Reinforcing Purpose

Presentation to Analysts and Investors for Full Year 2023

21 March 2024

BUA Cement Plc RC1193879

Disclaimer

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By their very nature, forward-looking statements and information are subject to certain risks and uncertainties. A variety of factors, many of which are beyond BUA Cement's control, could cause actual results to defer materially from those that may be expressed or implied by such forward-looking statement or information. For BUA Cement particular uncertainties arise, among others, from changes in general economic and business conditions in Nigeria, where we derive a substantial portion of our revenues and hold a substantial portion of our assets; the possibility that prices will decline as result of continued adverse market conditions to a greater extent than currently anticipated by BUA Cement's management; developments in the financial markets, including fluctuations in interest and exchange rates, commodity and equity prices, financial assets generally; continued volatility and a further deterioration of capital markets; a worsening in the conditions of the credit business and, in particular, possible uncertainties arising out of the financial market and liquidity crises; the outcome of pending investigations and legal proceedings and actions resulting from the findings of these investigations; as well as various other factors.

More detailed information about certain of the risk factors affecting BUA Cement is contained in BUA Cement's financial reports, which are available on the BUA Cement website, www.buacement.com. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the relevant forward-looking statement or information as expected, anticipated, intended, planned, believed, sought, estimated or projected.

In addition to figures prepared in accordance with IFRS, BUA Cement also presents alternative performance measures, including, among others EBITDA and EBITDA margin. These alternative performance measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Alternative performance measures are not subject to IFRS or any other generally accepted accounting principles, as such, Other companies may define these terms in different ways.


Quality cement
you can trust
SOKOTO CEMENT
Weight 50 +_1kg
MANUFACTURED BY
BUA CEMENT
BUA CEMENT PLC
SOKOTO PLANT
KM 10, Kalambaina Road, Sokoto, Nigeria
NIA 444 - 1:2018 CEM II/A-L 42.5N
PORTLAND - LIMESTONE
CEMENT
BUA
CEMENT
PORTLAND LIMESTONE
CEMENT
Weight 50 ± 1kg
BUA CEMENT
BUA CEMENT
THE
KING
OF
STRENGTH
WWW.BUACEMENT.COM

Content

Our Philosophy

Our Vision

To be a highly competitive market leader in Nigeria

Our Mission

To produce and market high quality cement for national development

Our Value Proposition

We are a professional supplier of premium brand cement and provide reliable delivery to our customers with application training for end users

Company Overview

BUA CEMENT

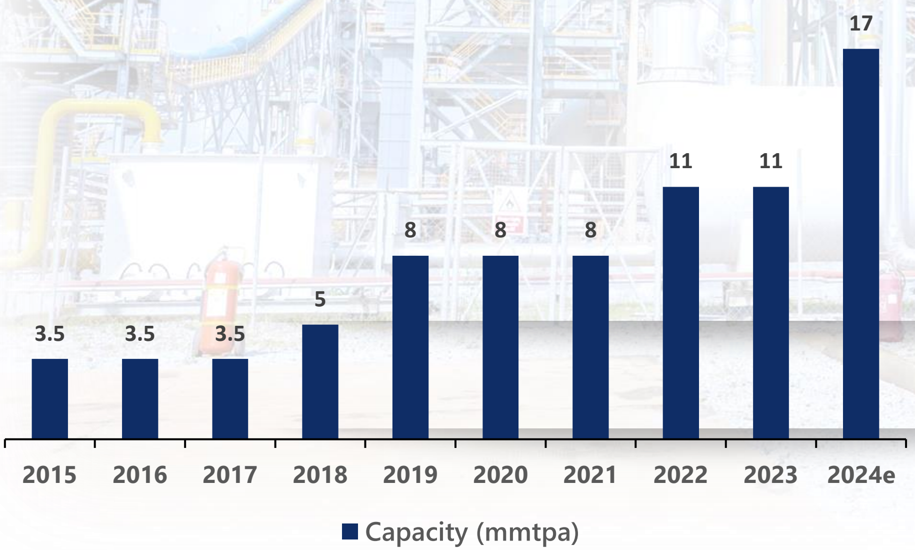
Largest Cement producer
in the North-West, South-South and South-East

4 Modern lines
Operational across 2 States

NGX Nigerian Exchange Group

₦3.3 trillion
Market capitalisation as at December 2023

[1]EHS led by United Nations SDGs & the IFRS ISSB



₦460 billion
(FY2022: ₦361 billion)
Revenue

DataPro® Compliance Solutions Company · Credit Rating Agency

(AA)

Agusto&Co. Research, Credit Ratings, Credit Risk Management

(A+)

[1]EHS - Environment, Health and Safety

Flawless Execution, Disciplined Approach

1962
Incorporation of CCNN; commenced operation in 1967 with an installed capacity of 0.1mmt

1985
Commissioned its 0.5mmt (Line-2), with Line -1 decommissioned the following year

1993
THE Nigerian STOCK EXCHANGE

Listed on the Nigeria Stock Exchange (NSE), resulting from a partial privatization by the government

2000
FGN divested its majority holding to Scancem International ANS of Norway

2008
Scancem divested its majority holding to Damnaz Cement Company Limited

2010
BUA International Limited acquired Damnaz Cement Company to become majority shareholder and technical partner in CCNN

2015
Obu Cement commenced operations with the commissioning of its green field 3mmt line at Okpella, Edo State

2018
The 1.5mmt line-3 plant at Kalambaina, Sokoto State commissioned

Business combination between CCNN Plc and Kalambaina Cement Company resulted to an installed capacity of 2mmt

2019
Commissioned the line-2 3mmt at Okpella, Edo State

Completed merger between CCNN Plc and Obu Cement Company Plc; resulting in the emergence of BUA Cement Plc

2020
BUA Cement listed on the Nigeria Stock Exchange and became the 3rd largest company by market capitalization

Included in the MSCI frontier index

Issued ₦115billion corporate bond, largest issuance in the history of the debt capital market

NGX
Nigerian Exchange Group

2021
Commenced LNG use at Sokoto, the largest on-shore LNG regasification facility in Nigeria

Installed 50MW gas powered plant at Sokoto

2022
Commissioned Sokoto line-4

2023
Signs $500 million syndicated loan with the IFC.

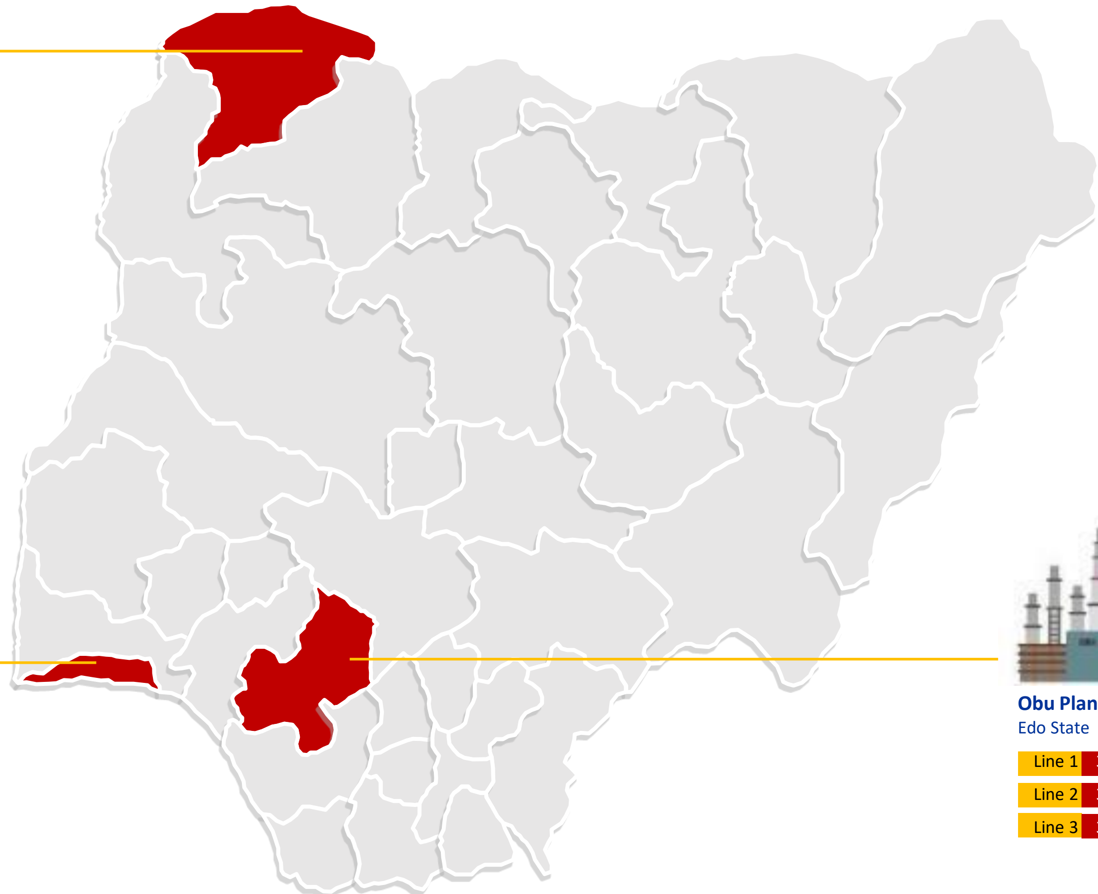
Completed the cold commission of lines 3 & 5 at Obu and Sokoto, respectively

Commissioned 70MW gas power plant at Sokoto

Strategic Positioning, Increasing Market Presence

Sokoto Plant
Sokoto State

Line 2	0.5MMTPA
Line 3	1.5MMTPA
Line 4	3MMTPA
Line 5	3MMTPA (Q1’2024)



BUA Cement Plc Head Office
Victoria Island, Lagos, Nigeria

Obu Plant
Edo State

Line 1	3MMTPA
Line 2	3MMTPA
Line 3	3MMTPA (Q1’2024)

BUA Cement (Sokoto)

Ariel view of the Sokoto line 5

Highlights from FY2023 – Top-line Growth Aided by Price and Volume Increase

PERFORMANCE 1

Business performance sustained by volume and price increase, though muted by increased operational costs, mostly due to Naira devaluation and inflation

REVENUE 2

Net revenue up 27.4% to ₦460 billion from ₦361 billion, as at FY 2022.

EBITDA 3

EBITDA increases by 9.6% to ₦169.3 billion from ₦154.5 billion, as at FY 2022.

EBITDA margin down by 6pp to 36.8% from 42.8%, as at FY 2022.

PROFITABILITY 4

Profit After Tax (PAT), down by 31.2% to ₦69.5 billion from ₦101 billion, as at FY 2022.

EPS 5

Earnings per Share (EPS) down by 31.2% to 205 Kobo from 298 Kobo, as at FY 2022.

EXPANSION DRIVE 6

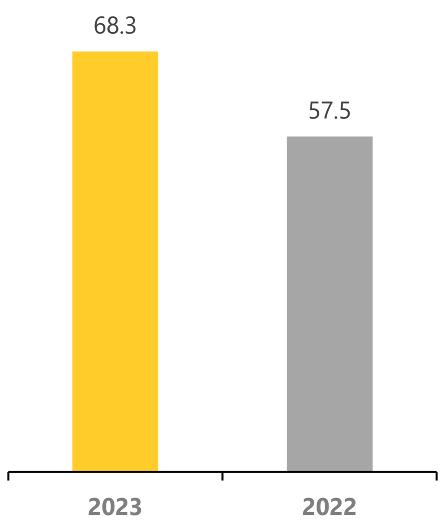
Cold commission of 3mmtpa Obu line 3 and Sokoto line 5 conducted.

SUSTAINABILITY 7

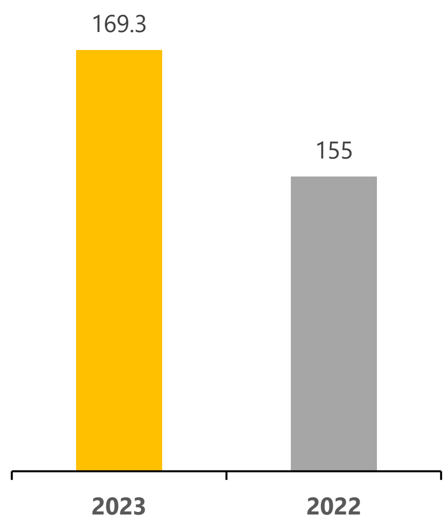
We are committed to minimizing the impact of our activities on people and the environment, engagement with stakeholders and implementing community development initiatives through tangible investments into communities.

Margin Contraction Amid Rising Costs and Controlled Pass-Through Costs

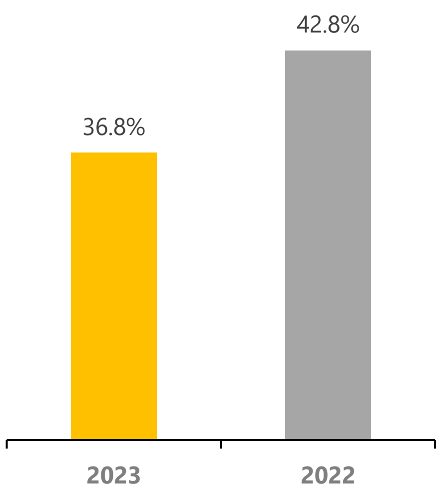
1 Revenue per ton (₦'000)



2 EBITDA (₦'bn)



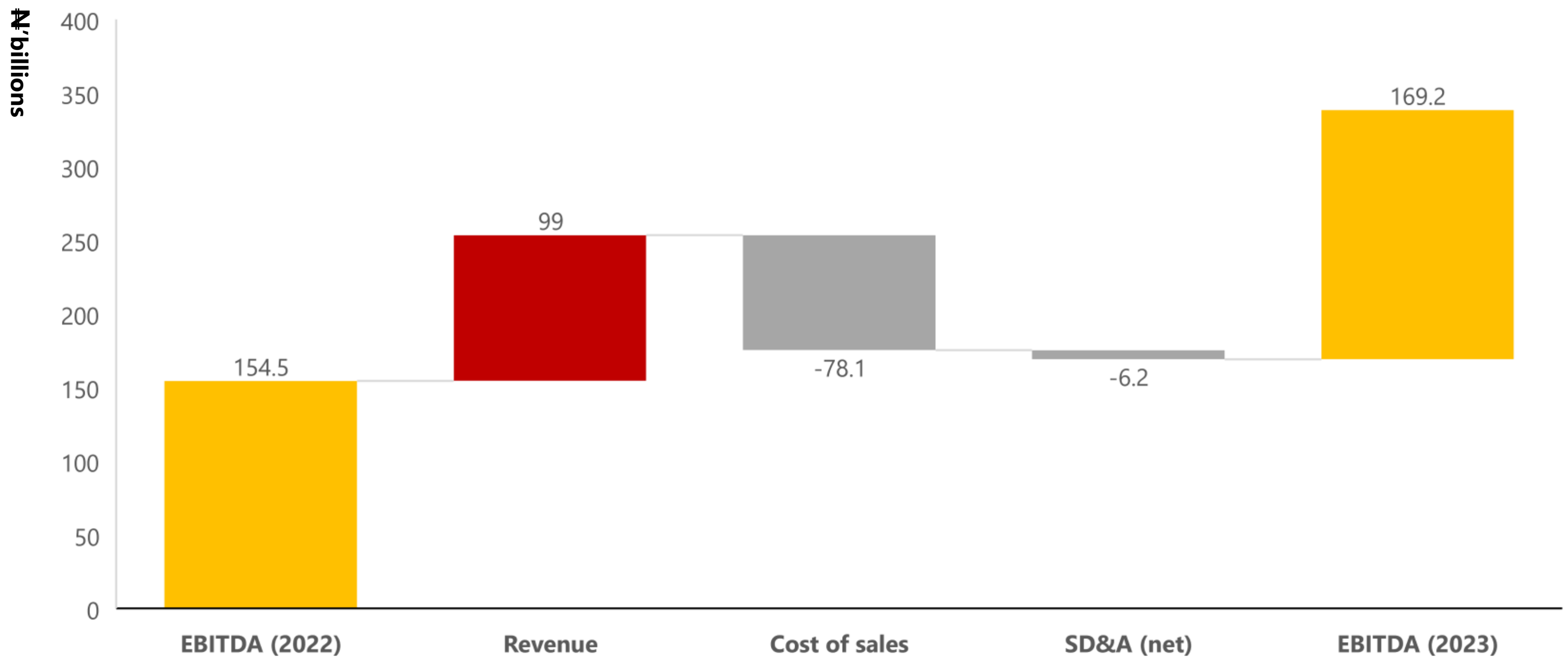
3 EBITDA Margin



Comments

- Revenue per ton increased by 18.7% to ₦68,293/ton from ₦57,511/ton, as at FY 2022.
- EBITDA increased by 9.6% to ₦169.3 billion (2022: ₦154.5 billion), resulting from growth in reported net revenues, which increased by 27.4% to ₦460 billion from ₦361 billion, but partly offset by increases in cost of sales, along with selling & distribution expenses.
- EBITDA margin for the reporting period contracted by 6pp to 36.8% (2022: 42.8%) due to the above highlighted cost lines.

Price and Stable Volume Growth Sustains EBITDA

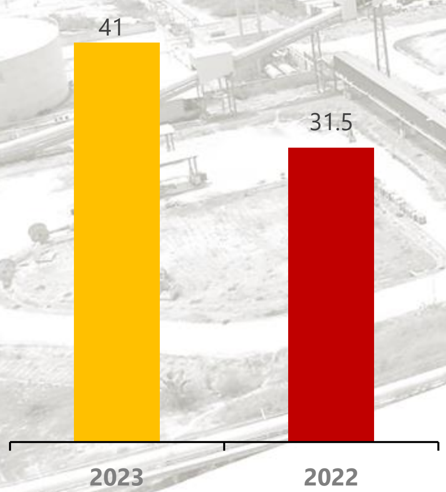


Comments

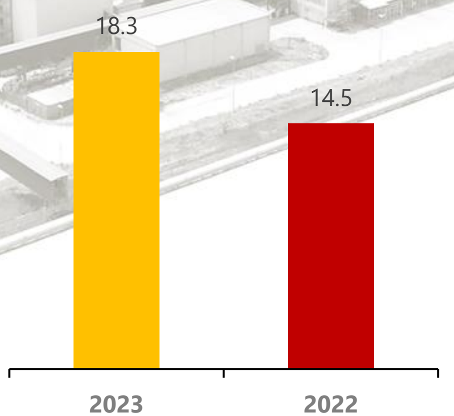
- Revenue increased by 27.4% or ₦99 billion to ₦460 billion from ₦361 billion (2022), due to price increases and volume growth.
- Cost of sales rose by 39.5% or ₦78.1 billion to ₦276 billion from ₦197.9 billion (2022), primarily from increases in energy costs; repair, operations & maintenance expenses; staff costs and depreciation charges.
- Selling, Distribution and Administrative cost (net) was up by 72.2% or ₦6.2 billion to ₦14.7 billion from ₦8.5 billion. Major factors attributed for the increase were: foreign exchange losses, distribution costs resulting from higher fueling costs and increased fleet size (trucks), depreciation of PPE etc.

Rising Costs Impact in a High Inflationary Environment

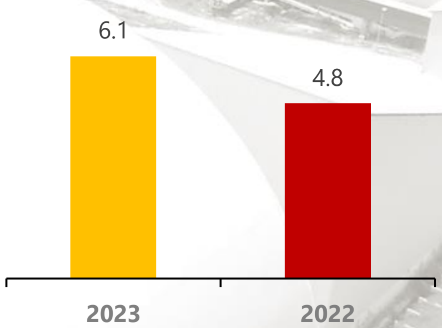
Cost of sales per ton (₦'000)



Energy cost per ton (₦'000)



SD&A per ton (₦'000)



Comments

- Cost of Sales per ton rose by 30% to ₦40,983/ton from ₦31,535/ton, as at 2022. This was largely due to increases in energy costs, mostly denominated in USD; operations & maintenance service charge; other repair & maintenance expenses; staff cost and depreciation of PPE.
- Energy cost per ton increased by 26% to ₦18,301/ton from ₦14,527/ton during the corresponding period ended 2022. This resulted from energy price increases and the depreciation of the Naira.
- Selling, Distribution & Administration cost per ton increased by 28% to ₦6,141/ton from ₦4,799/ton in 2022. The drivers of the increase were: distribution costs, led by an increase in fuel prices and costs from an enlarged fleet size; depreciation of PPE etc.

Reinforcing Purpose – Strategic Priorities

Synergy

- Drive continued revenue and cost synergies across revenue and margin lines
- Harmonisation of sales and marketing strategy across the two plants
- Reorganisation, with the creation of the strategic supply department to purchase all critical inputs

New Markets

- Increase customer portfolio and capture new market areas, including export
- Expand the fleet of trucks

Expansion

- Construction of lines 3 & 5 at Obu and Sokoto plants, respectively (**lines to be hot commissioned in Jan. 2024**)

Sustaining Innovation

- Deploy solutions that enhance customer experience and further drives internal efficiencies
  - Sales automation (**completed**)
  - Payment integration (**completed**)
  - Fuel management system

Sustainability

- Transition from Heavy Fuel Oil (HFO) to Liquefied Natural Gas (LNG) in Sokoto
- Commence work on the 70MW gas power plant at Obu (**advanced stage**)
- Commence work on the 70MW gas power plant at Sokoto (**commissioned**)

Sustainability - Impact Footprint

"Our social impact was enhanced with the launch of 49 initiatives across local communities, focusing on **education** (35%), **health** (33%), **WASH**[1] (16%), **infrastructure** (12%) and **empowerment** (4%). Furthermore, we created over 58 jobs, with over 21% of the jobs contracted to local contractors who provided specialized services for our projects."

We improved our production by 9% and deployed more onsite vehicles which increased our fuel usage. However, we achieved reduced energy consumption by 1%, resulting in a net emission increase of 1%.

We improved our water recycling by 3% with impact reduction on freshwater aquifer by 45%

Greenhouse Gas Emissions

650kg CO_2/ton cem. prod.

(2022: 644kg CO_2/ton cem. prod)

Energy Management

766kcal/kg Cli

(2022: 771kcal/ kg Cli)

Water Management

126 litres/ton cem. prod.

(2022: 186 litres/ ton cem. prod.)

[1]WASH – Water, Sanitation and Hygiene

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Thank You

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