

11 July 2018

Steppe Cement Ltd

Market update for the first half of 2018

In the first half of 2018, Steppe Cement Ltd (“Steppe Cement” or the “Company”) sold 738,228 tonnes of cement for 10,539 million Tenge, compared with 650,333 tonnes of cement for 8,553 million Tenge in the first half of 2017. This represents an increase of 14% in volume and an increase of 23% in turnover over the same period in 2017.

Average price for the current period for delivered cement was 14,276 Tenge per tonne (ex VAT), compared with 13,151 Tenge per tonne in the corresponding period of 2017.

Ex-factory price for the current period was 11,560 Tenge per tonne, compared with 11,147 Tenge per tonne in the corresponding period of 2017.

The cement market in Kazakhstan increased by 7% during the first half of 2018 compared with the same period last year. However, overall cement shipments from local companies increased 15% compared with 2017, imports (representing 8% of the local market) increased by 30% and exports more than doubled again from 450k tonnes to 900k tonnes, due to favourable regional exchange rates.

Steppe Cement’s local market share increased slightly to 16% in the first half of 2018 from 15% in the same period of 2017 and exported 12% of its sales compared with 11% in 2017.

The Company currently estimates country consumption at 9.4 million tonnes for 2018.

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

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