

Sephaku Holdings Limited
(Incorporated in the Republic of South Africa)
(Company registration number: 2005/003306/06)
JSE share code: SEP
ISIN: ZAE000138459
("SepHold" or the "Company")



Condensed consolidated unaudited financial results for the six months ended 30 September 2021

Short Form Announcement

SepHold hereby reports on the condensed consolidated unaudited financial results for the six months ended 30 September 2021 ("**Interim Results**"). SepHold, Métier Mixed Concrete (Pty) Ltd ("Métier" or "the subsidiary") and Dangote Cement SA (Pty) Ltd ("SepCem" or "the associate") are collectively referred to as the Group.

SALIENT POINTS

SepHold¹

- Group consolidated revenue: R411,8 million (H1 2021: R291,1 million)
- Net profit after tax: R17,8 million (H1 2021: net loss after tax R29,6 million)
- Basic earnings per share: 6.98 cents (H1 2021: basic loss per share: 11.65 cents)
- Headline earnings per share: 7.03 cents (H1 2021: headline loss per share: 13.47 cents)
- Net asset value per share: 447.81 cents (H1 2021: 421.08 cents)

Métier¹

- EBITDA margin: 10.8% at R44,6 million (H1 2021: 9.4% at R27,4 million)
- EBIT margin: 7.6% at R31,4 million (H1 2021: 5.5% at R15,9 million)
- Net profit after tax: R20,1 million (H1 2021 net profit after tax: R7,5 million)

SepCem²

- Sales revenue: R1 197,0 million (H1 2020: R883,7 million)
- EBITDA margin: 12.4% at R148,8 million (H1 2020: 6.8% at R59,8 million)
- EBIT margin: 5.7% at a profit of R67,7 million (H1 2020: nil at a loss of R0,95 million)
- Net profit after tax: R7,7 million (H1 2020 net loss after tax: R83,7 million)
- SepCem 36% equity accounted profit: R2,8 million (H1 2020: loss R30,1 million)

¹ Figures refer to the interim period ended 30 September 2021 for FY 2021 ending 31 March 2022 and H1 2021 refers to the six months ended 30 September 2020 for the financial year-ended 31 March 2021.

² SepCem has a December year-end as a subsidiary of Dangote Cement PLC, therefore the figures refer to the six months ended 30 June 2021 and H1 2020 refers to the figures for the interim ended 30 June 2020.

Remarking on the results, Chief Executive Officer, NR Crafford-Lazarus said,

"As we get to the end of the 2021 calendar year, I am sure numerous management teams would echo my sentiment that the worst of the pandemic seems to be over. Although we lost valuable colleagues who were essential participants in our pursuit of group success, we have renewed focus and energy to achieve our goals going forward.

We continued to meet our bank debt obligations during the reporting period, thereby reducing the burden on our balance sheet. The capital balance on the SepCem project loan is R786 million, and Métier is R55 million with a target to reach balances of R570 million and R47 million respectively by year-ending 31 March 2022. Demand for cement has remained strong, albeit not at the levels of the surge that occurred in Q3 CY2020 following the pandemic-related national lockdown.

SepCem and the other cement manufacturers await the ITAC decision to impose effective tariffs against cement and clinker imports. If positive, the decision will provide much needed demand resulting in increased sales volumes for domestic producers who create employment for South Africans. The imports absorb approximately one million tonnes of demand annually, which would improve their financial performance if available for the incumbents. SepCem is well placed to benefit from the tariffs because the KZN market constitutes 15% – 20% of its annual sales volumes which is the port of entry for almost 70% of the imported cement.

Unfortunately, further downstream, the mixed-concrete demand remains constrained, which has placed downward pressure on volumes. We remain cautiously optimistic for the planned government infrastructure plans to stimulate the economy, which if implemented would provide impetus to the construction value chain. Metier's improved profitability margins demonstrate the benefits of the turnaround.

The July social unrest characterised by the looting and destruction of retail outlets impacted our performance during the interim period. Specifically, SepCem's bagged cement volumes were negatively impacted due to damaged hardware retail branches that were subsequently closed. Engagement with retail chains has revealed that several outlets have not reopened, but plans are to repair them soon. For Métier, there was an indirect impact mainly due to the rioting in the KZN province that resulted in downtime of 5 days and therefore a loss in revenue for this period.

As we enter the second half of the 2022 financial year, we continue to operate within the COVID-19 protocols and retain the cautious approach of implementing stipulated guidance from the government and own governance processes.”

No dividends were declared or paid during the period under review or during the six months ended 30 September 2020.

Investor results presentation conference call

A results conference call for investors will be at 11:00hs SAST on 19 November 2021. Registration is required and can be done using the following link to obtain the dial-in details:

[Sephaku Holdings-Interim Results conference call](#)

The results presentation can be downloaded from the Company website from 17:00hs SAST on 18 November 2021 on the following link:

<https://sephakuholdings.com/investor-centre/presentations/>

Conference replay

South Africa: 010 500 4108

UK: 0 203 608 8021

Australia: 073 911 1378

USA: 1 412 317 0088

International: +27 10 500 4108

Replay Access Code: 40825

Forward-looking statements

Any forward-looking information is the responsibility of the board of directors and has not been reviewed or reported on by the company's external auditors.

Directors' statement

The contents of this short-form announcement are the responsibility of the board of directors of the Company. Shareholders are advised that this short-form announcement represents a summary of the information contained in the full announcement, published on the Stock Exchange News Service (SENS) at <https://senspdf.jse.co.za/documents/2021/jse/isse/SEP/Int2021.pdf> and on SepHold's website: www.sephakuholdings.com on 18 November 2021. The full announcement is available for inspection at no charge during normal business hours at SepHold's registered office. Copies of the full announcement may also be requested by email at info@sephold.co.za.

Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement as a whole, and shareholders are encouraged to review the full announcement, which is available for viewing on SENS and on the Company's, website set out above.

Centurion
18 November 2021

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Sponsor to Sephaku Holdings: Questco Corporate Advisory (Pty) Ltd

About Sephaku Holdings Limited

Sephaku Holdings Limited is a building and construction materials company with a portfolio of investments in the cement sector in South Africa. The company's core investments are a 36% stake in Dangote Cement SA (Pty) Ltd and 100% in Métier Mixed Concrete (Pty) Ltd. SepHold's strategy is to generate growth and realise value for shareholders through the production of cement and ready mixed concrete in Southern Africa.

www.sephakuholdings.com