

17 July 2017

Steppe Cement Ltd

Market update for the first half of 2017

In the first half of 2017, Steppe Cement Ltd (“Steppe Cement” or the “Company”) sold 650,333 tonnes of cement for 8,553 million Tenge, compared with 761,771 tonnes of cement for 8,190 million Tenge in the first half of 2016. This represents a decrease of 15% in volume and an increase of 4% in turnover over the same period in 2016.

Average price for the current period for delivered cement was 13,151 Tenge per tonne (ex VAT), compared with 10,751 Tenge per tonne in the corresponding period of 2016 as Steppe Cement focused on prices while other companies increased their market shares.

Ex-factory price for the current period was 11,147 Tenge per tonne, compared with 8,781 Tenge per tonne in the corresponding period of 2016.

The cement market in Kazakhstan shrank by 1% during the first half of 2017 compared with the same period last year. However, overall cement shipments from local companies increased 5% compared with 2016, as imports (representing 6% of the local market) remained flat and exports more than doubled again from 160k tonnes to 450k tonnes, due to favourable regional exchange rates.

Steppe Cement’s local market share decreased to 15% in the first half of 2017 from 18% in the same period of 2016 and exported 11% of its sales compared with 4% in 2016.

The Company currently estimates country consumption at 9 million tonnes for 2017.

Steppe Cement's AIM nominated adviser and broker is RFC Ambrian Limited.

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