



BUA CEMENT PLC

Investing in the Future

Half-Year 2022 Presentation to Investors and Analysts

4 August 2022

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 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.

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Builds Stronger
Unsurpassed Yield
All-weather

BUA Cement is made of the highest quality materials making it stronger, yielding much more and lasting longer...

You cannot get a better cement.

BUA Cement...
The King of Strength

BUA Cement Portland Limestone Cement & Sokoto Cement Portland Limestone Cement are produced by BUA Cement Plc



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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



₦2.4 trillion
Market capitalisation as at
June 2022



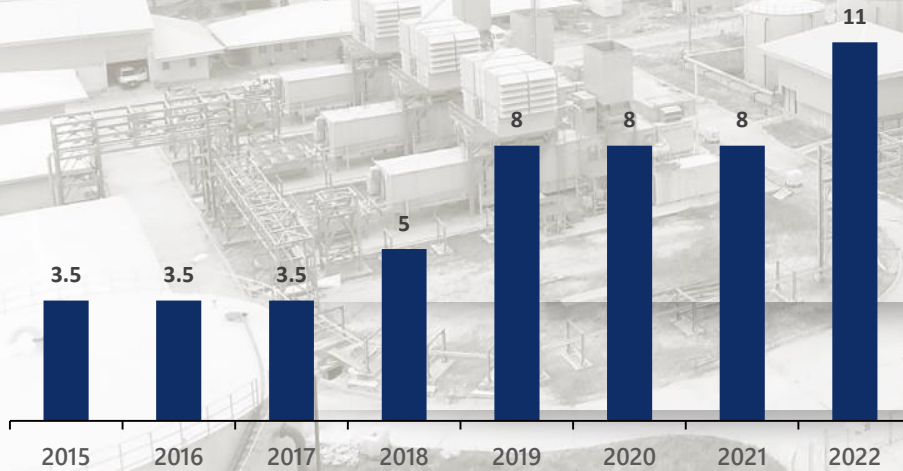
**Awarded Largest corporate
bond listing & single largest
corporate debt issue by
FMDQ (2021)**



1EHS led by United Nations SDGs



₦188.6 billion
(H1'2021: ~~₦124.3 billion~~)
Revenue



■ Capacity (mmtpa)



(AA)



(A+)

¹EHS - Environment, Health and Safety

Flawless Execution, Disciplined Approach



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

1962



Commissions its 0.5mmt (Line-2), with the decommissioning of Line -1 the following year

1985



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

1993



FGN divests 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 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



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

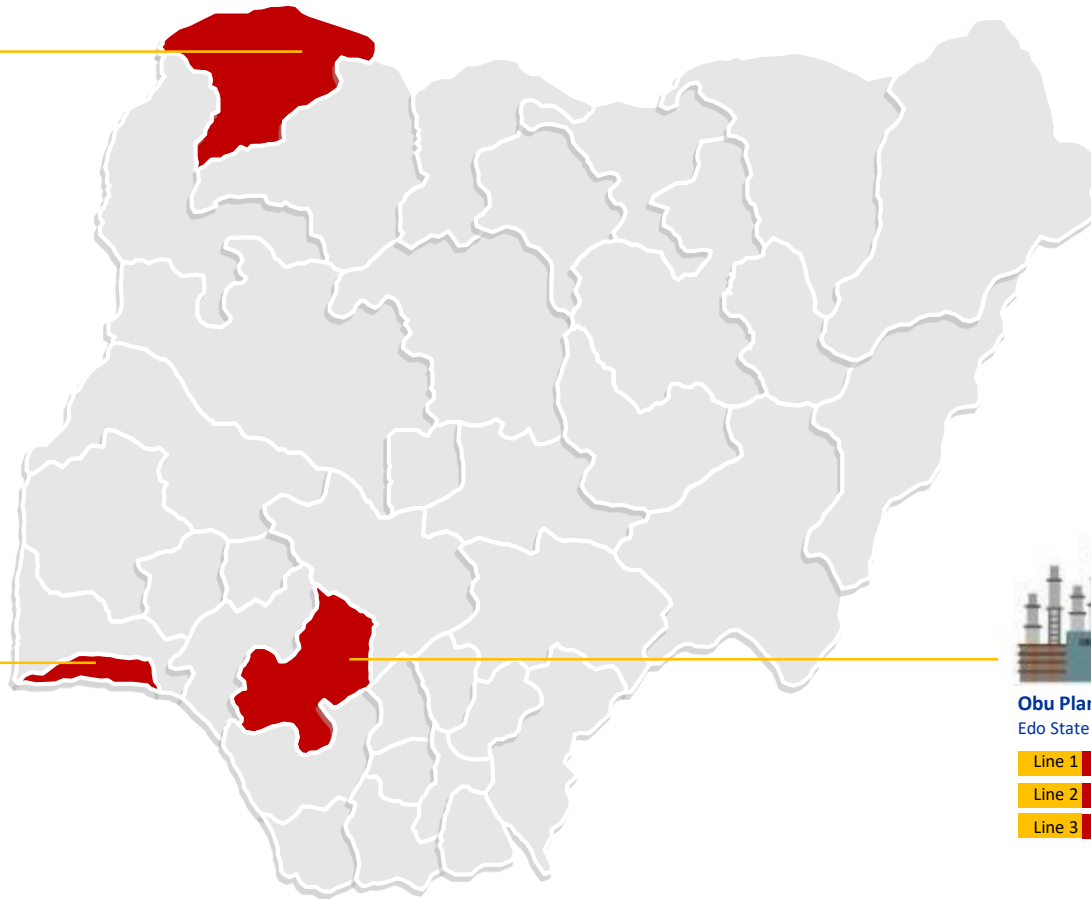


Sokoto Plant
Sokoto State

Line 2	500,000MTPA
Line 3	1.5MMTPA
Line 4	3MMTPA
Line 5	3MMTPA (2023)



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



Obu Plant
Edo State

Line 1	3MMTPA
Line 2	3MMTPA
Line 3	3MMTPA (2023)

BUA Cement (Sokoto)



LNG Storage and Regasification Plant



Highlights from H1'2022 – Increased Operational Activity Supports Performance



PERFORMANCE 1

Strong performance supported by increased output capacity and an excellent business model

REVENUE 2

Net revenue up 51.7% to ₦188.6 billion from ₦124.3 billion, as at the corresponding period ended June 2021

EBITDA 3

EBITDA increases by 49.7% to ₦87.5 billion from ₦58.4 billion as at H1'2021
EBITDA margin down marginally by 0.6pp to 46.4% from 47%, as at June 2021

PROFITABILITY 4

Profit after Tax (PAT), up 41.4% to ₦61.4 billion from ₦43.4 billion, as at H1'2021

SUSTAINABILITY 7

We are committed to minimizing the impact of our activities on the environment; capacity building through our empowerment programs and making societal impact through tangible investments into communities

EXPANSION DRIVE 6

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

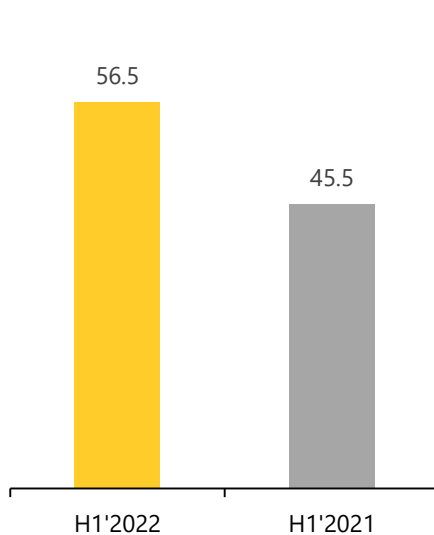
EPS 5

Earnings per Share (EPS) UP 41.4% to 181 Kobo from 128 Kobo in H1'2021

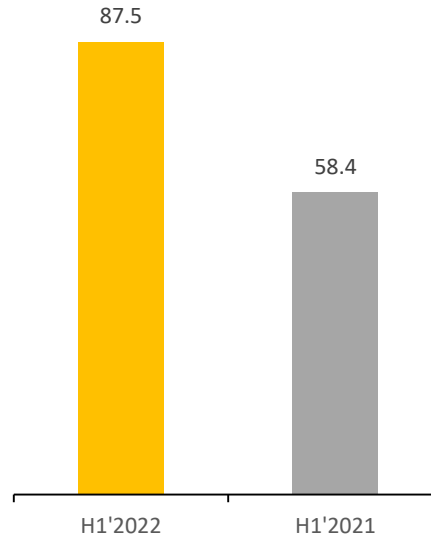
Preserving Profit Margins In A Challenging Business Environment



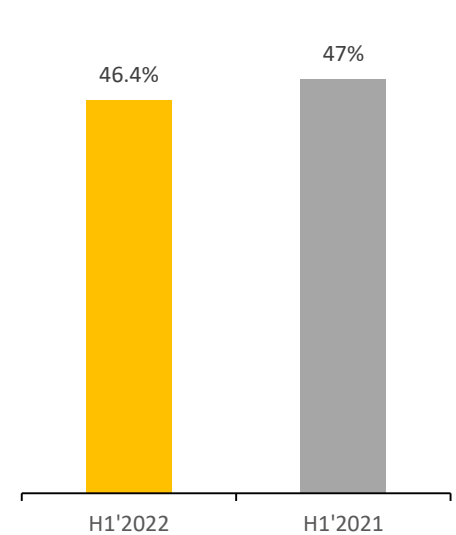
1 Revenue per ton (N'000)



2 EBITDA (N'bn)



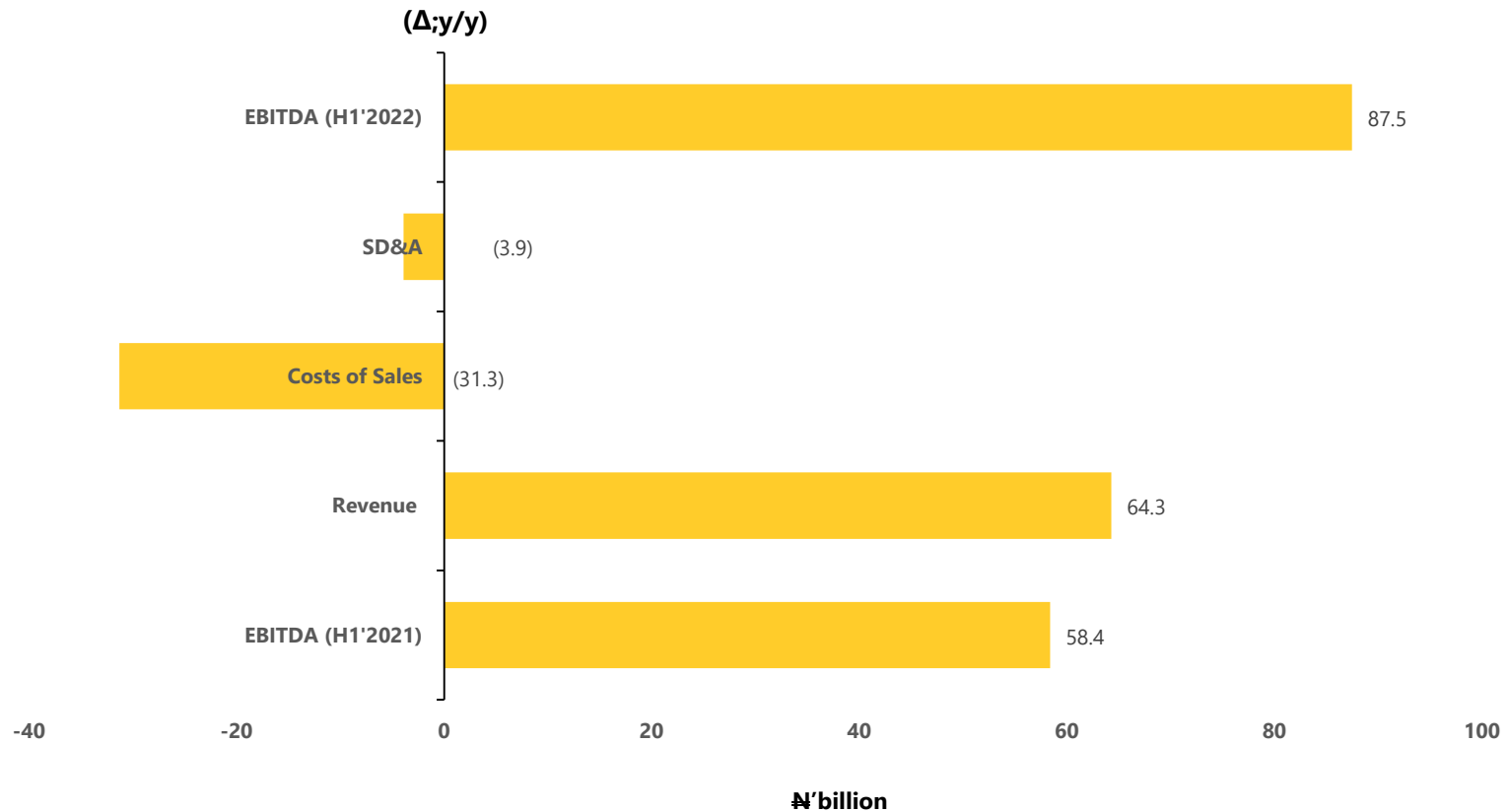
3 EBITDA Margin



Comments

- Revenue per ton increased by 24.2% to ~~N~~56,454/ton from ~~N~~45,467/ton, as at H1'2021. This was due to pricing activities during the review period.
- EBITDA rose by 49.7% to ~~N~~87.5 billion (H1'2021: ~~N~~58.4 billion), resulting from higher revenues, which increased by 51.7% to ~~N~~188.6 billion from ~~N~~124.3 billion.
- EBITDA margin was slightly down by 0.6% pp to 46.4% (H1'2021: 47%), driven by revenue growth, partly offset by increase in energy cost and material costs; distribution costs; CSR and commissioning expenses for line-4 and other administrative expenses.

Continued Appreciation of Product Offering Drives EBITDA



Comments

- Revenue increased by 51.7% or ~~N~~64.3 billion to ~~N~~188.6 billion from ~~N~~124.3 billion (H1'2021), due to pricing activities and increased volume dispatched, which included added volumes from the new line-4 in Sokoto.
- Cost of sales rose by 47.4% or ~~N~~31.3 billion to ~~N~~97.5 billion from ~~N~~66.2 billion (H1'2021), primarily from increases in energy and raw materials costs.
- Selling, Distribution and Administrative costs increased by ~~N~~3.9 billion to ~~N~~3.6 billion. Some of the factors accounting for the increase were: distribution costs, led by increased volume dispatched & AGO prices; CSR and commissioning expenses for line-4, including other administrative expenses.

Rising Inflationary Environment and Continued Cost Containment



**Cost of sales
per ton (N'000)**



29.2

H1'2022

24.2

H1'2021

**Energy cost
per ton (N'000)**



13

H1'2022

9.7

H1'2021

**SD&A
per ton (N'000)**



4

H1'2022

2.8

H1'2021

Comments

- Cost of sales per ton rose by 20.6% to ₦29,192/ton from ₦24,204/ton, as at H1'2021. This was attributed to increases in energy and raw materials costs, operation, maintenance & technical fees and other production expenses.
- Energy cost per ton increased by 34.8% to ₦13,048/ton from ₦9,683/ton during the corresponding period. This resulted from a combination of higher market pricing and the devaluation of the Naira.
- Selling, Distribution & Administration cost per ton increased by 44.3% to ₦4,048/ton from ₦2,806/ton, as at June 2021; resulting from distribution costs, CSR expenses and commissioning expenses related to line-4.



Investing in the Future – Strategic Priorities



Synergy



- Drive 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

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



Leading Through Sustainability

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

BUA Cement Plc

5th Floor, BUA Towers

PC 32, Churchgate Street

Victoria Island, Lagos, Nigeria

Email: investor.relations@buacement.com