

CONSISTENTLY
DELIVERING



RMB | Morgan Stanley
Off Piste Investor Conference

15 September 2021

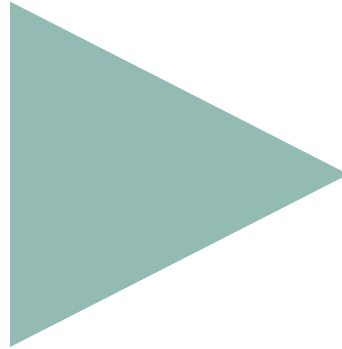
Afrimat

Track record of excellence in mid-tier mining and material supply



What differentiates Afrimat

- **Company culture**
- **Diversification strategy**
- **Financial discipline**



Competitive advantage from:

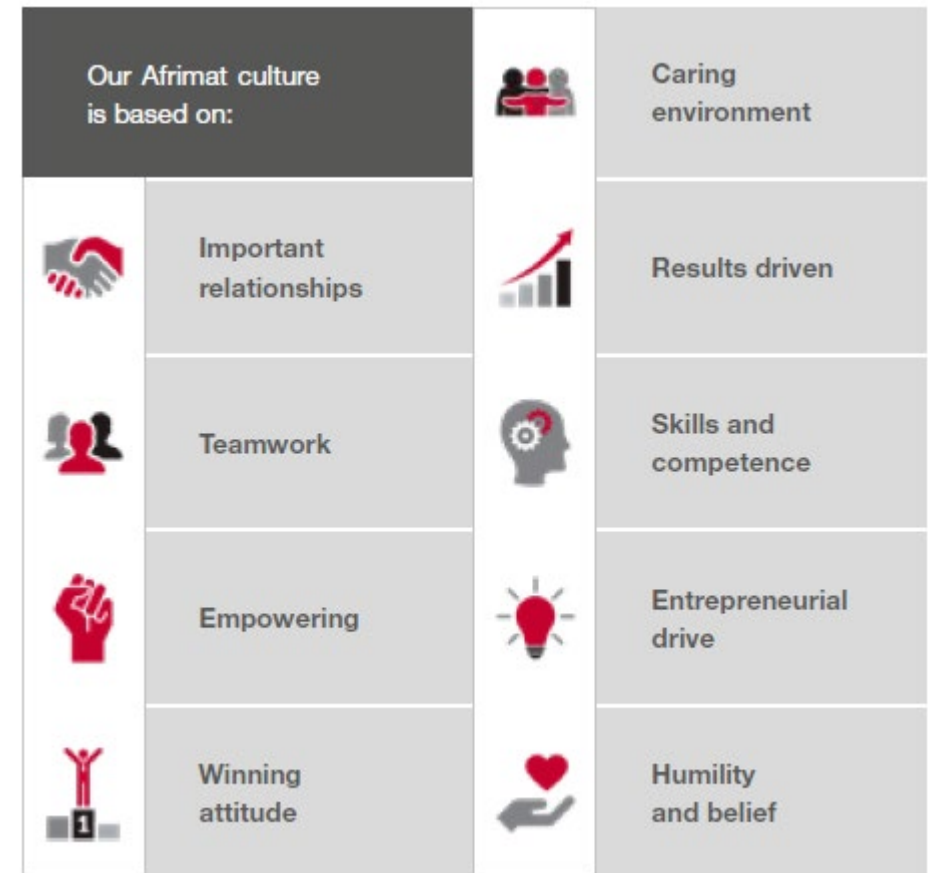
- **Geographic location**
- **Unique metallurgy**
- **Structural cost advantage**

Primarily focused on mid-tier mining

Company culture

- **Good people in their right positions**
- **Living our values**
- **Interdependent teamwork**
- **Track record of efficient execution**
- **Highly innovative and entrepreneurial**

Excellence with integrity



Segmental makeup



Construction Materials



Aggregates
Contract crushing, drilling and blasting
Concrete products
Readymix



Industrial Minerals



Limestone
Dolomite
Silica



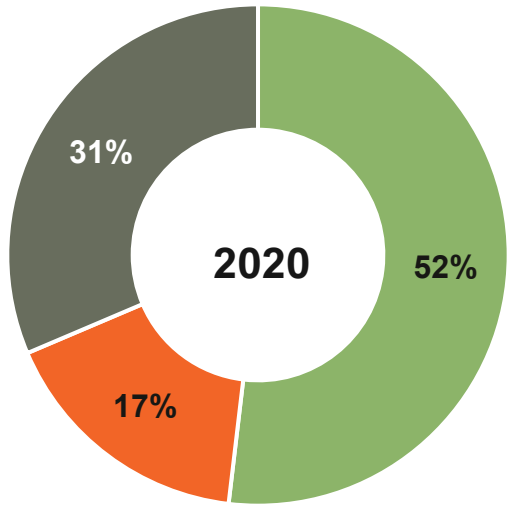
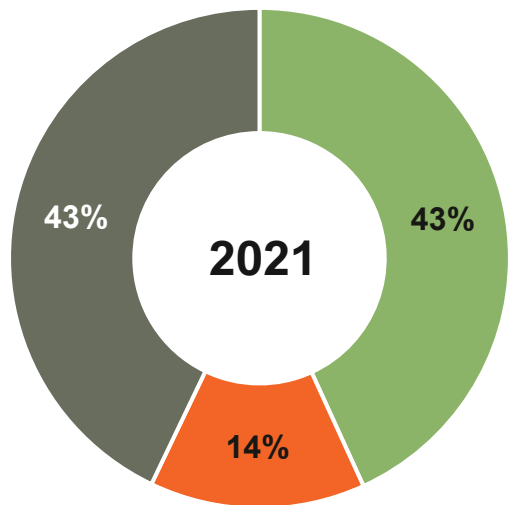
Bulk commodities



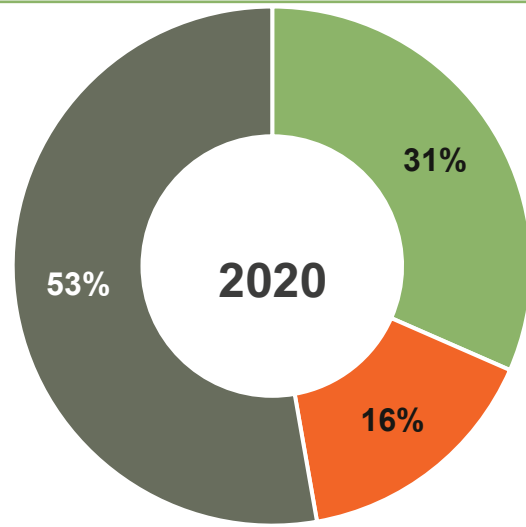
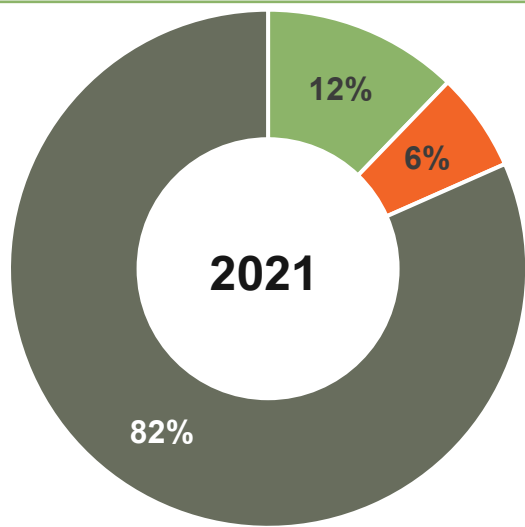
Iron ore
Anthracite

Balanced portfolio at work

Revenue



Operating profit



Construction Materials



Industrial Minerals



Bulk Commodities

Rationale for diversified structure

- **Good blend of locally and internationally priced commodities**
- **Exposure to different currencies**
- **Exposure to different economic cycles**
- **Similar operational skills**
- **Smooth growth for more than a decade**

CAGR of PAT at 22% (February 2009 – February 2021)

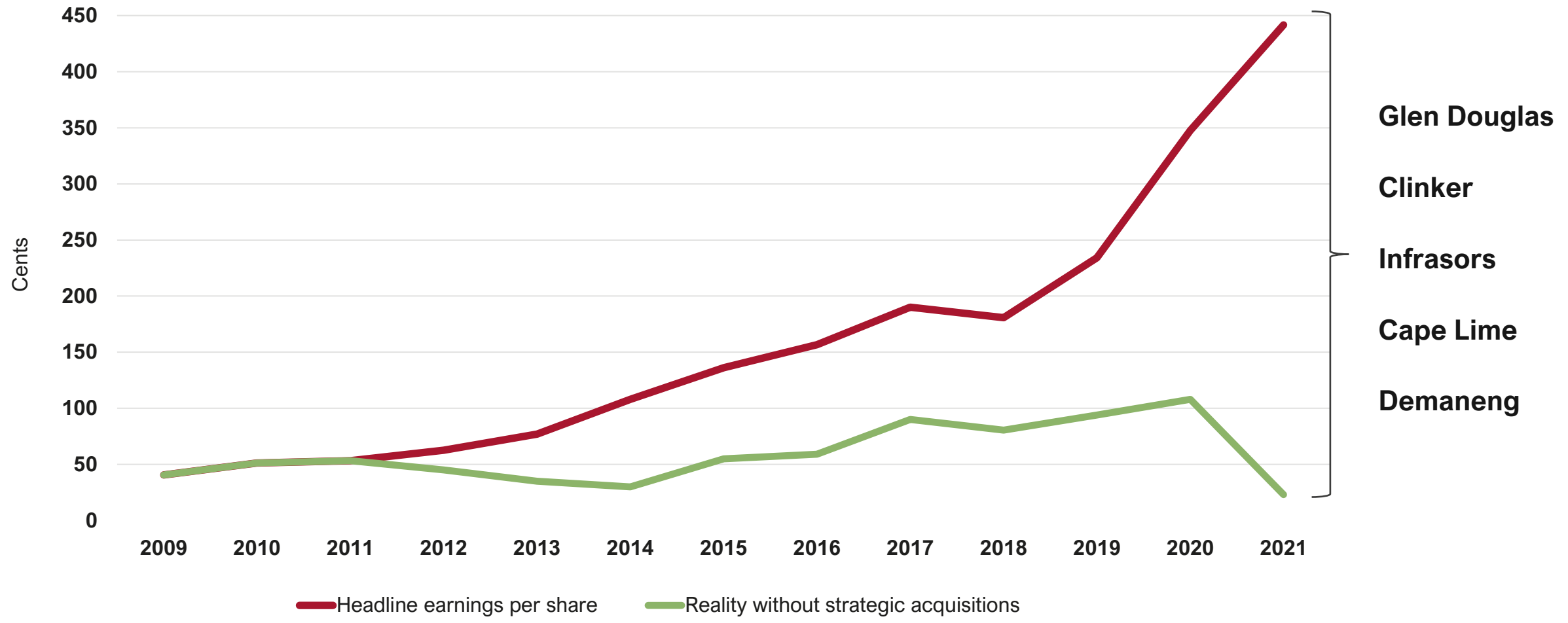
- **Creates many opportunities**

An aerial photograph of a gravel pit. The foreground and middle ground are filled with dark grey gravel. In the upper left, a bright green field is visible. A large, semi-transparent grey rectangle is overlaid on the right side of the image, containing white text. There are also several smaller, semi-transparent green and teal rectangles scattered across the gravel area.

**WHAT
CONSCIOUS
DIVERSIFICATION
IS DELIVERING**

Growth through diversification

Profit history with and without acquisitions



Financial highlights (as at FY Feb 2021)

47,5%

Operating profit increased to R886,3 million

24,0%

Operating profit margin

27,0%

HEPS increased to 441,7 cents

11,8%

Group revenue increased to R3,7 billion

112,0 cents

Final dividend

34,0%

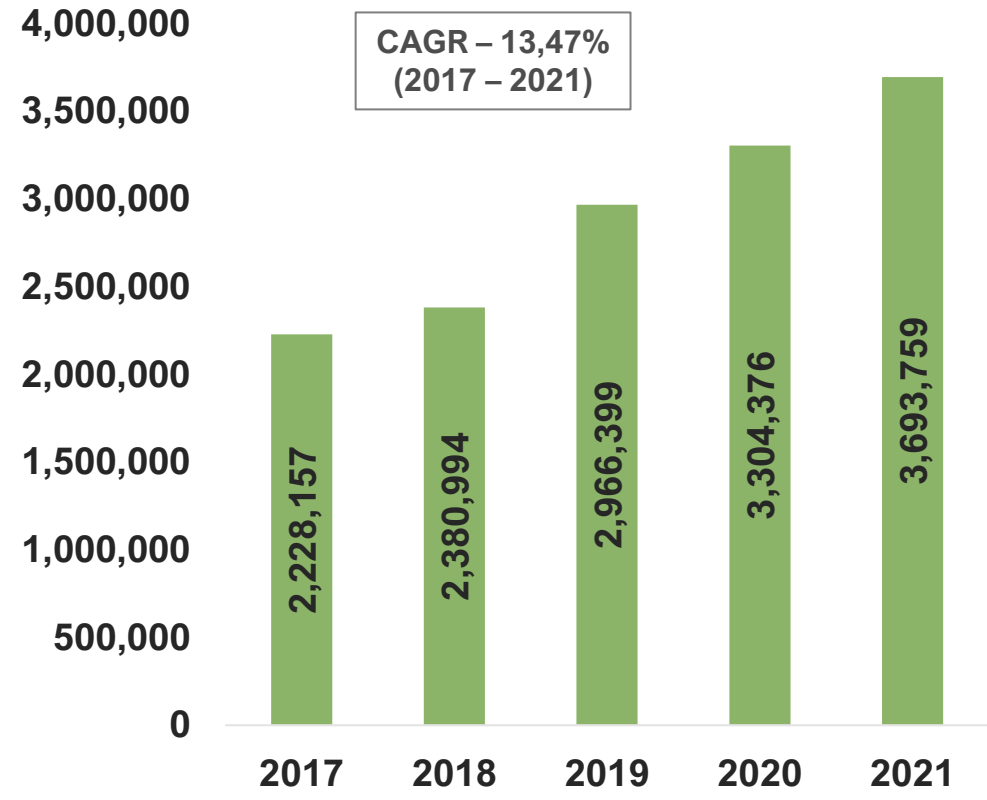
Return on net operating assets

3,8%

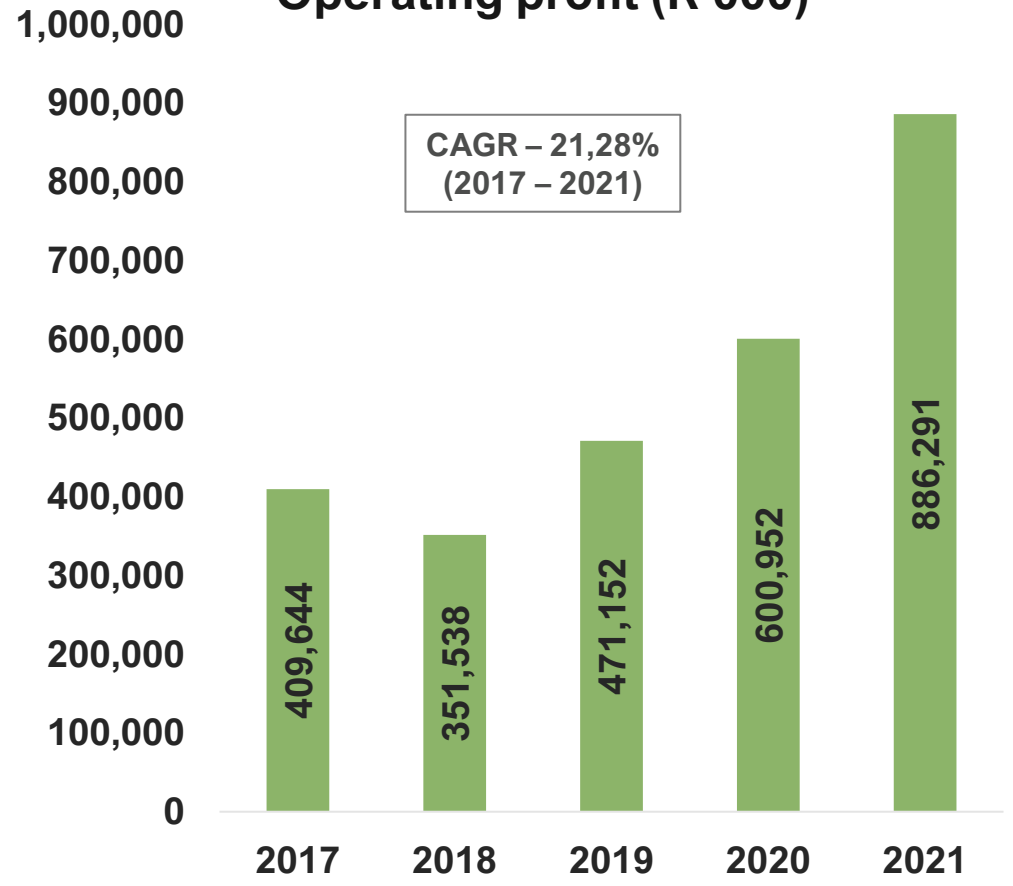
Net debt:equity ratio

Financial scorecard (as at FY Feb 2021)

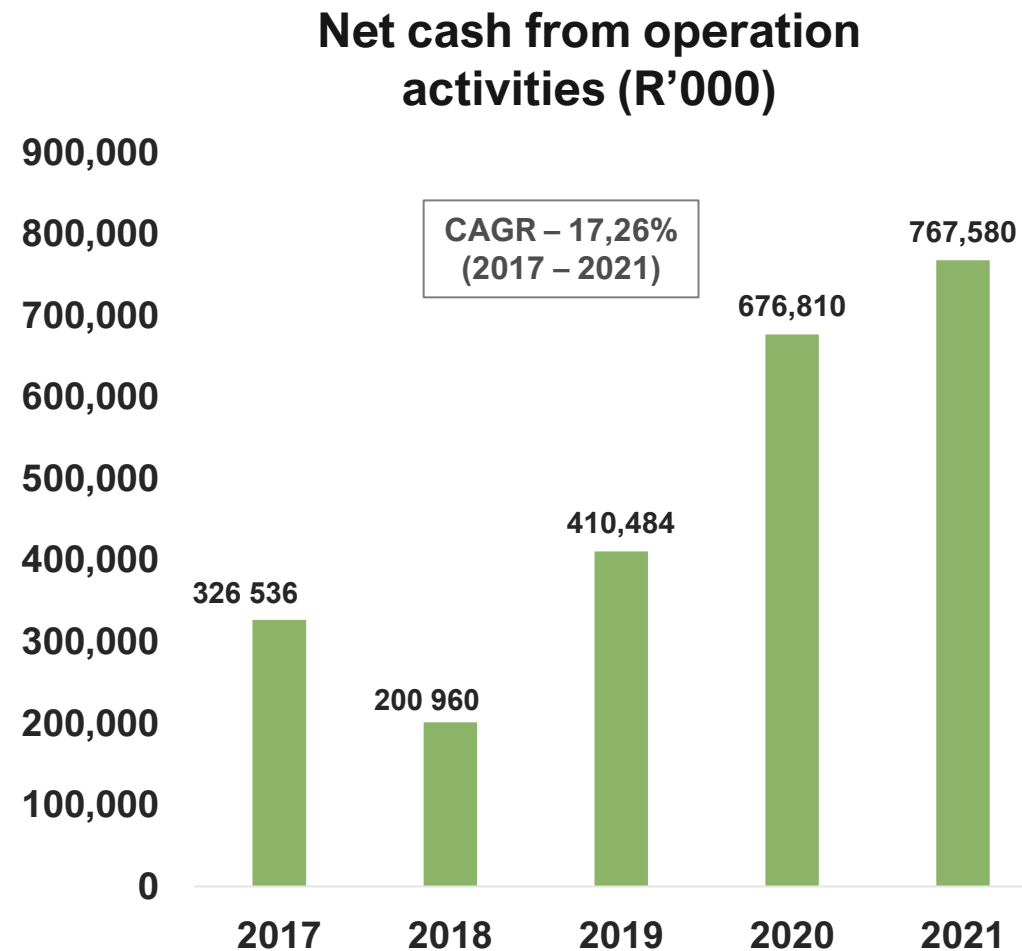
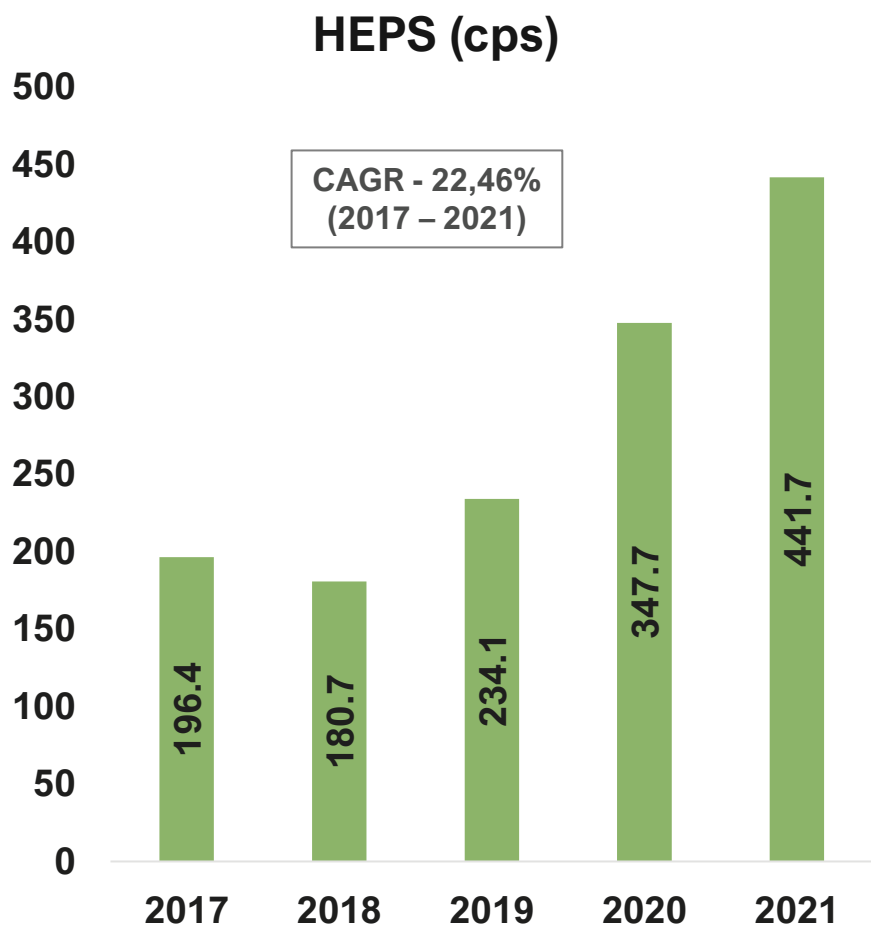
Revenue (R'000)



Operating profit (R'000)



Financial scorecard (as at FY Feb 2021)



CAGR in HEPS, February 2009 – February 2021 = 22%

Investment case

- When assessing Afrimat as a potential investment opportunity it is also important to note the Group's key strengths, which include the following:

Exceptionally experienced executive and operational management	Cash generation free cash flow focus
Track record of excellent capital allocation	Operational diversification (hedge against volatility)
Moat (geographic locations, unique metallurgy & structural cost advantage)	Scalability reduces cyclicity (protects against commodity price fluctuations)



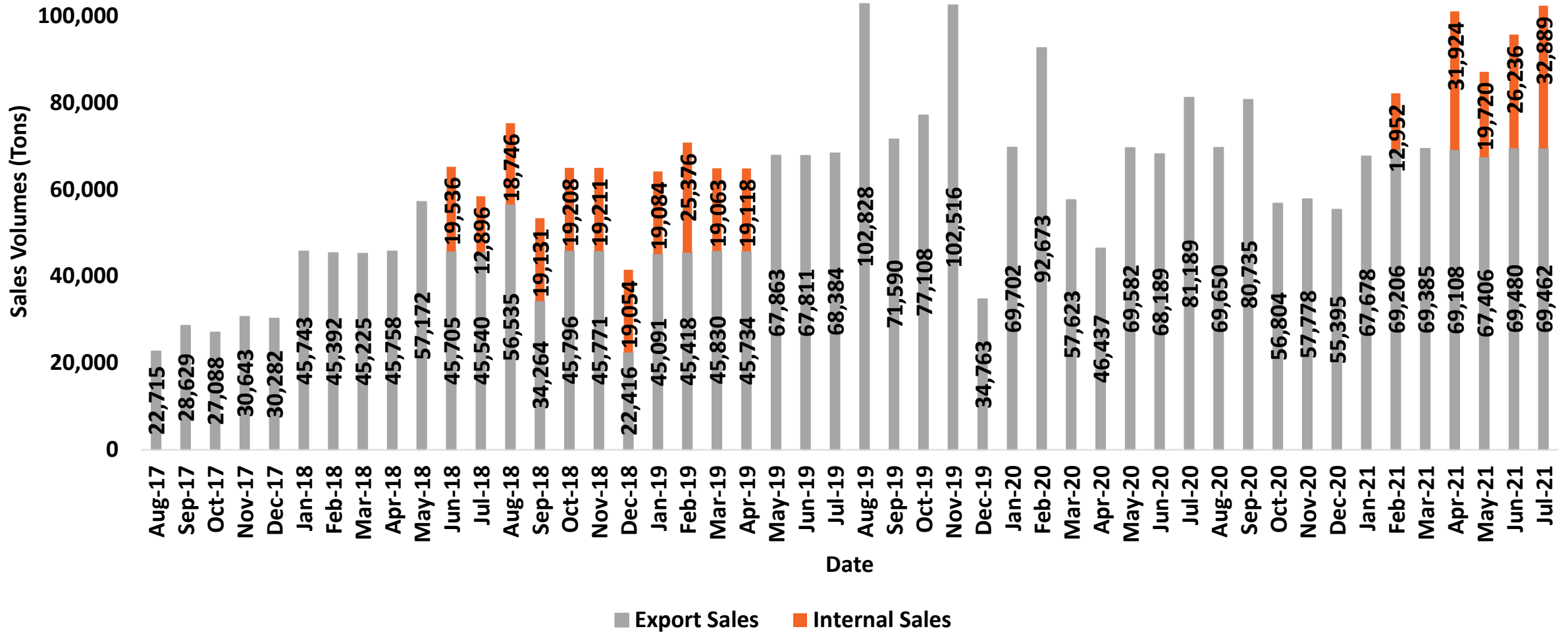
OPERATIONAL OVERVIEW

Bulk commodities

- **Iron ore**
 - Demaneng mine
 - Jenkins mine
- **Anthracite**
 - Nkomati mine



Total sales (export and local)



Jenkins iron ore mine

- **Currently busy with ramp-up**
- **Mining and water use license approved**
- **Expect contribution in second half of 2022**
- **Product from mine for domestic market**
- **20-year LoM**

Volumes expected:

- Y1 500,000 tonnes
- Y2 1,250,000 tonnes

Capex:

- R110 million

The future: Driehoekspan and Doornpan (via the Coza acquisition) will be brought on line prior to Demaneng and Jenkins LoM running out

Nkomati anthracite mine

- All shares in mine now owned by Afrimat
- Non-core UCP (Unicorn Capital Partners) assets sold, netting R45 million
- Undertook comprehensive LoM exercise, resulting in better understanding of deposit
- Tropical storm Eloise delayed turnaround
- Production resumed in July 2021
- Expect contribution in second half of 2022
- Mine potential remains exciting due to high quality of product

Volumes expected:

- F2022 225 000 tonnes
- Steady state 540 000 tonnes

Capex:

- R100 million

Industrial Minerals

- Lime
- Metallurgical dolomite

Cape Lime, main factory



Industrial Minerals : status

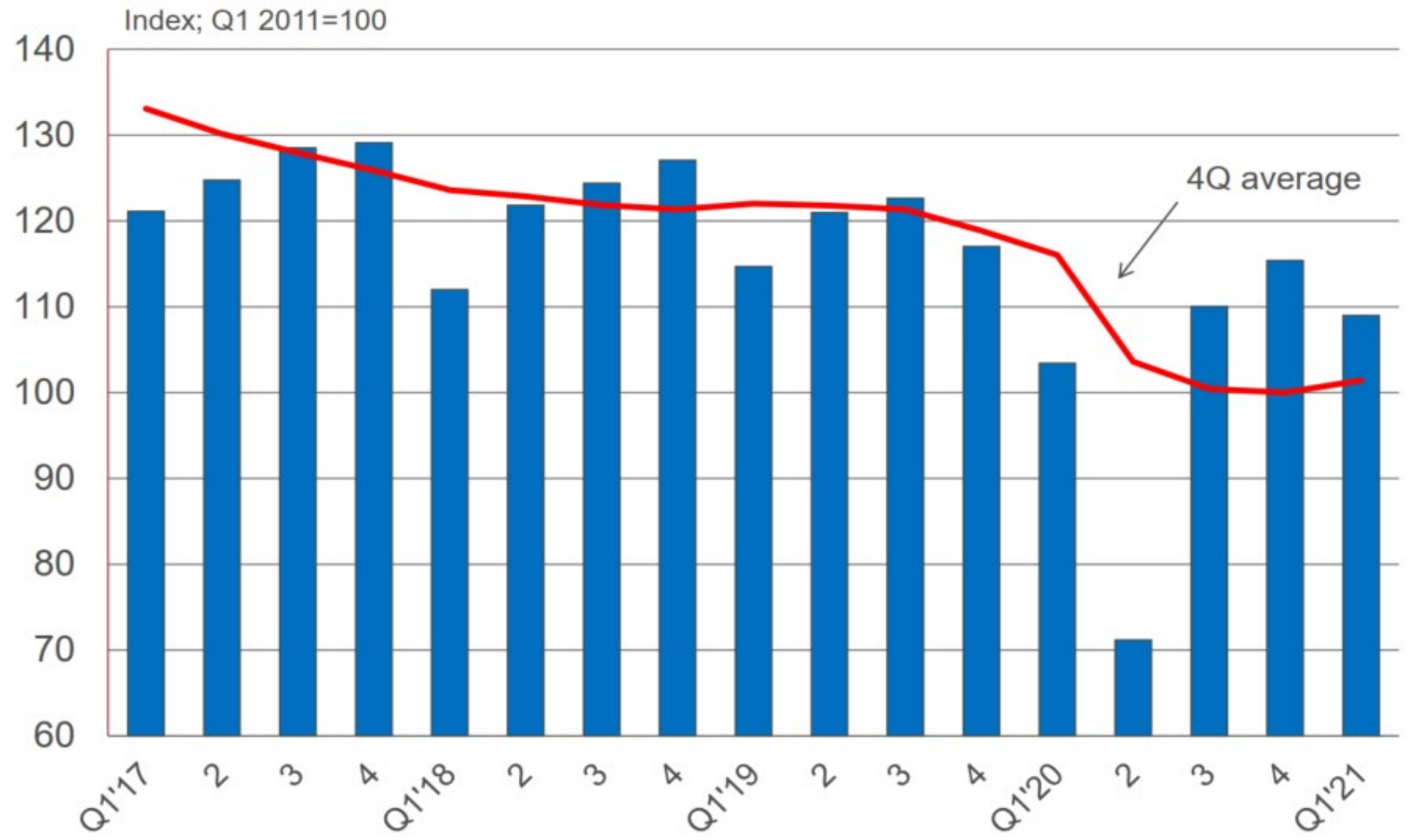
- **Good recovery after Covid-19 lockdown last year**
- **Volumes currently strong**
- **Strong demand from steelmakers, but expect slow November and December**
- **Good quality business**
- **Very strong team**
- **Potential for small but exciting acquisitions**

Construction Materials

- **Aggregates**
- **Bricks & blocks**
- **Readymix concrete**



Afrimat Construction Index – Q1 2021



Construction Materials : current status

- **Volumes made V-shaped recovery from Covid-19 lockdown**
- **Current volumes at pre-Covid levels**
- **Government infrastructure plans:**
 - Good prospects for the industry
 - Has so far had limited impact on sales volumes
- **Exciting strategic opportunities**



GRAVENHAGE

(manganese)

Gravenhage manganese mining right

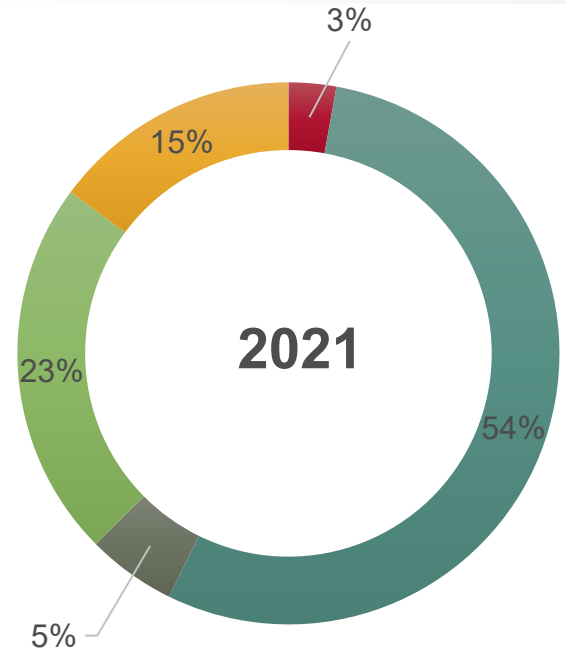
- **Adding manganese to portfolio**
- **>20-year LoM and high-quality resource**
- **Additional foreign currency exposure**
- **Possible synergies with Demaneng**
- **Total purchase consideration of roughly R650 million**
- **Busy with robust business plan**
- **Expect all contractual conditions to be met by early 2022**

“Economic viability and profitability are one thing, but Afrimat is equally passionate about the longer-term contribution it will be able to make to the immediate local community, the Northern Cape province and in turn the South African economy through its dedication to job creation and skills development and transfer.”

An aerial photograph of a construction site. The ground is covered with dark grey gravel. A concrete path is visible, and a large, bright green rectangular area is on the left side. A semi-transparent grey rectangular box is overlaid on the right side of the image, containing the word "SUSTAINABILITY" in white, bold, uppercase letters.

SUSTAINABILITY

Human resource development



- Bursary/study loans
- Skills development department cost
- Internship remuneration
- Training costs
- Learnerships

Leadership and strategic development

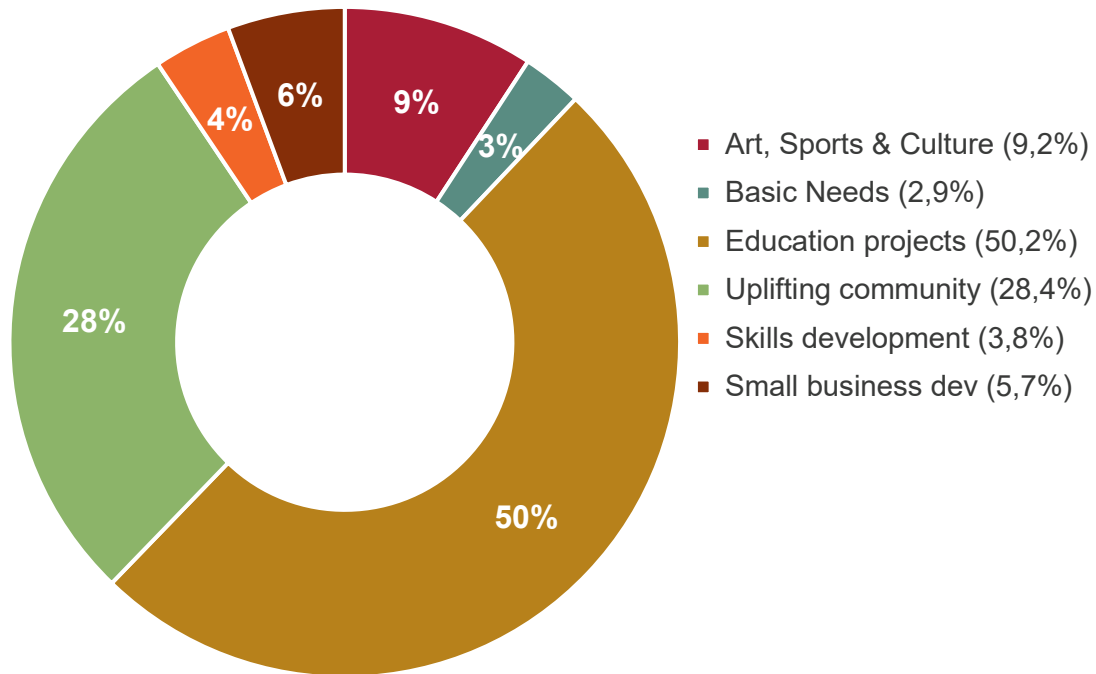
- Afrimat Management Development Program
- AfriLead
- StrengthsFinder
- External courses – e.g. certificates, diplomas, degrees, honours, MBA

R25,8 million spent on skills development, bursaries, learnerships and internships for the year. **83,0%** of this expenditure was in respect of historically disadvantaged employees

Community development

Categorisation spend (R'000)

F2021 (R'000)



R2,7 million spent on LED projects

Skills
development / job
creation

Education
programmes

Infrastructure



An aerial photograph of a gravel path. The path is composed of dark grey gravel and is bordered by a strip of green grass on the left. The image is overlaid with several semi-transparent geometric shapes: a large grey rectangle in the upper right, a green trapezoid on the left, and several smaller teal and grey rectangles in the lower half. The text 'THE FUTURE' is centered in white on the grey rectangle.

THE FUTURE

Looking ahead

- **Maintain excellent results from existing operations**
- **Remain vigilant, react quickly and keep employees safe should Covid-19 resurge**
- **Iron ore business to benefit from Jenkins iron ore mine**
- **Nkomati expected to contribute as from H2 of F2022**
- **Good cash flow**
- **Execute diligently on new expansion projects**

Contact details



Thank you for your attendance and participation

For any further investor relations questions please contact:

Andries van Heerden | CEO

021 917 8853

Vanessa Rech | Keyter Rech Investor Solutions

087 351 3814

www.afrimat.co.za

Virtual tour - https://www.youtube.com/watch?v=XxNWX0hjV_c