



# BUA CEMENT PLC

## Investing in the Future

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9M'2022 Presentation to Investors and Analysts

03 November 2022

## Disclaimer

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.

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#TheKingOfStrength

# GO



# FOR



# STRENGTH



# Content



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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



**₦1.8 trillion**  
Market capitalisation as at  
September 2022



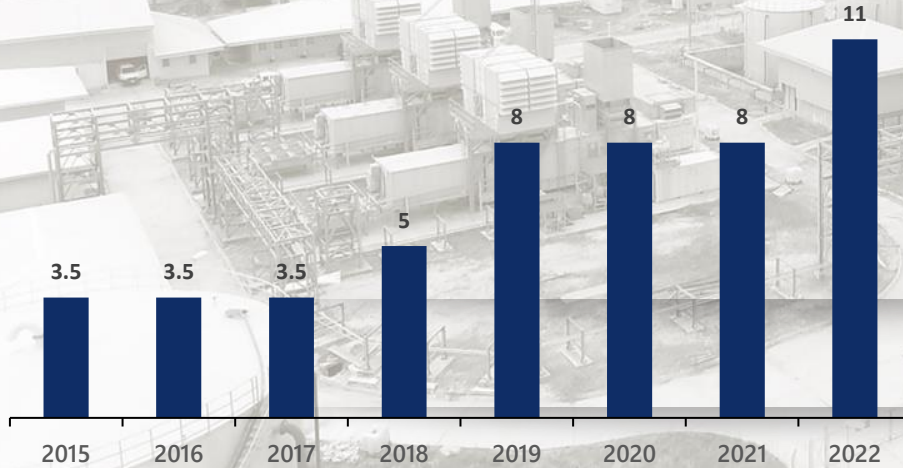
**Awarded Largest corporate  
bond listing & single largest  
corporate debt issue by  
FMDQ (2021)**



**1EHS led by United Nations SDGs**



**₦262.6 billion**  
(9M'2021: ~~₦186.9 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



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

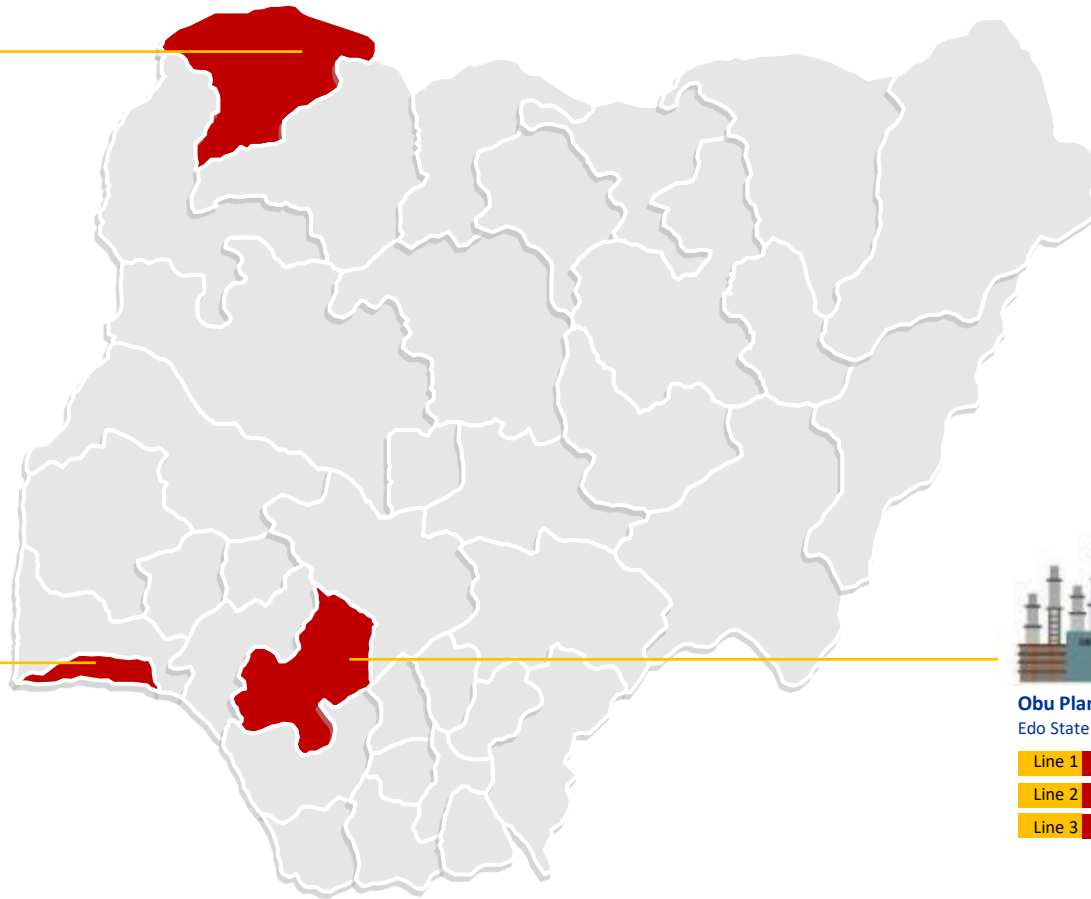


**Sokoto Plant**  
Sokoto State

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)



LNG Storage and Regasification Plant



# Highlights from 9M'2022 – Sustained Performance Amid Challenging Headwinds



## PERFORMANCE 1

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

## REVENUE 2

Net revenue up 40.5% to ₦262.6 billion from ₦186.9 billion, as at the corresponding period ended 9M'2021

## EBITDA 3

EBITDA increases by 31.5% to ₦115 billion from ₦87.4 billion as at 9M'2021

EBITDA margin down by 3pp to 43.8% from 46.8%, as at 9M'2021

## PROFITABILITY 4

Profit After Tax (PAT), up 12.3% to ₦74 billion from ₦65.9 billion, as at 9M'2021

## 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

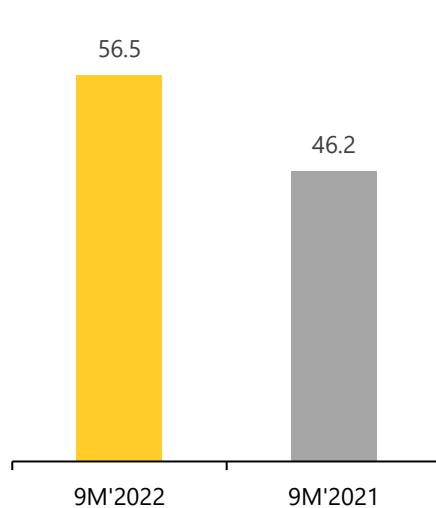
## EPS 5

Earnings per Share (EPS) UP 12.3% to 219 Kobo from 195 Kobo, as at 9M'2021

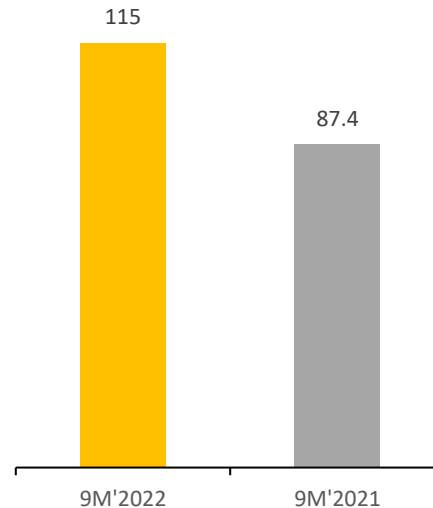
# Balancing Rising Costs and Margin Preservation



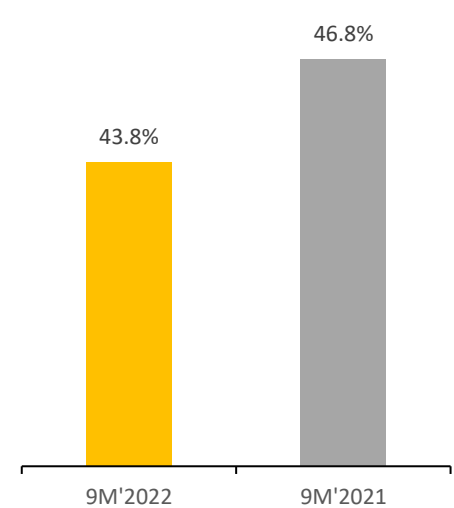
## 1 Revenue per ton (N'000)



## 2 EBITDA (N'bn)



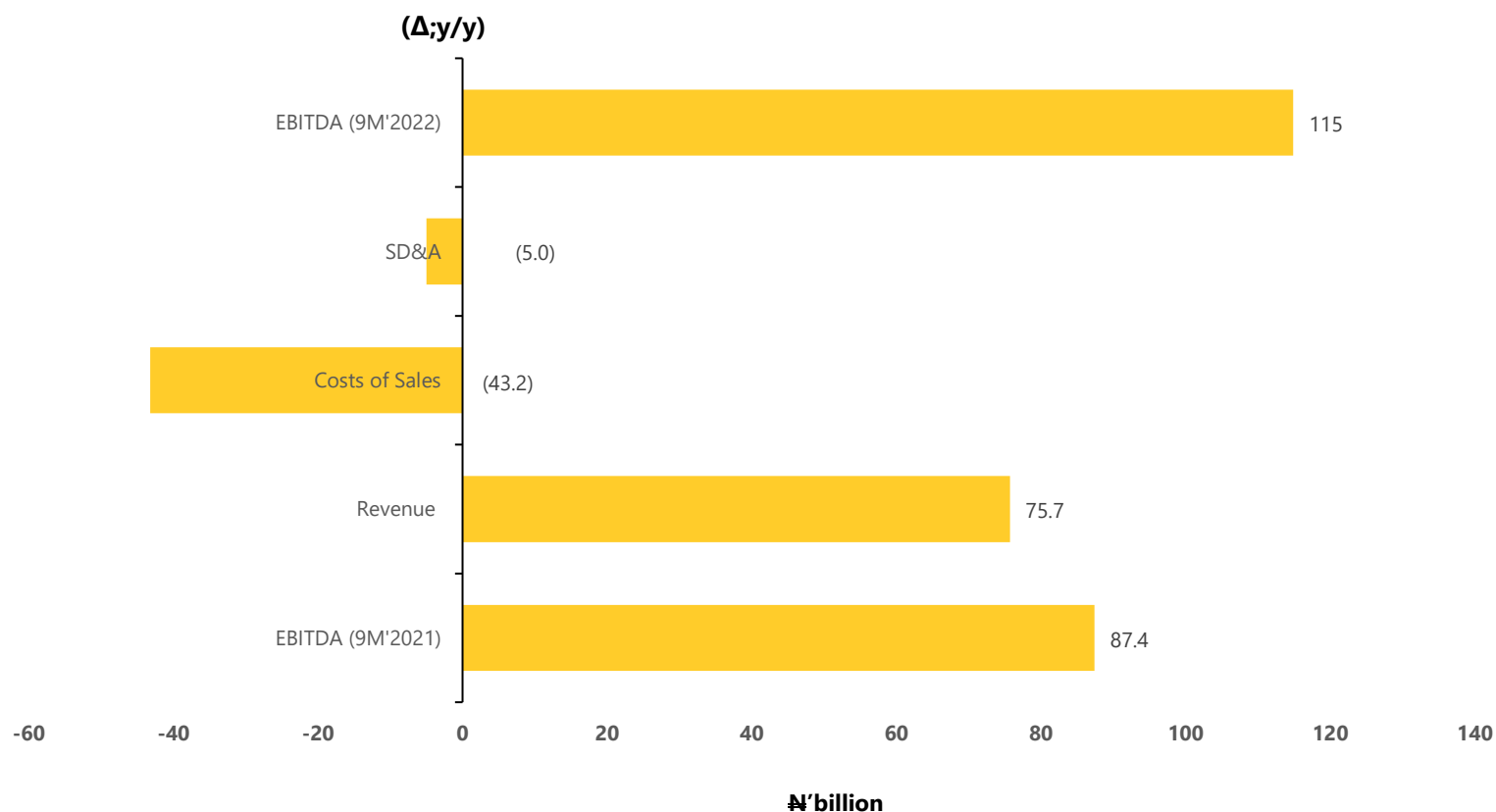
## 3 EBITDA Margin



### Comments

- Revenue per ton increased by 22.2% to ₦56,468/ton from ₦46,224/ton, as at 9M'2021. This was due to pricing activities during the review period.
- EBITDA rose by 31.5% to ₦115 billion (9M'2021: ₦87.4 billion), resulting from higher reported net revenues, which increased by 40.5% to ₦262.6 billion from ₦186.9 billion; partly offset by increase in energy products costs and distribution costs due to AGO price increase.
- EBITDA margin was down by 3pp to 43.8% (9M'2021: 46.8%) for the same reasons stated above.

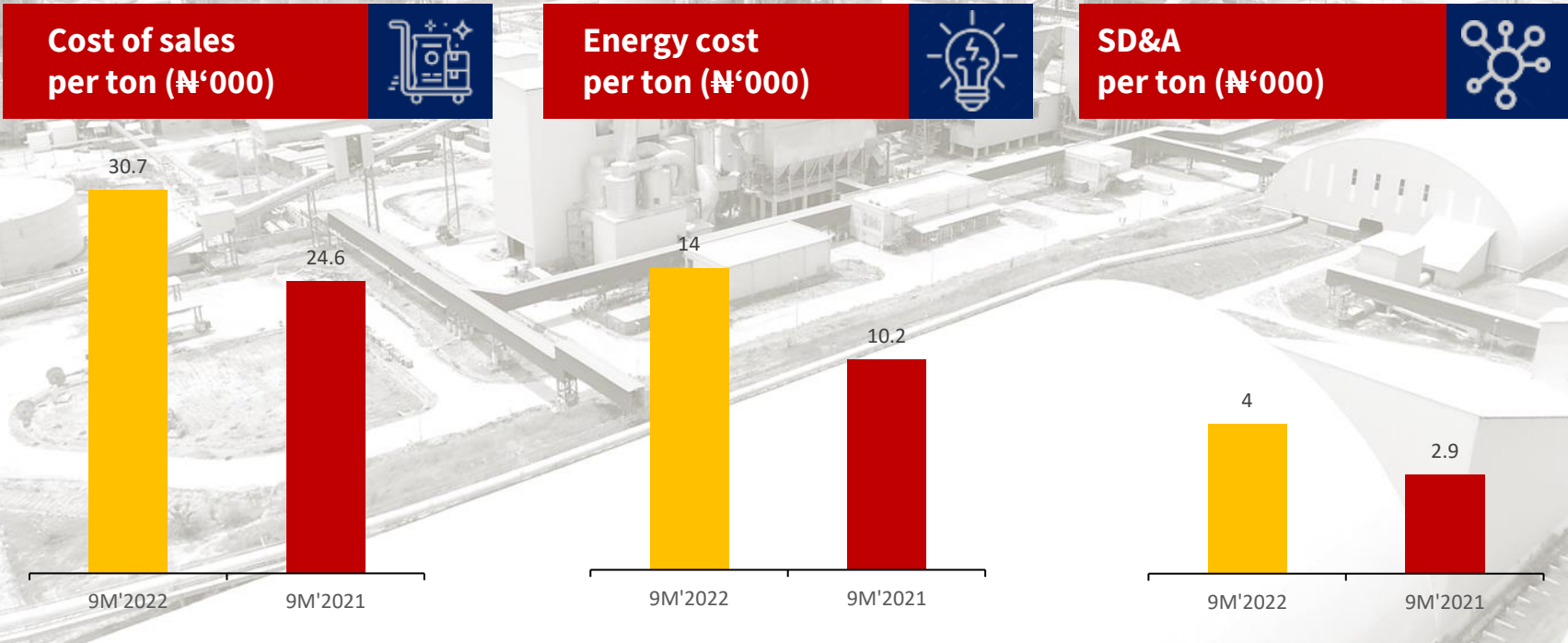
# Product Appreciation ... A Lever to Continued EBITDA Growth



## Comments

- Revenue increased by 40.5% or ₦75.7 billion to ₦262.6 billion from ₦186.9 billion (9M'2021), given the combination of pricing activities and increased volume dispatched (includes added volumes from the new line-4 in Sokoto).
- Cost of sales rose by 43.3% or ₦43.2 billion to ₦142.8 billion from ₦99.6 billion (9M'2021), primarily from increases in energy products and raw materials costs.
- Selling, Distribution and Administrative costs increased by ₦5 billion to ₦4.8 billion. Some of the factors accounting for the increase were: distribution costs, led by increased volume dispatched & AGO prices; CSR activities; other administrative expenses and depreciation charges.

# Inflationary Pressures and Continued Cost Containment



## Comments

- Cost of sales per ton rose by 24.6% to ₦30,713/ton from ₦24,646/ton, as at 9M'2021. This was attributed mainly to increases in energy product costs and raw materials costs.
- Energy cost per ton increased by 36.6% to ₦13,978/ton from ₦10,230/ton during the corresponding period ended 9M'2021. This resulted from changes in market prices of energy products.
- Selling, Distribution & Administration cost per ton increased by 54.4% to ₦4,413/ton from ₦2,859/ton for the 9 months ended 2021; resulting from distribution costs, depreciation charges, CSR expenses and other administrative expenses.



# Investing in the Future – 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

## 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

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# 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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