



BUA CEMENT PLC

Sustaining Value and Competitiveness

First Quarter 2021 Presentation to
Investors and Analysts



Disclaimer

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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. 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, EBITDA margin, free cash flow and net debt. 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.

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.*

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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



1

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



2

3 Modern lines
Operational across 2 States



3

₦2.5 trillion
Market capitalisation as at Mar. 2021



4

> 60 per cent
Annualised Capacity utilisation



5

₦61.2 billion (Q1'2021)
Revenue



6

1.4 mmt (Q1'2021)
Cement volume dispatched



7

Sustainability led by United Nations SDGs



8

Best M&A Deal in Africa (2019)

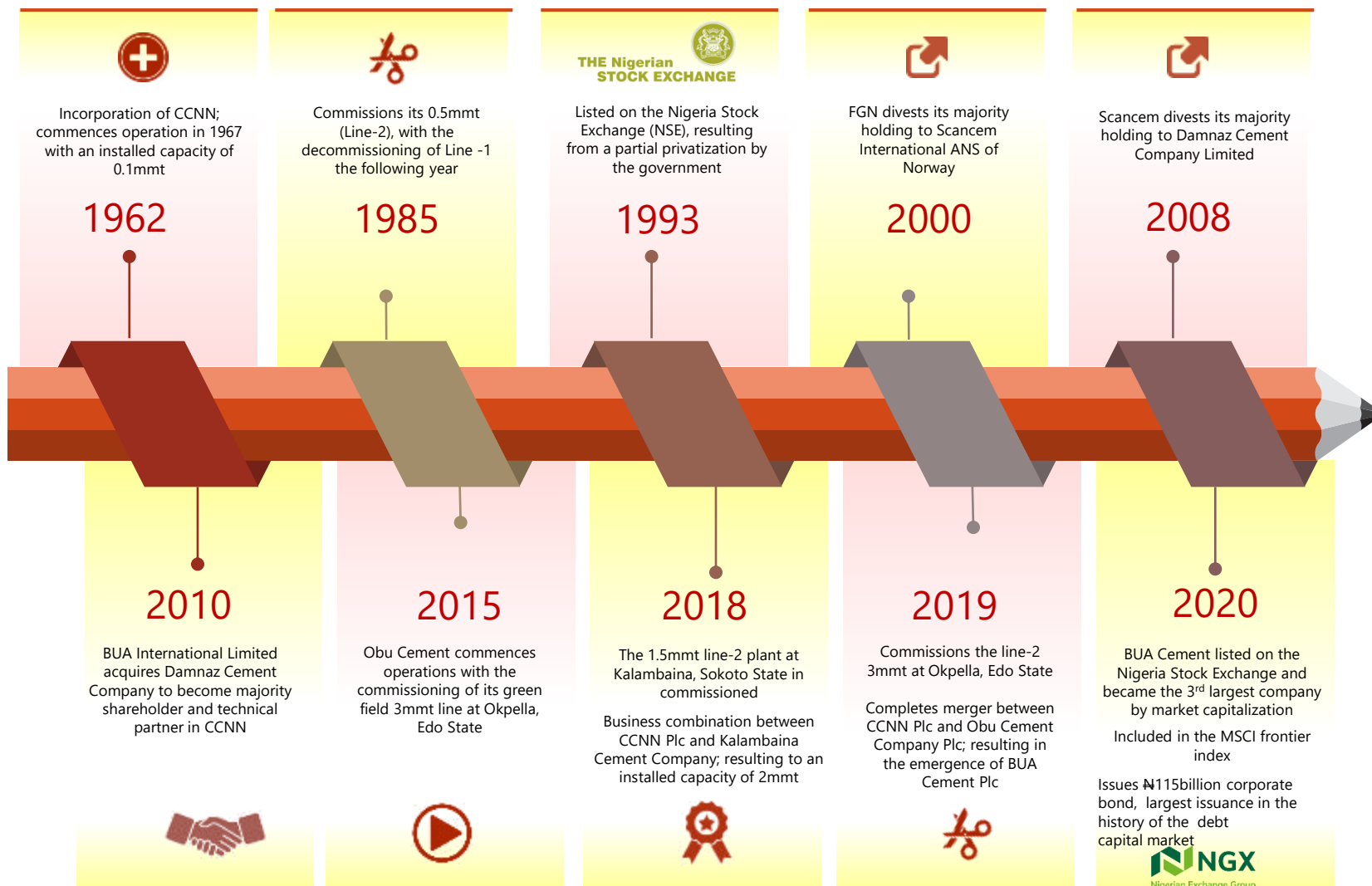


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GCR Global Credit Rating Co. **(AA-)**
Local Expertise • Global

Agusto&Co. (A)
Financials • Credit Analysis • Credit Risk Management

Flawless Execution, Disciplined Approach



Strategic Positioning, Increasing Market Presence

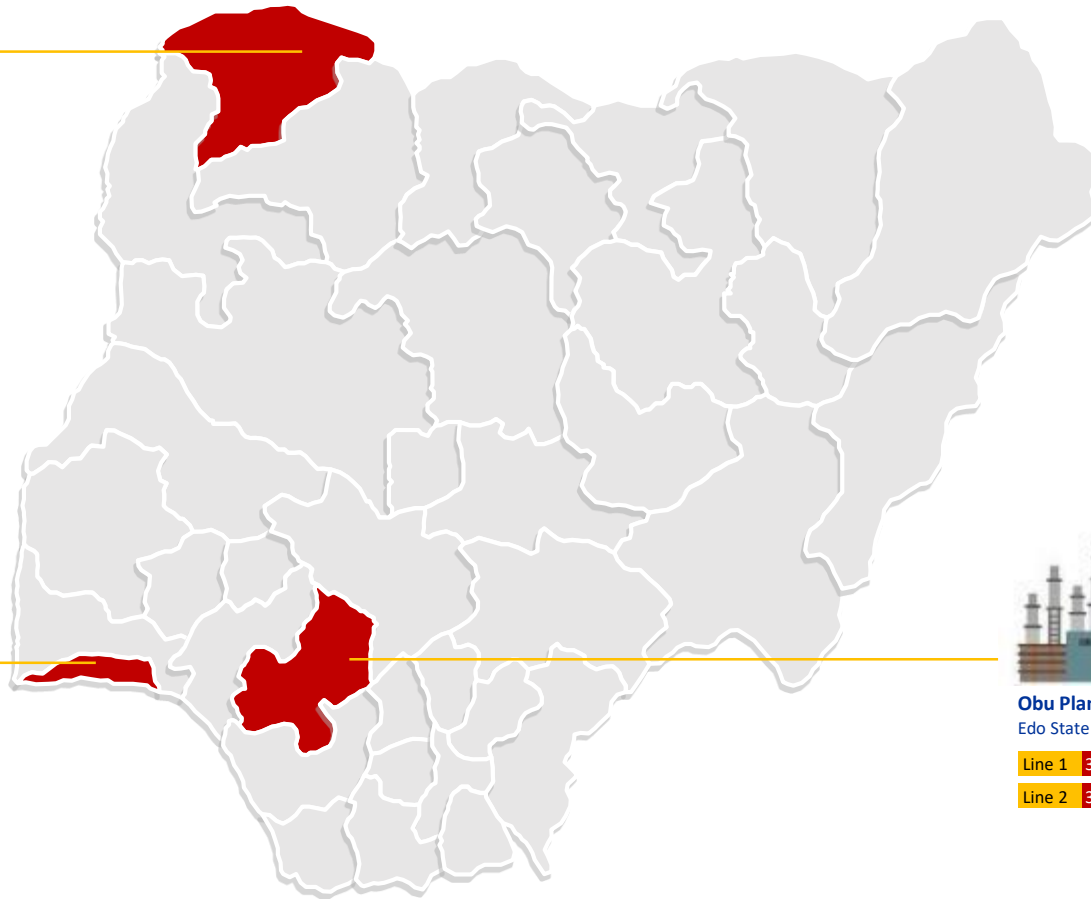


Sokoto Plant
Sokoto State

Line 1	500,000MTPA
Line 2	1.5MMTPA
Line 3	3MMTPA (2021)



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



Obu Plant
Edo State

Line 1	3MMTPA
Line 2	3MMTPA

OBU PLANTS



OBU PLANT (LINES 1 & 2)



LOCATION

Okpella, Edo State
South-South Nigeria



PRODUCTION CAPACITY

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



COMPLETION DATE

2015 – Obu Cement Line 1
2019 – Obu Cement Line 2

Highlights from Q1'2021 – We Continue to Deliver Value

PERFORMANCE 1

Sustained performance and positive outlook underpinned by unceasing cement demand, excellent business model and cost containment measures.

EBITDA 2

EBITDA increases by 20.5% to ₦29.7 billion from ₦24.6 billion, EBITDA margin expands to 48.5% from 45.6%



PROFITABILITY 3

Profit after Tax (PAT), up 13% to ₦22.4 billion from ₦19.8 billion



EPS 4

Earnings per Share (EPS), up 13% to 66 kobo, from 53 kobo



BOND ISSUE 5

Plans to issue Series II Bonds under its ₦200 billion program to finance existing expansion strategy.

EXPANSION DRIVE 6

Expanding output capacity from 11mmtpa (2021) to 20 mmtpa with the construction of new lines across Adamawa, Edo and Sokoto States.

Focus on current cement demand and price pressures.

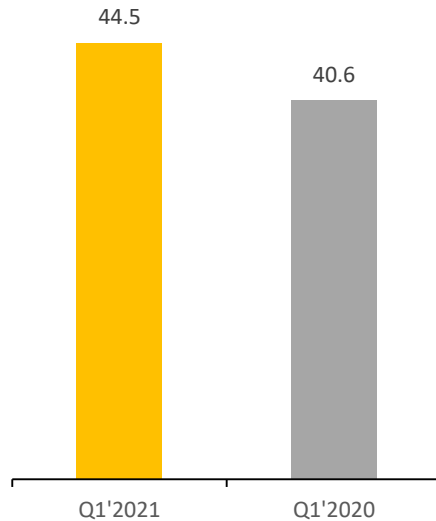
SUSTAINABILITY 7

Activities guided by sustainable practices, in line with the UNSDG.

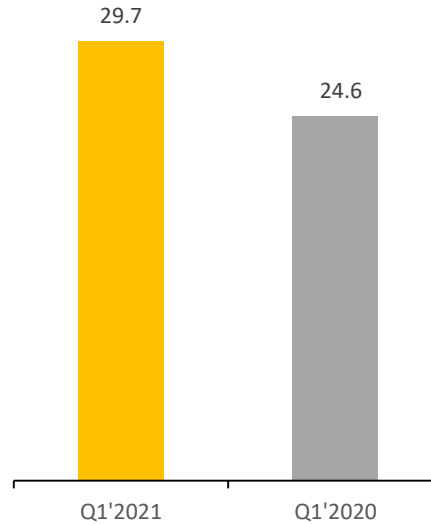
Identified and commenced the construction of the 3.7km road to Afokpella town.

Sustained Performance & Positive Outlook

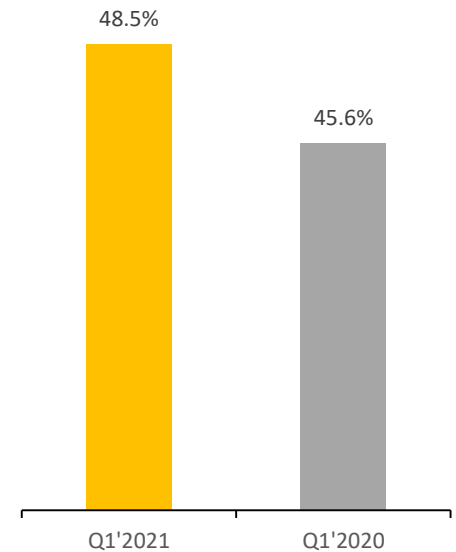
1 Revenue per ton (N'000)



2 EBITDA (N'bn)



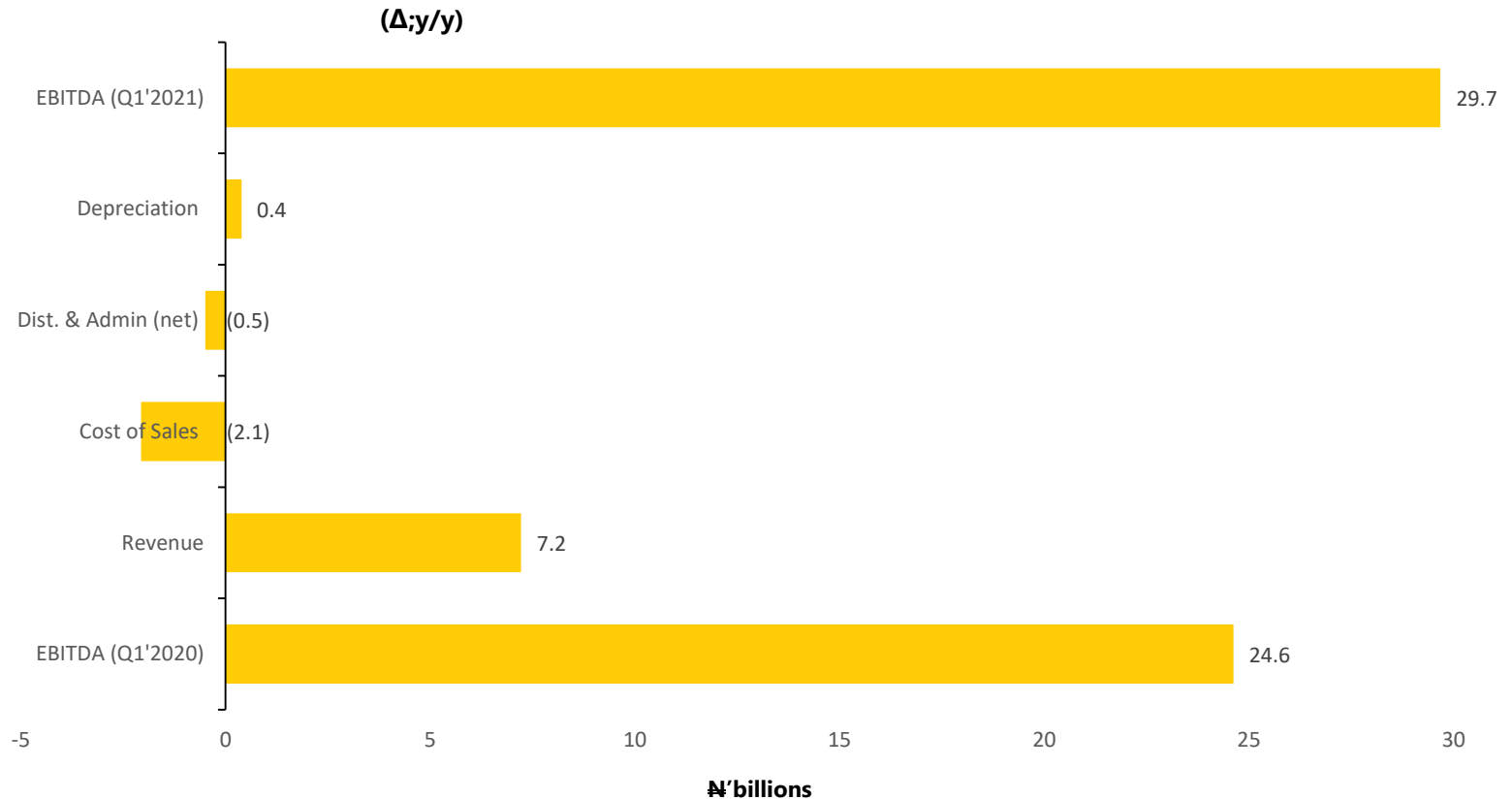
3 EBITDA Margin



Comments

- During the quarter revenue per ton rose by 9.6% to ~~N~~44,520/ton from ~~N~~40,625/ton, as at Q1'2020; which arose from adjustment to lifting bonuses.
- EBITDA increased by 20.5% or ~~N~~5.1 billion to ~~N~~29.7 billion, as at Q1'2021 from ~~N~~24.6 billion, as at Q1'2020, supported by increased business activity. We expect EBITDA to further increase with the commissioning of our 3mmtpa line at Sokoto, arising from the increased supply of cement to the Nigerian market. A priority aimed at addressing cement demand pressures.
- EBITDA margin rose by 2.9% (y/y) to 48.5%, as at Q1'2021 (Q1'2020: 45.6%); driven by a combination of increased volume dispatched, lifting bonus adjustment and cost containment measures.

EBITDA Driven by Revenues



Comments

- EBITDA for the quarter was up 20.5% to ~~N~~29.7 billion, led by a rise in revenue (+13.4%, ~~N~~7.2 billion) to ~~N~~61.2 billion. Cost of sales increased by 6.9% or ~~N~~2.1 billion to ~~N~~32.1 billion, resulting from increases in energy and maintenance costs.
- Selling, distribution and administration costs (net) increased by 16.5% or ~~N~~492.6 million. Driving the increase was selling and distribution costs, which was up 40% to ~~N~~1.6 billion, as at Q1'2021 from ~~N~~1.1 billion, as at Q1'2020; mostly due to higher transportation costs and salaries.
- Depreciation & Amortisation charges were up 10.7% to ~~N~~4 billion, as at Q1'2021 (Q1'2020: ~~N~~3.6 billion), due to the expansion programme.

Marginal Cost Increase Despite Rising Inflationary Environment

Cost of sales
per ton (N'000)



23.3

22.6

Q1'2021

Q1'2020

Energy cost
per ton (N'000)



8.7

8.0

Q1'2021

Q1'2020

Dist. & sell. cost
per ton (N'000)



1.1

0.8

Q1'2021

Q1'2020

Comments











- The rising inflationary environment impacted input costs, resulting in a 3.3% (y/y) rise in cost of sales per ton to ₦23,324/ton, as at Q1'2021 from ₦22,577/ton, as at Q1'2020; although lower than the reported inflation rate of 18.2% (y/y), at the end of March 2021.
- Increase in energy prices during the quarter, led to an 8.2% rise in energy cost per ton to ₦8,660/ton from ₦8,006/ton, as at Q1'2020. Nevertheless, we expect the commissioning of the LNG plant in May 2021 to result in cost competitiveness.
- Increased distribution activities during the quarter led to a 35.3% increase in selling and distribution costs per ton, which rose to ₦1,135/ton from ₦839/ton, as at Q1'2020.


BUA Cement (Sokoto)

LNG Storage and Regasification Plant



In Pursuit of Value Creating Priorities

Priority Areas	Activity	Status
 Synergy	<ul style="list-style-type: none"> • Drive revenue and cost synergies across revenue and margin lines • Continue hamonisation of sales and marketing strategy across the two plants 	
 New Markets	<ul style="list-style-type: none"> • Increase customer on-boarding in new locations • Pursue steady incursions into foreign markets, particularly with the commencement of AcFTA 	
 Expansion	<ul style="list-style-type: none"> • Commission the 3mmtpa, line-3 at Kalambaina, Sokoto State in 2021 • Kick start the ground breaking for the construction of 3 new plants across Adamawa, Edo and Sokoto States 	
 Sustainability	<ul style="list-style-type: none"> • Commence gas usage in our operations at Kalambaina, Sokoto State • Drive further gains in sustainable practices, in line with international best practice 	
 Sustaining Innovation	<ul style="list-style-type: none"> • Deploy solutions that enhance customer experience • Launch the re-branded CCNN/BUA packaging bags with improved quality 	


 Ongoing and expected to deliver on targets


Investing to Grow Market Presence




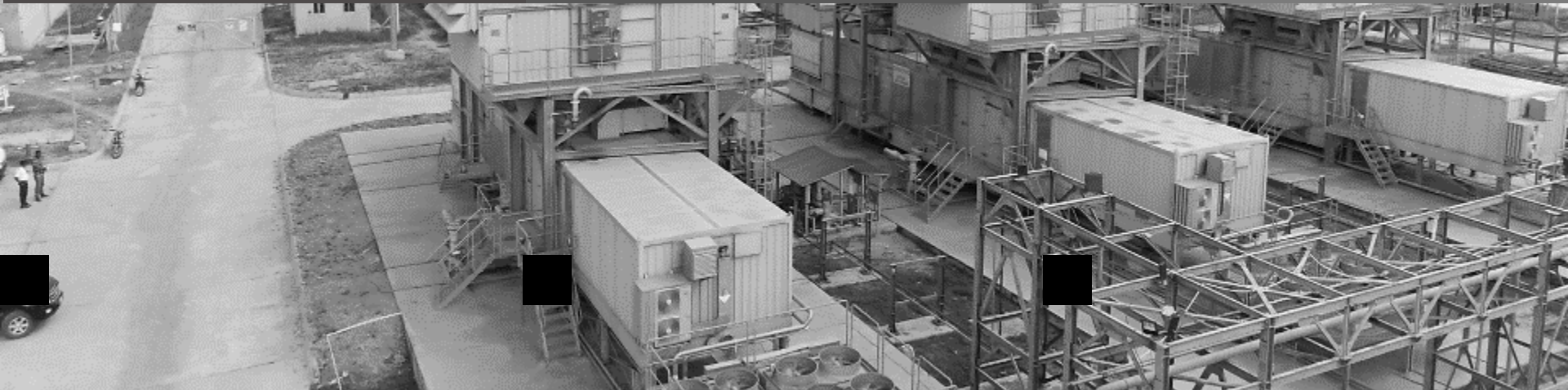
PROJECT UPDATES



1  Site have been identified and selected in Edo and Sokoto States.

2  Mobilisation to site has commenced by the Contractor.

3  Other ancillary contracts are being conducted



...and focus on addressing current cement needs

SOKOTO PLANTS



SOKOTO PLANT (LINE 3)



LOCATION

Kalambaina, Sokoto
(North-West, Nigeria)



PRODUCTION CAPACITY

New Line 3 – 3million mtpa



COMPLETION DATE

2021

BUA CEMENT PLANT SOKOTO

KEY FACTS

98MW

Captive Power plant

High Capacity

Coal mill, multi-fuel Cement plant

Location

Kalambaina, Sokoto

(North-West Nigeria)

Production Capacity

Line 1- 500,000mtpa

Line 2- 1.5mmtpa

New Line 3- 3mmtpa

Completion Date

1985

Line-1

2018

Line-2

2021

Line-3



BUA

CEMENT

CEMENT

APPENDIX



Board of Directors



ABDULSAMAD RABIU
Chairman

Abdul Samad Rabi, CON., is the Chairman of BUA Cement Plc. He is also the founder and Chairman of BUA International Limited - a foods, mining and infrastructure conglomerate which he established in 1988 with business interests in Cement Manufacturing, Sugar Refining and Plantations, Rice, Flour Milling & Pasta Production, Oil & Gas, Construction, Real Estate and Logistics. Abdul Samad Rabi studied Economics at Capital University, Columbus, Ohio, USA and he holds the Nigerian National Honour of 'Commander of the Order of the Niger' (CON). His shareholding is 19,044,995,225 units.



YUSUF BINJI
Managing Director/CEO

Yusuf Haliru Binji is the Managing Director/CEO of BUA Cement Plc. He holds a B.Eng. Degree in Chemical Engineering from Ahmadu Bello University, Zaria and an M.Sc. in Chemical Process Engineering from the University College, University of London.

He has over 28 years working experience in various organizations including: Cement Company of Northern Nigeria, BUA International Limited, Obu Cement Company Limited, among others. He is the Managing Director/CEO of BUA Cement Plc. His Shareholding is 7093 units.



JACQUES PIEKARSKI
Executive Director/CFO

Jacques Piekarski is a graduate of the Business School in Lausanne, Switzerland and holds an MBA from Robert Kennedy College, Zurich, Switzerland.

He is a seasoned finance professional with over 26 years of experience holding several C-Suite finance roles across Europe and Africa in FMCG, Cement, Trading and Mining. Prior to joining BUA Cement Plc. as Chief Financial Officer in October 2020, Jacques last worked with TGI Group Nigeria as the Group CFO.



CHIMAObi MADUKWE
Non-Executive Director

Chimaobi Madukwe is a Non-Executive Director at BUA Cement Plc. He holds a Bachelor's degree in Management Studies (Accountancy) from the University of Jos and a Master's degree in Business Administration from ESUTH Business School. Prior to joining BUA Group in 2004, Chimaobi Madukwe was Head of Corporate Finance at Citizens International Bank Plc where he worked from 1999 to 2004.

He also sits on the board of BUA International Limited, BUA Sugar Company Limited, Edo Cement Company Limited among others.

Board of Directors



KABIRU RABIU
Non-Executive Director

Kabiru Rabi is a Non-Executive Director at BUA Cement Plc. He holds a Bachelor's degree in Management from Webster University, London and an MBA in International Business from American Intercontinental University UK. He is the Group Executive Director for BUA Group and a Non-Executive Director at BUA Cement Plc.

Prior to his appointment, he held various management positions at Nigeria Oil Mills as General Manager and later as Managing Director of BUA Oil Mills Limited.



FINN ARNOLDSEN
Non-Executive Director

Finn Arnolds, Norwegian, is a Non-Executive Director at BUA Cement Plc. He holds a Master of Science in Mechanical Engineering from NTH Norway. Mr. Arnolds has 33 years of extensive work experience - most of which were spent in the Cement Industry across several countries in Europe and Africa.

He has also attended several management courses including a Senior Management Development course at INSEAD, France.



KHAIRAT A. GWADABE
Independent Non-Executive Director

Senator Khairat Abdulrazaq-Gwadab is an Independent Director at BUA Cement Plc. A Lawyer and Managing partner of A. Abdulrazaq & Co, a firm of Legal Practitioners. Senator Gwadab holds a B.A in European Studies and Spanish from the University of Wolverhampton, England and an LL.B from the University of Buckingham in England.

She was called to the Nigerian Bar in 1986.



SHEHU ABUBAKAR
Independent Non-Executive Director

Shehu Abubakar is an Independent Director at BUA Cement Plc. He holds a B.Sc. (Business Management) from Usman Danfodio University, Sokoto and an MBA from Ahmadu Bello University, Zaria. Alhaji Abubakar had an extensive working career in the Banking Industry from 1987 to 2017, where he retired as an Executive Director of Keystone Bank Limited.



Thank You

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