



# BUA CEMENT PLC

## Investing in the Future

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First Quarter 2022 Presentation to Investors and Analysts

10 May 2022



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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.

More detailed information about certain of the risk factors affecting BUA Cement is contained throughout this presentation and 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.

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.





# ***B***uilds Stronger ***U***nsurpassed Yield ***A***ll-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  
March 2022



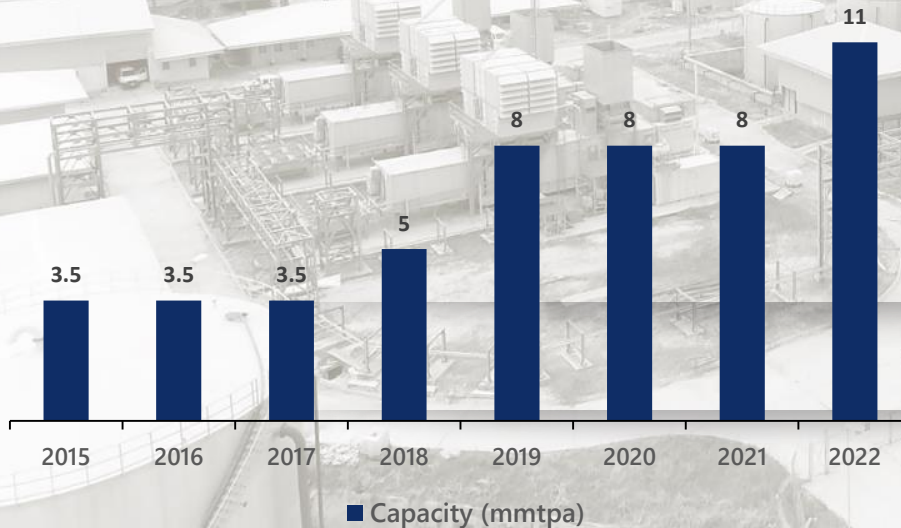
**Awarded Largest corporate  
bond listing & single largest  
corporate debt issue by  
FMDQ (2021)**



**1EHS led by United Nations SDGs**



**₦97 billion**  
(Q1'2021: ₦61.2 billion)  
Revenue



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

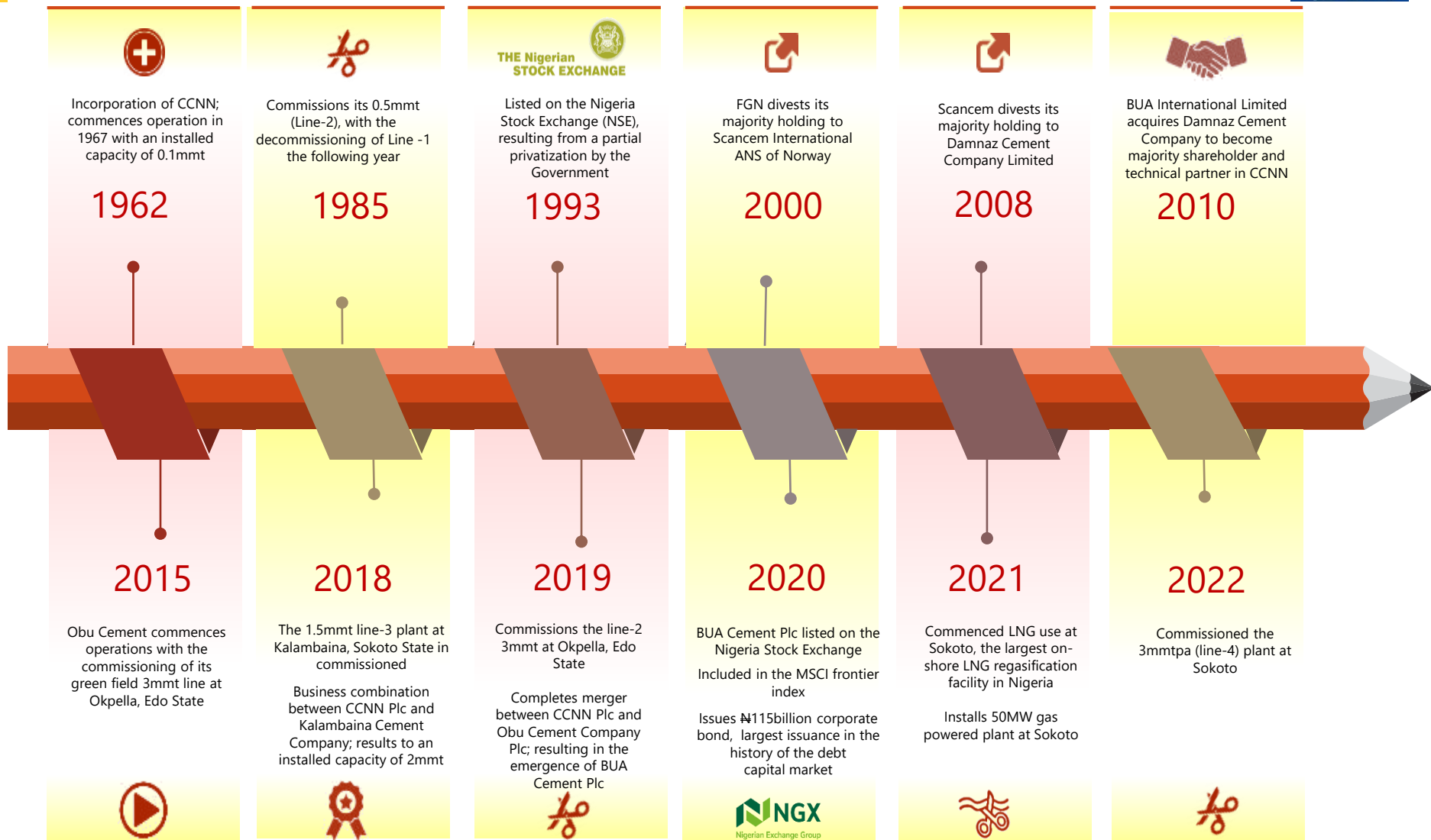


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# Flawless Execution, Disciplined Approach



# Strategic Positioning, Increasing Market Presence

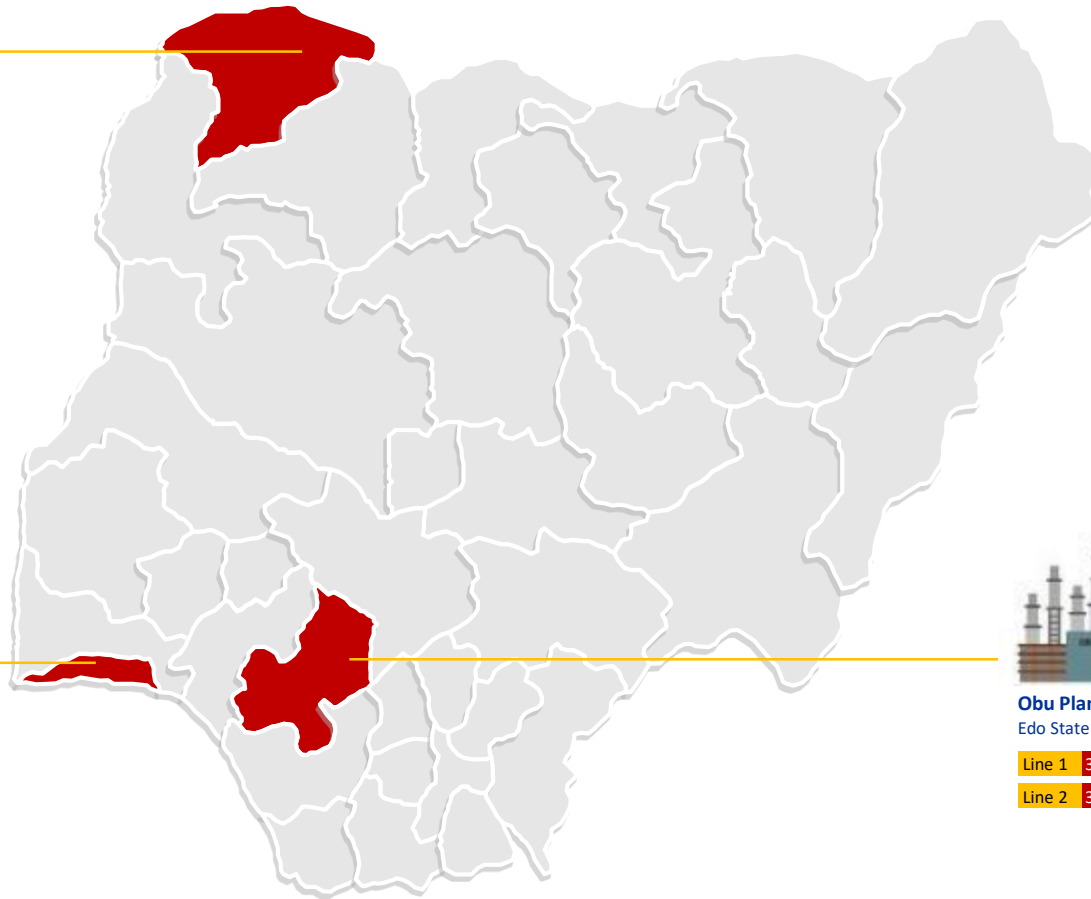


**Sokoto Plant**  
Sokoto State

Line 2	500,000MTPA
Line 3	1.5MMTPA
Line 4	3MMTPA



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



**Obu Plant**  
Edo State

Line 1	3MMTPA
Line 2	3MMTPA





## SOKOTO CEMENT COMPLEX LINE 4

### Location

**Kalambaina, Sokoto**  
(North-West Nigeria)

### Production Capacity

**New Line 4– 3mmtpa**

### Completion Date

**December 2021**



# Highlights from Q1'2022 – Sustaining Performance Through Increased Output Capacity



## PERFORMANCE

1

Strong performance supported by unceasing cement demand, increased output capacity and an excellent business model

## EBITDA

2

EBITDA increases by 55.9% to ₦46.3 billion from ₦29.7 billion, as at Q1'2021  
EBITDA margin down marginally by 0.8% points to 47.7% from 48.5%, as at March 2021.



## PROFITABILITY

3

Profit after Tax (PAT), up 48.2% to ₦33.1 billion from ₦22.4 billion, as at Q1'2021



## EPS

4

Earnings per Share (EPS) up 48.5% to 98 kobo from 66 kobo in Q1'2021



## EXPANSION DRIVE

5

Commissioned line-4 at Sokoto  
Construction activities for the additional lines at Edo and Sokoto States are progressing well

## Environment, Health & Social

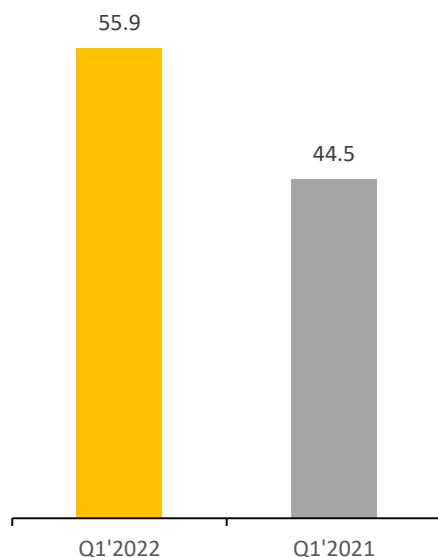
6

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

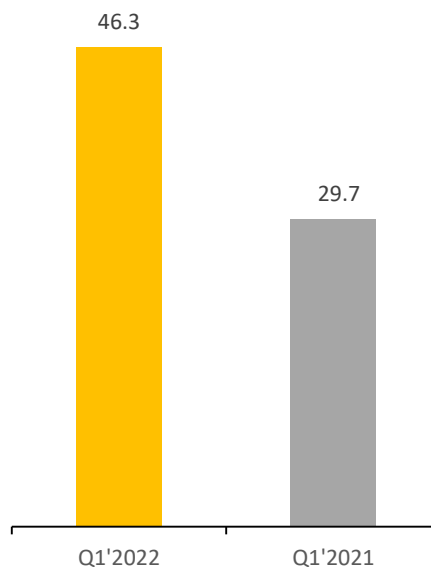
# Performance Supported by Continued Demand Growth



## 1 Revenue per ton (N'000)



## 2 EBITDA (N'bn)



## 3 EBITDA Margin

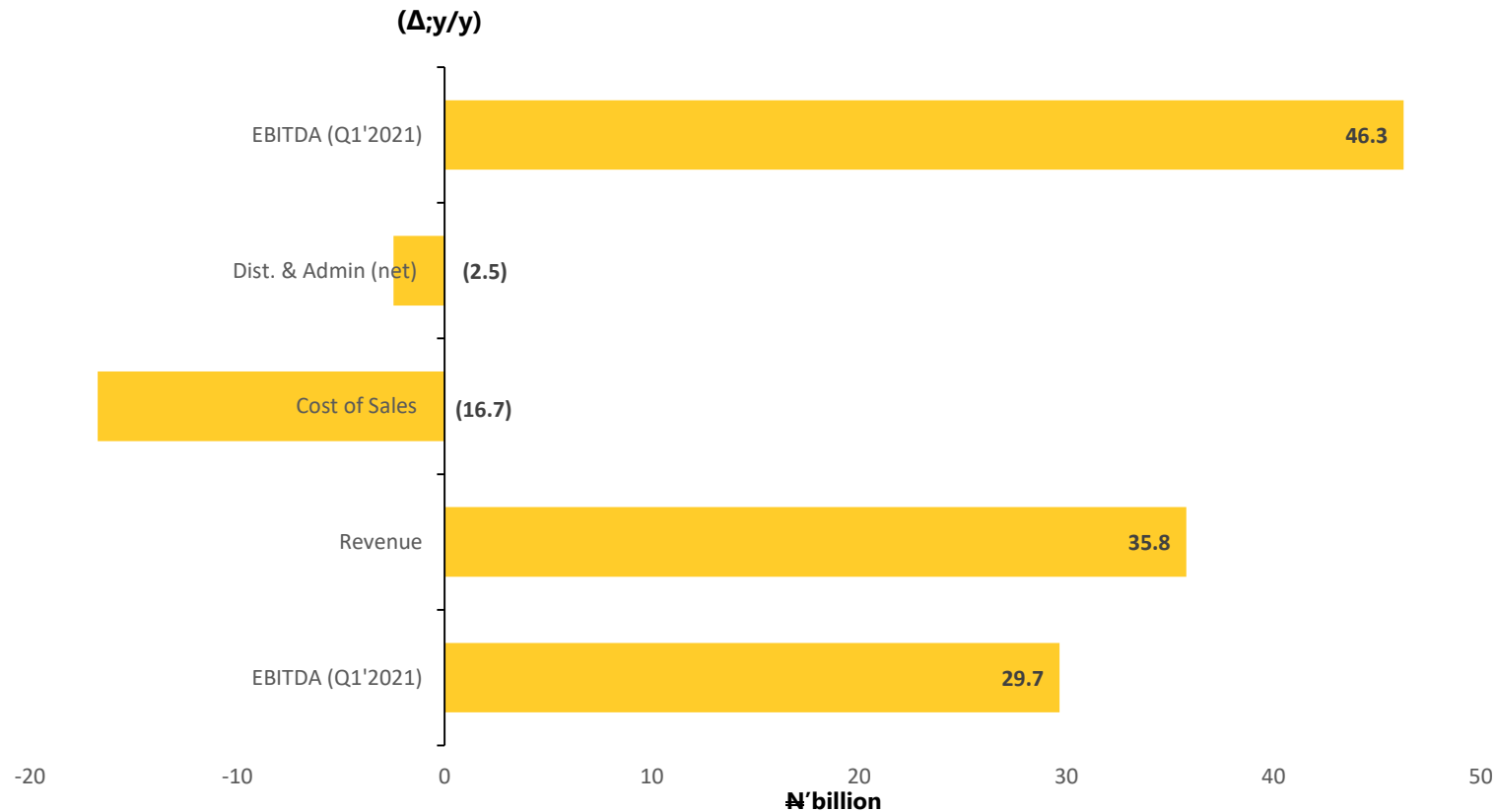


### Comments

- Revenue per ton increased by 25.6% to ~~N~~55,904/ton from ~~N~~44,520/ton, as at Q1'2021. This is in consideration to pricing activities during the year.
- EBITDA rose by 55.9% to ~~N~~46.3 billion (Q1'2021 ~~N~~29.7 billion), resulting from increased business activity (revenue), which increased by 58.5% to ~~N~~97 billion from ~~N~~61.2 billion.
- EBITDA margin recorded a marginally of 0.8% points to 47.7% (Q1'2021: 48.5%), led by volume and revenue growth, but partly offset by higher energy costs and stock write-off due to the fire incident and commissioning expenses.



# EBITDA Driven by Top-line Growth



- Revenue increased by 58.5% or ~~N~~35.8 billion to ~~N~~97 billion from ~~N~~61.2 billion (Q1'2021), due to pricing activities and increased volume dispatched, which includes volumes from the added capacity at Sokoto.
- Cost of sales rose by 52.2% or ~~N~~16.7 billion to ~~N~~48.8 billion (Q1'2021: ~~N~~32.1 billion), majorly from increases in energy costs, raw materials costs and operations and maintenance expenses.
- Selling, Distribution and Administrative costs (net) increased by ~~N~~2.5 billion to ~~N~~1.9 billion. Some of the factors accounting for the increase were: distribution costs, commissioning of line-4 expenses, donations & public relations and truck repair & maintenance expenses.

## Comments

# Rising Inflationary Environment and Continued Cost Optimisation

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



28.1

23.3

Q1'2022

Q1'2021

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



12.6

9.3

Q1'2022

Q1'2021

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



3.3

2.5

Q1'2022

Q1'2021

## Comments

- Cost of sales per ton rose by 20.6% to ~~N~~28,124/ton from ~~N~~23,324/ton, as at Q1'2021; led by energy costs, raw materials costs and operation, maintenance & technical fees.
- Energy cost per ton increased by 35.1% to ~~N~~12,593/ton from ~~N~~9,321/ton during the corresponding period. This resulted from higher market prices and the devaluation of the Naira
- Selling, Distribution & Administration cost per ton (net) increased by 32.2% to ~~N~~3,352/ton from ~~N~~2,535/ton, as at March 2021, resulting from distribution costs due to volume and diesel cost increase; security expense; commissioning expenses related to line-4; donations & public relations expenses and repair & maintenance charges.

# OBU PLANTS



## OBU PLANT (LINES 1 & 2)



### LOCATION

Okpella, Edo State  
South-South Nigeria



### PRODUCTION CAPACITY

Line 1 – 3million mtpa  
Line 2 – 3million mtpa  
Line 3 – 3million mtpa



### COMPLETION DATE

2015  
2019  
2023



# 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

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