AFRIMAT®
LIMITED

CONSISTENTLY DELIVERING

Annual General Meeting

6 August 2024

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Core message

Nimble repositioning, diversification, growth by acquisitions and a meticulous discipline on integration - 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

The Afrimat Way

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 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

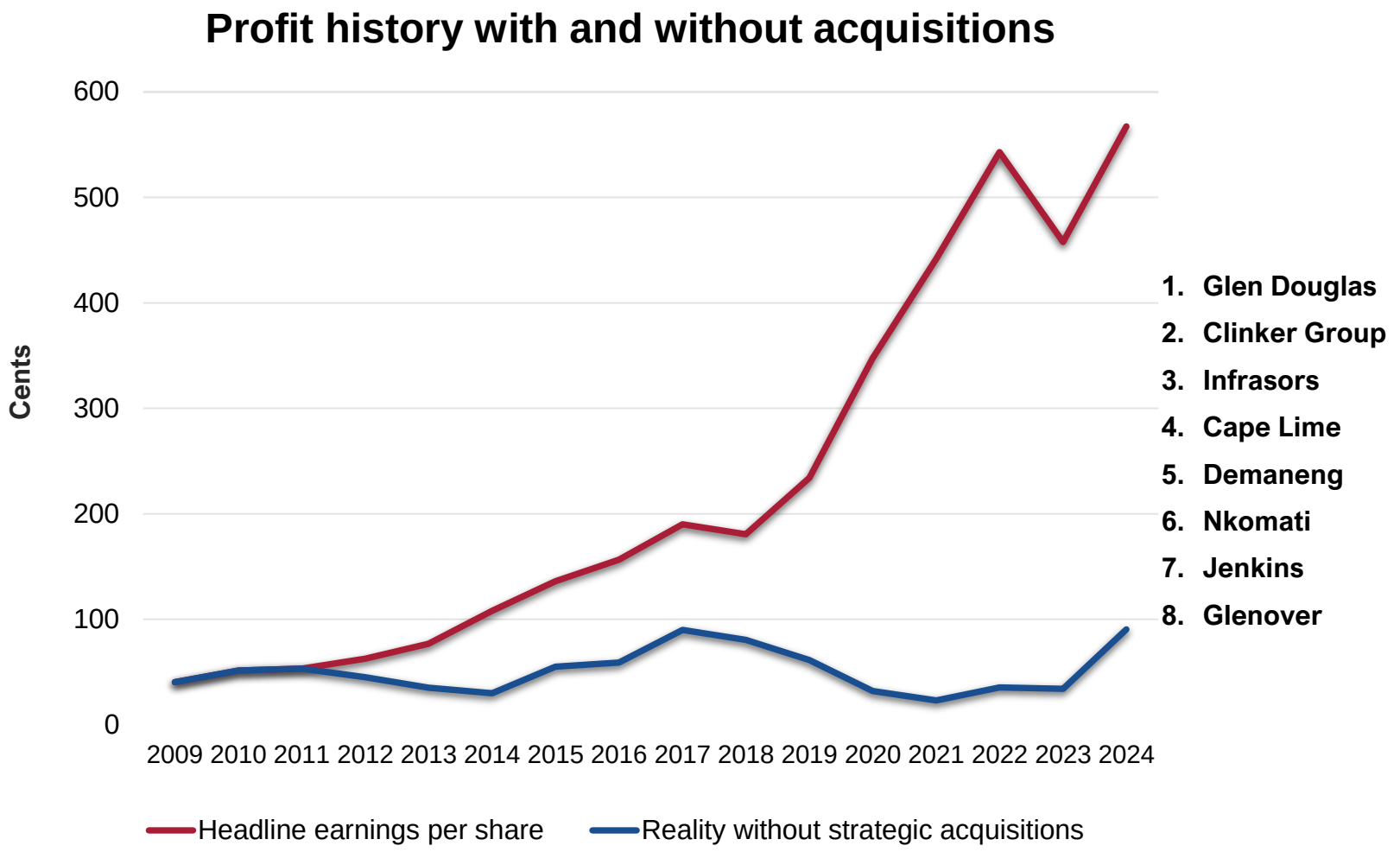
* Including Lafarge that was acquired post the year-end

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)



Afrimat's moats

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

3

DELIVERING CONSISTENTLY

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

Core financial discipline to support growth

Entrenched diversification strategy supported by prudent capital allocation

Strong cash generation

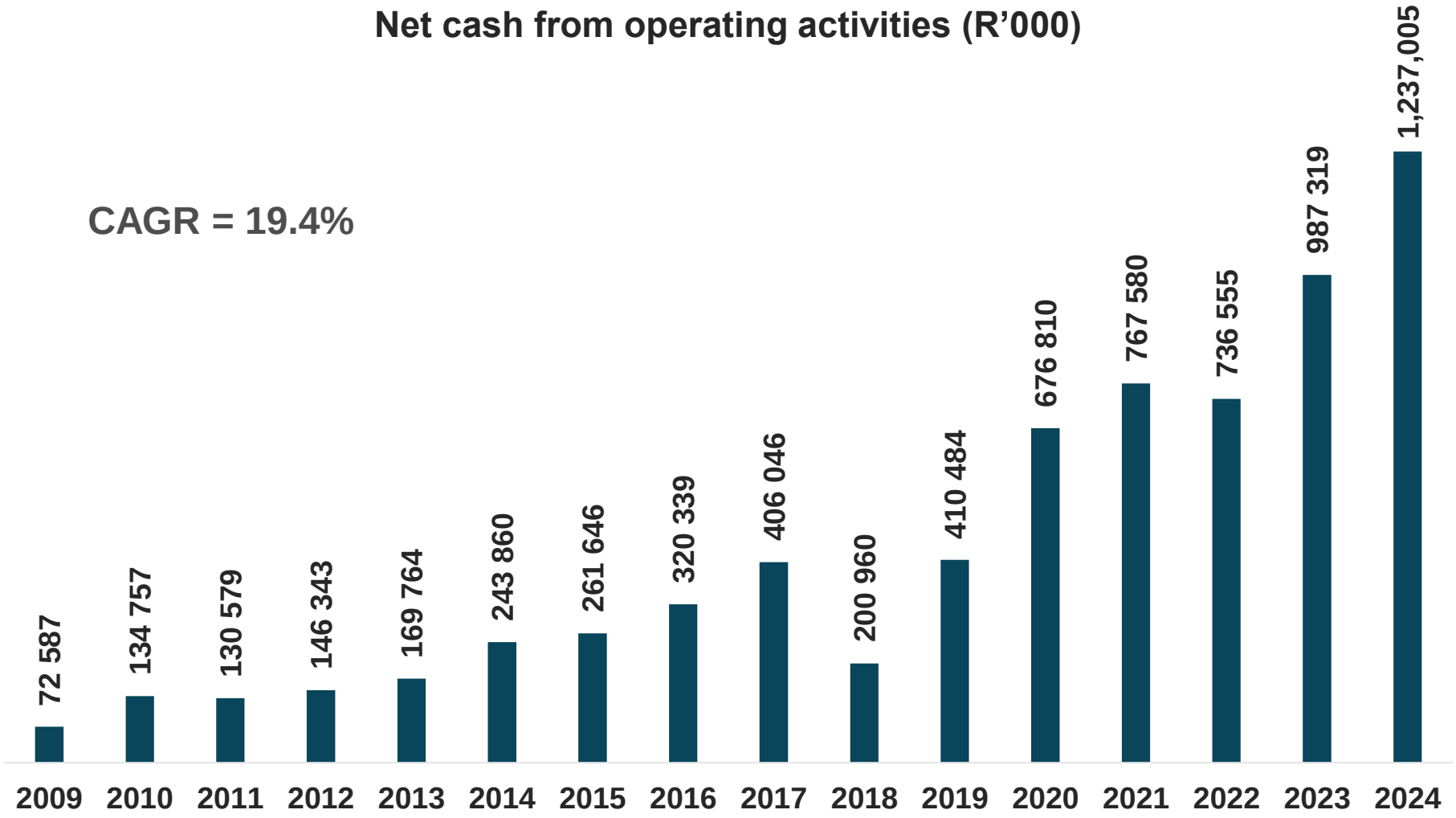
Surplus cash supports acquisitions, capex and consistent dividends

Continuous measurement against decisions taken

Financial highlights – FY2024

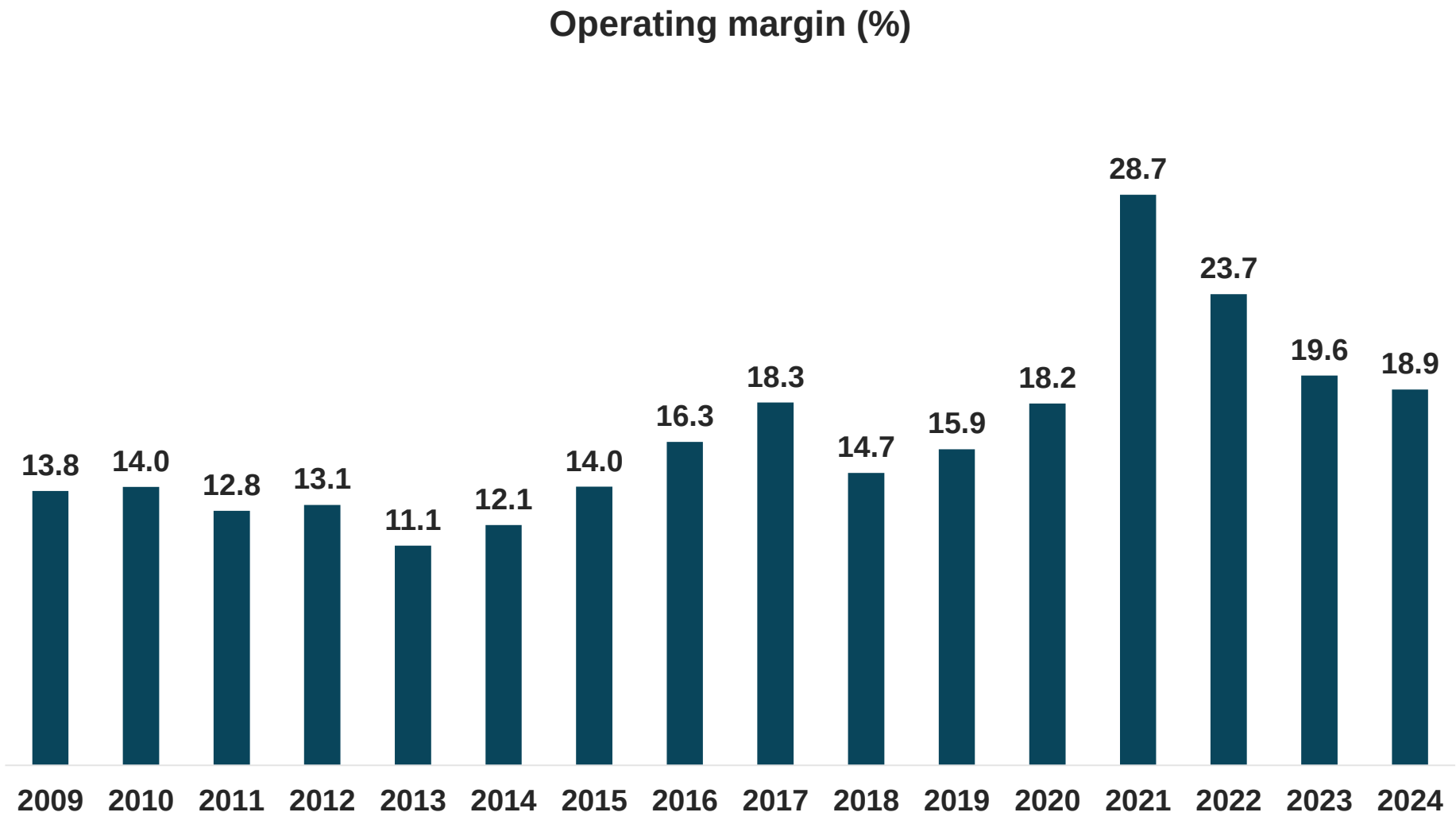
Up 23,9% to R6,1 billion	**24,0% improvement**
Group revenue	HEPS – 567,3 cents per share
154,0 cents per share	**18,9%**
Final dividend	Operating profit margin
15,9% up to 3 004 cents	**25,6%**
Net asset value	Return on net operating assets
1,4%	**25,3% up to R1,2 billion**
Net debt:equity ratio	Net cash from operating activities

Exceptional and consistent cash generation



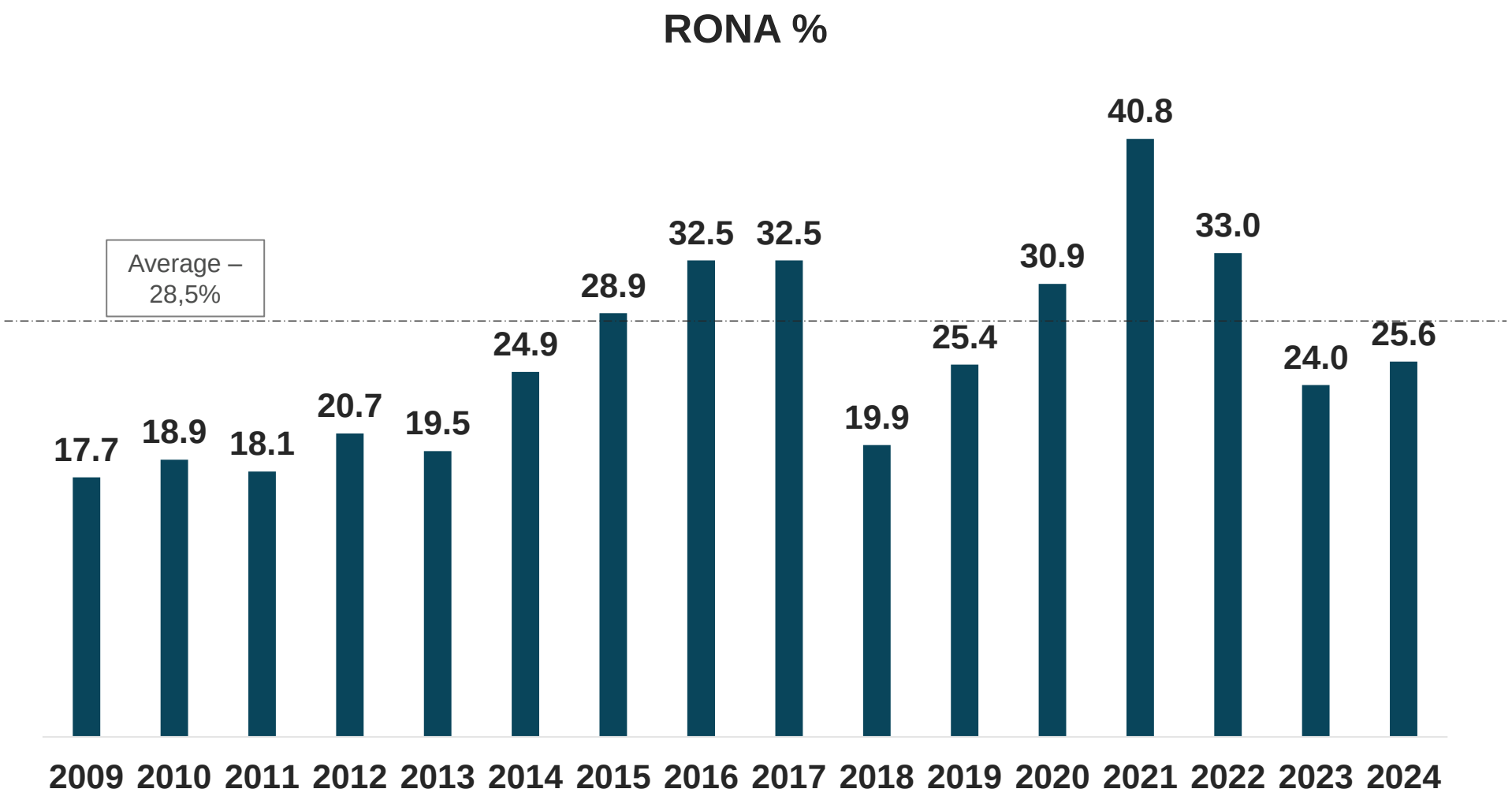
Afrimat has a proven track record to turn its acquisitions into meaningful contributors with high cash generation.

Operating profitability
Purposeful diversification



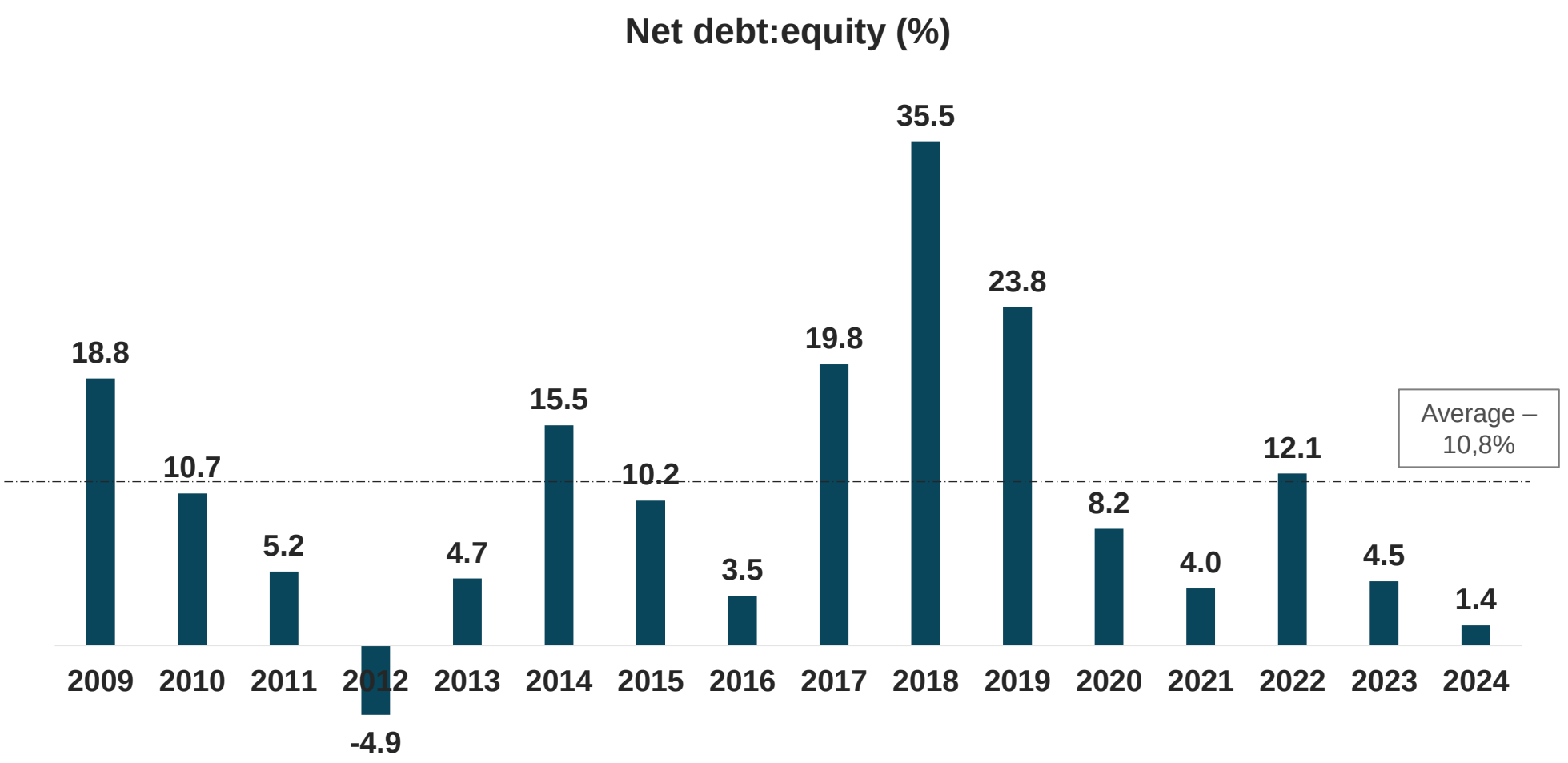
Maintain strong operating margins through operational efficiency drive and diversification strategy.

Return on net operating assets (RONA)



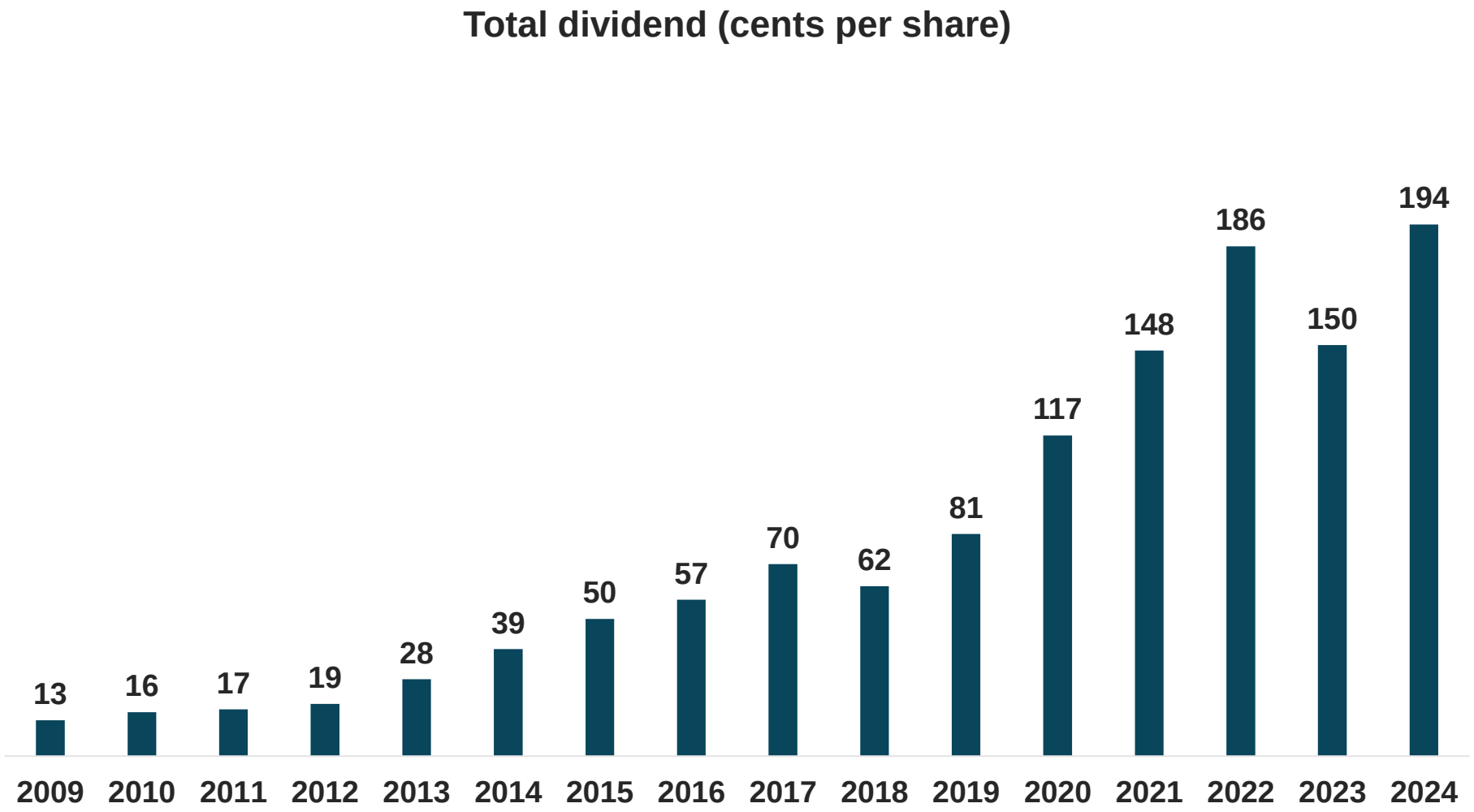
Key measurement in evaluating success of capital allocation.

Balance sheet health maintained



Maintain a strong balance sheet enabling acquisitions

Dividend



Consistent dividend payer

2.75 x cover

Focus

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

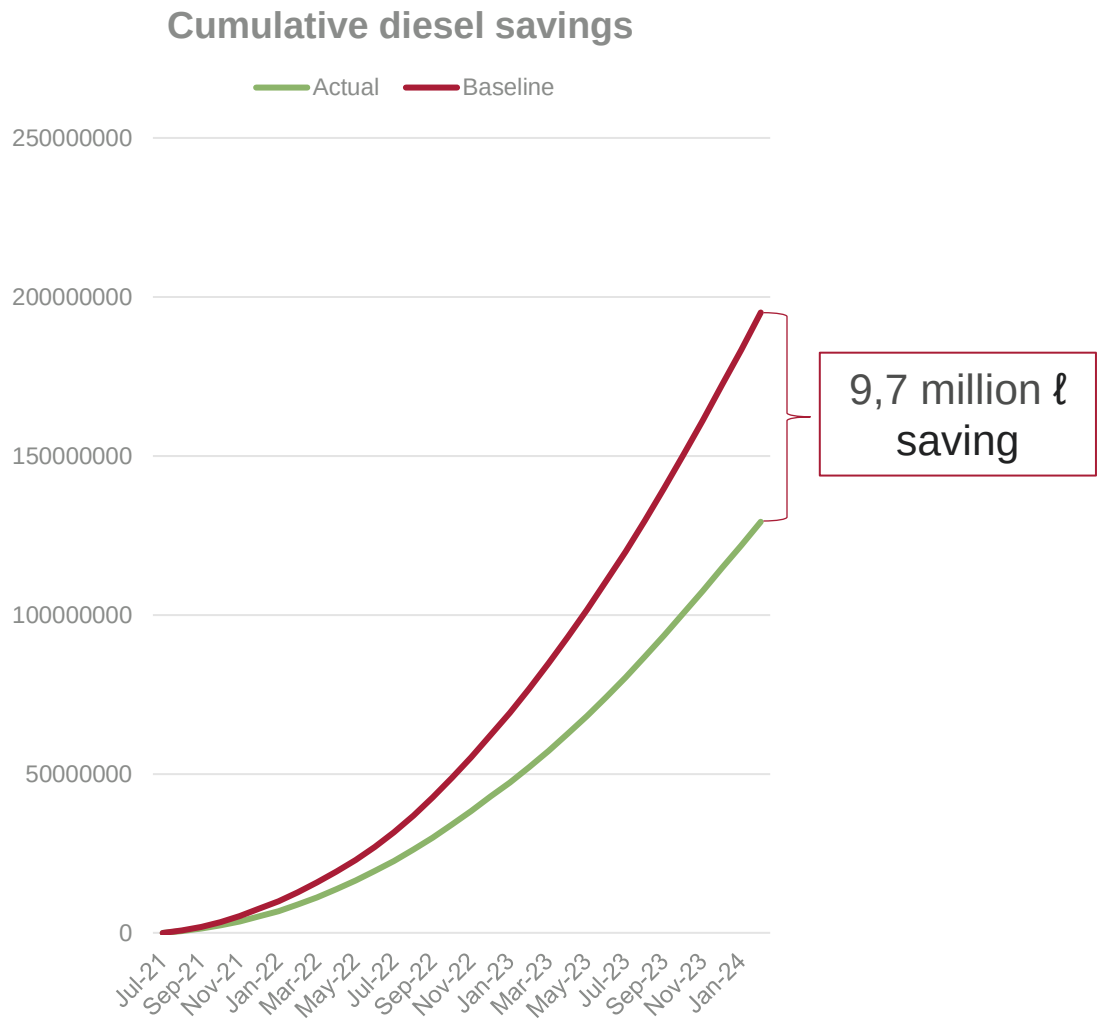
4

SEGMENTAL PERFORMANCE

FY2024 (recap)

The value of diversification

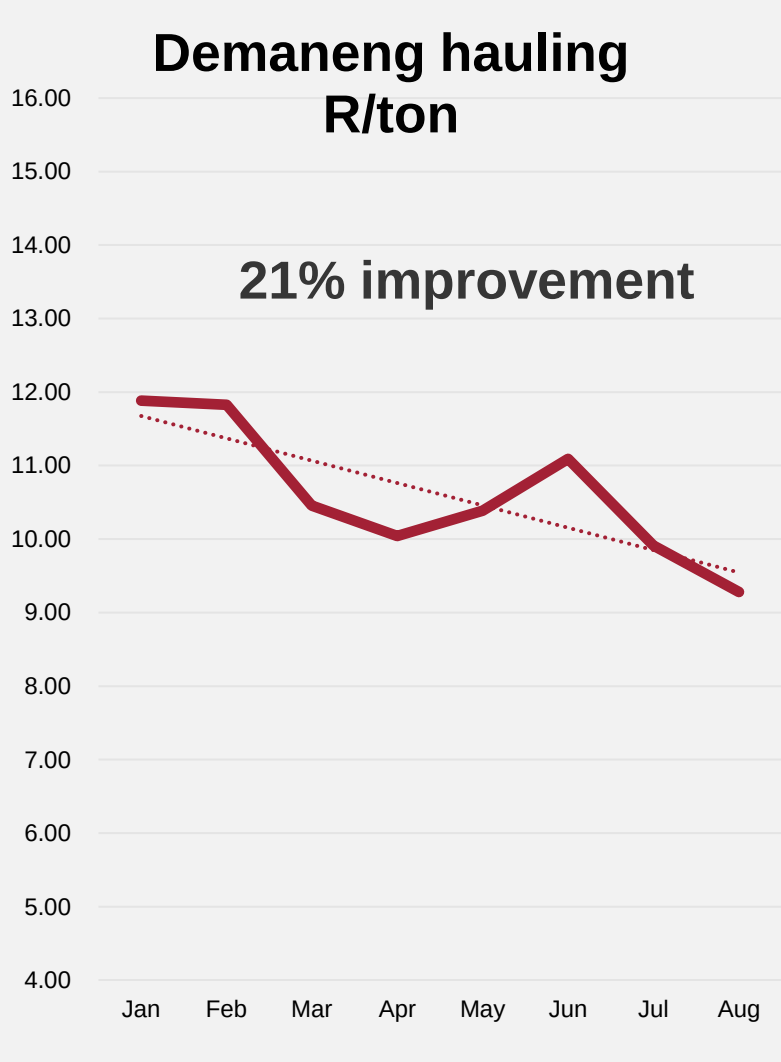
Operational efficiency project - example

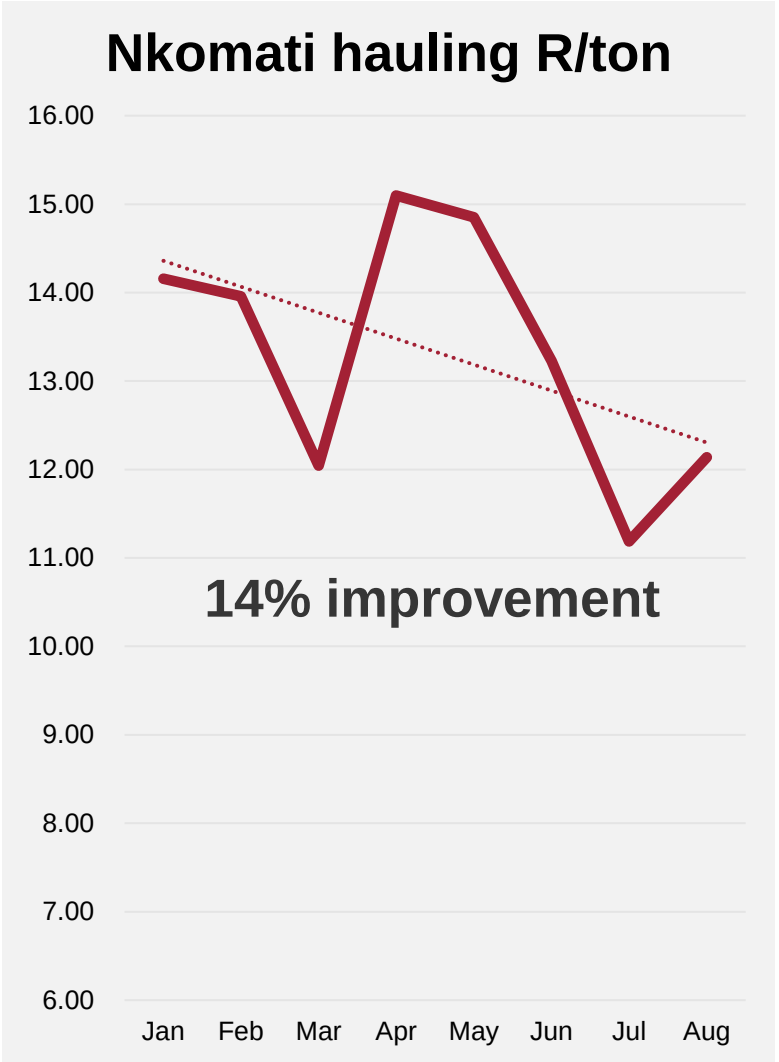


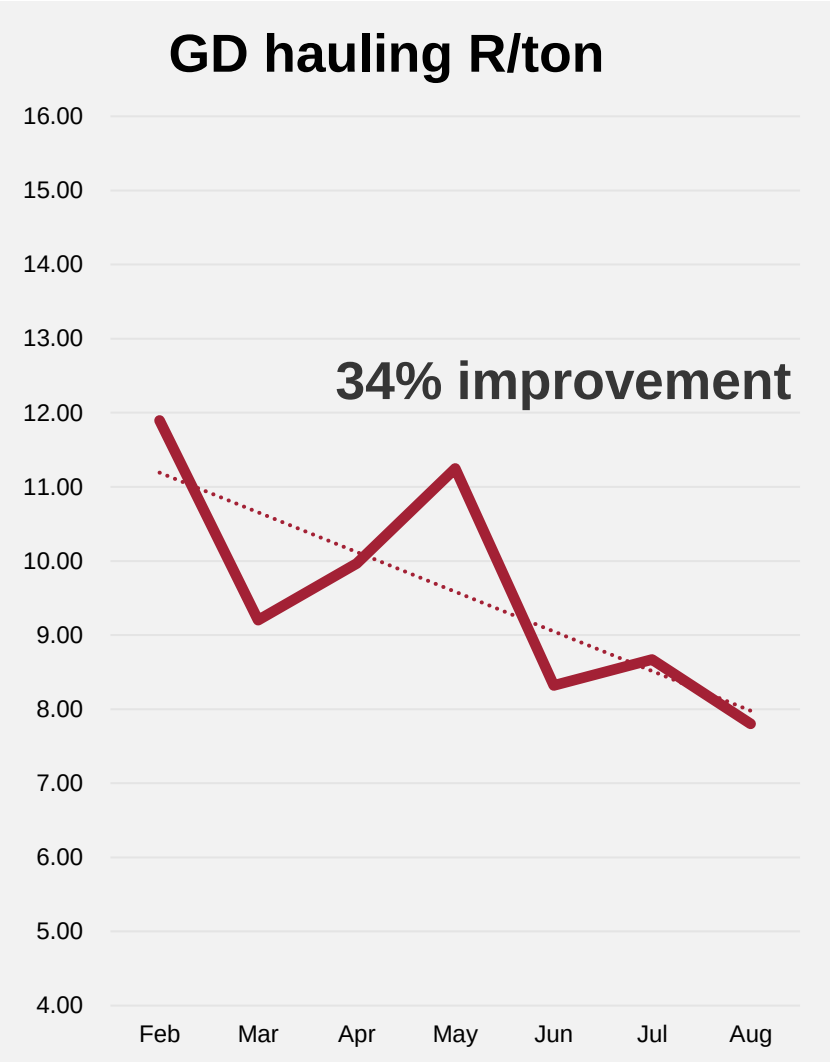
Savings

- **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



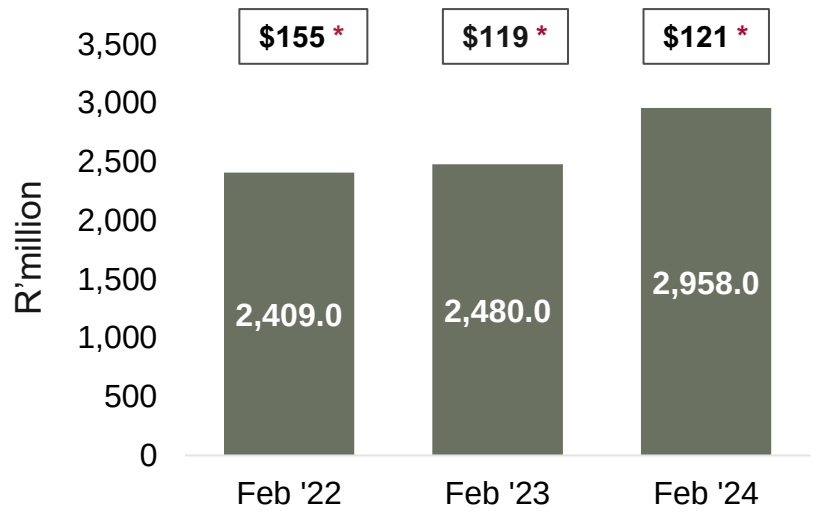




Bulk commodities

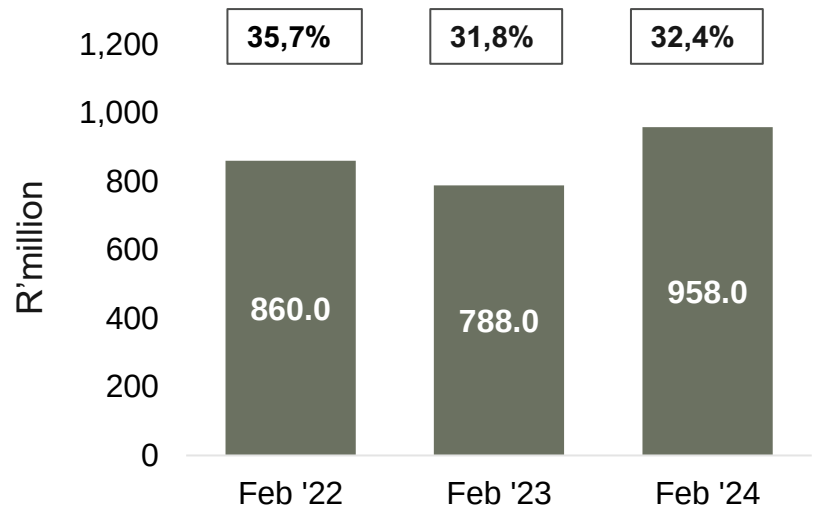
Solid performance based on product diversification

Revenue



- Revenue increased by 19,3%
- International iron ore volumes 15% below allocation due to Transnet's under performance
- Local iron ore volumes increased by 75,7%
- Anthracite extraction from underground mine and establishment of two additional opencast pits ensure consistent feed to plant

Operating profit and margin



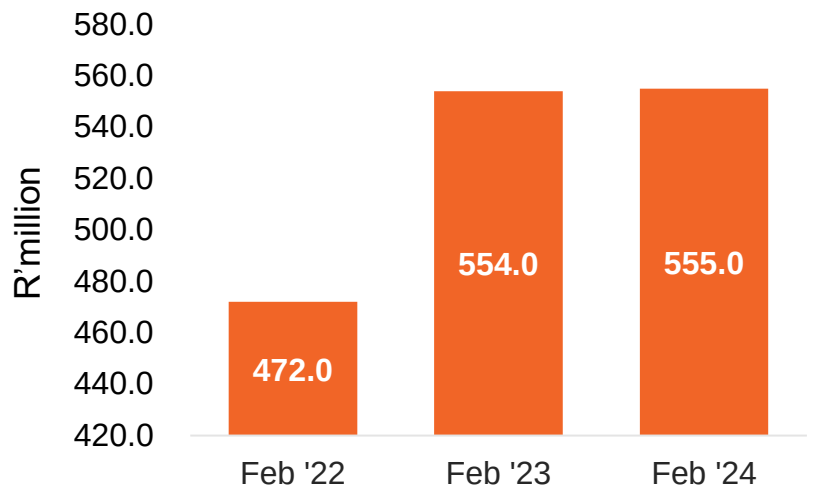
- Operating profit margin remains high
- Strategic investment into Nkomati, delivered significant improvement to the segment

* Average US$ for each respective period

Industrial Minerals

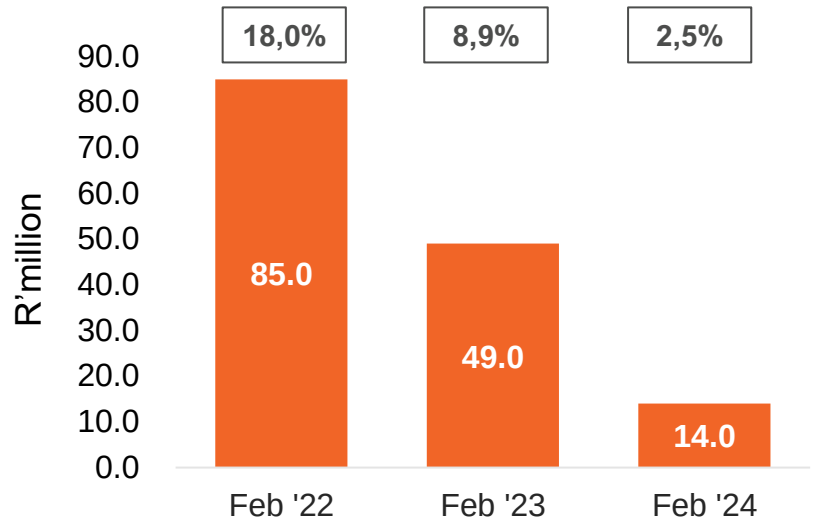
Delivered disappointing results

Revenue



- Revenue flat
- Load shedding affected operations and indirectly client operations were also impacted
- Generators installed to overcome load shedding

Operating profit and margin

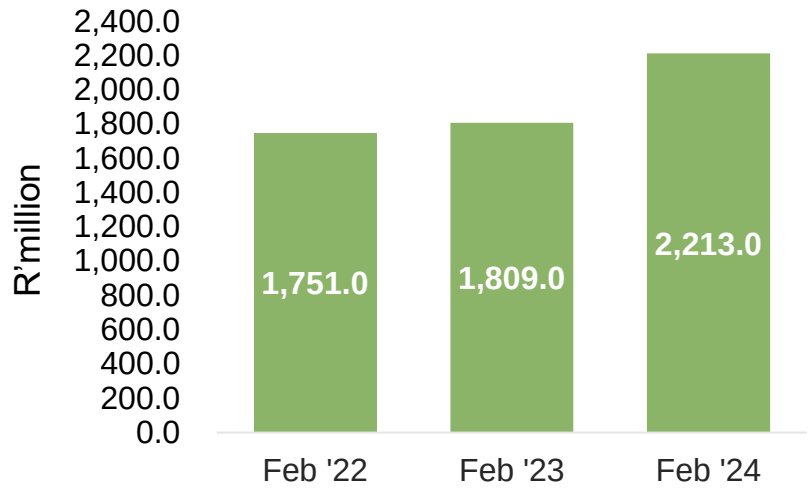


- Operating profit decreased by 72,1%

Construction Materials

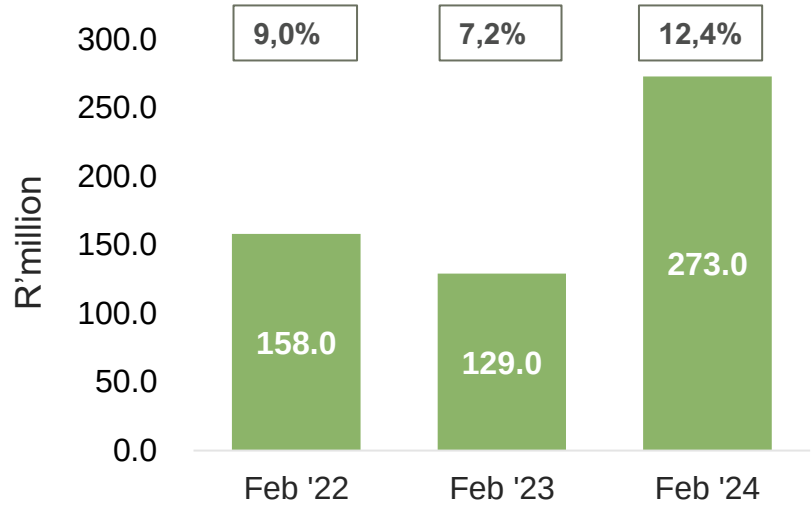
Significant improvement in profitability supported by margin recovery

Revenue



- Revenue increased by 22,3%
- Volume strength primarily in south of the country
- Continued to supply road and rail industries

Operating profit and margin



- Operating profit improved by 111,0%
- Efficiency drive is rewarding

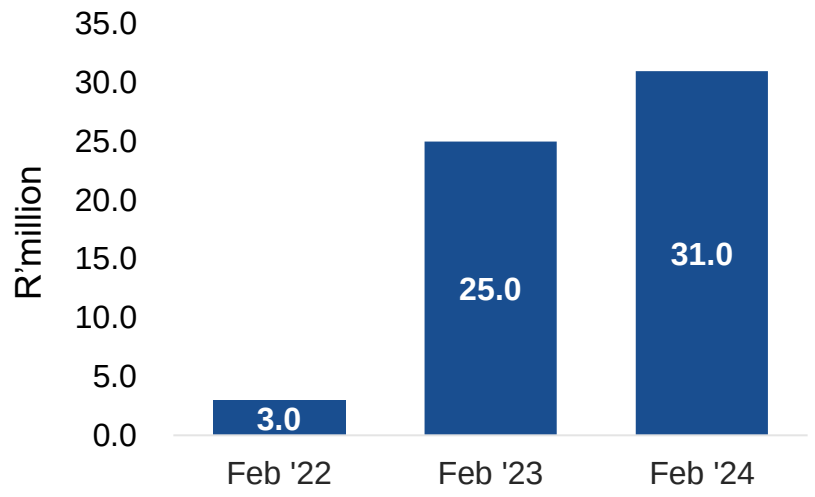
First 100 days of most recent acquisition integration

- Aggregates
  - Integration into Construction Materials is progressing well
  - Efficiency improvements and quick decision-making (that Afrimat brings) is leading to improvements in aggregate sales
- Cement
  - Already experiencing increased production as a result of efficiency improvements
- Supply agreements have been reviewed and many have been renegotiated at better rates
- Outstanding creditors were not captured and Afrimat is now having to settle outstanding payments (may result in pre-acquisition adjustment)
- Senior executives that left, have not been replaced as the resources are available in Afrimat
- 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

Future Materials and Metals

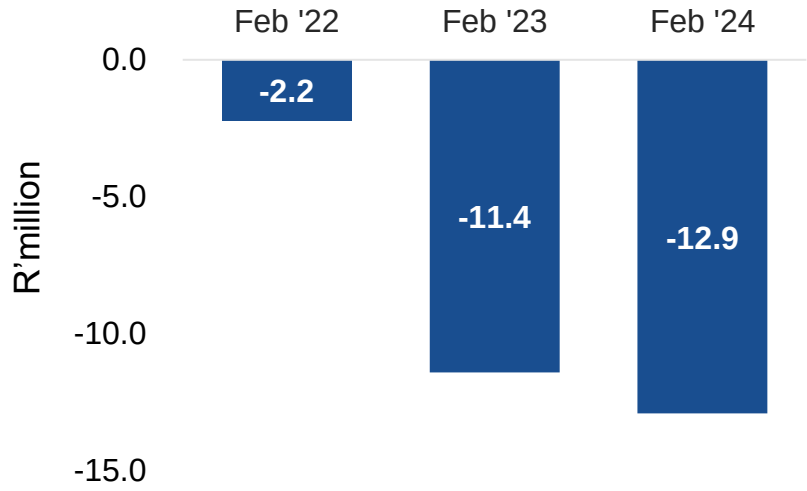
Ramp up of operation in progress

Revenue



- SSP plant commissioning and ramp-up
- Full purchase consideration settled in April '24
- Preparing for agricultural planting season commencing in July '24

Operating profit and margin



- Total start-up losses of R26,5 million
- Ramping up to nameplate capacity in FY2025

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FUTURE OUTLOOK

An increase in volumes and more acquisition opportunities

Where we are ahead of our closed period (continued)

- 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

Core message

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

Investor relations

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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