

MEDIA RELEASE

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Bamburi Cement Group sustains a strong showing in first half of 2021 by posting growth in both topline and pretax profit.

Bamburi Cement Group has today published its half year unaudited Financial Statements where it posted strong growth in both topline and pretax profit. Compared to first half of 2020, topline grew by 21% while pretax profit grew more than five times over, to Kes 1.1 billion, up from Kes 213 million reported in the same period last year.

The cement maker attributes the topline growth to recovery of the cement market against a depressed first half of 2020 impacted adversely by the Covid-19 containment measures introduced at the onset of the pandemic. The Group recorded volume recovery in both the domestic and export markets coupled with an increased demand for premium cement products, pushing up the average selling prices and driving up the Group's turnover up to Kes 19.6 billion compared to Kes 16.2 billion recorded in the comparative period.

“Also benefiting the company is sustained infrastructure spending by governments and a rebounding construction sector as the economy recovers from the Covid-19 pandemic impact. Of late, there has been increased spending by the government on infrastructure projects like the Nairobi Expressway, Thwake dam among others. The company has cited *“a higher proportion of sales of premium products in H1 2021”*. Premium cement is largely consumed by big projects requiring special quality cement like superior strength or waterproofing; and fetches more favorable prices compared to ordinary cement.

Pretax Profit grew significantly to Kes 1.1 billion from Kes 213 million in 2020. Apart from the growth in topline, the company, through its Managing Director, Mr Seddiq Hassani attributes this to *“carry-over cost savings following the implementation of our ‘Health, Cost & Cash’ (HCC) action plan, that was adopted at the onset of the Covid-19 pandemic in 2020”*. The cost optimization agenda has enabled the company offset significant cost inflation on imported clinker and coal that has been absorbed in the reporting period, compared to last year. Financing Costs have also reduced by almost 50%”.

“We have a renewed commitment to operate sustainably in line with Holcim’s agenda of Building Progress for People and Planet. To achieve this, Bamburi has lined up carbon emission control and circular economy initiatives that will safeguard the environment and also deliver cost-efficiencies and add greater value to the stakeholders,” Mr. Hassani added.

The sustainability initiatives include, Houses of Tomorrow (HoT) project – an initiative on green building solutions which includes use of low carbon emission products, a growing portfolio of Green Cements, as well as continued quarry rehabilitation, water and biodiversity management, and waste management through co-processing partnerships with waste producers to provide environmentally clean waste disposal options, among other projects.

Seddiq Hassani noted: “The past year has been a learning curve that has enabled us to evolve towards more modern business practices as we continue to set industry standards on quality, operational efficiency and innovation. We maintain a positive outlook for the rest of the year as the government continues to roll out the Covid-19 vaccination programs and ease-off containment measures which we hope will continue to drive progressive economic recovery”.

Dr. John Simba, Chairman of Bamburi Cement PLC concluded: “The Kenyan government’s continued commitment towards delivery of the ‘Big 4’ agenda and the ongoing key infrastructure projects in oil and gas in Uganda continue to generate positive prospects for the Group”.

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About Bamburi Cement PLC

Bamburi Cement PLC is a Lafarge company, which is a member of Holcim Group, and is the leading cement manufacturing and marketing Company in the Eastern Africa region, having been operational for 67 years. Its subsidiaries include Hima Cement Ltd (Uganda), Bamburi Special Products Ltd, Lafarge Eco Systems Ltd and Binastore Ltd.

More information is available on Bamburi Cement PLC website www.lafarge.co.ke

About Holcim

Holcim builds progress for people and the planet. As a global leader in innovative and sustainable building solutions, Holcim is enabling greener cities, smarter infrastructure and improving living standards around the world. With sustainability at the core of its strategy Holcim is becoming a net zero company, with its people and communities at the heart of its success. The company is driving the circular economy as a world leader in recycling to build more with less. Holcim is the company behind some of the world’s most trusted brands in the building sector including ACC, Aggregate Industries, Ambuja Cement, Disensa, Firestone Building Products, Geocycle, Holcim and Lafarge. Holcim is 70,000 people around the world who are passionate about building progress for people and the planet through four business segments: Cement, Ready-Mix Concrete, Aggregates and Solutions & Products.

More information is available on www.holcim.com

Information about the new Group Purpose is available on <https://www.holcim.com/about-holcim>

Media Contacts

Bamburi Cement PLC

Communications Manager

Catherine Ndioo: +254 20 2893000/ 66114358

catherine.ndioo@lafarge.com

P&L Consulting

Njeri Kagwe: +254 723300866

kagwe@p-l.co.ke