

7 October 2019

Steppe Cement Ltd

Market Update for the Third Quarter ended 30 September 2019

Third quarter 2019 revenue of KZT 10,560 million was 10% lower than revenue of KZT 11,696 million achieved in the corresponding quarter in 2018. For the 9 months ended 30 September 2019, Steppe Cement Ltd ("Steppe Cement") recorded revenue of KZT 24,639 million compared with KZT 22,416 million in the corresponding 9-month period in 2018, representing a 10% increase.

A sales volume of 576,692 tonnes was achieved during the third quarter, an 11% decrease from the third quarter of 2018 due to prioritising price vs volume in the third quarter. For the first 9 -months of 2019, the sales volume decreased by 2% to 1,357,007 tonnes from 1,386,989 tonnes in the corresponding 9-month period in 2018.

The average price (ex-VAT) for delivered cement was KZT 18,157 per tonne in the first 9 months compared with KZT 16,161 per tonne last year. For the first 9 months of 2019, the ex-factory price stood at KZT15,301 per tonne, an increase of 19% over KZT12,893 in 2018.

For the first 9 months of 2019, the cement market in Kazakhstan was 7 million tonnes, 2% lower than in 2018. Imports stood at 7% of total consumption slightly below 2018. Exports from Kazakhstan decreased by 16% to 1.3 million tonnes. Current estimate of the cement market for 2019 is 8.5 million tonnes or 1% below 2018, with Steppe Cement's market share at 18%.

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

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