



CONSISTENTLY DELIVERING

RMB Morgan Stanley Conference
September 2024

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Nimble positioning, diversification,
and meticulous discipline - remain a
fundamental strength

External economic and market
conditions are impacting HY1
performance with a reduction in
volumes

Company culture and high standard of execution supports Group moats

1

WHY WE EXIST

*Consciously making a difference
through excellence with integrity*





**CARING
ENVIRONMENT**



**ENTREPRENEURIAL
DRIVE**



TEAMWORK



**RESULTS
DRIVEN**



**HUMILITY
AND BELIEF**



EMPOWERING



**SKILLS AND
COMPETENCE**



**IMPORTANT
RELATIONSHIPS**



**WINNING
ATTITUDE**

Excellence with Integrity

2

WHAT WE DO

A yellow Bell 1706E wheel loader is positioned in the foreground, facing away from the camera. It is situated on a gravel-covered ground. In the background, a large pile of grey gravel is visible, and a conveyor belt system is transporting material from a higher level down to the pile. The scene is set in a mining or quarry environment with green hills in the distance.

*A leading, empowered mid-tier
mining and materials supply company*

What we do

Growth through structured diversification



Construction Materials *



Aggregates | readymix | concrete products

- 35 active quarries
- 41 readymix concrete sites
- 6 brick-and-block operations
- 2 clinker sources
- 5 sand mines
- Cement | 1 integrated plant, 2 grinding plants, 2 depots
- Fly-ash (Lethabo and Matla)

Industrial Minerals



Limestone | dolomite | industrial sands

- 2 limestone sources
- 2 dolomite sources
- 1 agricultural limestone mine

Bulk Commodities



Iron ore | anthracite | manganese

- 3 iron ore mines
- 1 anthracite mine
- 1 manganese source

Future Materials and Metals



Phosphate | rare earth elements

- Phosphate
- Rare earth minerals

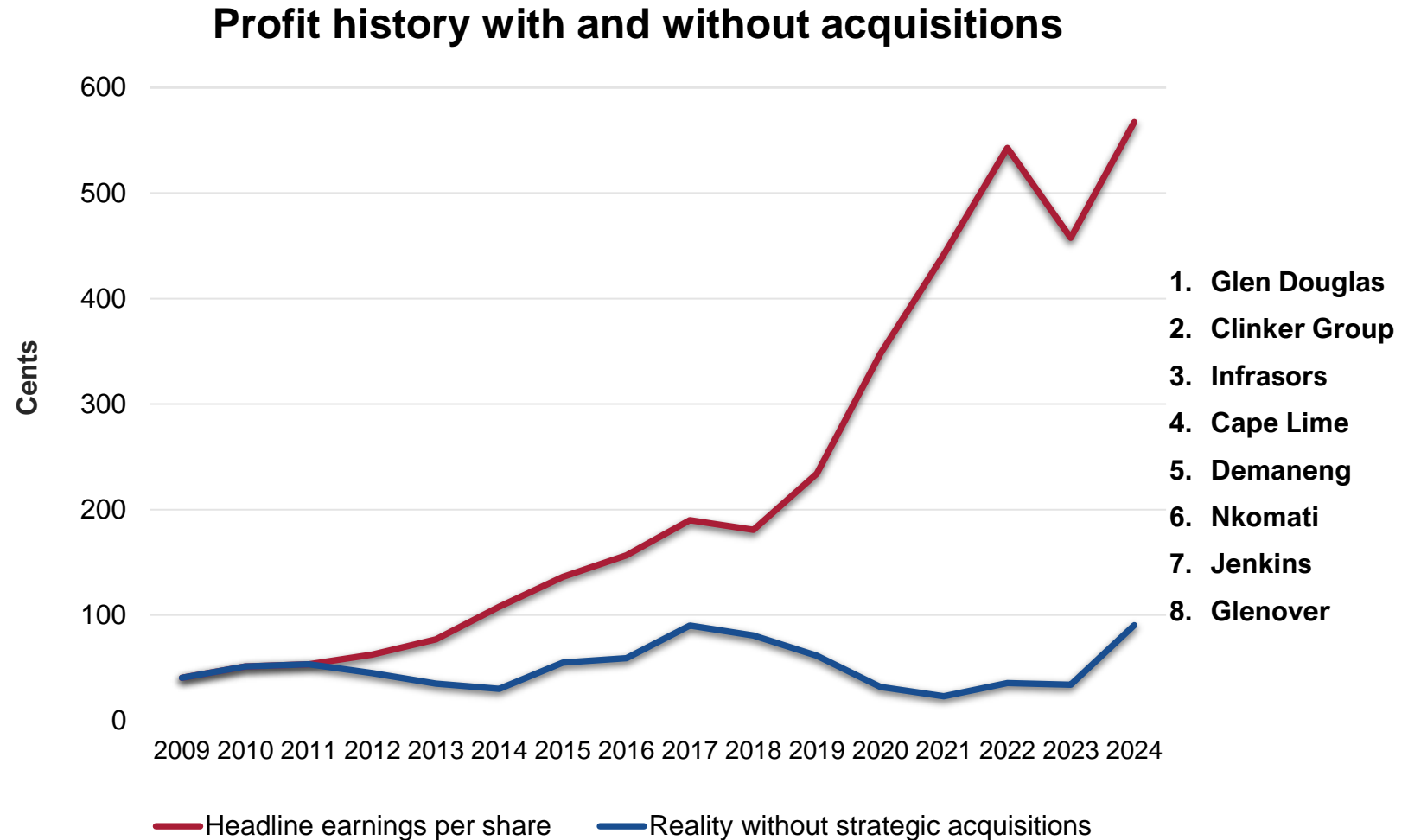
* Including Lafarge that was acquired post the year-end

Track record of excellence and core competence in mid-tier mining and materials supply

Return on net operating assets 25,6% (2023: 24%)

Rationale for and result of diversified structure

- Smooth growth for more than a decade
- Good blend of local and international priced commodities
- Exposure to different currencies and economic cycles
- Similar operational skills
- Creates many opportunities
- PAT CAGR of 19,0% (Feb 2009 – Feb 2024)



1

UNIQUE COMPETITIVE ADVANTAGE

- Culture
- Unique metallurgy
- Structural cost advantage
- Geographic location

2

RESPECT FOR CAPITAL AND ITS ALLOCATION

- Strong balance sheet
- RONA of 25,6%
- Consistent cash generation

3

EXECUTION

- Multi-discipline approach to project execution
 - Engineering, IT, finance, legal, community relations, authority relations, logistics, marketing, etc.
- Resilient, disciplined execution

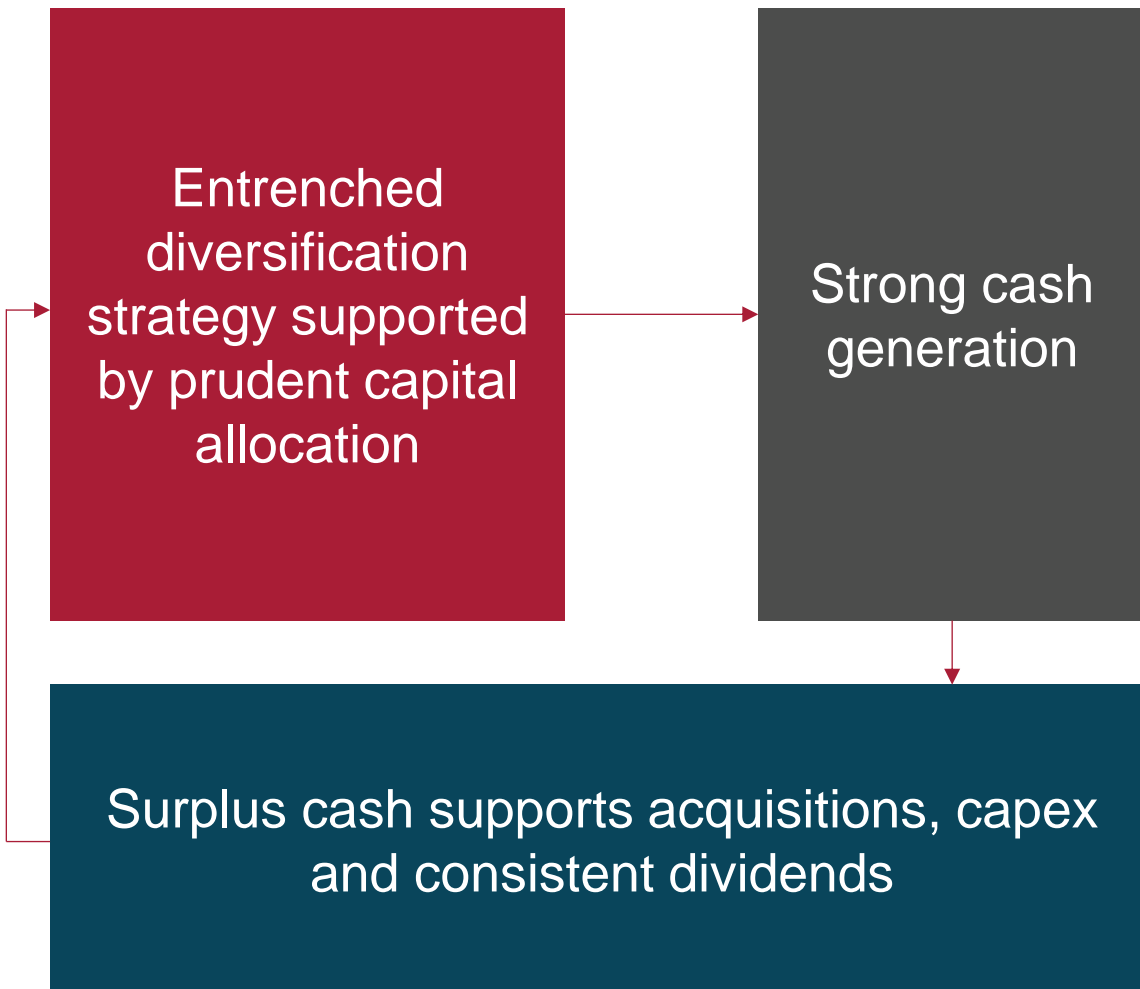
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DELIVERING CONSISTENTLY

*Culture of care in all that we do
and a thriving entrepreneurial spirit*



Core financial discipline to support growth



Continuous measurement against decisions taken



Financial highlights – FY2024



Up 23,9% to R6,1 billion

Group revenue

24,0% improvement

HEPS – 567,3 cents per share

154,0 cents per share

Final dividend

18,9%

Operating profit margin

15,9% up to 3 004 cents

Net asset value

25,6%

Return on net operating assets

1,4%

Net debt:equity ratio

25,3% up to R1,2 billion

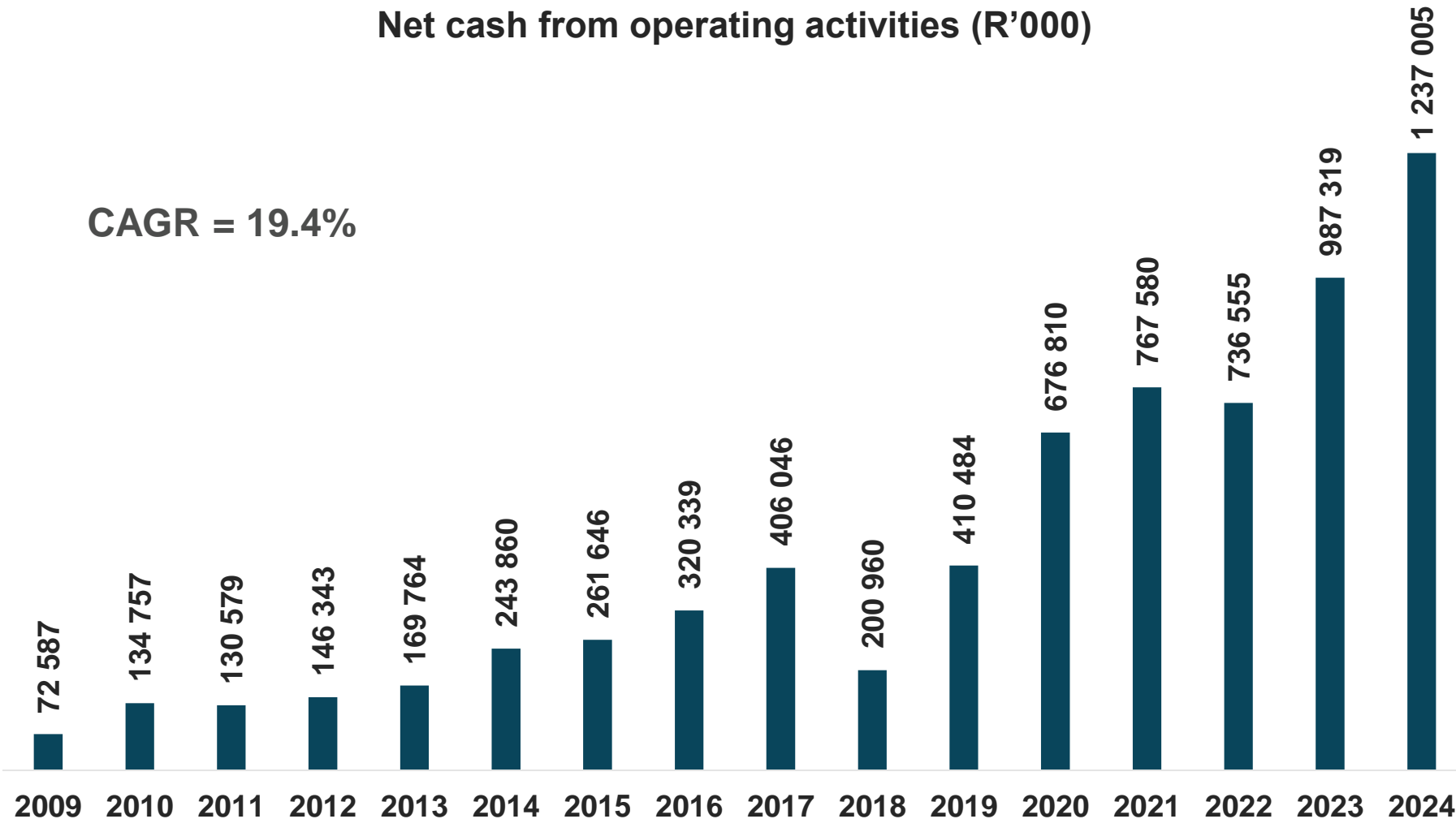
Net cash from operating activities



Exceptional and consistent cash generation

Net cash from operating activities (R'000)

CAGR = 19.4%



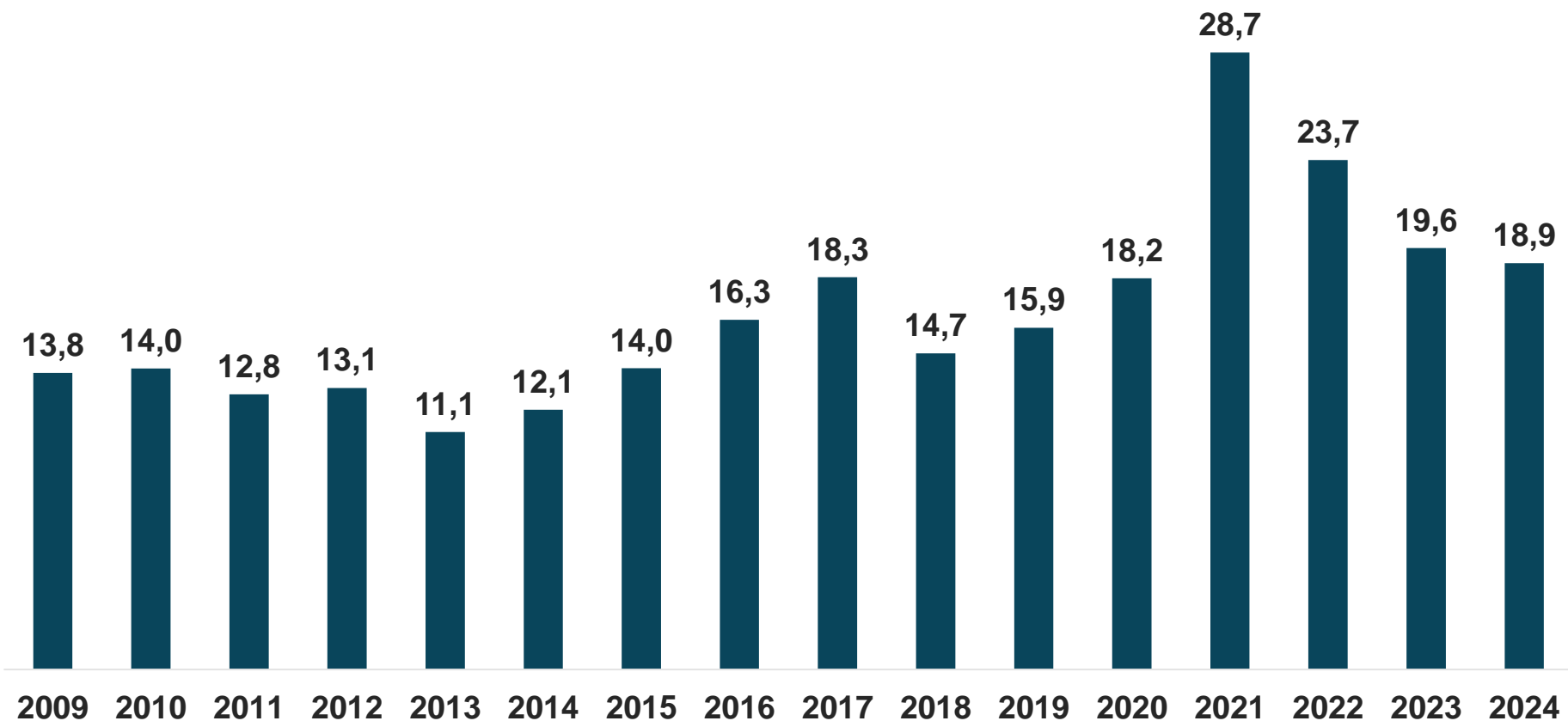
Afrimat has a proven track record to turn its acquisitions into meaningful contributors with high cash generation

Operating profitability

Purposeful diversification



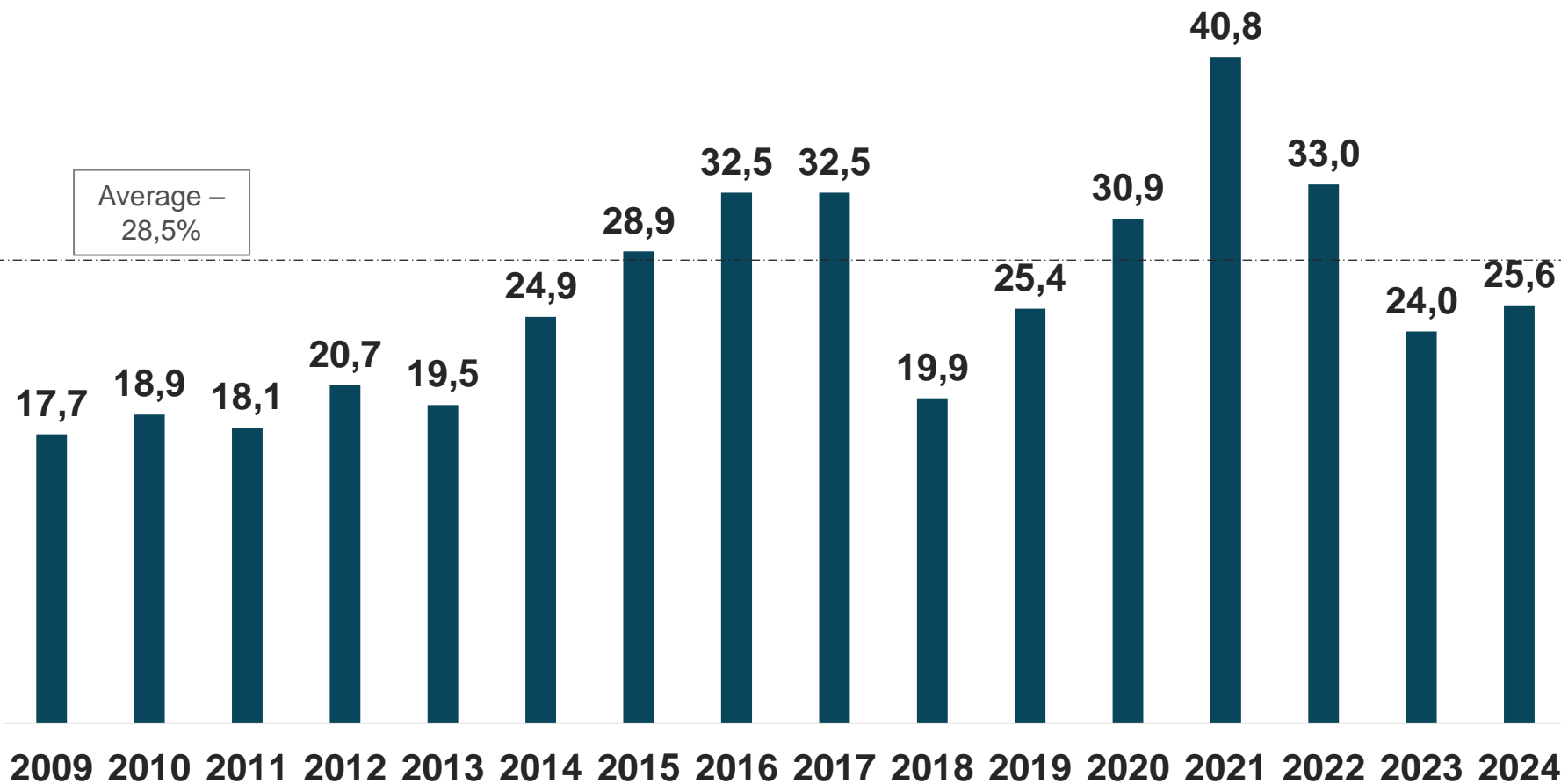
Operating margin (%)



Maintain strong operating margins through operational efficiency drive and diversification strategy

Return on net operating assets (RONA)

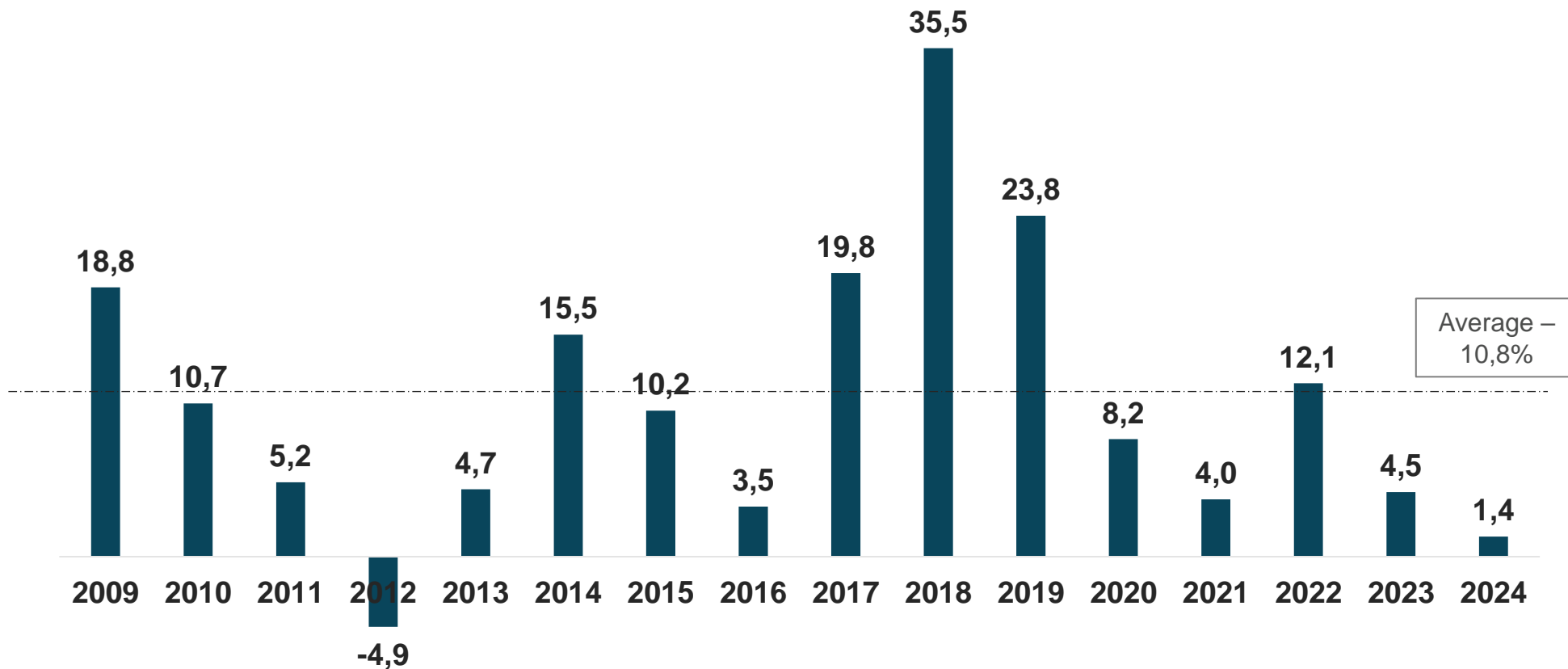
RONA %



Key measurement in
evaluating success of
capital allocation

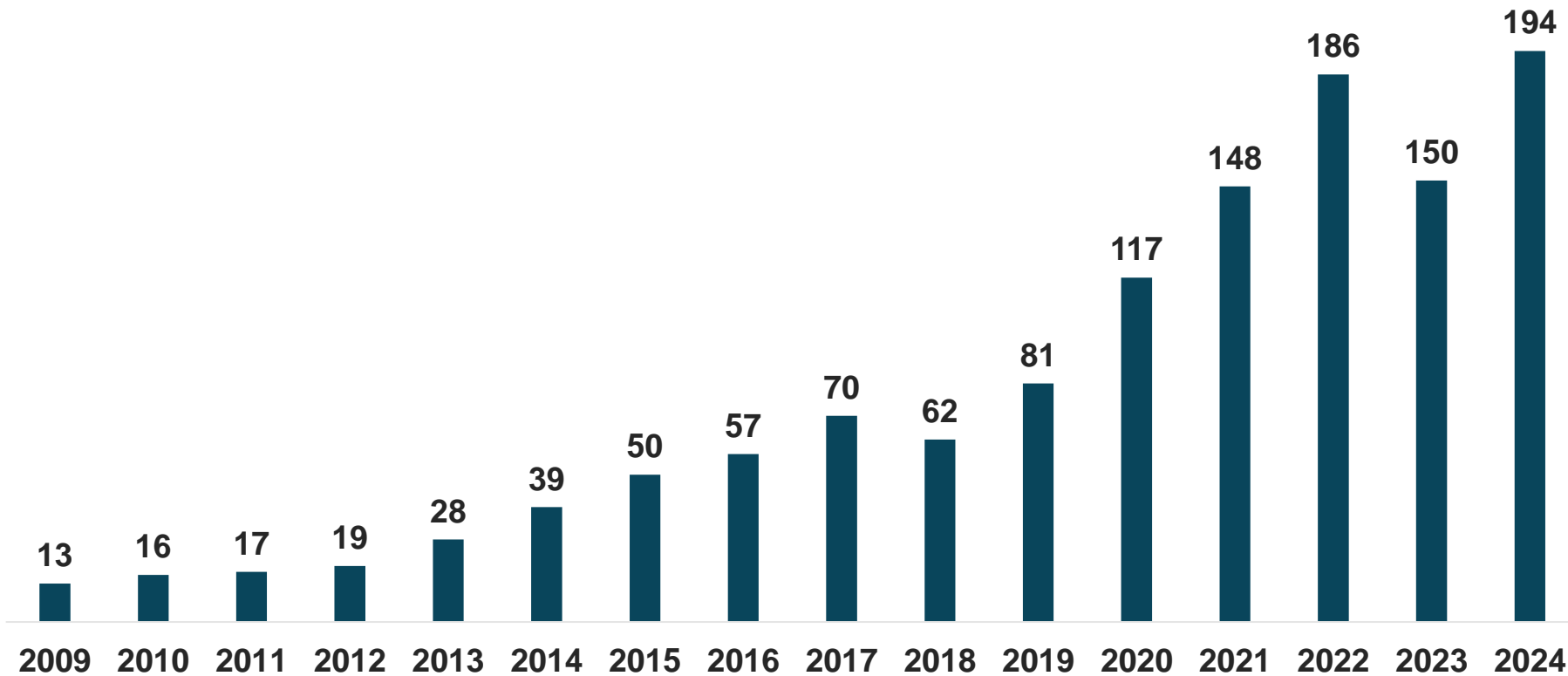
Balance sheet health maintained

Net debt:equity (%)



Maintain a strong
balance sheet
enabling acquisitions

Total dividend (cents per share)



Consistent dividend
payer

2.75 x cover

- Continue disciplined approach to financial management and capital allocation
- Debt to equity expected to rise >25% temporarily
- Consistent management of cash generation

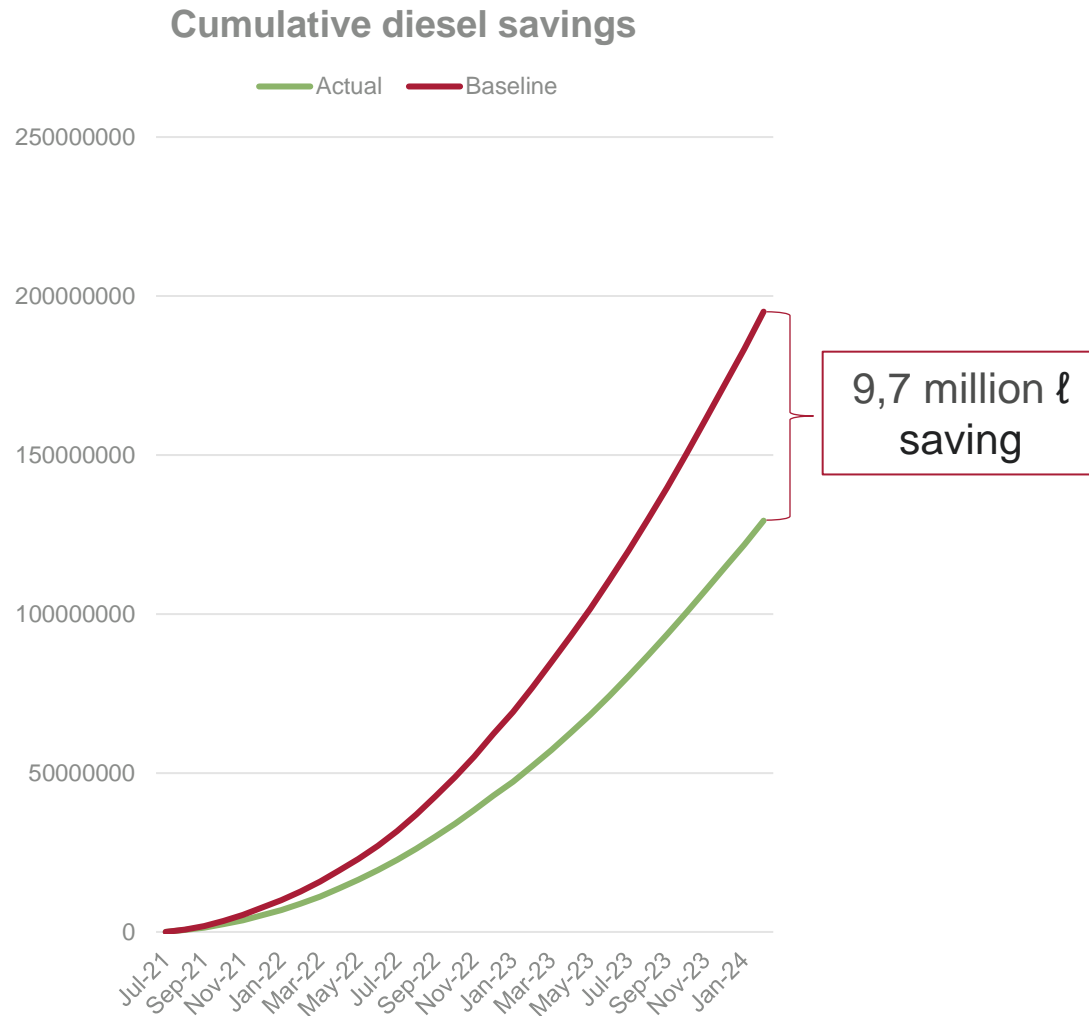
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SEGMENTAL PERFORMANCE FY2024 (recap)

The value of diversification



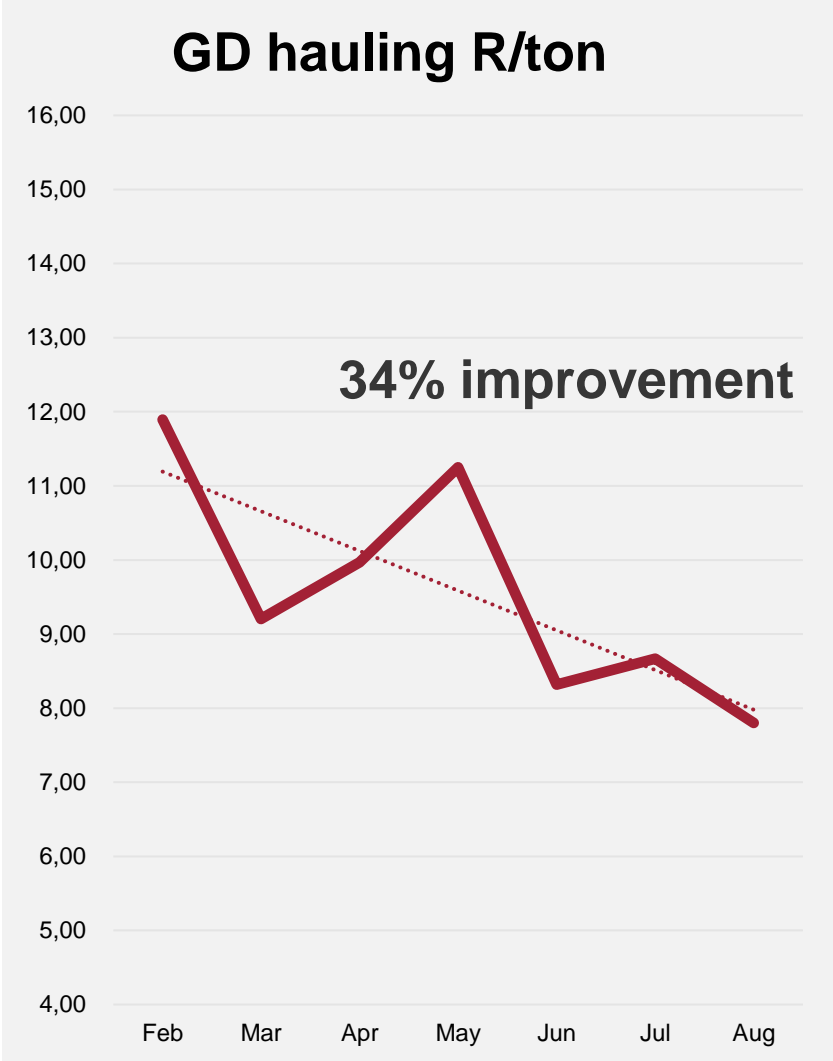
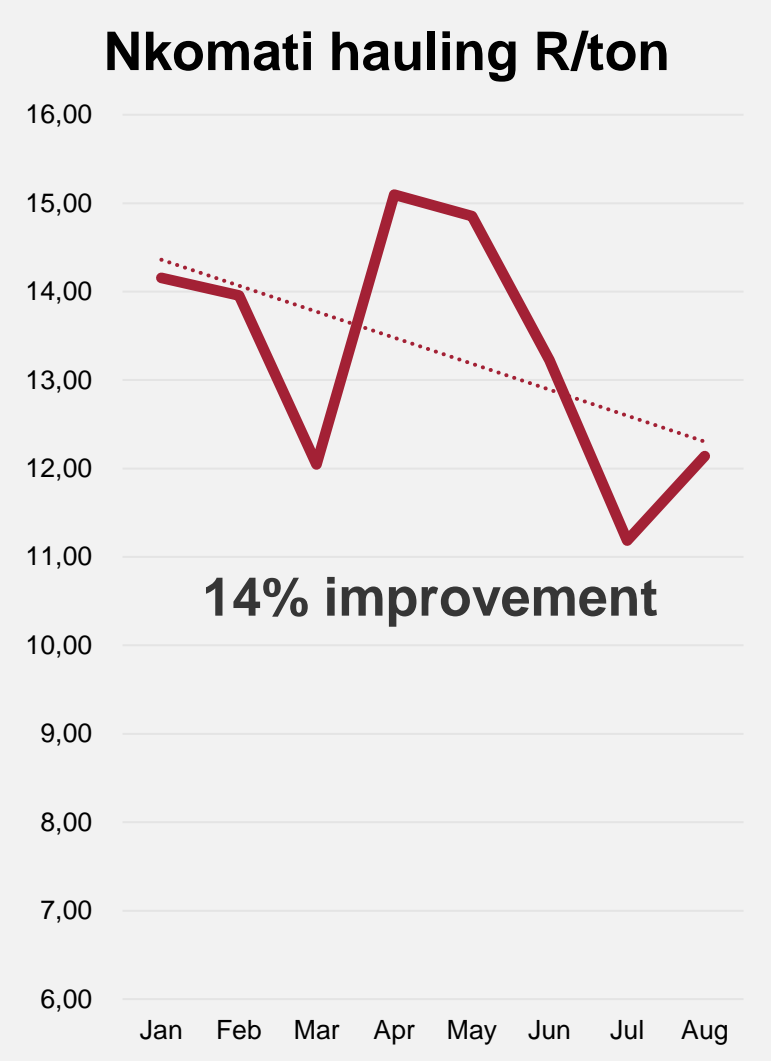
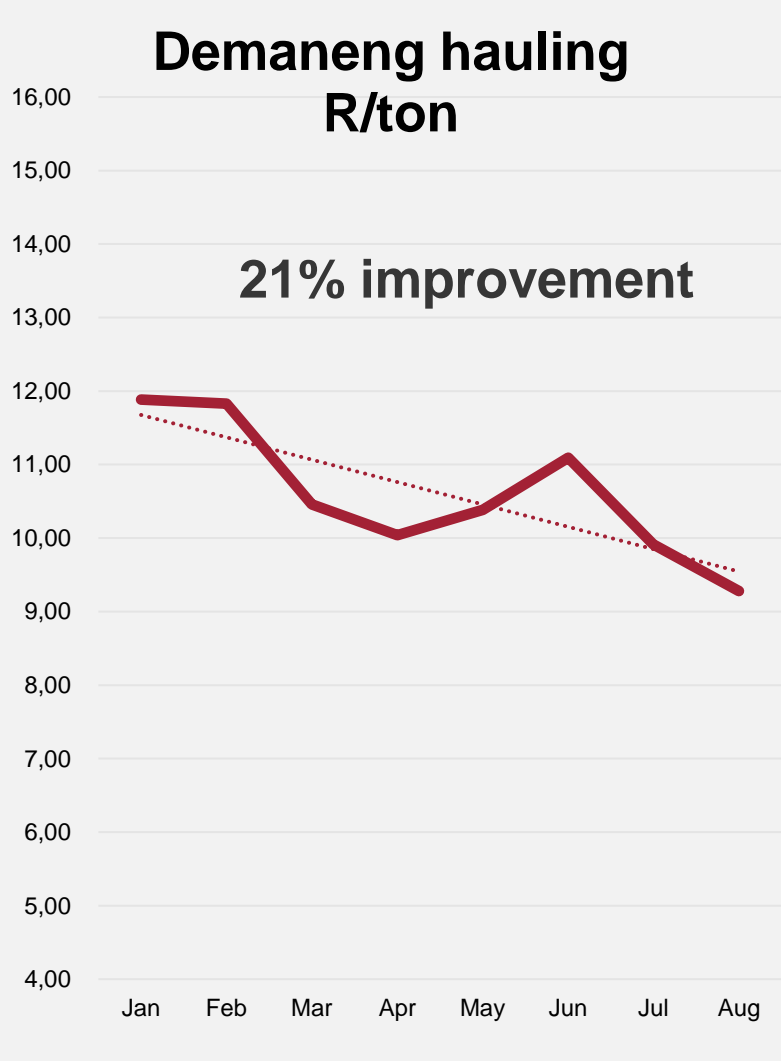
Operational efficiency project - example



Savings

- **Jenkins** - Total saving of **3 067 955 litres**
 - Baseline – 0.66 litres per ton
 - Current – 0.33 litres per ton
- **Demaneng** – Total saving of **2 124 139 litres**
 - Baseline – 0.6 litres per ton
 - Current – 0.47 litres per ton
- **Nkomati** – Total saving of **4 595 610 litres**
 - Baseline – 1.39 litres per cube
 - Current – 0.98 litres per cube
- **Total** – **9 787 705 litres of diesel saved**

Fleet efficiency drive ton per machine hour ultimately improves rand per ton





Iron ore

- Domestic volumes 60% : Export 40%
- Domestic sales at defined price
- Export at Platts index prices
 - Initial payment with correction after three months
- Export blended from various sources
- Salene recently added
- Export volumes down 20% YOY
- Local volumes down 70% in Q1, recovering in Q2



Anthracite

- Throughput of washing plant reaching target
- Excellent progress with eliminating obstacles
 - 38 houses relocated
 - 91 graves moved
 - Eskom power line moved
- Export volumes to increase in H2
- Underground mining disappointing
 - Difficult geology
 - Alternatives being evaluated



Manganese

- Currently small volumes
- Sourced from Driehoekspan



- Significant improvement over H1 of previous year
- Strategic marketing initiatives paid off
 - Agricultural lime
 - Industrial customers
 - Construction materials
- Reduction in loadshedding a big help



Aggregates and concrete products

- F2024 revenue increased 22.3%. Operating profit was up 111%
- Volumes maintained during H1 of F2025
- Lafarge quarries and fly-ash added in May 2024
- Excellent footprint with very good quarries
- Very strong and experienced team
- Positive impact expected from GNU



Super Single Phosphate (SSP)

- Plant commissioned
- Market for phosphate rock and SSP strong
- Production ramp-up slightly behind schedule
- Initial beneficiation plan for Rare Earth Elements not economical
- Test work on conventional technology promising
- Rare Earths seen as a strategic development



- Very well situated assets
- Good quality plant and equipment
- Neglected by previous owner
- Currently loss-making, but being fixed
- Excited about future strategy
- New product to be launched

First 100 days of most recent acquisition integration



- Aggregates
 - Integration into Construction Materials is progressing well
 - Efficiency improvements and quick decision-making are leading to good improvements
- Cement
 - Turn around in process
- Senior executives that left, have not been replaced
- Project team is headed by strong Afrimat individuals
- Re-branding is progressing well (90% complete)
- Continuous culture interventions
- Migration of ERP System is on track to be finished by the end of the year
- Very good acquisition

5

FUTURE OUTLOOK

A red and white Sandvik Leopard 650 LHD loader is shown in a quarry setting. The machine is equipped with a long-reach boom and is positioned on a sandy, rocky surface. The background features a dramatic sunset sky with orange and yellow hues. The machine has "SANDVIK" and "LEOPARD" branding visible on its side.

*An increase in volumes and more
acquisition opportunities*

Where we were ahead of our closed period

- **Construction Materials**
 - Volume levels maintained in Q1
 - By Q2, the integrated Lafarge quarries increased volumes
 - Job creation
 - Integration of acquisition is ongoing with progress being made to reduce losses
- **Industrial Materials**
 - Suspension of loadshedding is positive with volume increases
 - New market development
- **Bulk Commodities**
 - HY2025 international iron ore volumes are down 20% when compared against the HY2024 volumes
 - Local iron ore volumes substantial retraction (70%) in Q1
 - Volumes for Q2 began increasing and tracking at normal levels
 - Production rate at Nkomati open pits have been ramped up, underground disappointing
- **Future Materials and Metals**
 - SSP plant commissioned, sales volumes for fertilizer are coming through
 - Rare earth component continues to be diligently researched

What we expect for HY2

- Improved local iron ore sales volumes
- Increased exports from Nkomati
- Iron ore export volumes similar to last year
- Progress on Lafarge integration and elimination of losses in cement business

Nimble repositioning, diversification and growth by acquisitions remain a fundamental strength of Afrimat

External economic and market conditions are impacting HY1 performance with a reduction in volumes

Company culture and high standard of execution supports Group moats

23 August 2024	Pre-close webinar
September 2024	Trading update
24 October 2024	Announcement of interim results and interim dividend
December 2024	Interim dividend payment

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