



BESTWAY CEMENT LIMITED

BCL/PSX/CBS
September 8, 2023

The General Manager
Pakistan Stock Exchange Ltd.
Stock Exchange Building
Stock Exchange Road
Karachi.

CORPORATE BRIEFING SESSION

Dear Sir,

This is in continuation of our earlier letter dated September 5, 2023 regarding subject, please note that the Corporate Briefing Session (CBS) of Bestway Cement Limited (the Company) will be held on Tuesday, September 12, 2023 at 4:00 p.m. at ISE Tower Auditorium, 55-B, Jinnah Avenue, Islamabad as well as through video conference (on Zoom) to brief the investors/analysts on Company's current financial performance and outlook.

Zoom details are given below:

Meeting ID: 991 8389 7849

Passcode: 180274

<https://zoom.us/j/99183897849?pwd=QmZ3SzBtMUdkNzVCb1hYMGF0SjFldz09>

The CBS presentation is attached. You are requested to please inform the investors/members of the exchange accordingly.

Thanking you,

Yours sincerely,
for **Bestway Cement Limited**

Hassan Niazi
Company Secretary



BESTWAY CEMENT LIMITED

Corporate Briefing Session
2022-23

Bestway Cement Limited | 12 September 2023

Conducted by
Mr. Muhammad Danish Khan (Acting CFO)

Facilitated by
Ms. Nadia Saleem (HOD Budgeting)

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**Bestway
Group**



Key Highlights



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BESTWAY GROUP

BESTWAY GROUP – FAST FACTS



Bestway Group

13th
Largest private business in UK

7th
Largest family business in UK

Bestway Group Workforce

 **+28,000**
Global work force

No. of Customers


 **+12m**
Customers


Bestway Wholesale

 **Largest**
Independent wholesale operator in the UK

 **18%**
Market share

United Bank Limited

 **3rd**
Largest bank in Pakistan

 **£12.3bn**
Asset base

2022 Financial Results

~£4.51bn
Turnover

~£398.8m
Profit before tax


~£530.1m
EBITDA

Well Pharmacy


 **Largest**
independent Retail pharmacy chain in the UK

 **5.45%**
Pharmacy sector market share



Bestway Cement Limited


 Largest cement manufacturer in Pakistan


15.3 Mt
Capacity per annum

 **18.8%**
Market share

Bestway Packaging Limited

  **8%**
Market share

 **Bestway Renewable Technologies Limited**

 **Bestway Consultancy Services**

LARGEST CEMENT PRODUCER IN PAKISTAN



15.3
million

tonnes cement per annum
production capacity

8

State-of-the-art production
lines at five locations

Hattar
Farooqia
Chakwal
Kallar Kahar
Mianwali

Bestway offers the widest
range of products for domestic
and international markets
including tile adhesives. We're
the only cement producer
Selling cement

online

PRODUCT PORTFOLIO

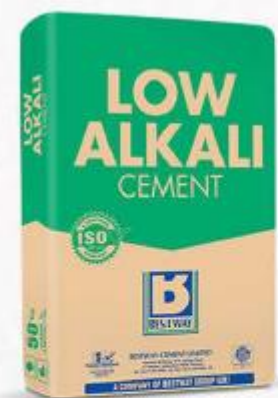


XTREME TILE BOND
SUPERIOR TILE ADHESIVE FOR FLOOR AND WALL TILES

XTREME TILE GROUT
LONG LASTING, FAST COLORS

BESTWAY
ORDINARY PORTLAND CEMENT
ALL PURPOSE CEMENT

PAKCEM
ORDINARY PORTLAND CEMENT
ALL PURPOSE CEMENT



LOW ALKALI
CEMENT
INFRASTRUCTURE PROJECTS
ESPECIALLY FOR DAMS & BRIDGES



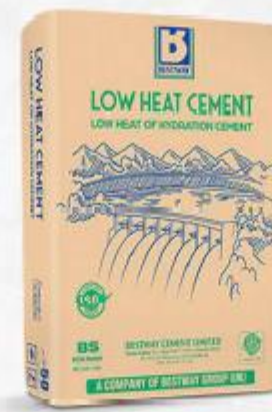
DURA CEM
ASTM C150 CEMENT
ORDINARY PORTLAND CEMENT
ASTM C150 (TYPE I)



ECOCEM
ECONOMY WITH STRENGTH
ALL PURPOSE CEMENT



STALLION
EARLY SETTING CEMENT
FOR PRE-CAST



LOW HEAT CEMENT
LOW HEAT OF HYDRATION CEMENT
FOR MASS CONCRETING & DAMS



SRC
SULPHATE RESISTANT CEMENT
PROTECTS AGAINST
WATER LOGGED & SALINE SOILS



STALLION
HIGH QUALITY CEMENT
ALL PURPOSE CEMENT



BUZKASH
CEMENT
STRONG, DURABLE, ECONOMICAL.
ALL PURPOSE CEMENT



LION
CEMENT
LOW CHROME CEMENT



KEY HIGHLIGHTS

SIGNIFICANT HIGHLIGHTS



2 new production lines

of 7,200 TPD clinker each were successfully commissioned in record time at Mianwali (Greenfield) and Hattar (Brownfield). Both lines are equipped with Waste Heat Recovery Power Plants (WHRPP) and Air-Cooled Condenser System (ACC).

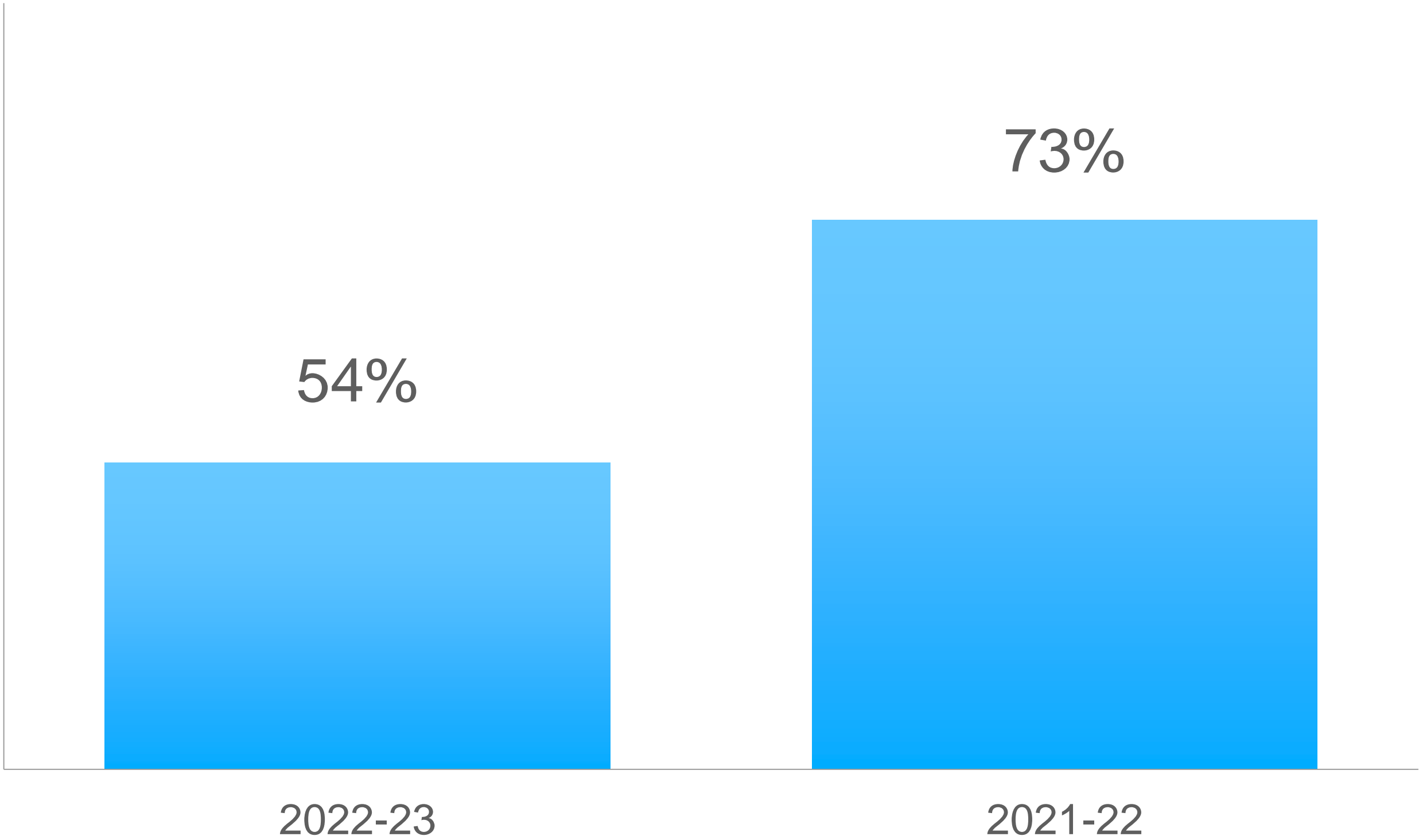
Further expansion in solar power generation

from 55.4 MW in June 2022 to 89.6 MW in June 2023. This is the largest captive solar capacity in Pakistan.

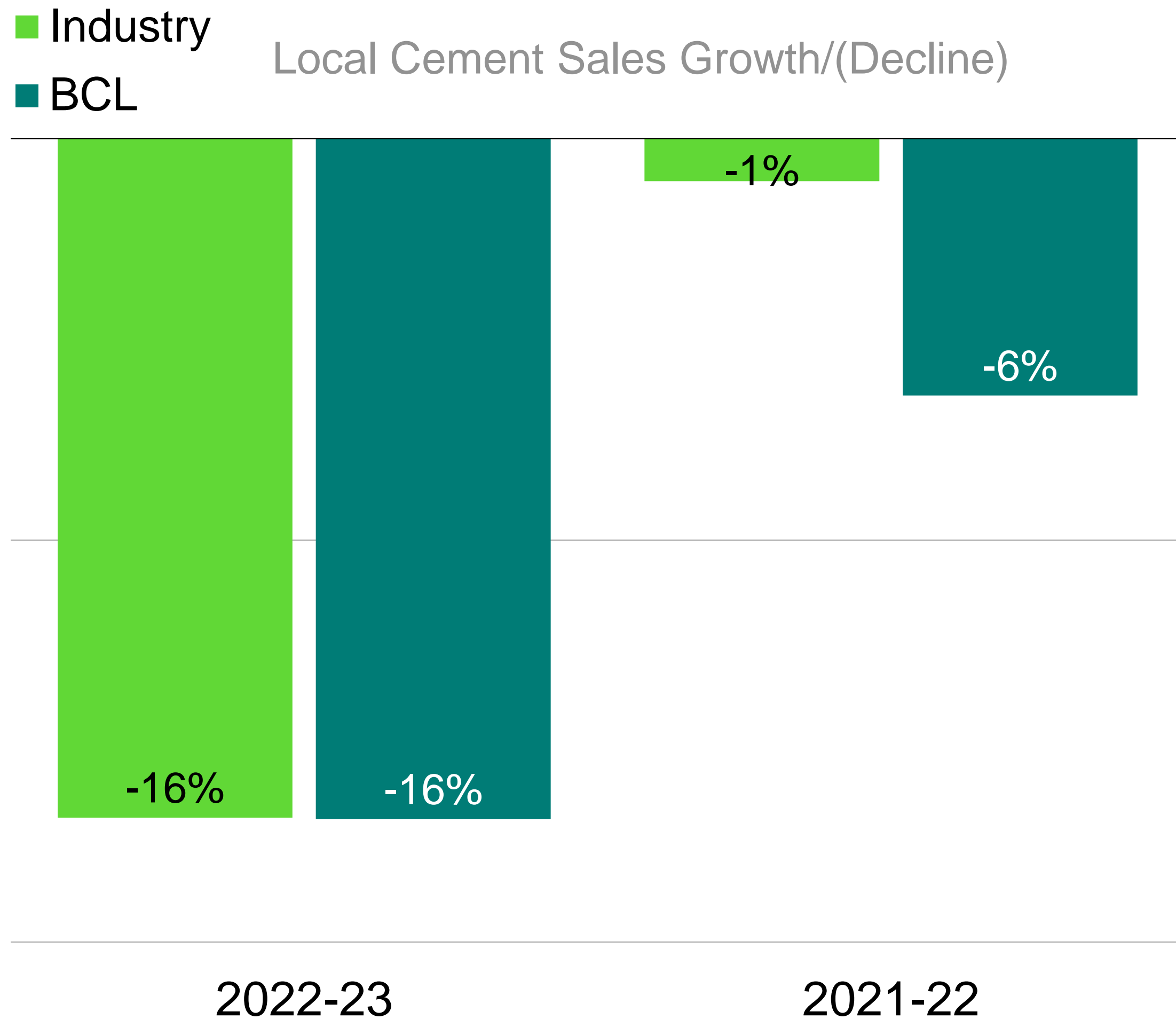
Focus on efficiency and financial discipline

resulted in Bestway retaining its position as the lowest cost producer and the market leader in 2023.

BCL CAPACITY UTILISATION

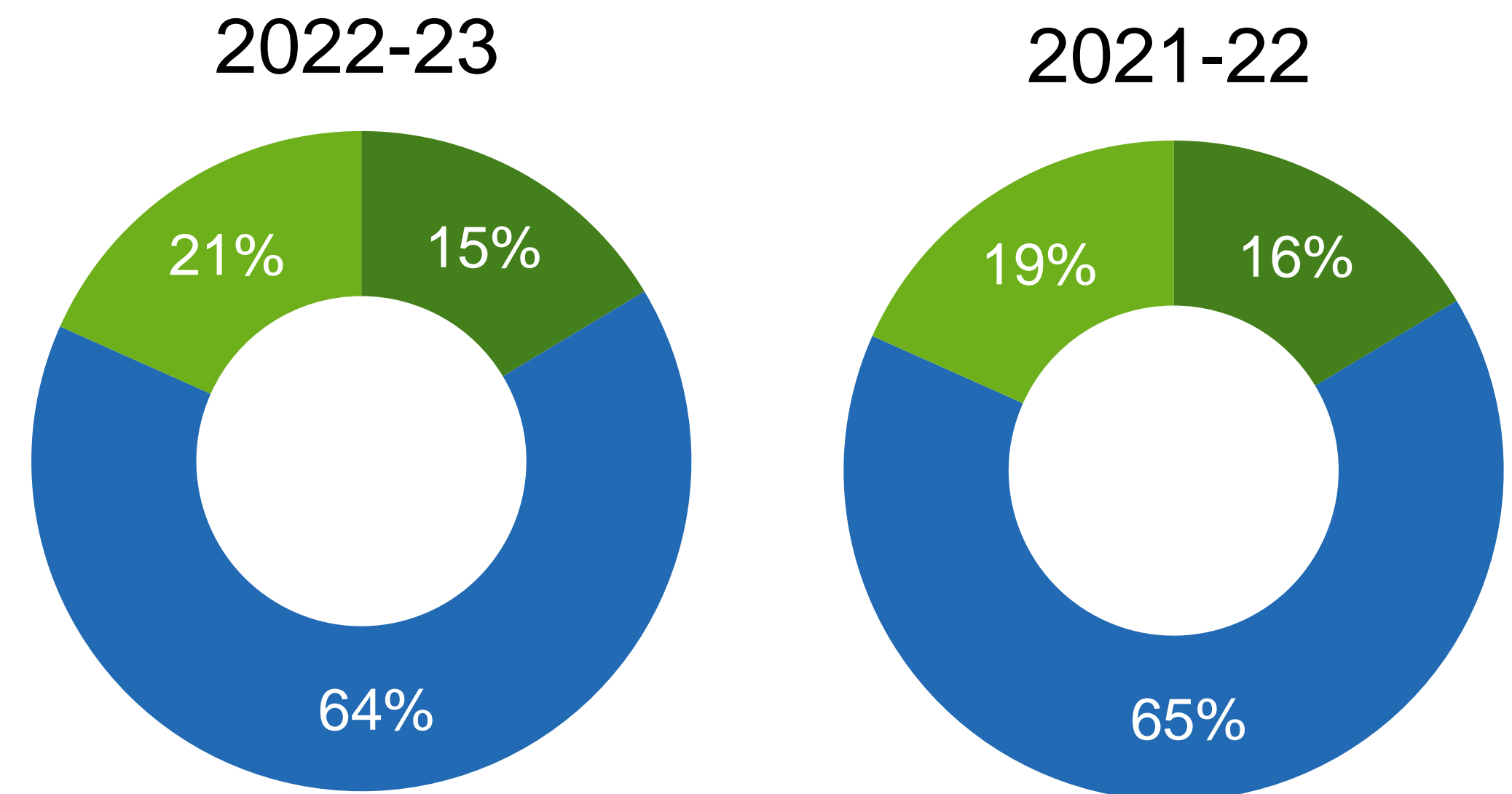


INDUSTRY GROWTH AND BCL MARKET SHARE (BASED ON DESPATCHES)

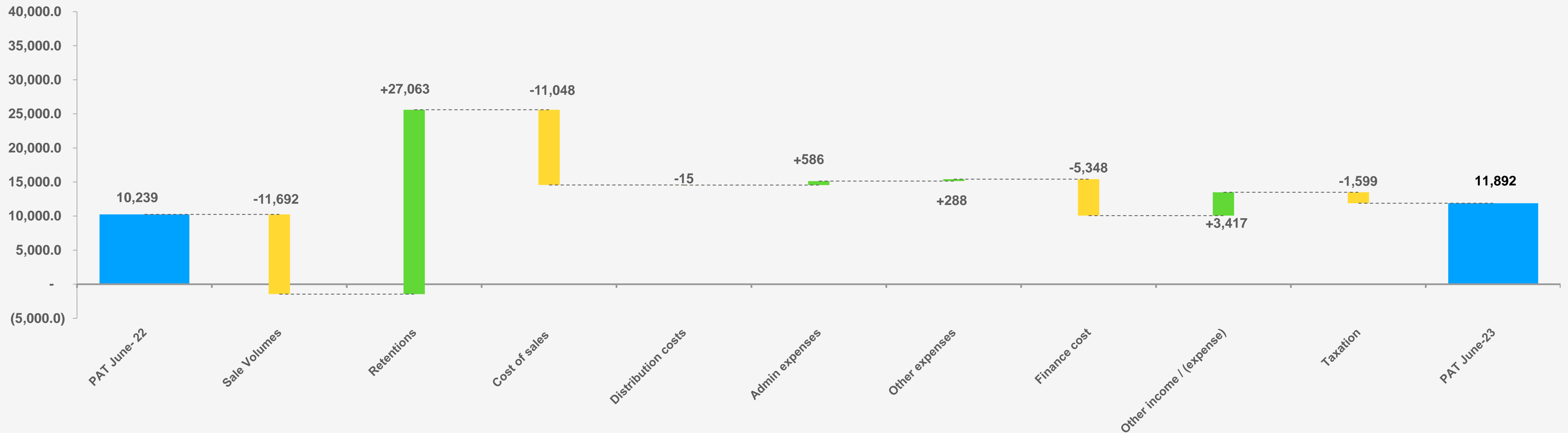


BCL Market Share – Total Cement Sales

- BCL (Dark Green)
- Industry - North excl BCL (Blue)
- Industry - South (Light Green)



FINANCIAL PERFORMANCE



• **Net revenue** Increased by 15.3 billion (21%):

• **Volume Impact:** Sales volumes decreased by 1.3 MT (16%)

• **Retention Impact:** Net retention increased to 13,511 per tonne (45% YOY).

• **Cost of sales** COGS also increased by 22% overall. Per tonne cost increased by 46% YOY due to increase in cost of fuel, power and packing material.

• **Gross profit:** Our GP % declined from 32% to 31% as result of unprecedented cost increase.

• **Admin expenses** decreased mainly due to reduction in donations.

• **Finance cost** increased due to increase in interest rates and higher borrowings for the Projects.

• **Other income** income increased due to increase in profit from short term investments and due to higher profits of associated companies.

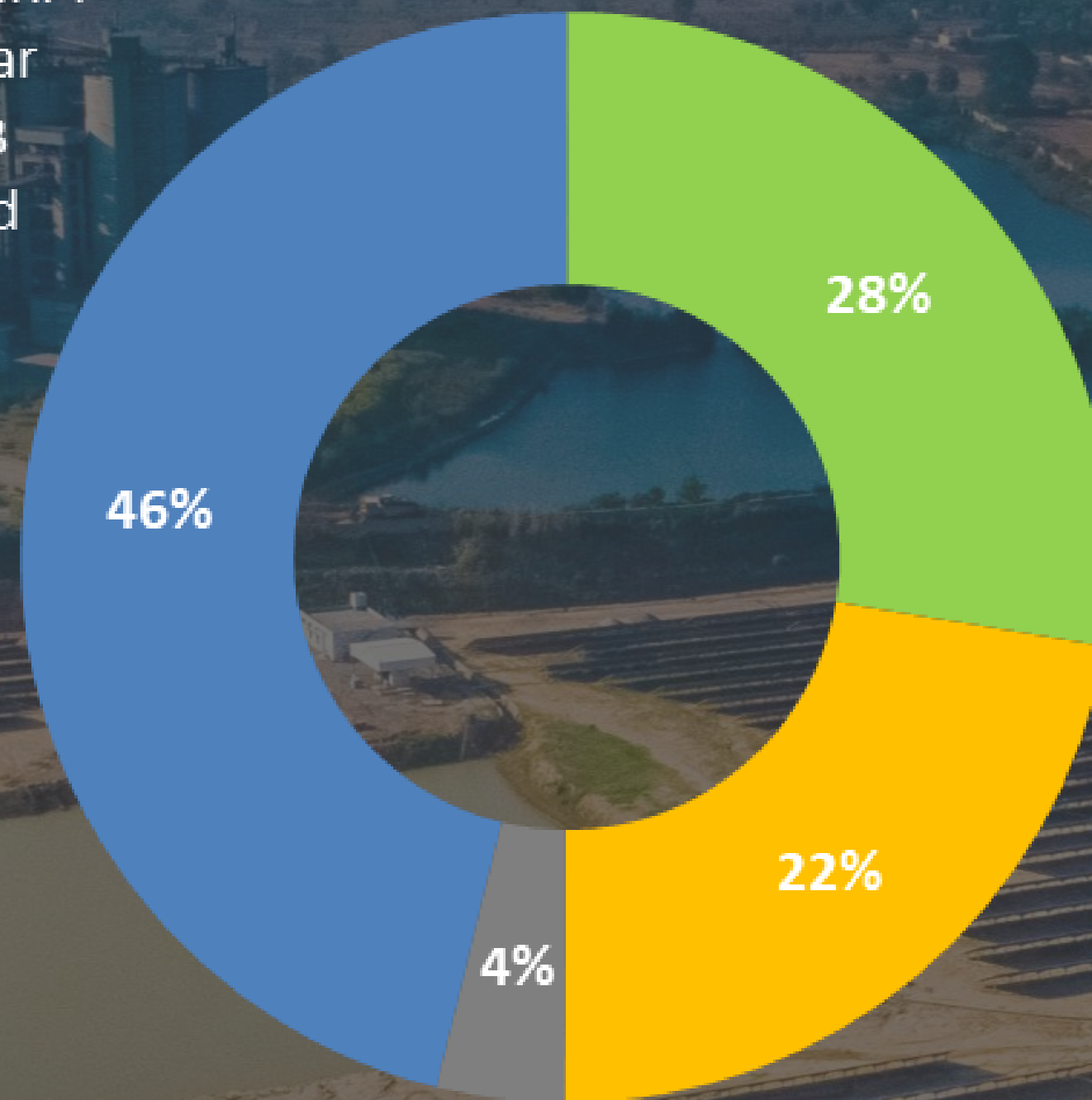
KEY FINANCIAL HIGHLIGHTS



Financial Measure	2022-23	2021-22
Debt : Equity Ratio	52:48	39:61
Dividend Payout	210%	160%
Operating Profit	Rs. 24.3 Billion	Rs. 19.1 Billion
Cash from Operating activities	Rs. 10.3 Billion	Rs. 13.5 Billion
CAPEX	Rs. 32.7 Billion	Rs. 34.2 Billion
Contribution to Exchequer	Rs. 36.1 Billion	Rs. 31.7 Billion

CURRENT POWER MIX

- WHRPP
- Solar
- CFB
- Grid





BESTWAY FOUNDATION SCHOOL

Inaugurated

By

Z.A

IOU

CBE



CORPORATE SOCIAL RESPONSIBILITY



CORPORATE SOCIAL RESPONSIBILITY



Education

- 1,178 students receiving education at Bestway schools and college.
- Construction of 1 new school at Kallar Kahar has been completed at a cost of Rs. 12.4 m, the school has been operational since April 2023.
- 1 additional school is being built at Chakwal and 1 at Farooqia, next to our existing schools, with combined cost of Rs. 174 million.
- Bestway Scholarship Endowment Funds of Rs. 60 million with NAMAL, Rs. 20 million with LUMS and Rs. 12.5 million with NUST.
- 16 fully funded scholarships are also being provided by Bestway Group in the UK.

Health

- Free medical facilities are provided to thousands of patients in the local community.
- More than 70,000 patients benefitted from medical centres located at Bestway Plants.

CSR

- Hum Sahara program aimed at providing crucial aid and housing to most severely impacted by floods. The expenditure on the Program is estimated to be in excess of Rs. 600 million.
- Spent more than Rs. 306 million on various CSR initiatives including Rs. 135 m on education and Rs. 131 m donated to major charitable trusts, making it one of largest corporates in the country in terms of CSR spend.
- Supported 450 widows and indigents by providing financial assistance in the form of monthly stipends.
- Introduced hundreds of jobs for skilled and unskilled individuals.



FUTURE OUTLOOK

FUTURE OUTLOOK



1

The unprecedented economic and political crisis is likely to hamper economic growth for foreseeable future.

2

The expected future inflows from friendly countries can provide some short term relief. But structural reforms and consistency of policies have become essential for long term progress of the country.

3

During July and August 2023 cement dispatches have been much better as compared with the last year (better weather and FY 22 low base effect). Overall, we expect the volumes for FY 24 to be marginally better than FY 23.

4

We are working to enhance our solar power generation capacity further.

Bestway is not only one of the lowest cost producers in the country but is also fairly low-leveraged which means that it is much better placed to face off any headwinds and challenges.



QUESTION & ANSWER SESSION



APPENDICES

SALES VOLUME



Description	Industry			BCL		
	June-23	June-22	YOY	June-23	June-22	YOY
Domestic-North	32,849,190	39,438,308	(17%)	6,493,233	7,719,267	(16%)
Domestic- South	7,237,202	8,196,939	(12%)	-	-	0%
Domestic- Total	40,086,392	47,635,247	(16%)	6,493,233	7,719,267	(16%)
Exports-North	1,071,123	911,944	17%	79,701	120,211	(34%)
Exports- South	1,526,614	1,568,056	(3%)	-	-	0%
Exports- Total	2,597,737	2,480,000	5%	79,701	120,211	(34%)
Grand Total	42,684,129	50,115,247	(15%)	6,572,934	7,839,478	(16%)

KEY FINANCIAL DATA

HISTORICAL DATA



OPERATING RESULTS (PKR Millions)	2023	2022	2021	2020	2019	2018	2017
Net turnover	87,742	72,370	56,864	37,129	53,602	52,884	51,624
Cost of sales	60,426	49,377	40,261	36,012	37,557	33,928	29,091
Gross profit	27,316	22,993	16,603	1,117	16,045	18,956	22,533
Operating profit	24,325	19,144	14,691	(26)	13,290	14,217	17,439
Finance cost	6,828	1,480	1,071	2,152	1,498	600	831
Profit before tax	22,598	19,347	15,538	(506)	13,246	14,964	18,664
Profit for the year	11,892	10,239	11,578	49	10,097	13,158	13,293
STATEMENT OF FINANCIAL POSITION (PKR Millions)	2023	2022	2021	2020	2019	2018	2017
Share capital and reserves	61,846	60,757	60,123	54,653	57,606	53,310	47,769
Property, plant and equipment	115,529	85,670	55,007	55,789	57,242	56,086	44,732
Long term financing	46,338	21,982	11,872	11,542	-	5,500	10,000
Net current (liabilities) / assets	(9,071)	(9,811)	6,366	(1,441)	(9,680)	(7,250)	2,008

KEY FINANCIAL DATA

HISTORICAL DATA



SIGNIFICANT FINANCIAL RATIOS (Percentage)	2023	2022	2021	2020	2019	2018	2017
Gross profit ratio	31.04	31.94	29.20	3.01	29.93	35.84	43.65
Net profit ratio	13.51	13.89	20.36	0.13	18.84	24.88	25.75
Interest coverage ratio	4.31	14.57	15.51	0.76	9.84	25.94	23.46
Return on equity	19.23	16.46	19.26	0.09	17.53	24.68	27.83
Earnings per share	19.94	17.17	19.42	0.08	16.93	22.07	22.29
Dividend	210	160	140	30	110	120	120
Despatches (Thousand Metric Tonnes)	2023	2022	2021	2020	2019	2018	2017
Cement and Xtreme bond	6,572	7,839	8,664	7,311	8,126	8,590	7,478