

Bamburi Cement Group announces 22% growth in profitability posting Kes 2.2 billion in FY 2021

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- *Turnover up 19% with average prices sustained by domestic and regional demand for premium products*
- *Cement maker withstands inflationary pressures to post 17% growth in operating profit*

Bamburi Cement Group has today announced its 2021 Financial Year results reporting a pre-tax profit of Kes 2.2 billion, representing a 22.3% year-on-year increase from Kes 1.8 billion posted in 2020. The company's impressive result is on the back of positive volume and price performance coupled with robust cost management through various cost initiatives and operational efficiencies.

The performance also reflects the continued economic recovery from impact of the Covid-19 pandemic particularly in the construction sector. The Group's Turnover increased by 19% from Kes 34.9 billion to Kes 41.4 billion. This was attributed to growth in retail and key account segment in both Kenya and Uganda. Domestic selling price in Kenya improved compared to prior year due to higher proportion of premium products sales and targeted price actions in the retail segment.

The cement maker's operating Profit for the year grew by 17% to Kes 2.3 billion from Kes 2.0 billion. This was achieved despite 2021 being an inflationary year with prices of coal, power, imported clinker and global fuel increasing and adversely affecting the company's cost base.

The company's net profit was Kes 1.38 billion, 22.2% higher than the previous year. With this, the board has recommended a dividend payout of Kes 1.38 billion at the rate of Kes 3.58 per ordinary share subject to shareholders' approval in the upcoming Annual General Meeting.

Mr. Seddiq Hassani, Bamburi Cement Group Managing Director commented: "We made substantive progress on our strategic cost optimization actions and sustainability initiatives leading to high levels of operational efficiency and the 17%

increase in our operating profit. As the cost of input raw materials continues to rise excessively, we will continue implementing these initiatives”.

“Our commitment towards innovation aimed at achieving better returns for our shareholders continues. For example, one of the investments made was looking to fill a gap in the untapped specialized mortar segment and *Bamburi TectorCeram SETI 300*, a ready-to-use tile adhesive under this range has been launched this year. We have also been gradually embarking on the switch to green solar energy as part of our efforts towards saving on power costs and contributing to Net Zero goals” he added.

Mr. Hassani said the company envisages growth in cement demand supported by stable economic environment. In Uganda, cement demand is expected to be fueled by greater investment in public infrastructure especially in the oil industry. However, the impact of the closure of the Uganda - Rwanda border is a downside risk though positive signs on the reopening have been observed at the beginning of 2022. He is also optimistic about further growth in exports with the admission of Democratic Republic of Congo to the EAC.

Dr. John Simba, the Bamburi Cement Group Chairman concluded: “In Kenya, the big four government agenda in the areas of affordable housing and significant investments in infrastructure projects in the pipeline (roads, railways, ports, special economic zones) is expected to fuel the growth of cement market. However, the impact of the coming general election is an unquantified risk factor which potentially might impact market dynamics”.

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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 circular construction 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, Lafarge and Malarkey Roofing Products. 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.

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