

LAFARGE AFRICA RECORDS 18% PROFIT BEFORE TAX GROWTH IN H1 IN SPITE OF ECONOMIC CHALLENGES

- Q2 Net Sales up 10.3% vs PY; Operating Profit up 13.3% vs PY, Profit Before Tax up by 29.0%
H1 Net Sales up 5.9% vs PY; Operating Profit up 7.7% vs PY, Profit Before Tax up by 18.0%
- Healthy Balance Sheet with a Strong Net Cash of ₦140.6bn; with H1 Free Cash Flow closing at ₦81.8bn.
- Q2 Profit After Tax grew by 3.2% vs PY; H1 Profit After Tax down by 5.2% vs PY due to higher tax expense after expiry of the Pioneer Status Incentive (PSI)
- Continued focus on driving Sustainability-led growth, Health and Safety

Q2 and H1 2023 Performance Overview

	Q2 2023	Q2 2022	Var. (±%)	H1 2023	H1 2022	Var. (±%)
Net sales (N'mn)	105,860	95,981	10.3%	197,681	186,587	5.9%
Operating Profit (N'mn)	30,046	26,514	13.3%	52,286	48,547	7.7%
Operating Profit margin (%)	28.4%	27.6%		26.4%	26.0%	
Profit Before Tax (N'mn)	32,787	25,411	29.0%	55,315	46,879	18.0%
Profit After Tax (N'mn)	20,497	19,852	3.2%	35,479	37,410	-5.2%
Free Cash Flow (N'mn)	77,141	42,438	81.8%	81,800	37,325	119.2%

Lafarge Africa Plc. CEO, Lolu Alade-Akinyemi commented:

“I would like to thank all employees and stakeholders of Lafarge Africa for another quarter of strong results, despite the challenging economic environment. We remain focused on delivering sustainable value to all stakeholders as the market recovers for the rest of the year.

We achieved strong top-line growth of 10.3% in Q2 and 5.9% in H1; Operating Profit growth of 13.3% in Q2 and 7.7% in H1, and Profit Before Tax improvement of 29% in Q2 and 18% in H1. Owing to the expiration of the Pioneer Status Incentive, Q2 Profit After Tax growth was a muted 3.2%. This is backed up by a strong Free Cash Flow position and healthy Balance Sheet. The recent launch of our Eco label cement brand re-affirms our commitment to delivering superior value to our customers. This new product has been certified to be eco-friendly with 30% lower carbon emission than the local industrial standard.

Our strategic and cost management initiatives have contributed to improved results despite the challenges. We remain steadfast in our commitment to driving innovation and accelerating green growth in line with our sustainability ambitions and targets.”

BUSINESS UPDATES

Eco Label Cement Brand: On June 26, 2023, Lafarge Africa announced the launch of Eco Label cement brand. Eco Label represents a broad range of green cement for high performance, sustainability and circular construction. This initiative supports the Lafarge Africa's ambition to accelerate green construction with the use of eco-friendly products.

The products that are certified to be eco-friendly have a lower 30% carbon footprint compared to the local industry standard (Global Concrete & Cement Association). Lafarge UniCem brand which contributes about 23% of the company's entire volume is now eco-friendly.

By the production of this eco-friendly cement, Lafarge's end-users have the opportunity to make greener choices and accelerate the country's carbon reduction journey in the manufacturing sector.

Cement Bag Manufacturing Plant: Lafarge Africa continues to adopt global best practices in its manufacturing processes with the commissioning of a state-of-the-art cement bag manufacturing plant at its Ewekoro Plant in May this year. Reputed to be the first of its kind in the country, and with a monthly production capacity of 8.8 million bags and an annual capacity of 105 million bags, the new bag plant allows Lafarge to reinforce availability and handle large scale production of bags while also improving livelihood through direct employment of 254 individuals, with 60% being residents of Ewekoro Community.

OUTLOOK

The Nigerian Infrastructure and Construction Sector is expected to continue to grow despite inflationary pressure on purchasing power. As a result, we maintain our positive outlook, with market recovery expected for the second half of the year. We will continue to maximize volume opportunities across our markets and actively manage our costs. The company remains committed to its sustainability ambitions and strategy of 'Accelerating Green Growth' through innovative building solutions and delivery of stakeholder value.

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About Lafarge Africa Plc

Lafarge Africa Plc, a leading Sub-Saharan Africa building solutions company is a member of Holcim Limited, a world leader in building solutions accelerating our world's green transformation. Listed on the Nigerian Exchange Group, Lafarge Africa is actively participating in the urbanization and economic growth of Nigeria, the largest economy in Africa.

Lafarge Africa has the widest footprint in Nigeria with cement operations in the South West (Ewekoro and Sagamu in Ogun State), North East (Ashaka, in Gombe State), South East (Mfamosing, Cross Rivers State) with Ready-Mix operations in Lagos, Abuja and Port Harcourt. Lafarge Africa has a current installed cement production capacity of 10.5Mtpa.

Lafarge Africa leverages on its innovative expertise to provide value-added products and services solutions in the building and construction industry in Nigeria. Additional information is available on the web site at www.lafarge.com.ng

About Holcim

Holcim is a global leader in innovative and sustainable building solutions. Driven by its purpose to build progress for people and the planet, its 60,000 employees are on a mission to decarbonize building, while improving living standards for all. The company empowers its customers across all regions to build better with less, with its broad range of low-carbon and circular solutions, from ECOPact to ECOPlanet. With its innovative systems, from Elevate's roofing to PRB's insulation, Holcim makes buildings more sustainable in use, driving energy efficiency and green retrofitting. With sustainability at the core of its strategy, Holcim is becoming a net-zero company with 1.5°C targets validated by the Science Based Targets initiative (SBTi).

Learn more about Holcim on www.holcim.com

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