



MEDIA RELEASE

THE GIANT AWAKENS: PPC TURNAROUND STRATEGY DELIVERS AHEAD OF PLAN

“Implementing phase one of our ‘Awaken the Giant’ strategic turnaround plan has resulted in a step change in PPC’s margins, profitability and cash generation, which are the highest since financial year 2018. This early success is largely as a consequence of a fundamental change in our strategic direction, the organisational culture, and an absolute focus on our core competencies”.

Matias Cardarelli, PPC CEO

Salient points:

- EBITDA increased 28% to R1 593 million (FY24: R1 242 million)
- EBITDA margin increased 3.8% points to 16.1% (FY24: 12.3%)
- Operational free cash flow increased to R1 049 million (FY24: R260 million)
- EPS of 32 cents (FY24: 6 cents) and HEPS of 40 cents (FY24: 19 cents)
- SA & Botswana group recommence dividends and a record PPC Zimbabwe dividend
- Group ordinary dividend of 17.6 cents per share (FY24: 13.7 cents per share) declared

Johannesburg, 9 June 2025: The leading Southern African supplier of cement and related products, PPC Ltd (PPC), has achieved significant improvements across its key financial metrics, from EBITDA growth of 28% to R1 593 million (FY24: R1 242 million), EBITDA margins expanded encouragingly by 3.8% points to 16.1%, and free cash flow from continuing operations rose 306% to R1 049 million. Earnings per share increased to 32 cents (FY24: 6 cents) and headline earnings per share increased to 40 cents (FY24: 19 cents).

“These results”, said PPC CEO, Matias Cardarelli, “are the highest since FY18, considering the current group portfolio. Additionally, we have resumed ordinary dividend payments from the South Africa business segment, which has not been declared since 2016, and there was a record dividend from Zimbabwe. This year’s performance is not a result of once-off cost cutting, but rather the outcome of operational improvements, the introduction of best practices and a focus on our core business drivers.”

Cardarelli continued, “We have set a new direction for sustainable growth and value creation for the short-, medium- and long-term. The past year has been one of rebuilding our foundations, changing strategic direction, action and delivery. As part of our turnaround strategy, tough decisions were taken to simplify our structure, secure highly skilled and experienced talent and, importantly, engage with our people to disseminate the new performance culture. The combined effect of closing the gaps and accelerating the turnaround has delivered substantial results, and ahead of schedule. The foundations that have been and will continue to be built, will deliver sustainable growth”.

The FY25 results are remarkable, considering there wasn’t any significant growth in the markets in which PPC operates. Group revenue decreased 1.9% to R9 871 million (FY24: R10 058 million) mainly due to a 6.7% reduction in Zimbabwe’s revenue as PPC’s SA & Botswana group revenue was relatively stable, increasing by 0.6%.

“Our Awakening the Giant strategic turnaround plan,” added Cardarelli, “is now well underway and is firmly grounded on ensuring PPC recovers competitiveness, rebuilds profitability and becomes a sustainable leader. We were able to offset inflationary costs with early operational improvements, from logistics optimisation to a better product mix, lower clinker factor and improved sales sourcing. We will remain focused on the imperatives within our control – delivering on carefully considered and executed plans, and doing so at an increased pace. We are becoming more competitive and better prepared to deliver an enhanced value proposition to our customers”.

The group’s net cash inflow before financing activities increased by R789 million to R1 049 million, mainly due to the improved operating cash flow and reduced working capital.

The group improved its net cash positive position. The board declared an ordinary dividend of 17.6 cents (FY24: 13.7 cents) per share, which comprises a dividend of 1.9 cents per share from the SA and Botswana group, and a dividend of 15.7 cents per share, being the dividends received from Zimbabwe.

Together with the execution of the turnaround plan, PPC continues to evaluate projects and strategic options that will support medium- to long-term value creation. PPC signed an engineer, procure and construct (EPC) contract in March 2025 with Sinoma Overseas Development Company for the construction of a new 1.5 million ton a year, R3 billion, state-of-the-art integrated cement plant in the Western Cape. This will replace and increase existing capacity.

This strategic investment will yield substantial benefits, including improved efficiencies, reduced production costs, and a minimised environmental footprint that ensures energy efficiency, while optimising operations to deliver high-quality cement products sustainably and cost-effectively. Cardarelli said, “The real benefits of this project are expected to start materialising in FY28, and will secure PPC’s competitive position in the market as a result of innovative energy efficiency, reduced coal consumption and lower emissions per ton of cement”.

OUTLOOK

The cement industry landscape is changing in terms of market players, global and local competitors and expansion strategies. Cardarelli added, “International cement groups are entering the market with a strong investment in new technology, bringing cost efficiency. This will significantly change the market dynamics and the existing producers’ position. We are well underway in creating a more efficient business, better equipped to compete and meet our ambitious objectives”.

While PPC is cautiously optimistic about the planned infrastructure spend recovery, long-term sustainability does not rely on an improved overall economic environment. The focus continues to be on unlocking internal value, as demonstrated in the FY25 results, without requiring any significant market shift.

Cardarelli concluded, “Our approach to volume, price, cost management and contribution margin are becoming systemic and the improvements we have made are expected to reap further benefits going forward. Ultimately, the group’s strategy centers on competitiveness, which will deliver growth and shareholder value”.

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Note to editors

About PPC Ltd

PPC is an iconic material and solutions provider of quality and consistent cement, aggregates, readymix and fly ash, and provides technical support to its customers. PPC’s story stretches back over 130 years to where it was first incorporated on the outskirts of Pretoria in 1892. As the first cement plant in South Africa, and now operating outside of these borders, the industry leader has established itself as a resilient organisation by adapting to ever-changing economic, operating and political environments. PPC is proud to be a leading provider of quality building materials and solutions to empower people to experience a better quality of life. Follow PPC on LinkedIn PPC Africa, on X @PPC_Africa, like us on www.facebook.com/PPC.Cement and visit us at www.ppc.africa.

Issued by Aprio on behalf of PPC

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