most of the operational improvements are yet to materialise, the margin increase reflects the impact of the early delivery of a reduction in general and administrative expenses and a cement contribution margin increase.

In Zimbabwe, volumes declined 9% in the current period, consistent with the 9% decline at the half-year. This trend has started improving in January 2025. Despite lower revenue, EBITDA grew by 6% relative to the comparable period and EBITDA margin grew by 4.4 percentage points from 21.6% to 26.0% due to the turnaround plan.

Cardarelli concluded, "We remain firmly focused on the continued implementation of our Awaken the Giant turnaround plan. While the significant operational improvements are still getting traction, the improvement of the results in the current period already reflect early delivery of the turnaround plan ahead of the previously advised timeline".

In parallel, we are seeking final board approval for the construction of the new state-of-the-art cement plant in the Western Cape, which we announced last month.

The new plant, which will secure PPC's cost competitiveness and low carbon cement leadership, will be built on a turnkey engineer, procure and construct contract, which will significantly de-risk any capital overruns. The material reduction in variable costs due to technology and fixed costs due to only operating on one site makes the plant value accretive, compared to continuing with our existing plants in the Western Cape, without relying on market growth.

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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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