

AFRIMAT LIMITED

Incorporated in the Republic of South Africa
(Registration number: 2006/022534/06)
Share code: AFT
ISIN: ZAE000086302
("Afrimat" or "the Company")



TRADING STATEMENT FOR THE SIX-MONTH PERIOD ENDED 31 AUGUST 2024

In terms of paragraph 3.4(b)(i) of the JSE Limited Listings Requirements, a listed company is required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on next will differ by at least 20% from the financial results of the previous corresponding period.

The Company hereby advises that for the period ended 31 August 2024:

- earnings per share ("**EPS**") is expected to be between 243,7 cents and 218,3 cents representing a decrease of between 4% and 14% compared to EPS of 253,9 cents reported for the period ended 31 August 2023; and
- headline earnings per share ("**HEPS**") is expected to be between 65,9 cents and 39,5 cents representing a decrease of between 75% and 85% compared to HEPS of 263,4 cents reported for the period 31 August 2023.

The difference between the EPS and HEPS movement is primarily due to the preliminary bargain purchase allocated to the Lafarge acquisition.

The decline in performance is attributable to a combination of external factors.

In the first quarter, sales volumes and revenue for local iron ore were significantly impacted by a major customer's furnace freeze.

International iron ore exports were adversely affected by a 5% decrease in US dollar prices, a 31% increase in shipping costs and the concurrent strengthening of the South African Rand. Additionally, rail shipment volumes via Transnet decreased for the comparative period and are about 20% below the allocated rail capacity.

The newly acquired cement business incurred losses for four of the six months following the incorporation of the businesses into Afrimat on 1 May 2024, primarily due to known reliability issues at the cement factory, resulting in limited production and stock. Management is prioritising the turnaround of the cement business, which is showing very good progress.

The Construction Materials segment contributed positively, with volume increases and the successful integration of the Lafarge quarries, fly-ash and ready-mix batching plants into Afrimat, demonstrating the underlying quality of these assets.

The Industrial Minerals business significantly improved over the previous year's corresponding period on the back of focused market development efforts and the reduction in loadshedding.

Iron ore sales in the domestic market improved significantly after the reporting period and the international iron ore price has also improved due to better market conditions in China.

The financial information on which this trading statement is based has not been reviewed or reported on by the Company's auditors. The Company's financial results are expected to be released on or about 24 October 2024. At that time, management will update the market in greater detail regarding the performance for the interim period, provide information on progress post the interim period, and provide an outlook for the second part of the financial year.

9 October 2024

Sponsor

Valeo Capital (Pty) Limited

 Valeo Capital