

Strong Q3 Net Sales and Operating Profit Growth, Eps Impacted by Inflation and Devaluation of Naira.

- Q3 Net Sales up 9.8%.
- Q3 PBT down 17.4%. Q3 PAT down 48.9%.
- Foreign exchange losses and higher income tax expense (after expiry of Pioneer Status Incentive in 2022) responsible for EPS decline.
- 9M Net Sales up 7.1% vs PY, Operating Profit up 22.6% vs PY.
- 9M PBT up 13.4%; 9M PAT down 12.5%.
- 9M Free Cash Flow N72.5bn, Healthy Balance Sheet with strong Net Cash of N117.8bn.
- Continued focus on Innovation, Operational Excellence, Health and Safety and Decarbonisation

Q3 and 9M 2023 Performance Overview

	Q3 2023	Q3 2022	Var. (±%)	9M 2023	9M 2022	Var. (±%)
Net sales (N'mn)	91,400	83,266	9.8%	289,081	269,852	7.1%
Operating Profit (N'mn)	17,064	8,009	113.1%	69,349	56,555	22.6%
Operating margin (%)	18.7%	9.6%		24.0%	21.0%	
Profit Before Tax (N'mn)	5,841	7,069	-17.4%	61,156	53,948	13.4%
Profit After Tax (N'mn)	3,826	7,489	-48.9%	39,305	44,900	-12.5%
EPS (N/share)	23.75	46.49	-48.9%	244.00	279.00	-12.5%

Lolu Alade-Akinyemi, CEO Lafarge Africa, commented: “The fundamentals of the business remain strong. We achieved strong top-line growth of 9.8% and 7.1% in Q3 and 9M, respectively. 9M Operating Profit grew 22.6%. Our Q3 performance was however impacted by macro-economic challenges mostly-inflation and Naira devaluation.

We continue to maintain a strong free cash flow position and a healthy balance sheet, positioning us for sustainable growth. Our mid to long term outlook remains positive. We are committed to delivering sustainable value to all stakeholders as we go into the last quarter of the year. I would like to thank all employees and stakeholders of Lafarge Africa for their support over the years and in the last quarter”

BUSINESS UPDATE

GREEN LOGISTICS INITIATIVE: On 23rd October 2023, Lafarge Africa launched its pilot Electric Powered Truck in its cement operations in Ewekoro, Ogun State. This project is in line with Lafarge Africa’s commitment to innovation and sustainability in its operations and also aligned with its Accelerating Green Mobility strategy.

Also, we have injected additional gas trucks into the fleet as we continue to adopt eco-friendly and low-carbon means of distribution for our products. Lafarge Africa will continue to scale up these innovative initiatives over time in line with our decarbonisation strategy and growth ambitions.

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 continued market recovery expected for the last quarter 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

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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