

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")



Unaudited condensed consolidated interim financial results for the six months ended 30 September 2022

SepHold is pleased to report on the group's interim financial results for the six months ended 30 September 2022. 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

Group¹

- Group consolidated revenue: R523,6 million [H1 2022: R411,8 million]
- Net profit after tax: R26,7 million [H1 2022 net profit after tax: R17,8 million]
- Basic earnings per share: 10.51 cents [H1 2022 basic profit per share: 6.98 cents]
- Headline earnings per share: 11.26 cents [H1 2022 headline profit per share: 7.03 cents]
- Net asset value per share: 461.35 cents [H1 2022: 440.24 cents*]

Métier¹

- EBITDA margin: 11.3% at R59,2 million [H1 2022: 10.8% at R44,6 million]
- EBIT margin: 8.4% at R43,8 million [H1 2022: 7.6% at R31,4 million]
- Profit after tax: R29,5 million [H1 2022 profit after tax: R20,1 million]

SepCem²

- Sales revenue: R1,16 billion [H1 2021: R1,19 billion]
- EBITDA margin: 12.6% at R146,9 million [H1 2021: 12.4 % at R148,8 million]
- EBIT margin: 5.3% at R61,8 million [H1 2021: 5.7% at R67,7 million]
- Net profit after tax: R10,5 million [H1 2021 net profit after tax: R7,7 million]
- SepCem 36% equity accounted profit: R3,8 million [H1 2022 equity accounted profit: R2,8 million]

No dividends were declared or paid during the six months ended 30 September 2022.

**Restated due to prior year error reported in the FY 2022 year-end results. Refer to page 11 of the full announcement for further details*

¹Figures refer to the interim period ended 30 September 2022 for the financial year ending 31 March 2023, and H1 2022 refers to the six months ended 30 September 2021 for the financial year ended 31 March 2022.

²SepCem has a December year-end as a subsidiary of Dangote Cement PLC. Therefore, the figures refer to the six months ended 30 June 2022, and H1 2021 refers to the figures for the interim ended 30 June 2021.

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

“Despite the economic headwinds of increasing input costs and weak demand, Métier performed exceptionally well, achieving an increase in EBITDA of 33% and a 47% increase in net profit. The subsidiary focused on increasing volumes and pricing in all its markets.

Unfortunately, the same cannot be said for SepCem, whose major market predominantly consists of retail customers who purchase bagged cement from building materials merchants. As reflected by the StatsSA hardware retail sales data and feedback from the merchants, the demand for building materials has been declining for close to a year. This decrease is largely considered the normalisation of demand following the spike experienced during the pandemic. The interest rate increase cycle from the second half of CY 2021 to date and price increases in essential goods have significantly contributed to the decrease in retail demand.

As a group, deleveraging has been the most important goal in strengthening our balance sheets and enhancing profitability. Improving cost efficiencies and innovative sales strategies have been the key pillars of the group’s success. SepCem and Métier continue demonstrating resilience and agility to maintain market share in their respective sectors. Finally, we are confident that we are well-positioned to survive the current constrained trading environment and remain cautiously optimistic.”

Investor presentation webcast and conference call

The results webcast and conference call for investors will be at 10:00hs SAST on 16 November 2022. Pre-registration is required and can be done using the following links to obtain the dial-in details: [Sephaku Holdings FY 2023 Interim Results webcast link](#), and [Sephaku Holdings FY 2023 Interim Results conference call pre-registration link](#).

The results presentation will be available on the Company website from 09:45hs SAST on 16 November 2022 at the following link: <https://sephakuholdings.com/investor-centre/presentations/>

Replay dial-in details

South Africa	010 500 4108
International	+27 10 500 4108
Access code	43307#

Forward-looking statements

Any forward-looking information is the board of directors’ responsibility 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 SepHold board of directors and have not been reviewed or reported on by the Company’s external auditors.

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/2022/jse/isse/SEP/Int2022.pdf> and on SepHold’s website: www.sephakuholdings.com on 14 November 2022.

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, 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
14 November 2022

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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