

Steppe Cement Ltd

12 April 2018

Market update for the quarter ended 31 March 2018

In the first quarter of 2018, Steppe Cement Ltd (“Steppe Cement” or the “Company”) sold 197,179 tonnes of cement for 2,313 million Tenge, compared to 124,669 tonnes of cement for 1,528 million Tenge in the first quarter of 2017, representing an increase of 58% and 51% respectively.

The cement market in Kazakhstan during 1Q 2017 increased by 12% over the corresponding quarter last year.

Steppe Cement increased its market share to 14% in the first quarter of 2018 from 10% in the first quarter of 2017.

The average price for the current quarter for delivered cement was 11,732 Tenge per tonne (ex VAT) compared with 12,257 Tenge per tonne in the corresponding quarter of 2017, a decrease of 4%. The ex-factory price for the current quarter stood at 8,304 Tenge per tonne, compared to 10,500 Tenge per tonne in 1Q 2017, a decrease of 21 %. The decrease is due to increased sales in markets further from the factory and the maintenance of a bigger fleet of wagons during the winter in preparation for the summer months.

The Company estimates Kazakhstan’s cement market demand will increase to 9.2 million tonnes in 2018 from 9 million tonnes in 2017. Exports from Kazakhstan have more than doubled in the first quarter and will continue to increase during the rest of the year.

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

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