



**BUA Cement Plc**



# Sustaining Profitable Growth

Half-Year 2023 Presentation to Investors and Analysts

10 August 2023

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Unless otherwise indicated, the financial information provided herein has been prepared under International Financial Reporting Standards (IFRS). This presentation contains forward-looking statements and information. Forward-looking statements and information are statements that are not historical facts, related to future, nor past, events. They include statements about our beliefs and expectations and the assumptions underlying them. These statements and information are based on plans, estimates and projections as they are currently available to the management of BUA Cement. Forward-looking statements and information therefore speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

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 differ 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](http://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.

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# Quality cement you can trust



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## 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



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



**4 Modern lines**  
Operational across 2 States



**₦3.1 trillion**  
Market capitalisation as at  
June 2023



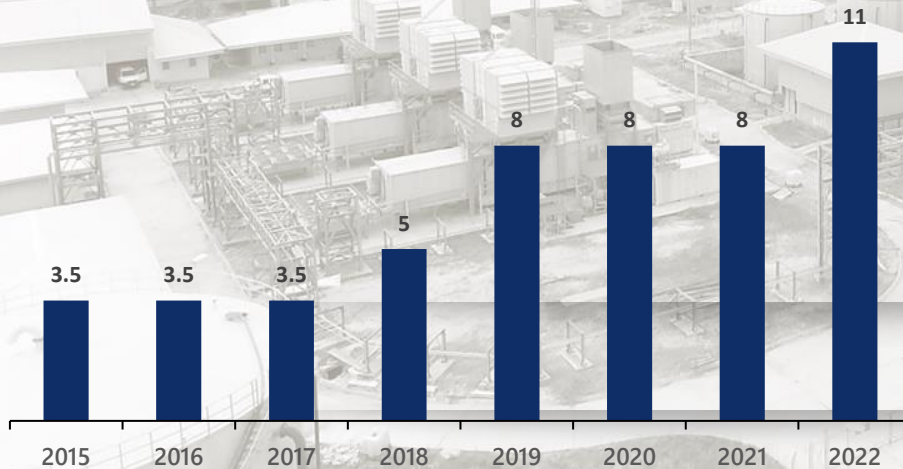
**Best Premium Quality  
Cement Brand**



**1EHS led by United Nations SDGs  
& the IFRS ISSB**



**₦221.1 billion**  
(H1'2022: ₦188.6 billion)  
Revenue



■ Capacity (mmtpa)



**(AA)**



**(A+)**

<sup>1</sup>EHS - Environment, Health and Safety

# Flawless Execution, Disciplined Approach



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

1962



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

1985

THE Nigerian STOCK EXCHANGE



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

1993



FGN divested its majority holding to Scancem International ANS of Norway

2000



Scancem divested its majority holding to Damnaz Cement Company Limited

2008



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

2010

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 3<sup>rd</sup> 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



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

# Strategic Positioning, Increasing Market Presence

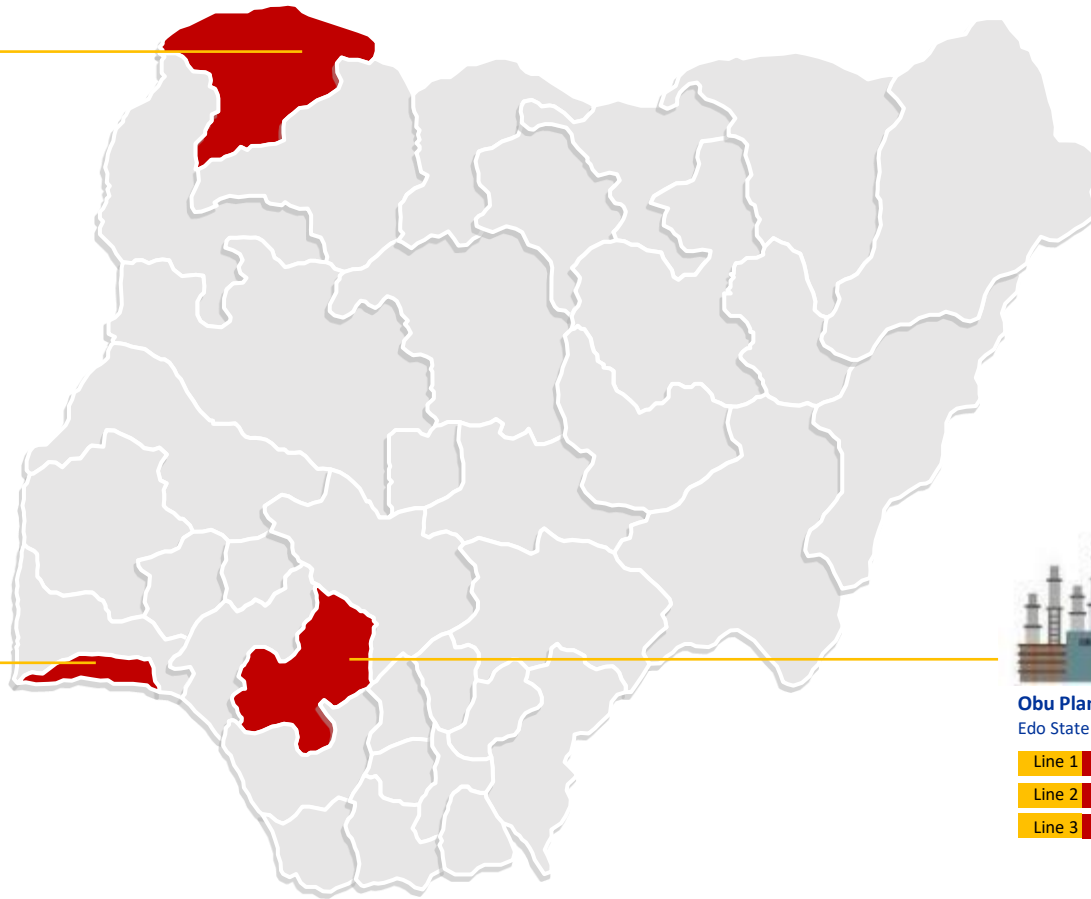


**Sokoto Plant**  
Sokoto State

|        |               |
|--------|---------------|
| Line 2 | 0.5MMTPA      |
| Line 3 | 1.5MMTPA      |
| Line 4 | 3MMTPA        |
| Line 5 | 3MMTPA (2024) |



**BUA Cement Plc  
Head Office**  
Victoria Island,  
Lagos, Nigeria



**Obu Plant**  
Edo State

|        |               |
|--------|---------------|
| Line 1 | 3MMTPA        |
| Line 2 | 3MMTPA        |
| Line 3 | 3MMTPA (2024) |



# BUA Cement (Sokoto)



Construction works on Sokoto line 5



# Highlights from H1'2023 – Stable Performance Despite Economic Environment



## PERFORMANCE 1

Business performance was sustained by strong brand attributes, stable volumes and price adjustments.

## REVENUE 2

Net revenue up 17.2% to ₦221.1 billion from ₦188.6 billion, as at H1'2022.

## EBITDA 3

EBITDA increases by 14.1% to ₦99.8 billion from ₦87.5 billion, as at H1'2022.

EBITDA margin down by 1.3pp to 45.2% from 46.4%, as at H1'2022.

## PROFITABILITY 4

Profit After Tax (PAT), up by 3.7% to ₦63.6 billion from ₦61.4 billion, as at H1'2022.

## 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

## EXPANSION DRIVE 6

Construction activities for the additional lines at Edo and Sokoto States are progressing well

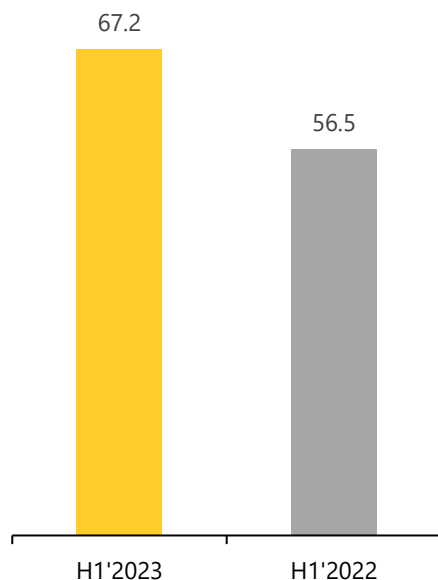
## EPS 5

Earnings per Share (EPS) up by 3.9% to 188 Kobo from 181 Kobo, as at H1'2022.

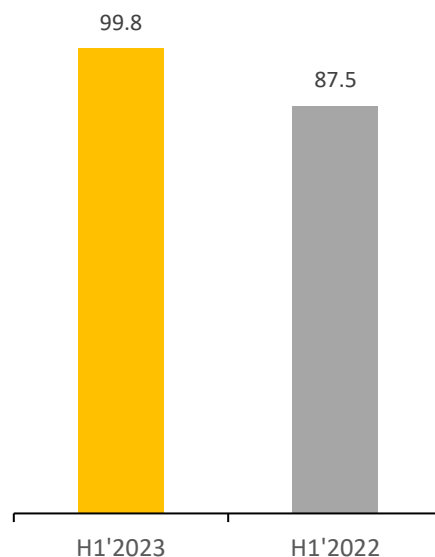
# Balancing Rising Costs and Margin Preservation



## 1 Revenue per ton (N'000)



## 2 EBITDA (N'bn)



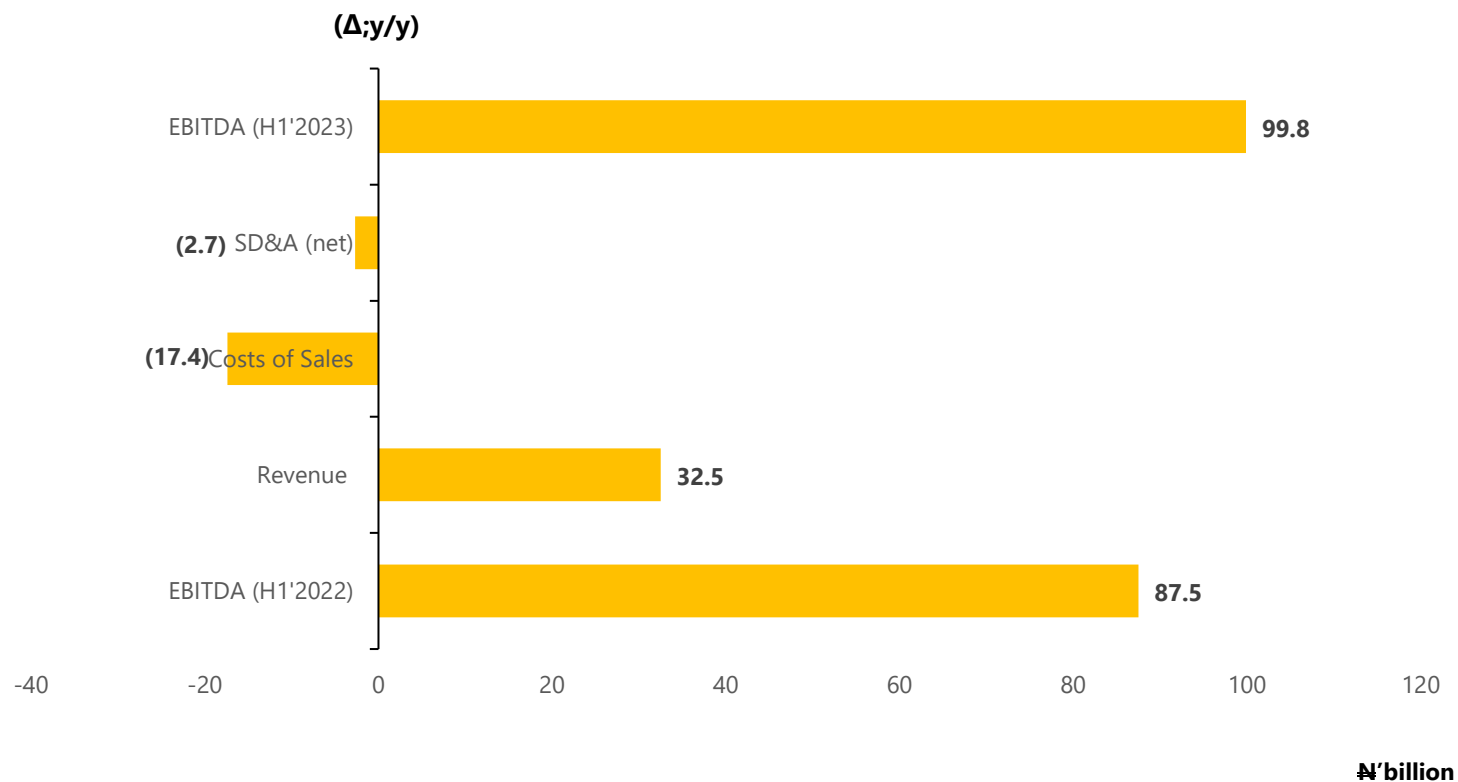
## 3 EBITDA Margin



### Comments

- Revenue per ton increased by 19% to ~~N~~67,192/ton from ~~N~~56,454/ton, as at H1'2022, as a result of price adjustments.
- EBITDA increased by 14.1% to ~~N~~99.8 billion (H1'2022: ~~N~~87.5 billion), resulting from growth in reported net revenues, which increased by 17.2% to ~~N~~221.1 billion from ~~N~~188.6 billion but partly offset by increases in raw materials and energy costs, and distribution costs.
- EBITDA margin for the reporting period contracted by 1.3pp to 45.2% (H1'2022: 46.4%) due to the cost lines highlighted above.

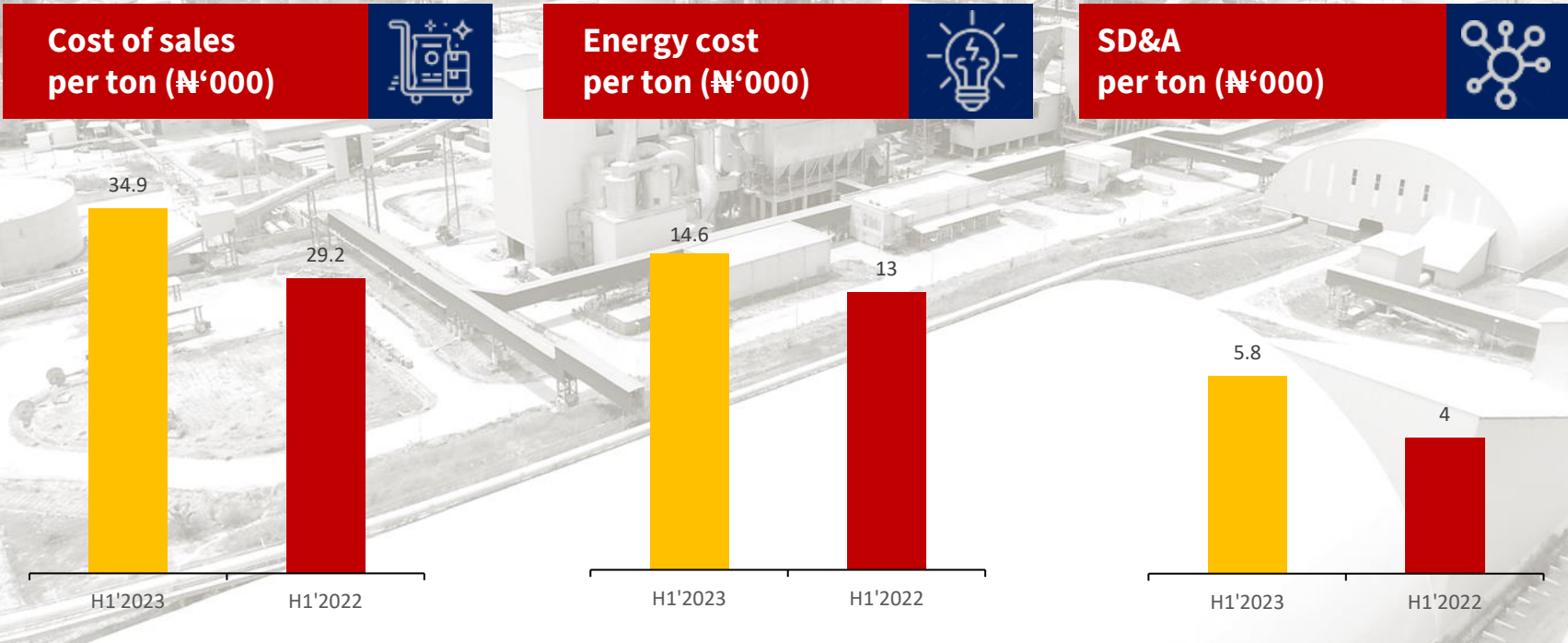
# EBITDA Evolution ... Price Adjustment Sustains EBITDA Growth



## Comments

- Revenue increased by 17.2% or ₦32.5 billion to ₦221.1 billion from ₦188.6 billion (H1'2022), given price increases.
- Cost of sales rose by 17.9% or ₦17.4 billion to ₦114.9 billion from ₦97.5 billion (H1'2022), primarily from increases in raw material costs, depreciation charges, energy costs and repair and maintenance costs.
- Selling, Distribution and Administrative costs (net) increased by 77.2% or ₦2.7 billion to ₦6.3 billion to ₦3.5 billion. Major factors attributable for the increase were: Distribution costs resulting from an increased fleet size, depreciation charges and other administrative expenses.

# Inflationary Pressures and Continued Cost Containment



## Comments

- Cost of sales per ton rose by 19.7% to ₦34,936/ton from ₦29,192/ton, as at H1'2022. This was due to increases in raw materials costs, energy product costs, depreciation charges and repair & maintenance costs.
- Energy cost per ton increased by 11.6% to ₦14,561/ton from ₦13,048/ton during the corresponding quarter ended H1'2022, which resulted from a combination of energy price increases and fuel mix during the quarter.
- Selling, Distribution & Administration cost (net) per ton increased by 46.2% to ₦5,830/ton from ₦3,988/ton for the six months ended 2022. The drivers of the increase were distribution costs, led by an increased fleet size, depreciation charges, other administrative expenses.

# BUA Cement (Obu)



Construction works on Obu line 3



# Sustaining Profitable Growth– Strategic Priorities



## Synergy



- Drive continued revenue and cost synergies across revenue and margin lines
- Harmonisation of sales and marketing strategy across the two plants

## New Markets



- Increase customer portfolio and capture new market areas, including export

## Expansion



- Construction of lines 3 & 5 at Obu and Sokoto plants, respectively

## Sustaining Innovation



- Deploy solutions that enhance customer experience and further drives internal efficiencies
  - Sales automation
  - Payment integration
  - 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
- Commence work on the 70MW gas power plant at Sokoto

# Sustainability - Impact Footprint



**Greenhouse Gas Emissions**

**653kg CO2/ton cem. prod.**  
(H1'2022: 641kcal/kg)



**Energy Management**

**757kcal/kg Cli**  
(H1'2022: 781kcal/ kg Cli)



**Water Management**

**143 litres/ton cem. prod.**  
(H1'2022: 111 litres/ ton cem. prod.)



# BUA CEMENT

## KING OF STRENGTH



All-weather  
All-season



Sets  
Faster



Unsurpassed  
Yield



Strong  
Blocks



Smooth  
Cement Paste



Lasting  
Concrete

*BUA Cement and Sokoto Cement are products of BUA Cement PLC.*



BUA Cement Plc RC 1193879

# Thank You

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