

9 October 2020

Steppe Cement Ltd

Market Update for the Third Quarter ended 30 September 2020

Third quarter 2020 revenue of KZT 11,114 million was 5% higher than revenue of KZT 10,560 million achieved in the corresponding quarter in 2019. For the 9 months ended 30 September 2020, Steppe Cement Ltd ("Steppe Cement") recorded revenue of KZT 24,804 million compared with KZT 24,639 million in the corresponding 9-month period in 2019, representing a 1% increase.

A sales volume of 556,162 tonnes was achieved during the third quarter, a 4% decrease from the third quarter of 2019 due to prioritising price vs volume in the third quarter. For the first 9 -months of 2020, the sales volume decreased by 3% to 1,316,509 tonnes from 1,357,007 tonnes in the corresponding 9-month period in 2019.

The average price (ex-VAT) for delivered cement was KZT 18,841 per tonne in the first 9 months compared with KZT 18,157 per tonne last year. For the first 9 months of 2020, the ex-factory price stood at KZT15,919 per tonne, an increase of 4% over KZT15,301 in 2019.

For the first 9 months of 2020, the cement market in Kazakhstan was 7.3 million tonnes, 4% higher than in 2019. Imports stood at 6% of total consumption slightly below 2019. Exports from Kazakhstan increased by 20% to 1.6 million tonnes. The current estimate of the cement market for 2020 is 9.1 million tonnes or 2% above 2019, with Steppe Cement's market share at 16%.

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

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