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Kay: Good day and welcome to BUA Cement Half Year 2020 Conference Call with investors and analysts. On this call are Yusuf Binji MD CEO, Finn Arnoldsen, GCOO and Chike Ajaero CFO. There will be a question and answer session at the end of today's presentation Please, go ahead Gentlemen.

Yusuf: Good afternoon everyone my name is Yusuf Binji and thank you for taking the time to be part of BUA cement's half-year 2020 Conference Call. Presenting with me on this call today are Mr Finn Arnoldsen, Group Chief Operating Officer, and Mr Chike Ajaero, the Acting Chief Financial Officer. I trust you are all keeping safe and observing all the preventive measures and protocols advised by the health authorities.

Over the next few minutes, I will share with you insights covering BUA Cement half year operations. Therefore I will request the lines to be opened for your questions afterwards. I'm sure you've been given a copy of the presentation that I am going to go through and I hope you have gone through so I will be very brief and also just focus on some of the main highlights.

If you kindly turn with me to slide number six. I provide highlights of our activities during the review period. Our value for rented and focused strategy continues to pay up underpinning the resilient performance we continue to showcase. The Cement volume dispatched increased by 7.91% from 2,282,000 tonnes in the first half of 2019 to 2,463,000 tones as at the first half of 2020.

EBITDA margins remain resilient at 46.8% during the first half of 2020 with EBITDA margins increasing to 48.1% in Q2 from 45.6% we had during Q1 of this year. The free cash flow balance increased from N5.8 billion in H1 2019 to N20.62 billion as at H1 2020. If you recall, we reported a negative free cash flow balance in Q1 2020 of N3.90 billion which was attributed to the payment for parts and supplies in the wake of the global pandemic.

During the Quarter, we signed two strategic partnership agreements for the supply of liquefied natural gas and also the management of our mines respectively. Through these, we leverage on unique competences that will both drive costs efficiency. Despite the uncertain global economic outlook, our optimism is void by resulting opportunities from the pandemic, the resilience of the Nigerian environment led by the private sector while also focusing on the recovery framework being instituted by the government.

Please turn to slide number seven. You will see how we have created value amidst the low GDP per capita and the market compression. The inflation in Nigeria 2014 growing at the rate of 2.53% with a very high rate of urbanizations but also with a big deficit in housing and infrastructure. In general, cement consumption in Nigeria remains very low even when considered from a population and infrastructural deficit standpoint which are the major drivers.

However, through our value-oriented approach alongside our service offering supported by the continued focus on governance, continued improvement and sustainability, these are enduring an applause, we will continue to endear customers to our products thereby guaranteeing increasing margin, acceptance and profitability. Turning to slide eight you will get an overview of BUA Cement. Today, we are the largest producer of cement within the South-South, South East and North West regions of the country.

We operate across two states in Nigeria, Edo and Sokoto using best in-plant production facilities and continue to maintain a capacity utilization rate above 60%. During the first half of 2020, the total volume dispatched was 2,462,000 tonnes of cement which translated to N101 billion in sales. Furthermore, we are the third most capitalized company on the floor of the Nigerian Stock Exchange with a market capitalization of N1.31 trillion.

Sustainability is pertinent to our operation and gross strategy, ensuring our footprints record minimal impact on the environment while opening up economic opportunities for communities and positive impact to the society. Additionally, our sustainability initiatives are guided by (blocking 5:47) standard and our sustainability governance framework. As we course through this presentation, we will share with you some of our scorecards on some o these activities.

Slide nine showcased our evolution over the years and for those of us that we were with us during the first presentations, we have gone through this in which we adopted a disciplined approach to flawlessly execute our growth up to where we are now. Coming to slide number 10, we also highlight our strategic positioning across Nigeria, both in Sokoto and in Edo State using four production plant with a total installed capacity of 8 million metric tonnes per annum. However, plans are underway to increasing the existing capacity by 3 million metric tonnes in Kalambaina, Sokoto State which will be commissioned during the first half of 2021.

Thus bringing intended capacity to 11 million tonnes per annum. Given this gross positioning effort, we are not only well placed to satisfying the demand but also able to showcase the value inbuilt in our product offerings which remains the hallmark of our brand. Slide 12 is an overview of the macro environment during the first half of 2020. Brent crude was up 80.96% from $22.74 a barrel in March 2020 to $41.15 a barrel as at June 2020.

This is supported by productive costs from Opex and its allay along with with renewed demand for oil due to an uptake in production activities globally. The Naira further depreciated by 0.1% in the month of June to N385.84 kobo to a Dollar from the N385.50 kobo per Dollar in March 2020 due to increased demand for the Dollar. While we await the release of economic data from the second quarter, we will point out that the manufacturing and non-manufacturing purchasing manager's Index PMI released by the CBN points to continued contractions even in the month of June.

Turning to slide 13, we showcased the result of our resilient performance for the first half of the year. Main volume dispatched increased by 7.9% from 2,282,000 tonnes in the first half of 2019 to 2,463,000 as at first half of 2020 resulting to 85.7% increase in sales revenue from N89.86 billion in first half 2019 to N101.26 billion as at the first half of 2020. EBITDA and operating profit rose by 5.8% and 7.0% year on year to 47.36 billion and N40.81 billion respectively.

Though EBITDA margins declined to 46.8%, despite the reported decline, a quarterly review reveals EBITDA margins rose from 45.62% in Q1 2020 to 48.08% as at Q2 2020 due to the cost-containment efforts and higher pricing during the second quarter. The net financing costs decline 33.5% from N2.47 billion in first half 2019 to 1.64 billion as at first half of 2020, a result of lower borrowing costs.

The profit before tax was up 9.8% to N39.2 billion from increased operational activities while profit after tax also increased by 13.7% to N34.82 billion. Amidst the uncertain economic environment, slide 15 highlights how the fusion of discipline and execution was supportive of our performance. On the per tonne assessment, EBITDA expanded during the second quarter by 8.16% or 1,512 per tonne as at Q2 2020 compared to the first quarter of 2020.

If you now turn to slide 16, we highlight the costs component of our operations. Cost of sales per tonne increased by 10.87% to N19,968 per tonne as at the end of the first half of 2020, if you increase output capacity and higher energy costs. Given the devaluation of the Naira, we recorded a 9.32% increased energy costs to N9,234 per tonne as at the end of the first half of 2020. Having recorded an exchange rate movement from N306.5 to N360.50 kobo.

With the intended changes to our energy mix as earlier highlighted, we expect the efficiency gains to improve our cost profile and margins. Expectedly our distribution costs rose by 1.95% to N2,596.72 kobo per tonne during the period under review. In line with our strategic purpose of increasing and sustaining foothold in the existing markets, price also moving in the new market.

On slide 17, what we have shown here is the evolution of the cash flow and net debt as at the end of the first half of 2020. Free cash flow balance increased from N5.88 billion in H1 2019 to N20.62 billion as at the end of the first half of 2020 led by a 141.20% increase in net cash flow from operations to 63.82 billion. If you recall, we recorded a negative cash flow position of 3.9 billion during the first quarter of 2020.

Consequently, the net debt balance recorded a revision from a positive debt balance of 5.84 billion at the end of the full year 2019 to a negative net debt balance of 12.99 billion as at the end of the first half of 2020. During our last Conference Call, we highlighted the identified priorities for the year. If you go through slide 18-21, our scorecards on these priorities are highlighted. Slide 20 focuses on the sustainable development goal pillars guiding our sustainability initiatives alongside the achievement for the period.

We remain an (?) conscious institutions and through our modern plants and best practices, our activities remain below international standards. For instance, our particulate matter emission remains below the prescribed limit. On societal impact, some of out activities cut through health care and education with the funding and equipping of hospitals, health care centres and schools, providing scholarships to students, electrification and access to clean water for the communities.

Training of members of the communities under our skill acquisition program, and providing start-up grants to some of these individuals under our empowerment program. It may please you to note that in Sokoto State, we have taken the responsibility of fully funding a primary school, just ensuring these children are not only taken to school but have a pathway to a desired future.

Focusing on other priorities, we continue to make good progress. The development on our Kalambaina line 3 plant is just on schedule. We earn traction in our push to new markets while receiving an export permit for limited quantities of exports. Synergy gains are gradually coming together. Currently, we're benefiting from an enlarged entity in terms of revenue synergies. We are not working on the operations synergy space. We will continue to provide you with updates. Looking ahead we remain upbeat despite the weight of our uncertainties.

Primarily because of the opportunities inherent in moments of crisis. If anything else it enables us to step up our value and service offering. This concludes the first half of the year 2020 performance review. I will now request for the lines to be opened so that we can take questions. Thank you very much for listening.

Kay: Thank you very much We will now open the lines for questions. To ask a question, please press "0" on your phone's keypad. That's "0" to ask a question and "7" to cancel your question request. Your first question is from Janet Ogunkoya. Please, go ahead.

Janet: Hello, Goos afternoon and thank you for picking my questions. I have about two or three questions. The first is, Hello can you hear me clearly? (?)

Yusuf: Go ahead. Go ahead.

Janet: All right. Thank you. My first question will be on export. I don't know if you could give us an update on that, if you've been doing export? I leant that maybe BUA has actually at least in the North, that you've started exporting, that you've resumed export again. If you could please give us an update on that. And then also would be ...

In the liability, we saw that there was an increase in liability due to a related party loan. I don't know if you could also give details on that as well. And then also you mentioned complains about optimizing your energy mix, I don't know if you have any plans on that. If you could just share with us like considering the impact of the devaluation on that site, if you could give an update like what your plans are like to optimize your energy costs going forward. I think that will be all. Thank you.

Yusuf: Okay. Thank you very much. You have asked three questions. I will answer two and then I will ask our CFO to answer the second one which is one of the liabilities due to related parties that has increased. Regarding the export, during the month of June, we received an approval for limited export to the Niger Republic from our so-called Plant through the Illela border which we carried out successfully. The Nigeria Borders land borders still remain shut.

So this was a one-off thing we received but we hope to get more subsequently during this quarter. Regarding the optimization of the energy mix, we have signed a contract with a company called green (?) energy to convert our production facilities in Sokoto to be using liquefied natural gas. This is going to come from Port Harcourt in LNG tankers and we are bidding a re-gasification plant in Sokoto that will convert the liquid back to gas and that will be used in both our power plant and also our kiln. The kiln is the furnace that produces our intermediate product called clinker. So these two areas we will use LNG in the very near future. Chike you respond to the question.

Chike: On the increase of due to related parties, if you notice from our PPE schedule, you will see that we have brought in our Kalambaina Line 3 under capital work in progress, about 40 billion was capitalized and we have earlier said that the financing will come partly from equity and partly from shareholders loan. The shareholders' loan comes from BUA international that happens to be a related party. So part of the financing that BUA international granted for the construction of the Kalambaina Line 3 that was brought in within the half-year. So that's what accounted for the issue. Thank you.

Kay: Thank you. Your next question is from Oluwaseun Arambada from Meristem Securities. Please go ahead.

Oluwaseun: Good afternoon and thank you for this call. I just have three questions here to ask. The first one will be on Prices. Could you please give us an idea of what average average ex-factory prices were in the first half of the year. My Second question will be as regards taking advantages of the low interests environment. Should we expect the company to be coming to the market to raise some Capex especially now that you have an ongoing expansion? Should we be expecting the company to come into the market to take advantage o that low-interest environment?

Also, I have a question on the -we saw new some time ago intends on building a new plant in Adamawa. I would appreciate if we could just guidance as to where the company is with that. I also have a question on Exports. and I need to clarify it. I wanted to ask that would if the company would be getting authorization for further exports going forward into the second half of the year? I think that's actually my questions. Thank you.

Yusuf: Okay. Thank you very much. I didn't get your name correctly. Did you say Segun or Seun? The acting CFO will give the ex-factory prices and also the no-interest loans. Regarding Adamawa, I would like to direct your questions to BUA Group, they are championing these initiatives for the expansion in Adamawa. For the exports, yes, we are very hopeful we are going to get more permits to carry our spares to the Niger Republic. Like I mentioned earlier, we were given a one-off thing for a limited quantity which we exhausted in June. But we are optimistic it's going to continue during Q3 through the land border of Illela from Sokoto State into the Niger Republic. Mr Chike can you respond on the prices.

Chike: Yes. The ex-factory price is around N44,000 per tonne within the first half of the year. Then on the financing, for now, we have already structured the financing for our Kalambaina Line 3. The financing will come partly from equity and partly from shareholders loan that is BUA International, and we equally have a four-year loan from one of the banks at a very good interest rate that we are using to finance the construction. So if like you mentioned Adamawa project, if eventually it's approved for construction, we will explore other cheaper funding for financing our expansion. Thank you.

Kay: Thank you. Your next question is from Kehinde Adio from lotus capital

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Kehinde: Good afternoon thank you for the call. I want to (search) term of the tax status of your plants, Sokoto, Obu, the line 2 in Sokoto, and Line 3, and the Obu Plant. Also, I wanted to know if you have plans to increase your float funds because I can see that it's below the free float of the NSE so are there plans to offer shares to the public? Thank you.

Yusuf: Thank you very much Kehinde. Regarding the issue of float, that is one of the reasons why we are having this call so that people will be sensitized. We are committed to meeting our free float deficiency in due course and plans are underway to release shares either in block or to the public. Mr Chike can you also respond on the tax status for line 2 and 3?

Chike: Line 2. I didn't get the question, Sir. Did he say the tax status for line 2?

Yusuf: Yes. In Obu

Chike: Okay. Line 1 in Obu is still under pioneer status extension which will expire in 2021 while line 2 in Sokoto is equally under three years pioneer exemption that started in 2019. It will expire in January 2022. while Obu line 2, we are still expecting the approval for the Pioneer status. Then Sokoto line 1 is not under Pioneer. Its has been in existence for a lot. So that's the status of plants.

Yusuf: Okay. Thank you, next question, please?

Kay: Thank you. Your next question is from Suru Daniels. Please, go ahead.

Suru: Okay. Thank you very much and let me start by commending the very clearly progressive growth that BUA has recorded in this half-year. I wanted to find out, it looks to me like the company has successfully found a way to manage its selling and distribution costs despite the difficulties in the economy. Can we expect that this will be a continuous thing? That is on one hand, on the other hand, and the other question is that considering the impact of FX on your gas supply agreement, is there any plan to localize those contracts? Since the suppliers are locals, is there any plan to negotiate those contracts in Naira as against doing them in Dollars. I believe that this will have long term profitability impact on costs. So I will be happy if you could please speak to this. Thank you.

Yusuf: Okay. Thank you very much. Yes. Indeed we intend to continue our selling and distribution costs optimization. So you will see the kinds of strategies and policies we have put in place will be sustained in the near future. Regarding the denomination of the contract for the gas supply from Dollar to Naira, these contracts were signed a long time ago, and they are long term contracts. Of course, payment is always in Naira but the exchange rate of course, when it fluctuates we bear the impact. This we have not tap unto the consumers at all.

At the beginning of the year, we were paying N305 to a Dollar for the gas pipe and now we are paying N360 that's as at the end of June to a Dollar. So of course, if it is possible to renegotiate we would try, but like I said these contracts are signed a long time ago and they are long term contracts. Thank you.

Chike: More so petroleum products are normally priced in Dollars. It's just like we are having fuel now that government keep on changing the prices based on the international price of the product so its normally done that the pricing for the gas is denominated in foreign currency, Dollar. So its the exchange rate devaluation that the Central Bank recently did within the half-year that affected the change. Thank you.

Kay: Your next question is from Mohammed Abdul-Razaq. Please go ahead.

Mohammed: Hi Good afternoon everyone and thank you for taking the time to make this presentation to us. The question I had again was just around exports. Obviously, the border is currently shut and you got special approval to export to Niger but on a long term basis, assuming that the border is open, how much demand is the group seeing from Niger in relation to its plan in Sokoto? So obviously given the plan to be producing around - have a capacity of 2 million metric tonnes and seeing the capacity utilization of 60-70%, how much demand could you see coming from Niger over the next couple of years. I just want to get some insight on that and are you also seeing demand from Benin as well? Thank you.

Yusuf: Thank you very much Mohammed Abdul-Razaq. The demand coming in from Niger. What we tried to do is that the Nigerian market is our first priority. We have to satisfy the demand in Nigeria. What we are sending is the excess production that we have. So as long as we are not so clear about the actual demand in Nigeria, we would not be able to put a number or figure to how much we are going to export. So we will see and also we have to see when the restrictions are lifted and the borders are fully opened, because like I said, also it was a one-off thing we got and we hope to get more and with that, we cannot really say this is how much you are going to export. We are being given the approval in batches. Regarding the Benin Republic, no we don't have any plans to export the Republic of Benin.

Finn: Yusuf maybe I can add just a comment?

Yusuf: Yes Mr Finn.

Finn: Hello. Hello?

Kay: Yes. Please go ahead.

User: You know concerning the export here as the MD is communicating, of course, it's mainly based upon excess capacity from the domestic operations but the market in Niger for us generally is very interesting because there you talk about - the French-speaking Africa has pretty high growth and very much supported by the European Union so it's a lot of public prospects, even now still going on in these countries and particularly this year in Burkina Faso. So we talk about sustainable volumes up there and today it's around a million tonnes. So it's quite interesting for Sokoto to penetrate further into that market and also take stand into the other (inner) countries like Burkina Faso. Even though they are very much protected but in the borders in the French-speaking West African but it's still a lot of potentials. As long as Sokoto Cement is there, host north integrated Cement Plant in West Africa. All these other into Burkina Faso is based upon import. Everything is imported. So for the future when this borders things is over and also we get more capacity, it could be a great great opportunity for Sokoto Cement there. Thank you.

Kay: Thank you. Your next question is from Funmi Soile. Please, go ahead.

Funmi: Hello, my first question really is that I wanted to understand the amount that was exported in June? What exactly was exported? What did you get approval from? The second question is on your gas contracts. Are there plans to have pipelines in that area or how is the gas going to be transported?

Yusuf: Thank you very much Funmi. We exported 200 trucks. It came towards the last week of June. 200 trucks of 40 tonnes each, that is 8000 tonnes. That was the approval we got and we exported it fully. The gas pipelines, we do not presently have any gas pipeline running up to Sokoto. We have seen Mr President sign the contract for the Ajaokuta-Kano-Kaduna Gas pipeline, of course, that will offer us some relief when completed.

But at the moment the gas will be made available in Sokoto in liquid form. That means there is a liquefaction plant in Port Harcourt owned by a private company and they will produce NLG and they will put it in cryogenic tankers that will go all the way from Port Harcourt to Sokoto. The liquid natural gas will be uploaded into storage tanks and then we have a series of evaporators that will convert it back to gaseous form and then we have a short pipeline to our equipment. So that is how we intend to get gas down to our equipment in Sokoto. Thank you.

Kay: Thank you. Your next question is from Moses Njuguna. Please go ahead.

Moses: Hello. Thank you so much for hosting this call. I'm very new to the camp, so I have quite a number of questions. So the first one will be on whats your current fuel mix across the different plants and you've just said that you want to mitigate against the use of gas because prices are increasing due to the devaluation of the Naira. So I would just like to get an idea of what your target here is and the timeline in terms of achieving that target.

That's the first part. The second part is in relation to Sokoto Line 3, you've just shared about the shareholder loan that provides part financing, I just like to get an understanding of how much or the percentage of the total Capex of that project. How much the shareholder loan is. In addition, are there any value and detail in relation to that? Are you going to pay a certain interest rate in relation to that shareholder loan?

You also mentioned that there will be a four-year loan from one of the Banks but at good interests rate. Could you give us more information on that if possible? The fourth question will be in relation to the free float. You said that that will happen in due course, either to block or spilling shares to the public by reassignment with - there's a regulation from the NSE provides a timeline to attaining of the minimal pre-slots in the NSE. Yes. I think that's all the questions I have at the moment.

Yusuf: Thank you very much, Moses. I didn't quite get what your first question was but regarding the second question on Sokoto line 3, the Shareholder loan is going to account for 50% of the total Capex and the Capex is not only on the Cement plant itself. We also have a power plant, we have land acquisition, we have re-settlement of villages to pave way for building the factory. We also have a re-settlement of villages for the quarry expansion. It's quite a package.

Regard the free float requirement, yes we are aware of the NSE timeline and we are working towards meeting that and we will meet it, in fact, we are far ahead before the timeline expires. So the process has commenced. We have done a roadshow with potential investors and it is very positive. You will start seeing some uploading of the (shirt) very soon. Mr Chike, I don't know whether you got the first question and you can respond to that or Mr Finn. Thank you.

Chike: Its the last question that he asked about the loan that is for four years tenure loan that I mentioned initially. If you look at our statement of financial position, you will see that we have about N26 billion short term finance. That short term finance has been restructured to a loan of four years to give us at least cushion for our working capital requirement so that we will not be under pressure. So that's the amount that I was referring to when I said that the loan that we received from one of the banks will last for four years. So in our next financial presentation, that short term loan will eventually disappear. Instead of having that short term loan, it will now turn to a long term loan of four years. Thank you.

Kay: Thank you. Your next question is from Emmanuel Olutoki. Please go ahead

Emmanuel: Hello, good afternoon.

Kay: Hi. Yes please go ahead.

Emmanuel: Okay. Thank you for the presentation most o the questions I have have been attended to. But one last one is about the Obu-Okpela plant in Edo state main site. I understand that the case is still in court and you might not be able to say much. But can you just give us like a guidance as regards the impact it will have, whether positive or negative, whichever way the case goes on your bottom numbers? Thank you.

Yusuf: Good afternoon Mr Emmanuel, like we have mentioned severally, we do not comment on the specifics of the court case because it is before a court of competent jurisdiction. We have other mines and not all of them are in use at the moment so we do not foresee any impact whether the ruling goes in our favour or against us. Thank you.

Kay: Thank you. Your next question is from Gbolahan Ologunro. Please go ahead.

Gbolahan: Good afternoon. Thank you for hosting this Conference Call and taking my question. So I joined a little bit late so pardon me if some of my questions may have been answered. So the first is an insight into sales volumes in Q2 compared to Q1. Then the second is, it will be nice if you can provide information on average capacity utilization on a geographical basis. Then the last question is with regards to the liquidity challenges in the FX market, how have you been able to source for FX for your costs netted in USD. That will be all for now.

Yusuf: Thank you very much. The figures are - we have already given, for the first half of the year, we have done 2,462,000 tonnes in sales and I can't remember exactly for the Q1 but I think the CFO will give us that figure. The average capacity utilization across our production lines is more than 60%. On a geographical basis, I don't have those figures because we don't do it this, its just per plant. But what we have given you is the average for all the four lines that are operating. So and that is quite high by Nigerian standard. Mr Chike, you will also respond to the question on the Forex sourcing. Thank you.

Chike: Yes, our dispatch for Q1 was 1,328,000 tonnes, while for Q2, we dispatched 1,134,000 tonnes. Then on the Forex, we have minimal use of foreign exchange because most of our raw materials is sourced locally especially limestone which is the basic raw material that we use. It's only few raw materials like (?) that we import and our Bankers have bee supporting us very well in sourcing the Forex although it's not that easy as it used to be, that you have to undergo series of bidding before you will be successful. But we have not had a negative impact of the Forex non-availability in our operations for now. Thank you.

Kay: Thank you. Your next question is from Tony Hatley. Please go ahead.

Tony: Yes. Good afternoon and thanks for the call. Firstly just a comment, congratulations on your CO_2 per tonnes of cement rates. They are excellent very much best in class and puts global existing players to shame. Well done. You just mentioned your utilization factories is around about 60%. Watching the Nigerian market quite carefully, we see utilization as you mentioned below that figures on an average, we see price progressively slipping down not spiralling down over the period.

I assume your increase in price is perhaps due to a mix between South or mix Mid-belt and Northern Pricing. So how do you see the market share dynamics and also the pricing dynamics are given firstly the fact that a lot of your costs are effectively Dollar based to mention fundamentally energy and heavy Capex business so how do you see the price evolving in the context of first devaluing Nigerian Naira, your commitment to build new plants which probably will suffer from low utilization. So could you talk about the competitive dynamics and the rationale for planning more capacity, introducing more capacity, and how you plan to recovery your Dollar profitability? Thank you.

Yusuf: Thank you very much, Mr Tony. You are asking a question from a well-informed point of view. Okay, I will try to answer your questions and Mr Finn will also come in. Yes capacity utilization, I believe probably we have the highest capacity utilization within the industry. The market share dynamics, as all of us are very much aware, sometimes it's very difficult to know where all the cements are going geographically speaking because most of the Cement plants, they have two methods of selling the cement.

We have the ex-factory and we have the company delivery. The company delivery we can track 100%. we know where we are delivering and we have a good understanding of the volume going into that market. For the self-collection, whereby the customer either rents a third party truck or uses his own truck, and he can take the cement anywhere because they affect traffic price. We do not have a very good pick of where these cement is going. So the market share dynamics is a bit grey at the moment.

The Cement prices in Nigeria less than a 100 Dollars a tonne as you are aware, You have much West African continent much higher than that, 120, 140 Dollars per tonne. So definitely we do not foresee that prices are going to go in a southward direction in the near future because also with all the development plans and the spending by government on infrastructure vis a vis the capacity. We are very very optimistic that by continuing to invest, we are going to recover our costs, that is why we are taking decision wherever we see an opportunity we are going to take it.

Yes, the value of the Dollar and vis-a-vis the depreciation of the Naira is quite worrisome because we generate most of our income in Naira then the new plants are being financed almost wholly in Dollar terms. But we believe the situation is going to stabilize in the near future once we get over this pandemic and the oil prices recover and there are also alternative sources of Forex coming into the country not only from the oil but also from the non-oil sector. So we hope with an appreciation of the Naira, we will not feel much of the impact of the devaluation of the Naira based on the projects and other commitments that are Dollar-denominated and other inputs like the gas pricing that is Dollar denominated. Thank you very much. Mr Finn do you have anything to add to that.

Finn: Yes. Maybe call me hello, (?) here once again. Yes. Just a comment, I mean the Nigerian market is quite remarkable because even though we have the crisis you can see in all the West African countries that they have dropped in the concern (?) but as you have seen also in the report from the other guys if you stabilize it, if we have a growth this year compared to last year. In 2019, they had around 7% increase. So despite all these relatively bad news, still this market is moving and the question to be questioned here is why? And we have accessed this quite a lot.

And of course, already then this low consumption per capita in Nigeria has already absorbed a lot of uncertainty. Some at this bad news really don't have much impact on these. And we are also seeing a much more drive into the rural areas than the traditional market in the big cities. And that is also reflected towards the public and the private consumers. Additionally, public consumption has been almost half of the consumption in the country. Today it's down to 23-25%. So it's a big drive in the private segment here. This is to the benefit of all the players.

And you also asked the question about what kind of strategy, why do they consider to put up more production lines like what we announced in Adamawa. As you know, we have three to four years before you have the investment plan. And we all believe that Nigerian still will grow even though we cannot tell how much but if you just talk about roughly 5-10% a year here, you talk about more or less a new production line every year. And its many production lines and because they are (?) apart, what we are doing, and other parts from Dangote is doing in Obajana. So its very long term process in all to strategize growth in the Cement space. So we all see that the market will move, we need to be really a part of it, we will have an aggressive approach to it and take more market share. Thank you.

Kay: Thank you. That concludes the question and answer session. I will hand the call back to the management team for any closing remarks.

Yusuf: Hello, can you hear me?

Kay: Yes, we can. Please go ahead.

Yusuf: Thank you. Thank you, everyone, for being a part of this call. I will look forward to you joining us on our next conference call, and have a nice day. Thank you.

Finn: Thanks a lot.

Kay: Thank you very much. That concludes the BUA Cement half Year 2020 Conference Call with investors and analysts. You may now hang up. Thank you.

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