



BUILDING ON STRENGTH

Corporate Briefing Session

Bestway Cement Limited | 03 November 2022

Presided by

Mr. Muhammad Amir Khan (CFO)

Facilitated by

Mr. Muhammad Danish Khan (Head BTR)

CONTENTS



**Bestway
Group**



Key Highlights



**New
Projects**



**Environment
& CSR**



**Future
Outlook**



**Q&A
Session**



**Appendices
Key Financial Data**



BESTWAY GROUP

BESTWAY PORTFOLIO



One of the largest overseas investor in Pakistan- Estimated value of group investment in Pakistan in excess of
USD 1.7 Billion



Largest independent wholesaler in UK having 63 Bestway and Batleys depots
Bestway Wholesale



Largest independent retail pharmacy in UK with 748 pharmacies
Well Pharmacy



3rd largest retail bank in Pakistan with more than 1,300 branches and over 10 million customers
United Bank Limited



2nd largest cement producer in Pakistan
Bestway Cement

BESTWAY CEMENT



10.8
million

tonnes cement per annum
production capacity

6

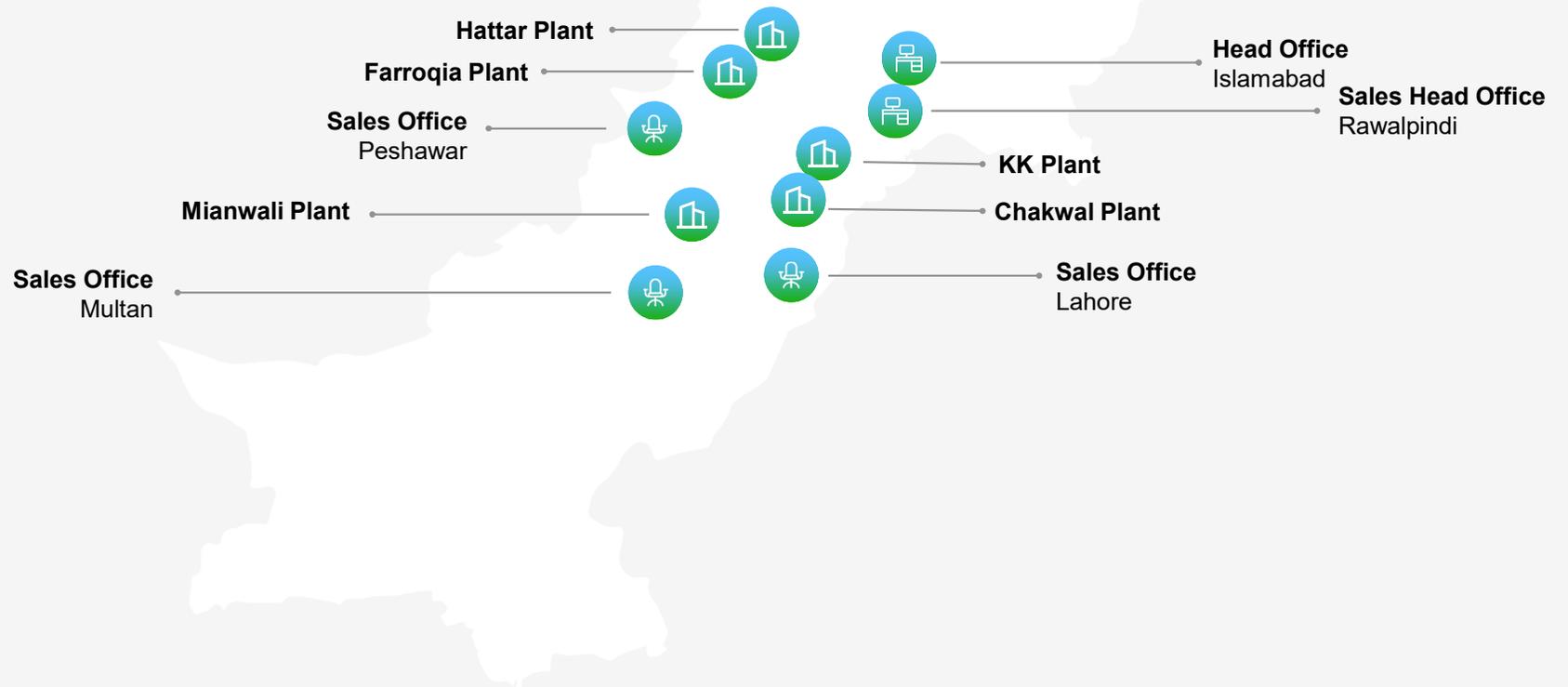
state-of-the-art production
lines at four locations

Hattar
Farooqia
Chakwal
Kallar Kahar.

Bestway offers a wide range of
products for domestic and
international markets. We're
the only cement producer
Selling cement

online.

BCL OPERATIONAL AREAS



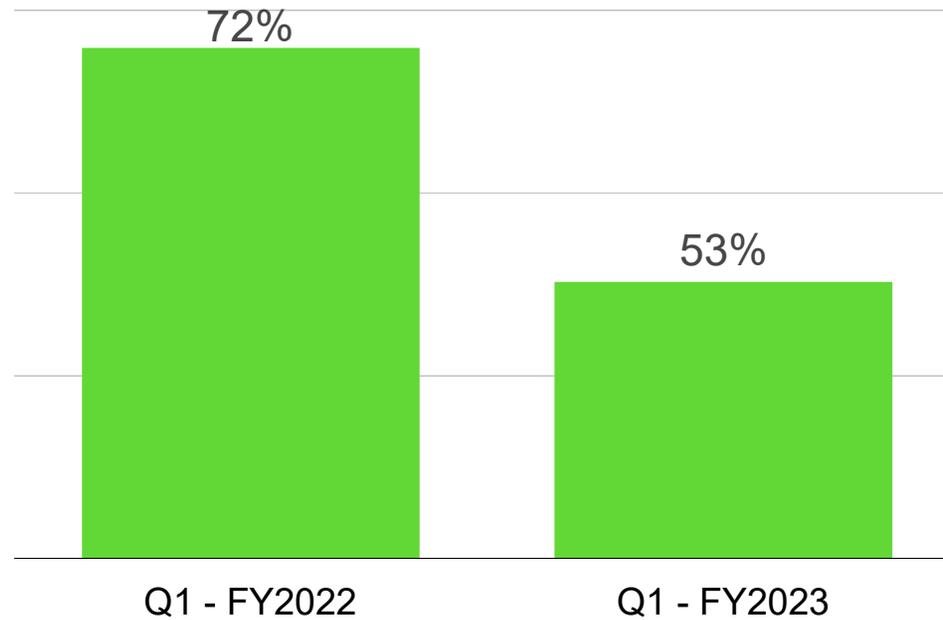


KEY HIGHLIGHTS

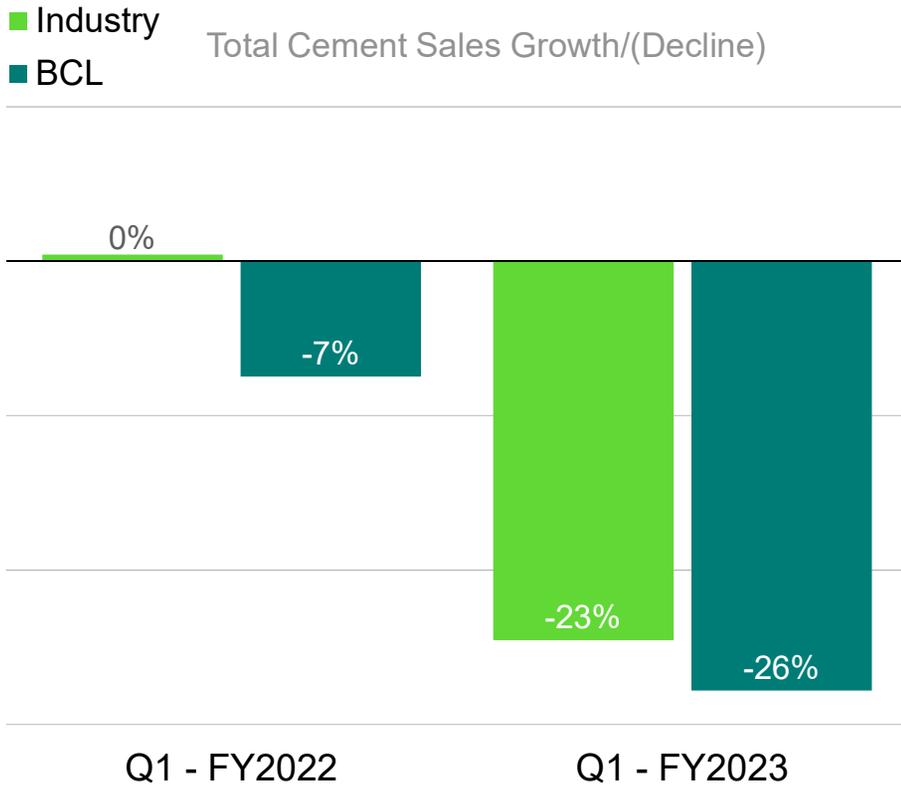
BCL CAPACITY UTILISATION



BCL - Capacity Utilisation



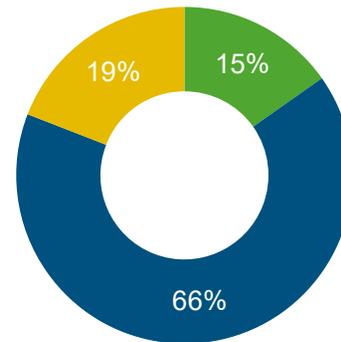
INDUSTRY GROWTH AND BCL MARKET SHARE (BASED ON DESPATCHES)



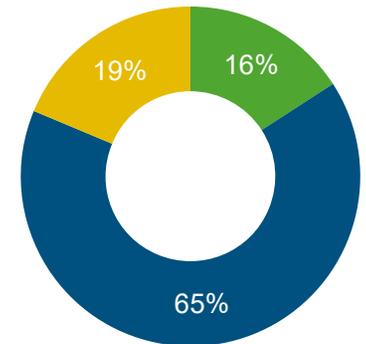
BCL Market Share – Total Cement Sales



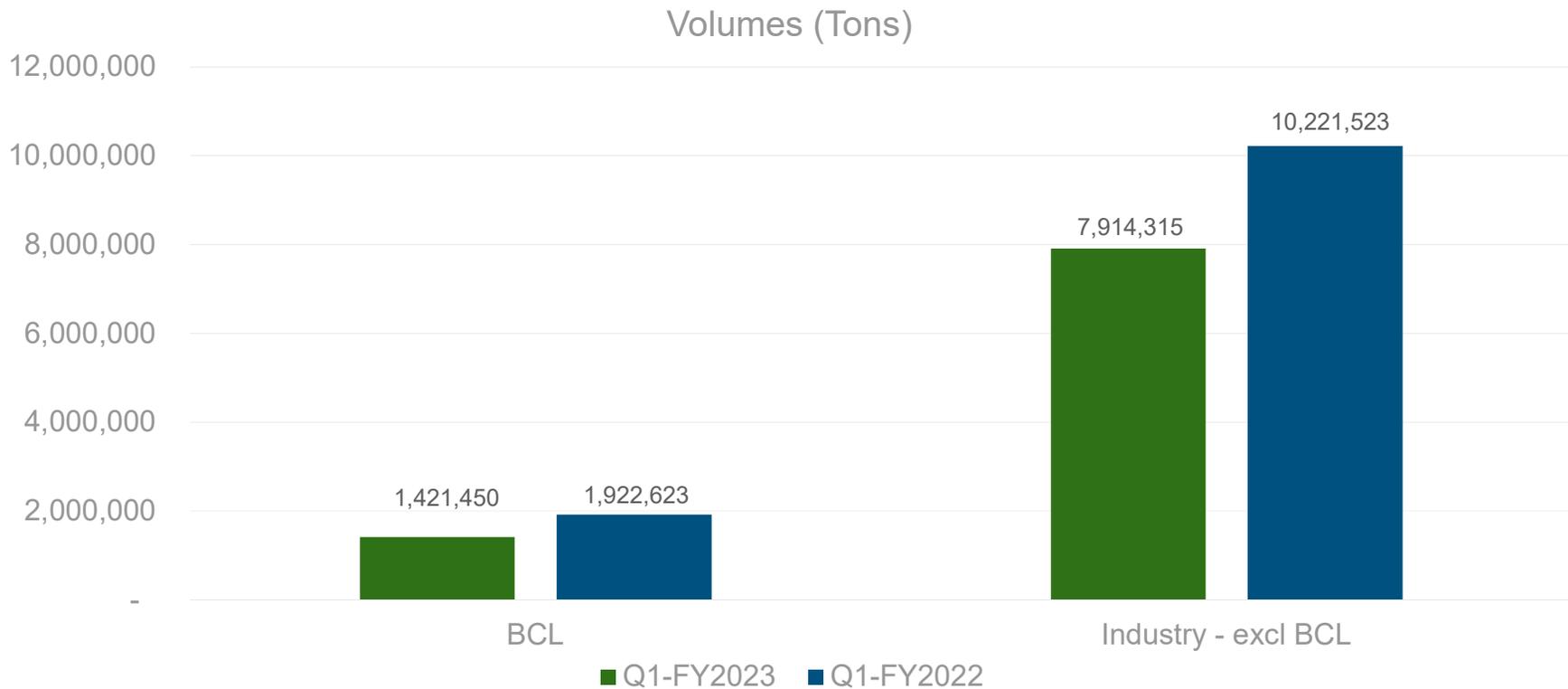
Q1 – FY2022



Q1 – FY2023



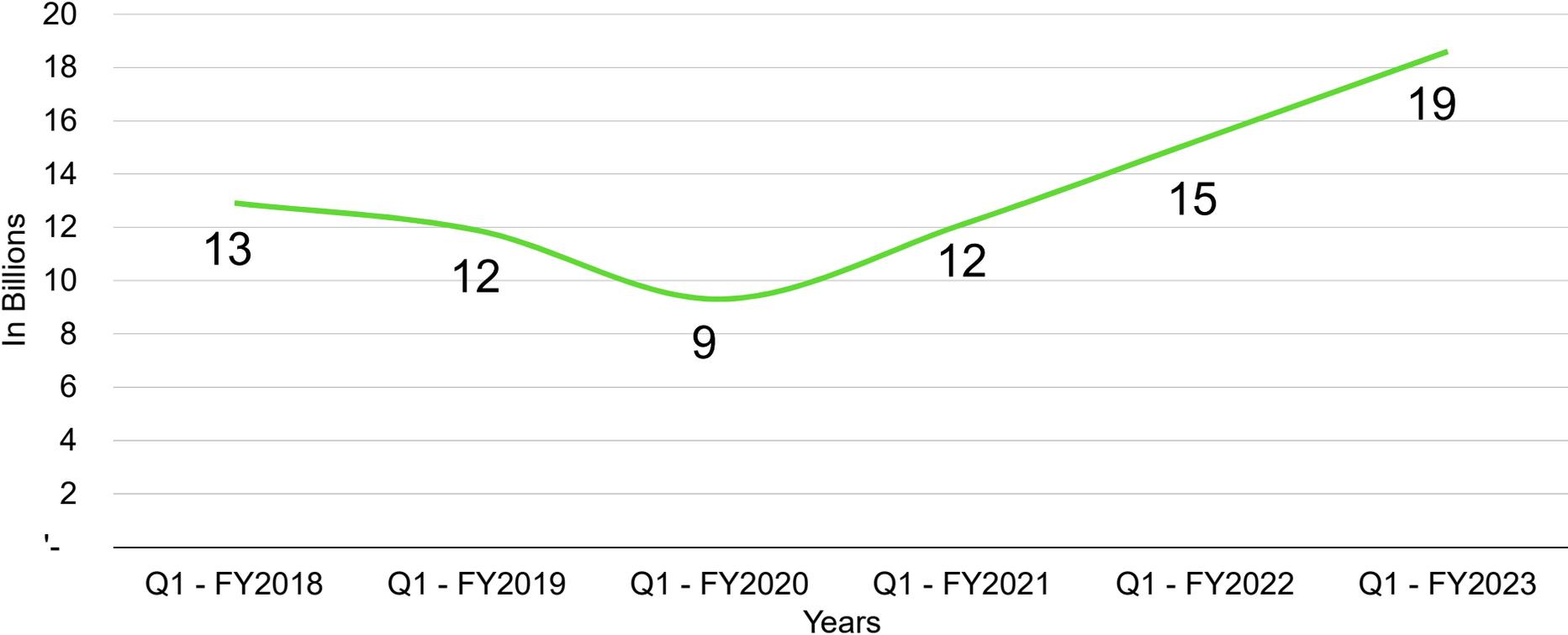
INDUSTRY GROWTH AND BCL MARKET SHARE (BASED ON DESPATCHES) CONTD.



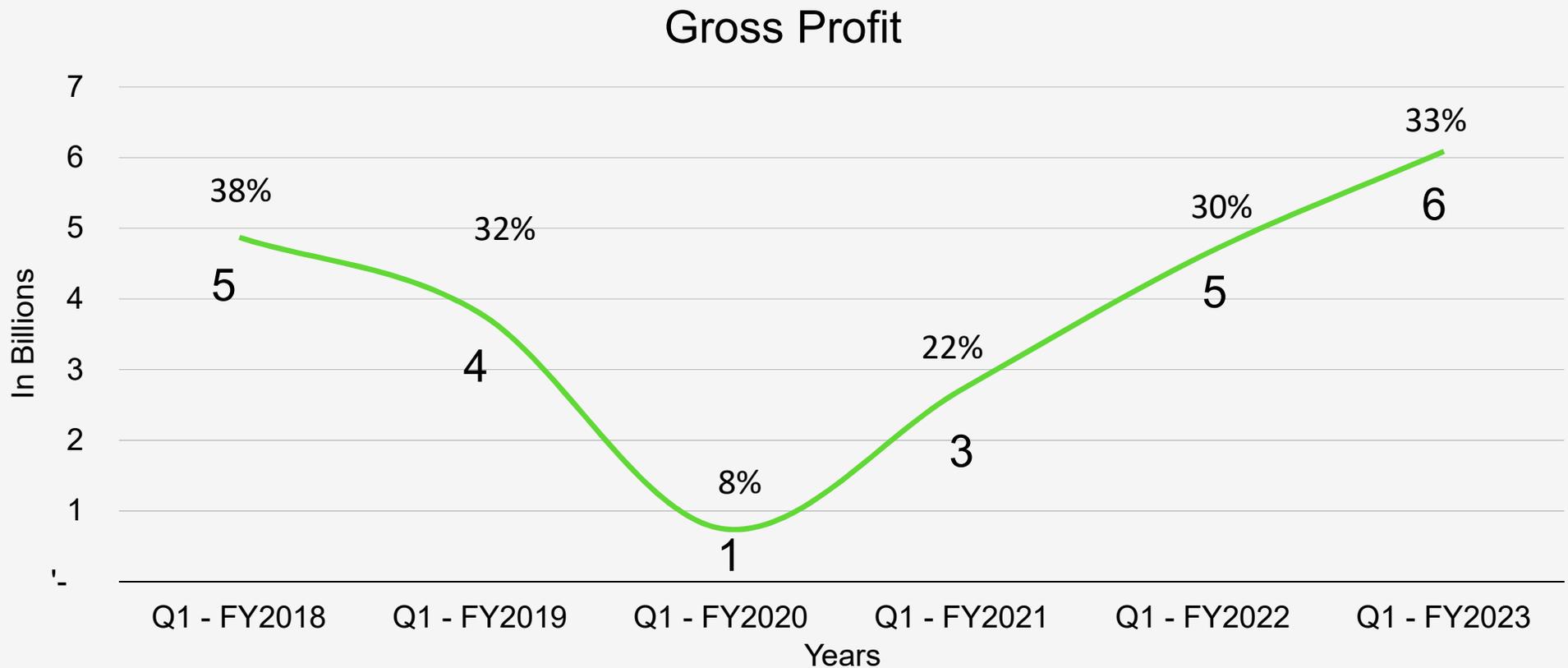
KEY FINANCIAL HIGHLIGHTS



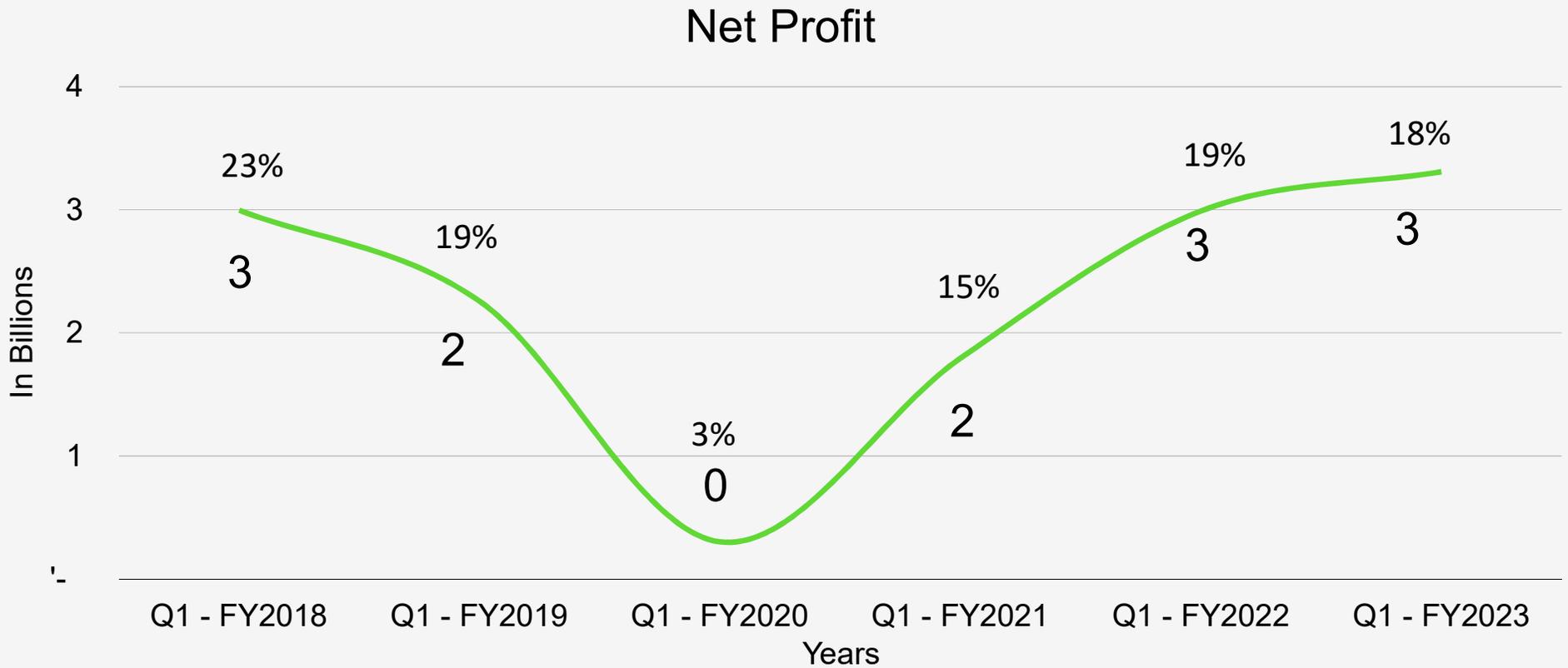
Net Turnover



KEY FINANCIAL HIGHLIGHTS



KEY FINANCIAL HIGHLIGHTS

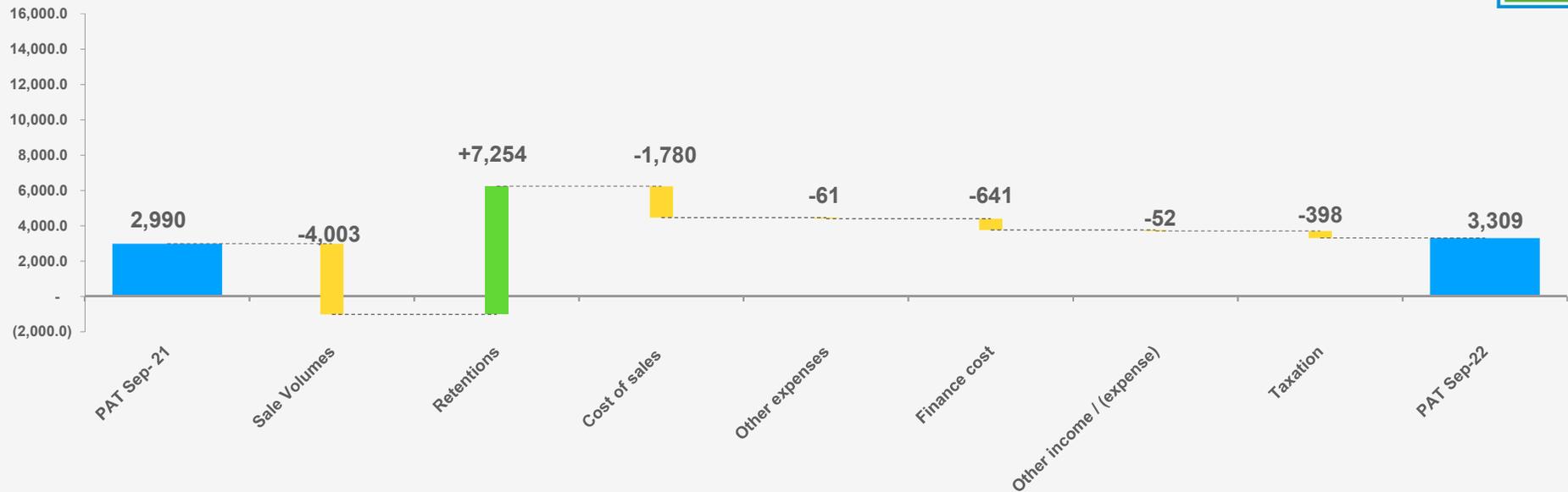


KEY FINANCIAL HIGHLIGHTS



Other Financial Measure	Q1- FY2022	Q1 –FY2023
Leverage Ratio (D/E)	0.25	0.87
Dividend Payout	40%	40%
Profit from Operations	Rs. 3.8 Billion	Rs. 5.2 Billion
Profit from Associate	Rs. 0.5 Billion	Rs. 0.5 Billion
Contribution to Exchequer	Rs. 7.2 Billion	Rs. 7.5 Billion

FINANCIAL PERFORMANCE



• **Net revenue** increased by 3.3 billion (21%):

• **Volume Impact:** Despatches decreased by 0.5 MT (26%)

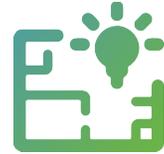
• **Retention Impact:** Increased from 7,987 to 13,089 per tonne (64%).

• **Cost of sales** increased due to increase in cost of fuel and packing material.

• **Other expenses** include WPPF and WWF, significant increase was profit driven.

• **Finance cost** increased due to increase in interest rates and higher borrowings for Mianwali and Hattar extension.

• **Other income / (expense)** expense increased due to increase in write off which is partially offset due to higher profits of associated companies.



NEW PROJECTS

MIANWALI PROJECT



Location

Mianwali

Capacity

7,200

TPD clinker

Project Start Date

26 May 2021

Kiln Light-up

20 Oct 2022

Plant Manufacturer

Sinoma

Expected Commercial
Operation Date

Dec 2022

HATTAR - II PROJECT



Location

Hattar

Capacity

7,200

TPD clinker

Project Start Date

Oct 2022

Expected Commercial
Operation Date

March 2023

Plant Manufacturer

Sinoma

CAPACITY ENHANCEMENT



Pre Expansion
Capacity

10.8

TPA cement

Post Expansion
Capacity*

15.2

TPA cement

*After completion of Mianwali and Hattar-II

SOLAR PROJECT



**111
MWs**

off-grid solar
power
initiative.

Hattar, Chakwal,
Farooqia and
Kallar Kahar solar
plants energized
with combined
capacity of

57 MWs

Further solar
capacity on all
plants to be
energized by Apr
2023 with capacity
of

54 MWs

Entire initiative is
envisaged to
reduce 6.8 million
tonnes of CO2
emissions over the
life of the project,
equal to plantation
of approximately

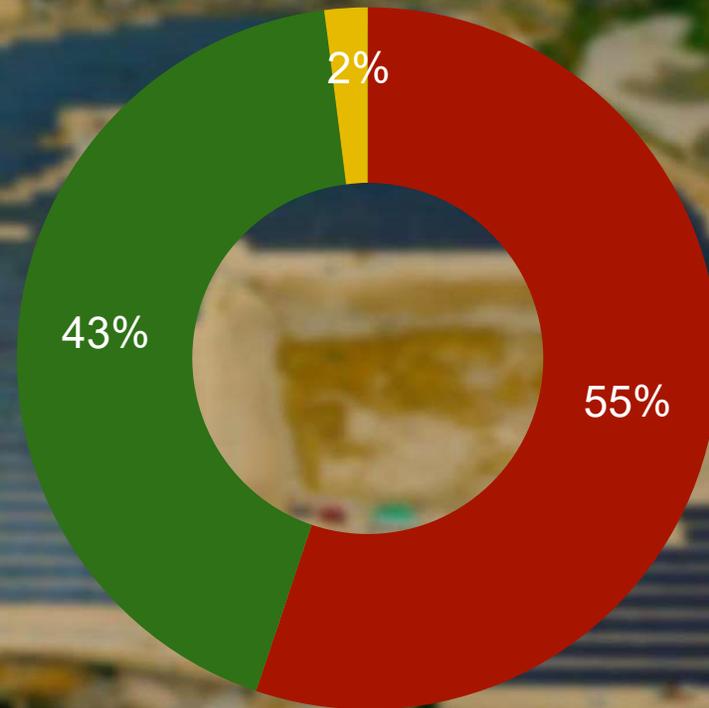
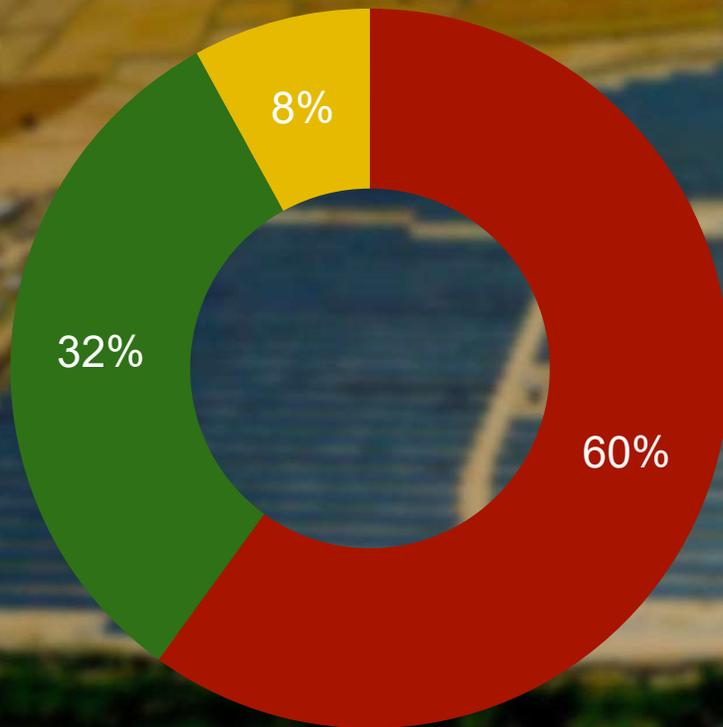
**10.7
million
trees**

SOLAR PROJECT



Q1- FY2022 Power Mix

Q1 – FY2023 Power Mix



- Grid
- Green/Renewable
- Fossil



ENVIRONMENT

ENVIRONMENT CONSERVATION



Plantation Drive

As part of our clean and green ambition, we have planted nearly 38,000 plants across all works during FY2022. We regularly participates in various environment uplift programmes including tree plantation drives and quarry rehabilitation initiatives.



Air Cooled Condenser

BCL is the leader in water conservation after installation of Air Cooled Condenser Systems, the first and only one in the Cement industry, instead of the conventional water-cooled system which has enabled reduction of about 80% of industrial water requirements.



Rainwater Harvesting

BCL has made huge improvement and built new rainwater harvesting ponds and succeeded to fulfill 100% industrial water requirement at Chakwal and KK plants through rainwater harvesting.



Green Office

BCL head office building is WWF certified and declared as Green office, Our plants not only meet the stringent environmental quality standards prescribed by the relevant Environmental Protection Agency (EPA) of Pakistan but also voluntary adherence to the more stringent international emission standards.



BESTWAY FOUNDATION SCHOOL

Inaugurated

By

ZAFAR

HOUSAIN

CBE



CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY



Education

- Donation to Shahid Afridi Foundation of Rs. 5 million for the construction of educational facility.
- Bestway Scholarship Endowment Fund of Rs. 12.5 million with (NUST)
- Various other activities are carried by Bestway in area of educational services and provide scholarships to Students which have positive impact on our society.

Health

- Free medical facilities are provided to thousands of patients in the local community.
- More than 31,000 patients benefitted from medical centres located at Bestway Plants.

CSR

- Spent more than Rs. 162 million on various CSR initiatives making it one of largest corporates in the country in terms of CSR spend.
- Recently, Bestway Group has announced donation of \$1 million to help affectees of the Pakistan floods.
- Support 362 widows by providing financial assistance in term of monthly stipends.
- Introduced hundreds of jobs for skilled and unskilled local individuals in and around its factory premises.



FUTURE OUTLOOK

FUTURE OUTLOOK



1

The current financial year will be challenging for the economy and cement industry.

2

The local economic and political uncertainty, high inflation and unreasonably high taxation will continue to bear down on cement industry.

3

The new capacities in the pipeline will intensify the competition and will further impact the profitability of the industry.



QUESTION & ANSWER SESSION



APPENDICES

SALES VOLUME



Description	Industry			BCL		
	Q1 – FY2023	Q1 – FY2022	YOY	Q1 – FY2023	Q1 – FY2022	YOY
Domestic-North	7,263,503	9,483,694	(23%)	1,408,896	1,866,429	(25%)
Domestic- South	1,342,948	1,795,459	(25%)	-	-	0%
Domestic- Total	8,606,451	11,279,153	(24%)	1,408,896	1,866,429	(25%)
Exports-North	288,712	387,667	(26%)	12,554	56,194	(78%)
Exports- South	440,602	477,326	(8%)	-	-	0%
Exports- Total	729,314	864,993	(16%)	12,554	56,194	(78%)
Grand Total	9,335,765	12,144,146	(23%)	1,421,450	1,922,623	(26%)

KEY FINANCIAL DATA

HISTORICAL DATA



OPERATING RESULTS (PKR Millions)	Q1 - FY2023	Q1 - FY2022	FY 2022	FY 2021	FY 2020	FY 2019
Net turnover	18,606	15,355	72,371	56,864	37,129	53,602
Cost of sales	12,518	10,738	49,377	40,261	36,012	37,557
Gross profit	6,088	4,617	22,994	16,603	1,117	16,045
Operating profit	5,161	3,751	19,144	14,691	(26)	13,290
Finance cost	896	255	1,480	1,071	2,152	1,498
Profit before tax	4,801	4,084	19,347	15,538	(506)	13,246
Profit for the year	3,309	2,990	10,239	11,578	49	10,097
STATEMENT OF FINANCIAL POSITION (PKR Millions)	Q1 - FY2023	Q1 - FY2022	FY 2022	FY 2021	FY 2020	FY 2019
Share capital and reserves	64,175	63,310	60,758	60,123	54,653	57,606
Property, plant and equipment	104,677	56,544	85,670	55,007	55,789	57,242
Long term financing	41,418	12,926	21,982	11,872	11,542	-
Net current (liabilities) / assets	(8,059)	8,647	9,811	6,366	(1,441)	(9,680)

KEY FINANCIAL DATA

HISTORICAL DATA



SIGNIFICANT FINANCIAL RATIOS (Percentage)	Q1 - FY2023	Q1 - FY2022	FY 2022	FY 2021	FY 2020	FY 2019
Gross profit ratio	32.72	30.07	31.77	29.20	3.01	29.93
Net profit ratio	17.78	19.47	14.15	20.36	0.13	18.84
Interest coverage ratio	6.36	17.01	14.07	15.51	0.76	9.84
Return on equity	5.16	4.72	16.85	19.26	0.09	17.53
Earnings per share	5.55	5.02	17.17	19.42	0.08	16.93
Dividend	40	40	160	100	60	110
Despatches (Thousand Metric Tonnes)	Q1 - FY2023	Q1 - FY2022	FY 2022	FY 2021	FY 2020	FY 2019
Cement and Xtreme bond	1,421	1,923	7,839	8,664	7,311	8,126

KEY FINANCIAL DATA

PROFIT AND LOSS



Description (PKR “Millions”)	Q1 – FY2023	Q1- FY2022
Revenue	18,606	15,355
Cost of sales	(12,518)	(10,738)
Gross profit	6,088	4,617
Selling and distribution expenses	(195)	(310)
Administrative expenses	(412)	(297)
Other expenses	(320)	(259)
Operating profit	5,161	3,751
Other income / (expenses) - net	38	69
Net finance costs	(896)	(255)
Share of profit of equity-accounted investees, net of tax	498	519
Profit before tax	4,801	4,084
Income tax expense	(1,492)	(1,094)
Profit	3,309	2,990