



**ARABIAN CEMENT**  
**العربية للأسمنت**

---

# Arabian Cement Company

1Q 2023 Investor Presentation

# Highlights



# Contents

- Introduction to ACC.....4
- ACC Quarter Performance .....10
- Egyptian Cement Market .....11
- Period Highlights.....12
- Sales Overview .....14
- Outstanding Debt Status .....16
- 1Q 2023 Financial Statements .....17

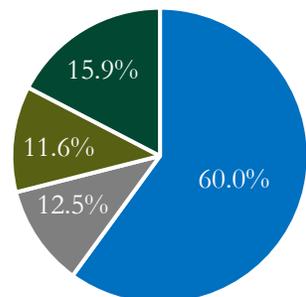
# Introduction to ACC



## ACC in a Snapshot

- The company operations started in 2008 and ACC is currently a leading cement producer. Majority owned by Cementos La Union (“CLU”), a Spanish cement player with operations in several countries such as Chile and Congo.
- ACC has two production lines with a total production capacity of 5.0 Mmpta, making it one of Egypt’s largest cement plants.
- ACC’s operations include the production of clinker, production and sale of high-quality cement.
- The Company outsources its manufacturing through an operational management contract with RHI.
- ACC has adopted and implemented quality, environment and safety management systems, complying with the requirements of the international standards ISO 9001:2015, and ISO 14001:2015
- ACC has adopted and implemented Occupational Health And Safety Management System, complying with the requirements of the international standards ISO 45001:2018.
- Through its dedicated sales and marketing teams the Company has managed to position its product amongst the market’s premium price brands.
- ACC pioneered shifting towards diversifying its sources of energy and will substitute 100% of its current energy requirements to use a mix of solid and alternative fuels.
- ACC has been also the first cement company in obtaining the Energy Management certificate ISO 50001:2018 at the beginning of 2016

1Q 2023 Shareholding Structure



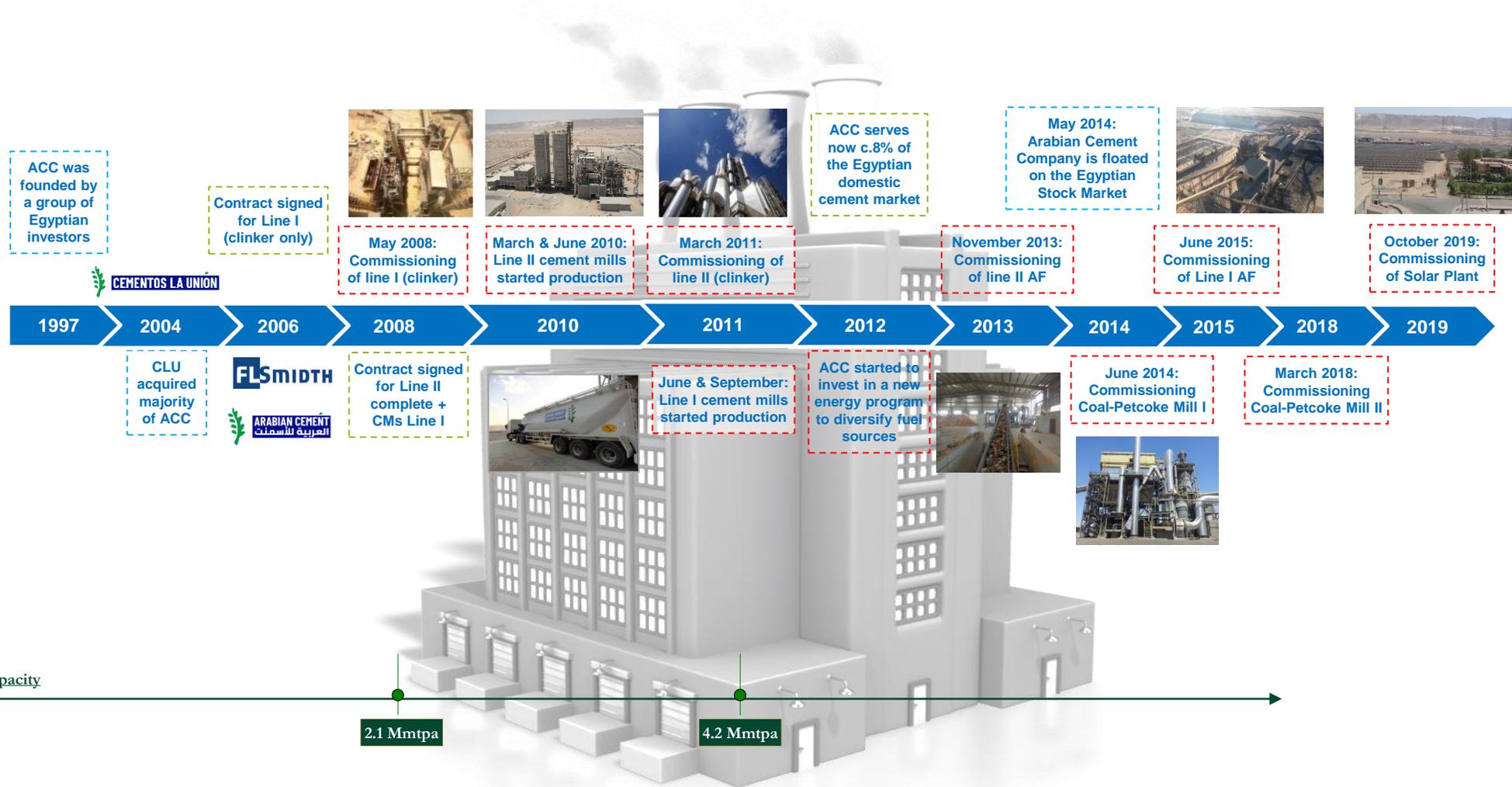
■ Aridos Jativa ■ Sadek El Sewedy ■ El Bourini Family ■ Free Float

## Investment Highlights

- Strong and Dynamic Management Team
- New Strategically Located Facility with an Integrated Operation
- Outsourcing the Production Process while Maintaining a Highly Qualified Internal Supervision Team
- Better Positioned for Diversifying Energy Sources
- An Excellent Sales & Marketing Team
- In-House Distribution Platform
- Low Customer Concentration

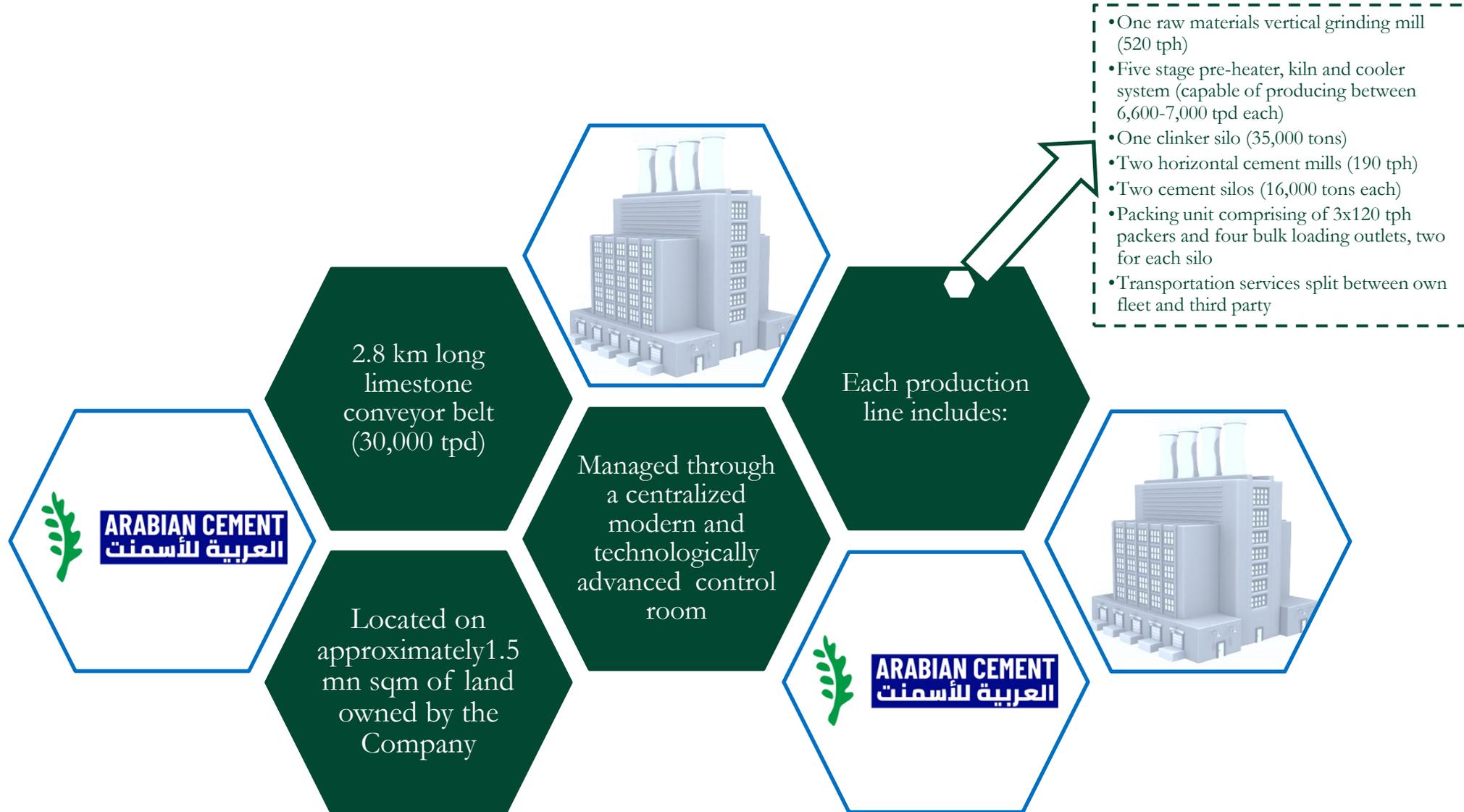
# Introduction to ACC

## Corporate Evolution



# Introduction to ACC

## Plant Information



# Introduction to ACC

## Executive Management Team



**Sergio Alcantarilla**

**Chief Executive Officer**

Mr. Alcantarilla is the Managing Director & Chief Executive Officer of Arabian Cement Company since 2016. With over 15 years of experience in the cement industry, Mr. Alcantarilla is responsible for strategically leading and managing ACC's operations and has participated in the preparation phase of the company's IPO listing. Mr. Alcantarilla first joined ACC in November 2009 as the Plant Manager and Member of the Management Committee. Before holding his current post, Mr. Alcantarilla was the Chief Operating Officer and Member of ACC's Executive Committee from June 2012 to August 2016, where he was responsible for managing the operations of the company's plant in El Ain El Shokhna in addition to handling ACC's projects and procurement departments.



**Maged Ismail**

**Chief Operations Officer**

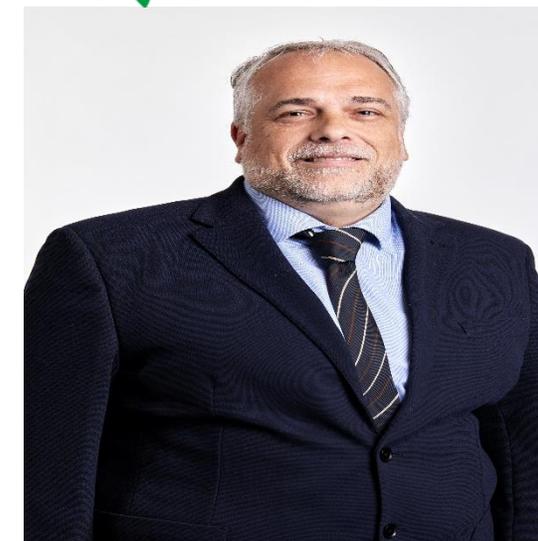
Mr. Ismail is the Chief Operations Officer of Arabian Cement Company. With over 20 years of progressive and extensive experience in the cement industry, he oversees ACC's business operations as well as the execution of the business plan in alignment with the overall business model and corporate goals. Over the course of his career, Mr. Ismail has gained diverse experience in well-established multinational organizations within the cement industry with a focus on process optimization, operation and production management, as well as participating in the design, installation, commissioning, and upgrading of Greenfield projects in Egypt and the MENA region.



**Adel El Badawy**

**Chief Sales Officer**

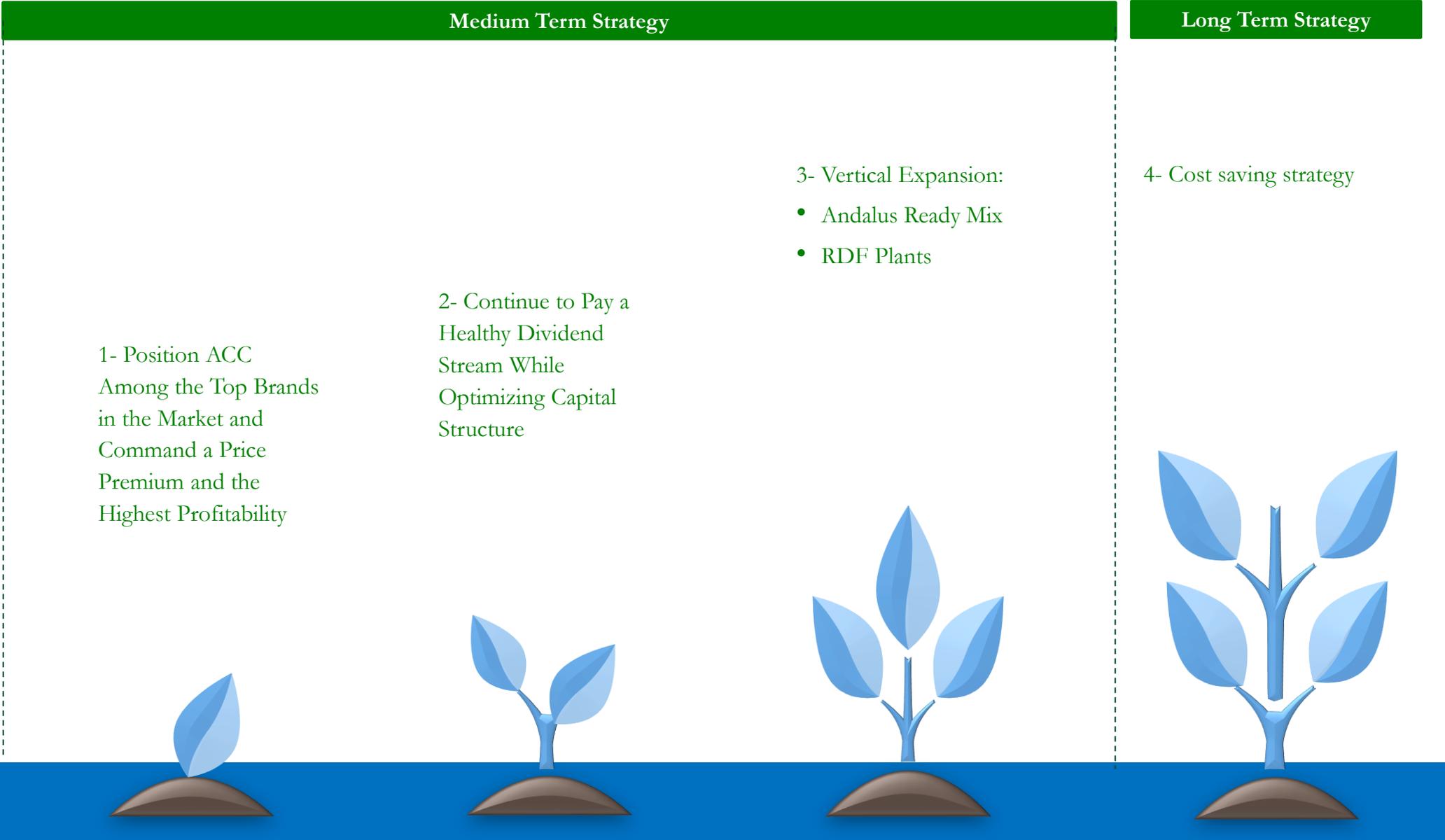
Mr. El Badawy is the Sales & Marketing Director at ACC responsible for managing and achieving the company's sales volume and revenues in addition to structuring and delivering short and long terms sales plans and annual budgets. In his role, he successfully expanded export opportunities of new markets in Europe, USA, and Latin America. Prior to his current role, Mr. El Badawy was the bagged cement sales manager at ACC handling the development of the annual sales plan for bagged cement products, implementing sales budget and overseeing the sales process and business execution in addition to identifying potential prospects to acquire new customers. He joined ACC in 2008 as the Clinker Sales Manager.



**Arturo Gallart**

**Chief Financial Officer**

Mr. ARTURO is the Chief Financial Officer for ACC. Mr. ARTURO has over 20 years of experience in Global Strategic Financial Planning and Analysis in multinational corporations and start-up companies, leading teams in multi-cultural environments across Europe, USA and MENA. Mr. ARTURO has a proven experience in managing major projects, risk analysis, cash-flow forecasting and analysis and allocating resources to achieve profits and business goals. Prior to his role at ACC, Mr. ARTURO has led and implemented large projects as CFO of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, FCC GROUP.



# Introduction to ACC

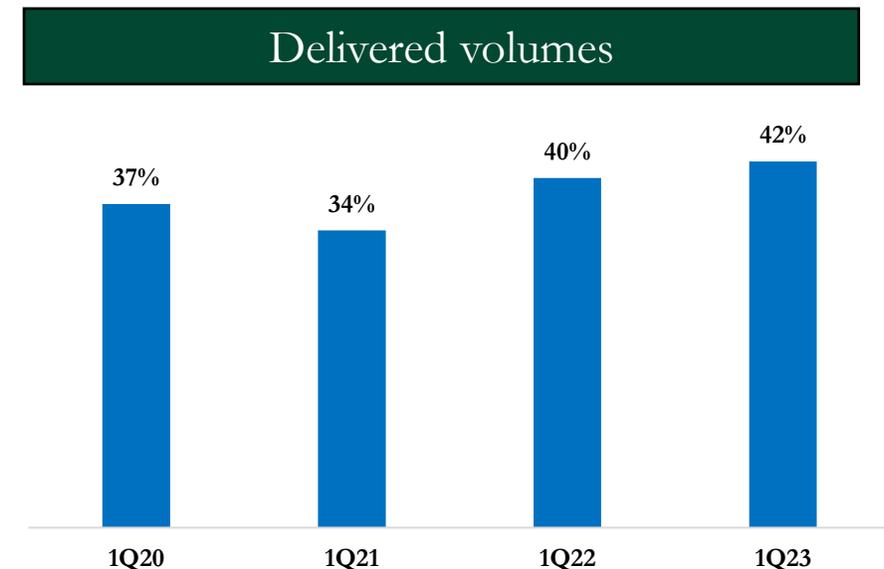
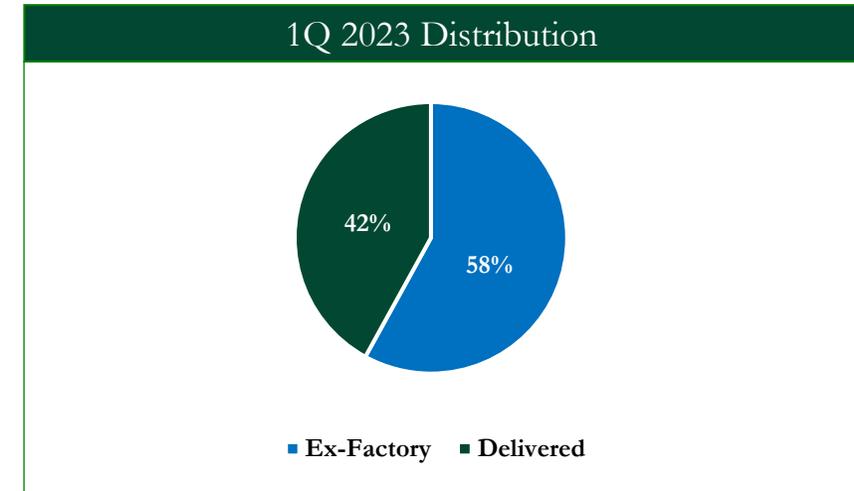
## Distribution Network Overview



- In 1Q 2023 Arabian Cement distributed through direct Ex-Factory sales and Delivery.

### Express Wassal

- Express Wassal is a full transportation service for bulk and/or bagged products provided by the company's fleet of 28 trucks as well as by 3rd party business partners. Express Wassal was launched in 2011
- Express Wassal offers ACC a number of benefits such as;
  - Reducing ACC's dependency on external transport providers which is fragmented and can be unreliable
  - Controlling products flow to strategic markets
  - Ensuring price positioning in these markets
  - Penetrating high demand scattered markets
  - The Company's own fleet also provides it with insight with regards to the operational costs associated with transportation, allowing it to better gauge 3rd party transportation rates
- Now ACC operates its Express Wassal's hotline for 24 hours per day, 7 days a week.
- The additional availability has increased customer satisfaction as it allows them fast access to the Company's products at any time

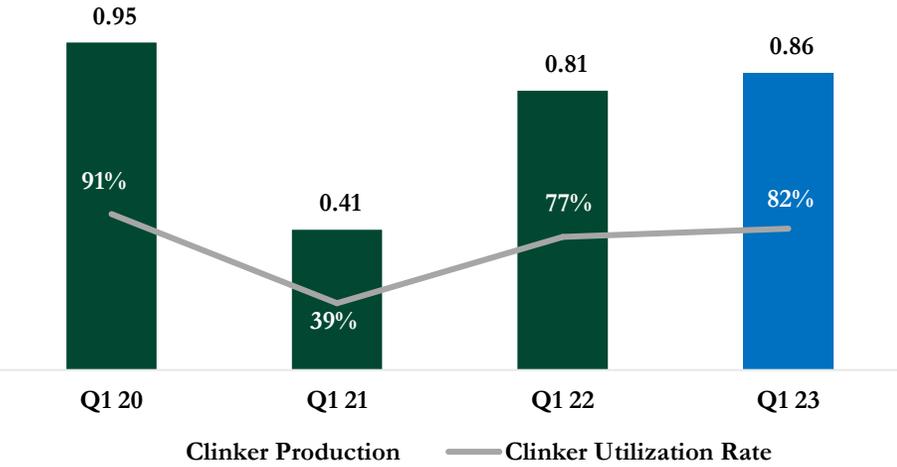


# ACC Quarter Performance

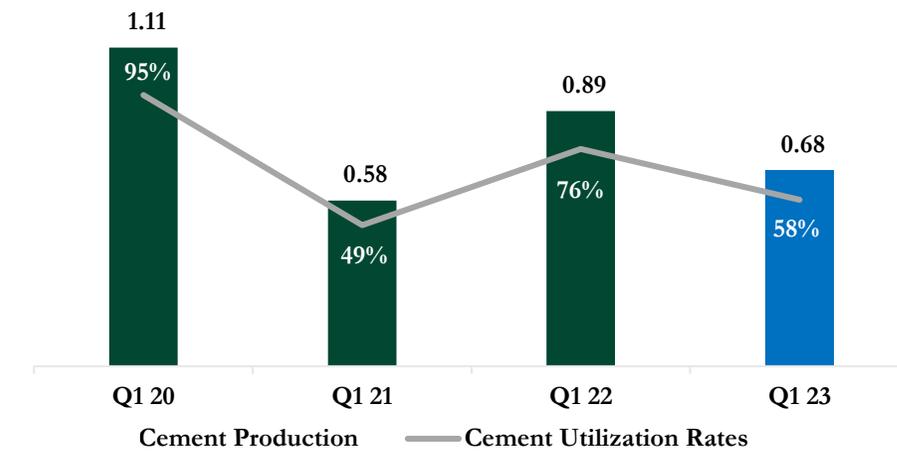
Main KPIs



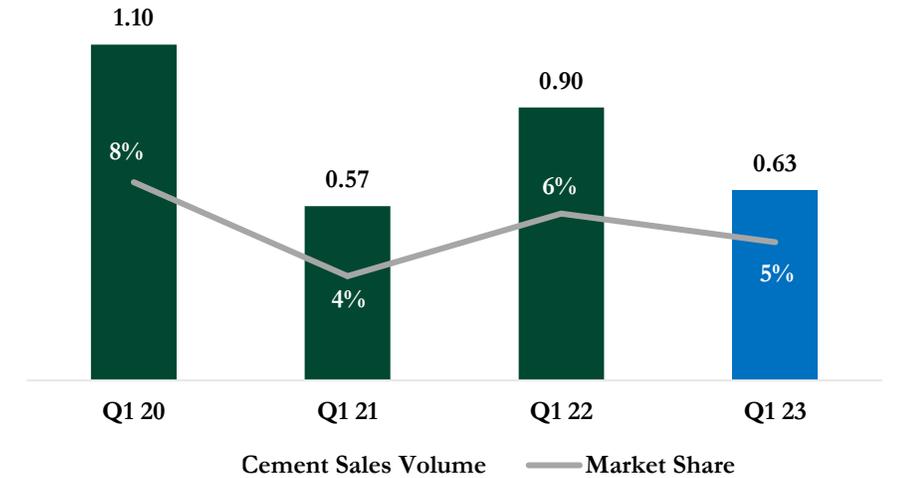
Clinker Production (MM Tons) and Utilization Rates



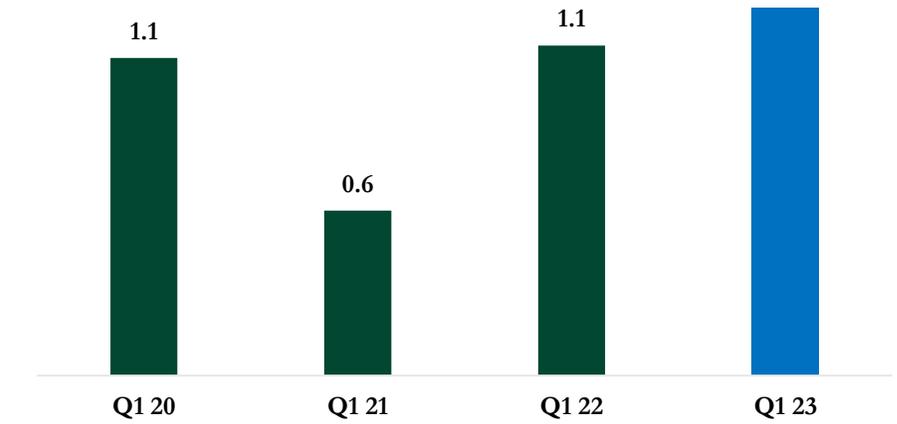
Cement Production (MM Tons) and Utilization Rates



Local Cement Sales Volumes (MM Tons)



Total Sales Volumes (MM Tons)

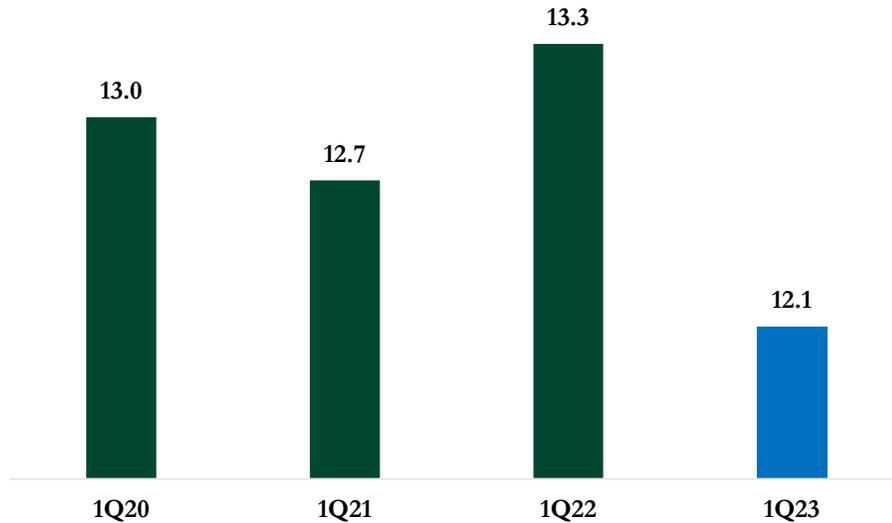


# Egyptian Cement Market

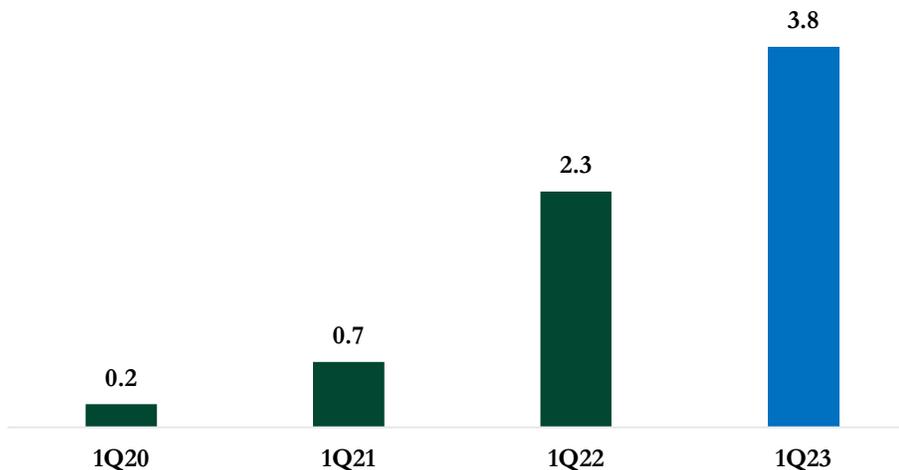
## Demand and Supply Synopsis



### Domestic Sales (MM Tons)



### Export Sales (MM Tons)



### Outlook

As we predicted in our 2022 closing remarks, the year 2023 has started with a significant contraction of the local cement demand. The reasons behind this are external to the cement sector itself, some of them being: lack of hard currency availability, historical high inflation records, supply chain shocks, lack of liquidity attracted by the high interest rates, etc... The country is going through a process supervised by the IMF to bring stability to its economic condition and once the plan is in place, things will start to improve and stabilize.

In the meantime, exports became even more important as before. At national level, cement exports increased 18% Q-o-Q and clinker exports increased 78% Q-o-Q, being Arabian Cement Company one of the main drivers of this positive change, which is helping to position Egypt as a strong competitor in the global export market.

The international fuel market (coal-petcoke), which experienced a great correction in the second half of 2022, continued its correction during the first quarter of 2023, reaching now values prior to the Russia-Ukraine war. This is helping very much to limit the impact in risen costs driven as well by the inflation affecting all other raw materials and general expenses.

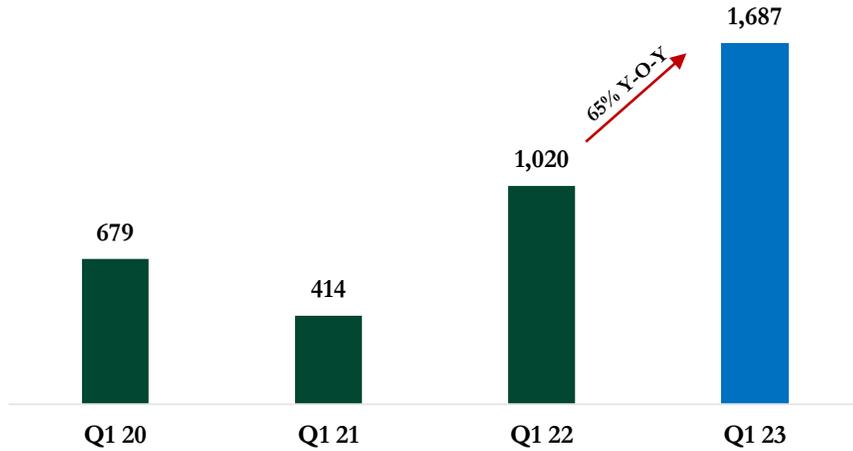
Our resiliency, fast maneuvering capacity and market positioning still allow us to keep beating the industry and taking advantage in stressed situations. So, we are confident we will have some good results even at the toughest economical circumstances.

# Period Highlights

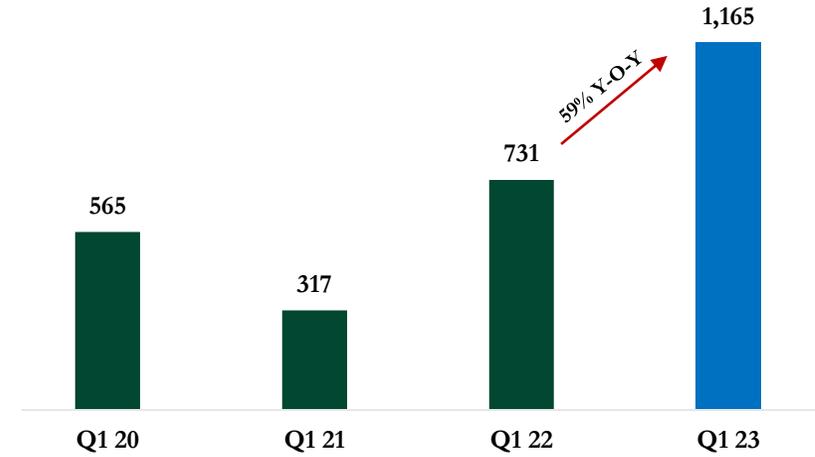
Main KPIs



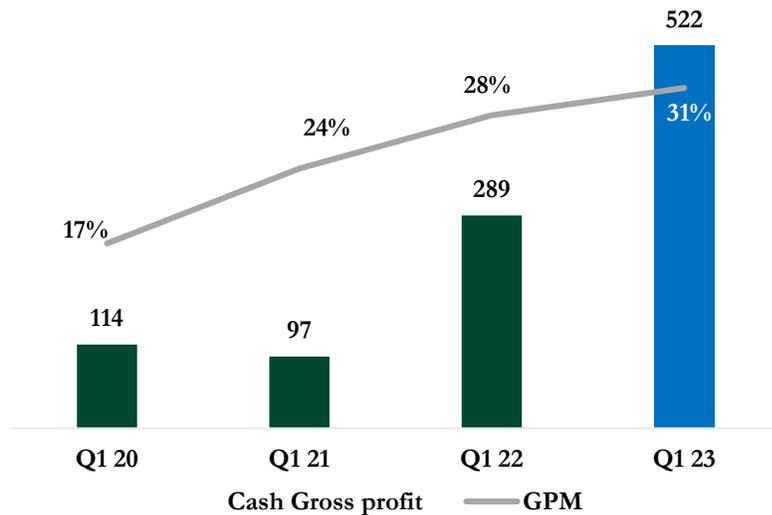
Revenues (MM EGP)



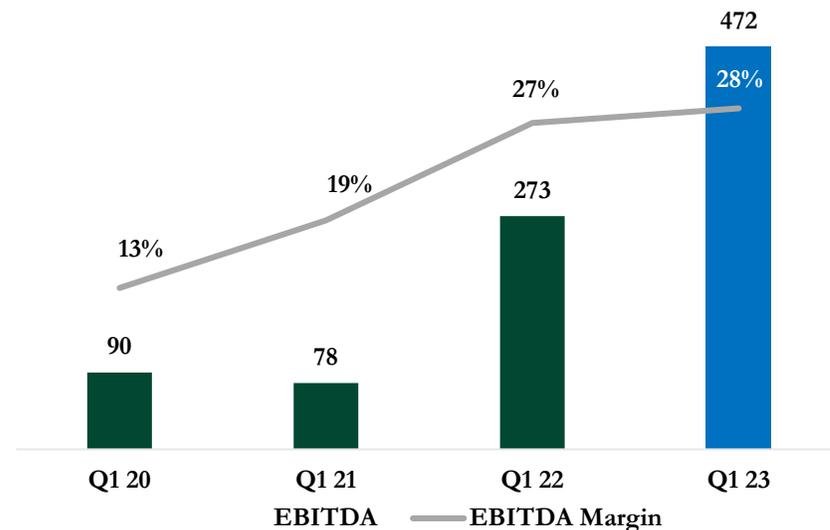
Cash Cost (MM EGP)



Cash Gross Profit (MM EGP)



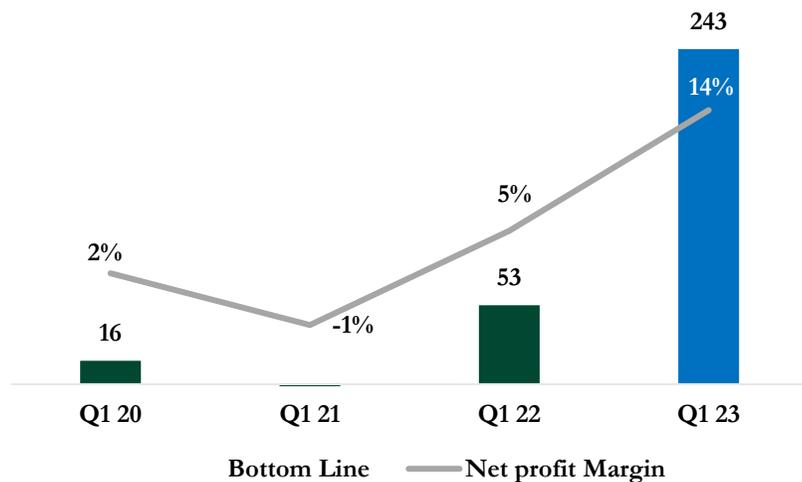
EBITDA (MM EGP)



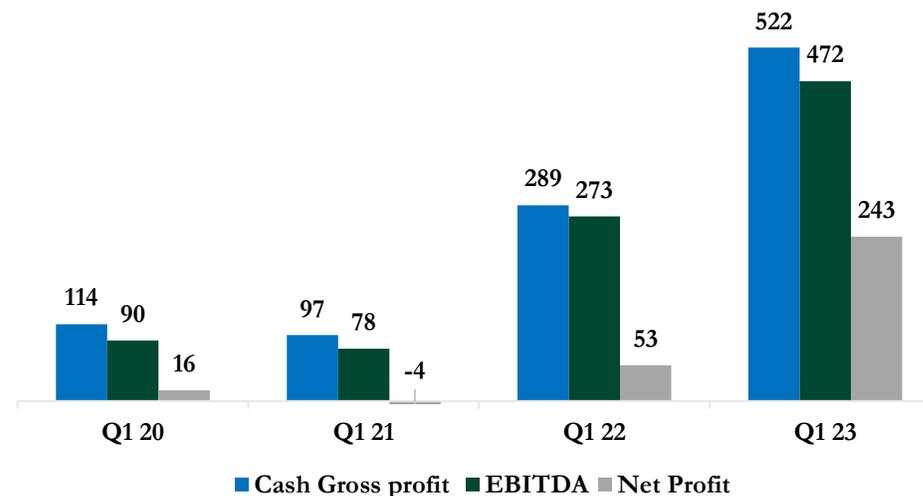
# Period Highlights (continued)

## Main KPIs

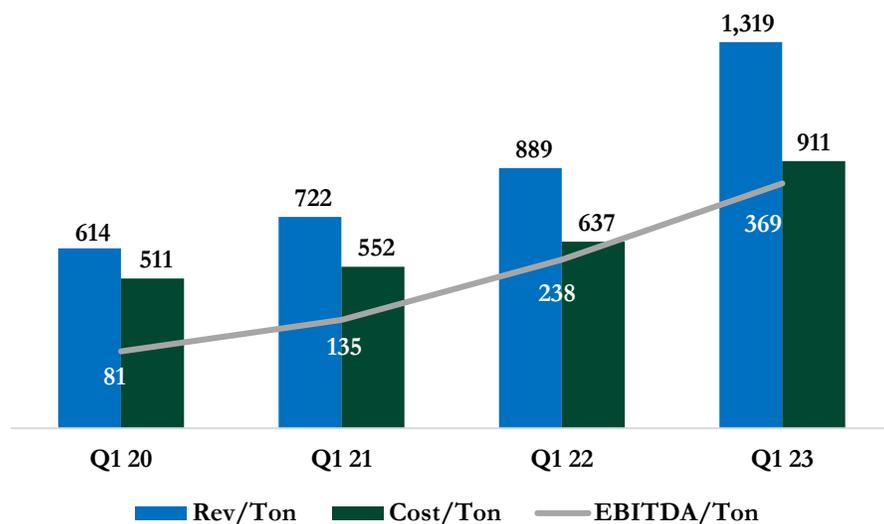
**Bottom Line (MM EGP)**



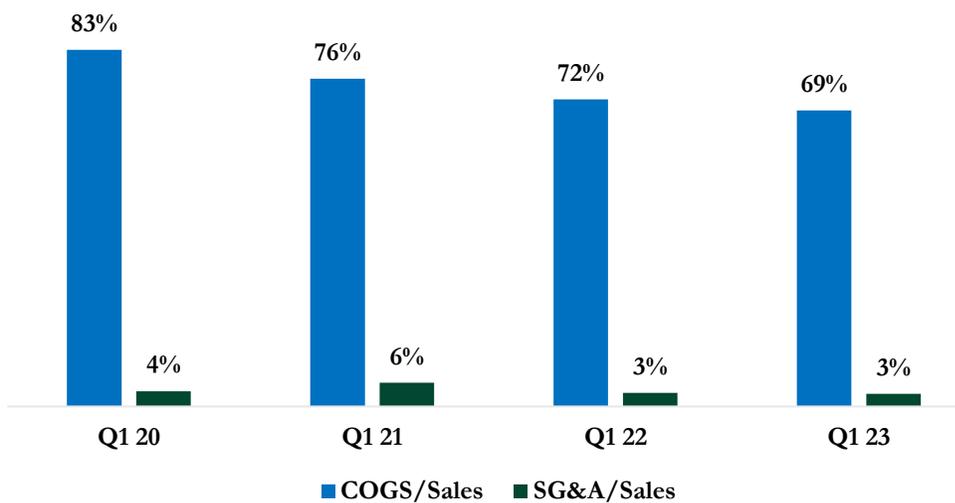
**GP, EBITDA & Net Profit (MM EGP)**



**Revenues, COGS and EBITDA (EGP/Ton)**



**Efficiency Ratios**



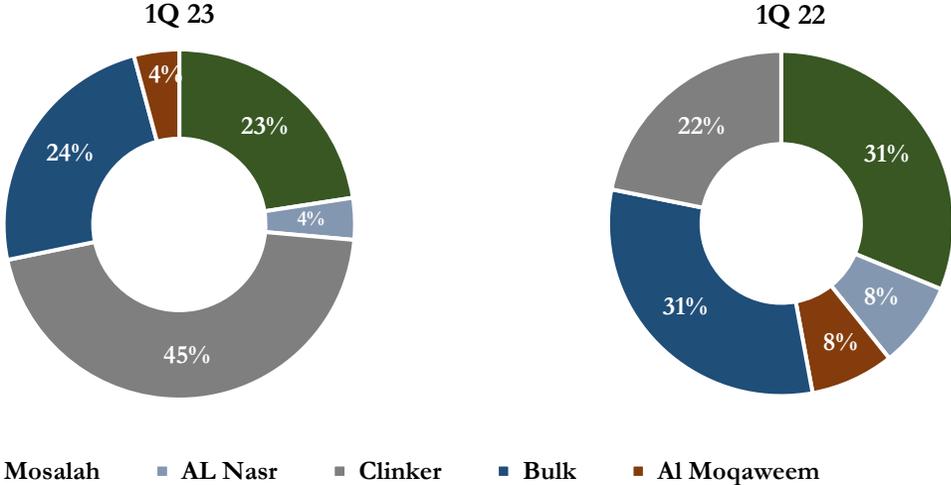
# Sales Overview



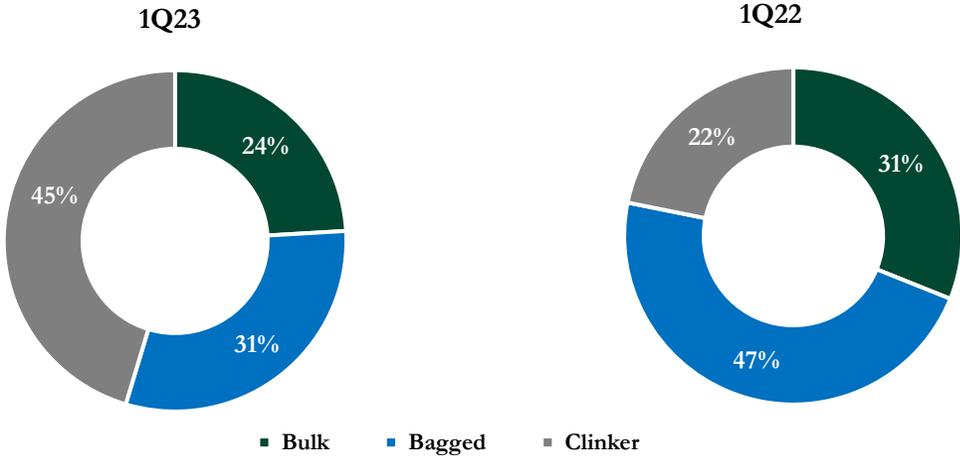
## Quantities Breakdown

### Quantities Breakdown

### Breakdown by Brand



### Breakdown by Type

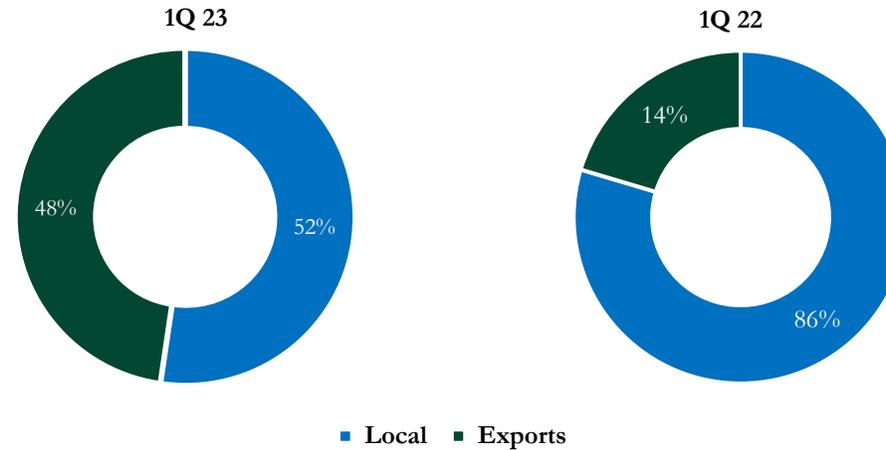


# Sales Overview

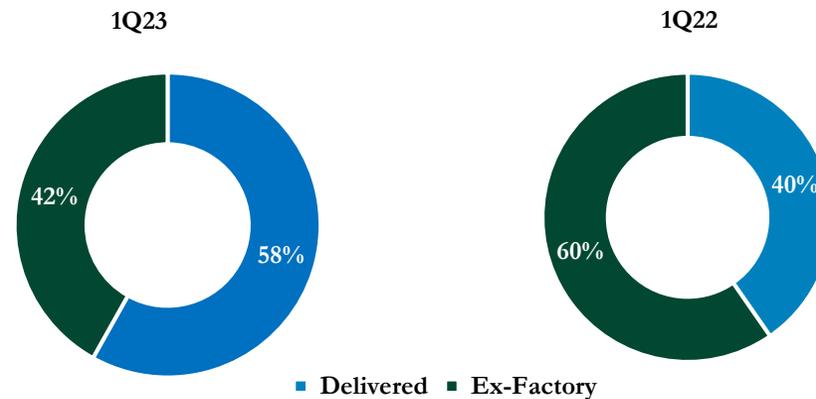
Quantities Breakdown

## Quantities Breakdown

### Breakdown by Market

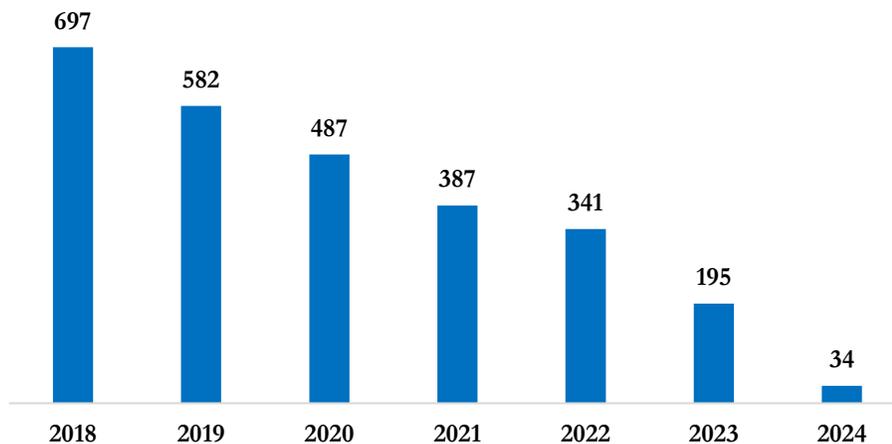


### Breakdown by Point of Sale

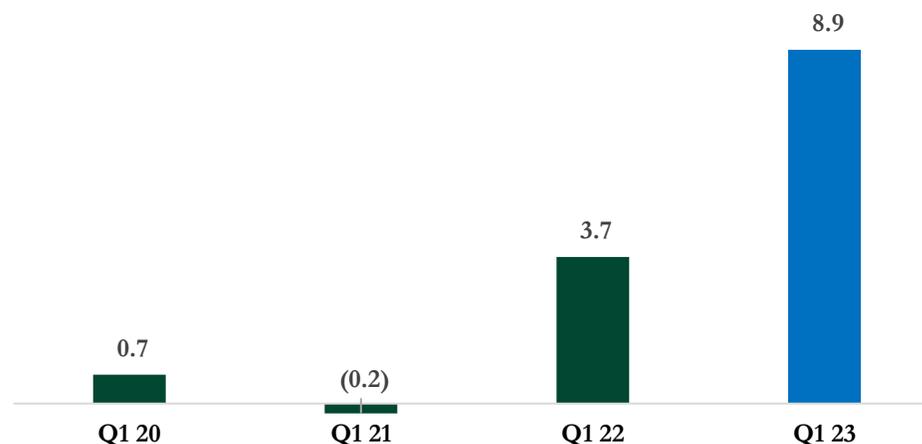


# Outstanding Debt Status

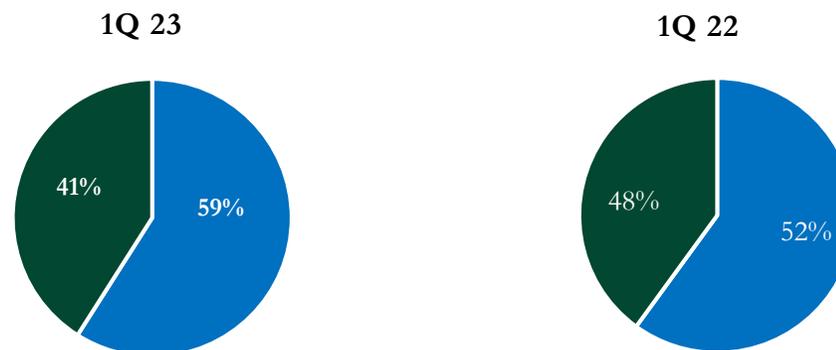
Outstanding Debt (million EGP)



Interest Coverage Ratio



Debt Structure (EGP vs. USD)



■ loans in EGP    ■ loans in USD

# 1Q 2023 Financial Statements

## Income Statement



Amounts MM EGP	Q1 20	Q1 21	Q1 22	Q1 23
Revenue	679	414	1,020	1,687
Cash Cost	565	317	731	1,165
<b>Cash Gross profit</b>	<b>114</b>	<b>97</b>	<b>289</b>	<b>522</b>
<i>Cash Gross Profit Margin</i>	<i>17%</i>	<i>24%</i>	<i>28%</i>	<i>31%</i>
SG&A Expenses	24	23	32	50
Other income		3	16	0
<b>EBITDA</b>	<b>90</b>	<b>78</b>	<b>273</b>	<b>472</b>
<i>EBITDA Margin</i>	<i>13%</i>	<i>19%</i>	<i>27%</i>	<i>28%</i>
Provisions			47	3
Depreciation & Amortization	62	60	58	58
<b>EBIT</b>	<b>27</b>	<b>18</b>	<b>168</b>	<b>411</b>
<i>EBIT Margin</i>	<i>4%</i>	<i>4%</i>	<i>17%</i>	<i>24%</i>
Foreign exchange	15	1	-51	-104
Interest Income	1			9
Finance cost, net	22	18	14	25
<b>Net Profit Before Tax</b>	<b>20</b>	<b>1</b>	<b>103</b>	<b>290</b>
Deferred tax	-3	-4	-5	-23
Income tax expense	7	10	55	71
<b>Net Profit</b>	<b>16</b>	<b>-4</b>	<b>53</b>	<b>243</b>
<i>Net Profit Margin</i>	<i>2.4%</i>	<i>-1.1%</i>	<i>5.2%</i>	<i>14.4%</i>

# 1Q 2023 Financial Statements

## Balance Sheet



Amounts in MM EGP	Q1 20	Q1 21	Q1 22	Q1 23
<b>Assets</b>				
<b>Non-current Assets</b>				
Property plant and equipment, net	2,329	2,125	1,945	1,767
Projects under construction	4	7	3	4
Intangible assets	283	244	212	184
Right of use			16	12
Investment in subsidiaries	47	47	47	47
<b>Total Non-current Assets</b>	<b>2,665</b>	<b>2,424</b>	<b>2,224</b>	<b>2,014</b>
<b>Current Assets</b>				
Inventory	185	124	299	589
Trade Receivables	5			289
Debtors and other debit balances	143	131	251	159
Due from related parties	19	20	55	12
Cash and bank balances	97	71	248	546
<b>Total Current Assets</b>	<b>450</b>	<b>347</b>	<b>853</b>	<b>1,595</b>
<b>Total Assets</b>	<b>3,115</b>	<b>2,771</b>	<b>3,077</b>	<b>3,609</b>
<b>Current Liabilities</b>				
Provisions	12	18	50	62
Current tax liabilities	21	10	97	263
Trade payables and other credit balances	823	533	1,063	947
Due to related parties	8	5	2	1
Credit Facilities	164	373	40	342
Borrowings - short term portions	97	104	128	193
Lease Liability			10	6
<b>Total Current Liabilities</b>	<b>1,124</b>	<b>1,042</b>	<b>1,390</b>	<b>1,815</b>
<b>Equity</b>				
Paid up capital	757	757	757	757
Legal reserve	255	258	260	295
Retained earnings	180	26	101	342
<b>Total Equity</b>	<b>1,192</b>	<b>1,041</b>	<b>1,119</b>	<b>1,395</b>
<b>Non-current Liabilities</b>				
Borrowings - long term portions	465	360	260	149
Deferred income tax liability	334	318	294	241
Lease Liability			6	6
Notes Payable		10	7	4
<b>Total Non-current Liabilities</b>	<b>798</b>	<b>688</b>	<b>567</b>	<b>400</b>
<b>Total Equity and Liabilities</b>	<b>3,115</b>	<b>2,771</b>	<b>3,077</b>	<b>3,609</b>

# 1Q 2023 Financial Statements

## Cash Flow Statement



Amounts in MN EGP	Q1 20	Q1 21	Q1 22	Q1 23
<b>Cash flows from operating activities</b>				
Net profit before tax	20.2	1.1	102.9	290.6
Interest income	-0.6	-0.1	-0.1	-8.8
Finance Cost	22.5	17.8	14.5	25.1
Depreciation expense	51.3	50.5	50.1	50.5
Amortization of intangible assets	11.4	9.6	6.9	6.9
Amortization of right of use assets			1.4	1.5
Foreign exchange (gain)/losses differences	-6.1	-0.5	28.3	40.7
Provision	0.4	0.4	25.7	3.0
<b>Changes in working capital</b>	<b>99.0</b>	<b>78.9</b>	<b>229.6</b>	<b>409.5</b>
Debtors and other debit balances	0.0	0.0		51.6
Change in Inventory	-29.5	45.5	64.1	26.8
Trade payables and other credit balances	-80.4	-52.5	163.2	-165.7
Due from related parties	-2.5	2.5	-37.3	.1
Increase/ Decrease in trade receivables	-17.8	-46.4	-30.3	-239.7
Due to related parties	-0.4	1.1	-8.7	-1.5
<b>Net cash from operating activities</b>	<b>-31.6</b>	<b>29.1</b>	<b>380.6</b>	<b>81.0</b>
<b>Cash flows from investing activities</b>				
Interest income	0.6	0.1	0.1	8.8
Purchase of property, plant and equipment	-0.9	-0.3	-0.6	-7.2
Additions in projects under construction	-0.6	0.0	0.0	.0
<b>Net cash flows used in investing activities</b>	<b>-0.9</b>	<b>-0.2</b>	<b>-0.5</b>	<b>1.7</b>
<b>Cash flows from financing activities</b>				
Payments of license liability	-4.7	-1.7	0.0	.0
Payments of borrowings	-22.6	-22.2	-27.3	-39.7
Interest paid	-31.9	-18.0	0.0	-24.9
Dividends paid	0.0	0.0	-6.9	-250.0
Payment of finance lease liability	0.0	0.0	-0.6	-1.5
Proceeds from credit facility	102.0	32.4	-200.2	-18.2
<b>Net cash flows from financing activities</b>	<b>42.8</b>	<b>-9.4</b>	<b>-235.1</b>	<b>-334.2</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>10.6</b>	<b>19.4</b>	<b>130.9</b>	<b>-251.5</b>
Cash and cash equivalents at beginning of the year	86.2	51.7	117.3	798.0
<b>Cash and cash equivalents at end of the period</b>	<b>96.7</b>	<b>71.1</b>	<b>248.2</b>	<b>546.4</b>

# Future Ready



**ARABIAN CEMENT**  
**العربية للأسمنت**

**For more Information Please Contact:**

Karim Naguib – Head Budgeting & Investor Relations

Nourhan Elakkad –Budgeting & Investor Relations Analyst

[Knaguib@arabiancementcompany.com](mailto:Knaguib@arabiancementcompany.com)

[IR@arabiancementcompany.com](mailto:IR@arabiancementcompany.com)

[www.arabiancementcompany.com](http://www.arabiancementcompany.com)