

14 October 2024

Steppe Cement Ltd
("Steppe Cement" or the "Company")

Trading Update for the Third Quarter ended 30 September 2024

Steppe Cement Ltd (AIM: STCM), is pleased to announce the following trading update for the third quarter ended 30 September 2024 ("Q3 2024" or the "Period"). All numbers referenced below are unaudited.

- Steppe Cement generated revenue of KZT 15,085 million (approximately USD 32 million) in Q3 2024, which was 7% higher than the revenue achieved in Q3 2023 of KZT 14,116 million (approximately USD 31 million).
- For the nine months ended 30 September 2024, Steppe Cement recorded revenue of KZT 30,520 million (approximately USD 67 million) compared with KZT 31,093 million (approximately USD 69 million) in the corresponding nine-month period in 2023 (a 2% decrease).
- The increased revenue in the 3 months to 30 September 2024 was largely attributable to the increase in the volume of sales during the period to 621,915 tonnes, 5% higher than in 2023 as well as a 2% increase in the price of products sold in the quarter.
- For the first 9 months of 2024, the volume of sales remained at 1.34 million tonnes
- The average price (ex-VAT) for delivered cement was KZT 22,755 (approximately USD 50) per tonne in the first 9 months, compared with KZT 23,163 (approximately USD 51) per tonne in the corresponding period in 2023.
- Production levels have increased due to the increased efficiencies resulting from the capex spent over the previous last two years. Higher production levels helped to stabilize the cost base as well as to increase the clinker stock available for the fourth quarter.
- Steppe Cement has cash and cash equivalents of USD 11 million, as at 7 October 2024.

For the first nine months of 2024, the demand for cement in the domestic market was 9.1 million tonnes, similar to 2023. In the first 9 months of 2024, imports into Kazakhstan decreased to 3.5% of total consumption down from 4.6% in the corresponding period in 2023, while exports from Kazakhstan were 0.72 million tonnes in the 9 months to 30 September 2024 due to higher competition in Uzbekistan. The current estimate of the cement market for the full year of 2024 is 11.3 million tonnes, the same as in 2023.

Steppe Cement's market share is expected to stay at around 15%.

Javier del Ser Perez, Chief Executive Officer of Steppe Cement, commented:

"We recovered both volumes and pricing in the third quarter of 2024, following a price adjustment in the second quarter. While competition remains strong, our factory has continued to enhance its capacity and productivity, enabling us to offset the impact of past inflation. We remain focused on driving higher volumes and cash generation."

****Ends****

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The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019.

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