

Investors cheer PPC's optimistic trading update

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PPC's share price rose 5.8% to R7.53 on Tuesday morning, 7 November, after it said its profitability had improved thanks to "robust growth in Rwanda and Zimbabwe" and a significant reduction in finance fees.



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The cement maker said it expected to report on November 23 that headline earnings per share (HEPS) for the six months to end-September grew between 30% and 40%. Basic earnings per share (EPS) grew between 45% and 60%.

PPC said its net debt levels had remained in line with that reported in its operating update announcement on September 26 and the group remained adequately capitalised to meet its debt repayment obligations.

Its debt restructuring negotiations with lenders in SA and the Democratic Republic of Congo (DRC) were progressing well.

"Furthermore, the group's ability to generate strong cash flows is evidenced by cash and cash equivalents rising by between 50% and 60% on the prior comparable period," the trading update said.

Swiss building materials group LafargeHolcim is in the process of doing a due diligence of PPC, and is expected to announce a firm offer to shareholders around the time it releases its interim results.

Source: AFP

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