



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

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# Arabian Cement Company

4Q 2023 Investor Presentation

# FY 2023 Highlights



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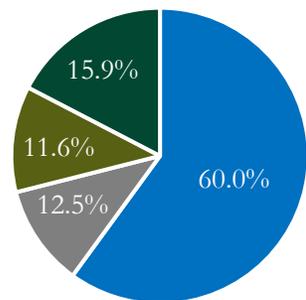
# Introduction to ACC



## 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

FY 2023 Shareholding Structure



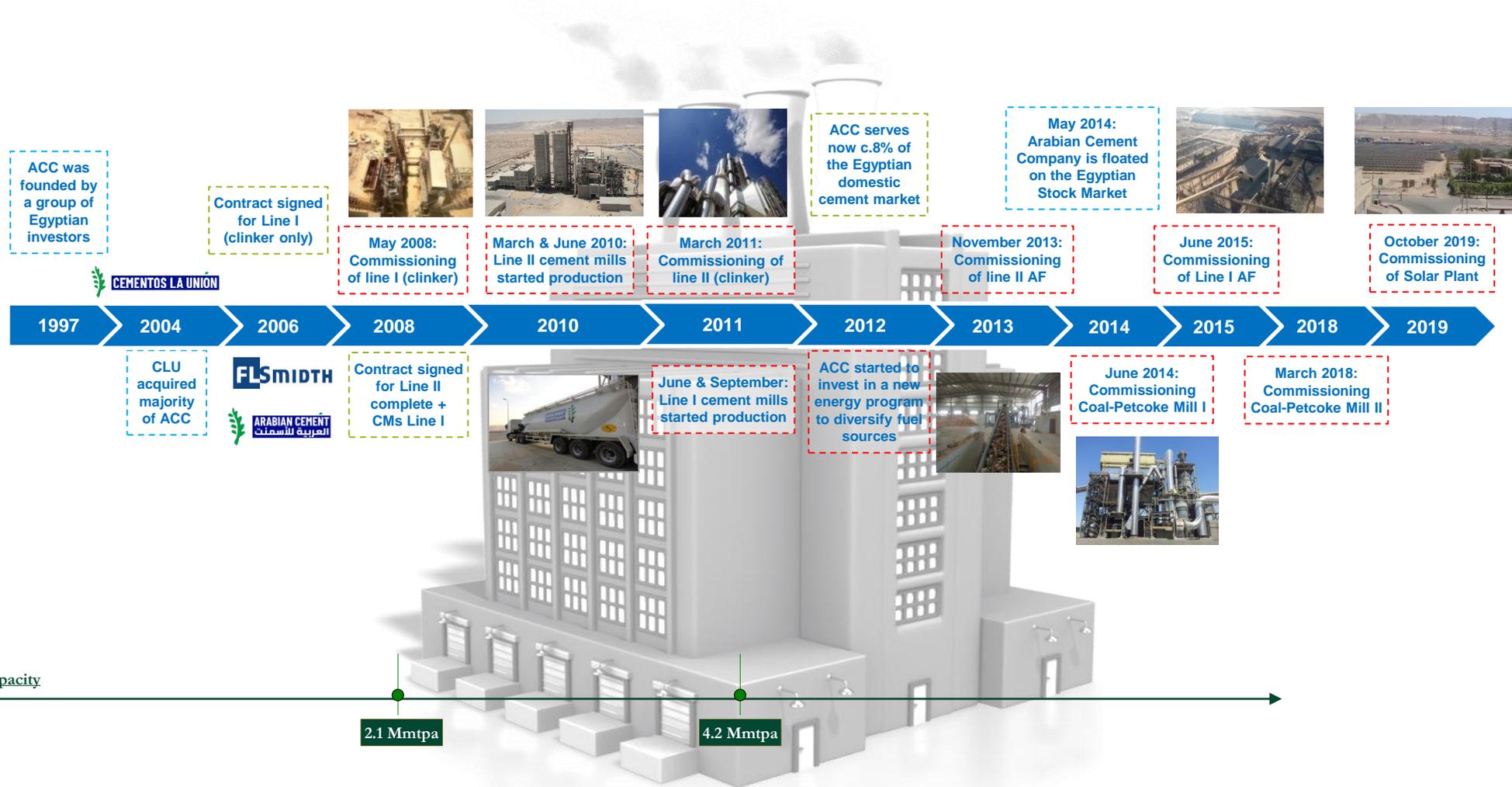
■ Aridos Jativa ■ Sadek El Sewedy ■ El Bourini Family ■ Free Float

## 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

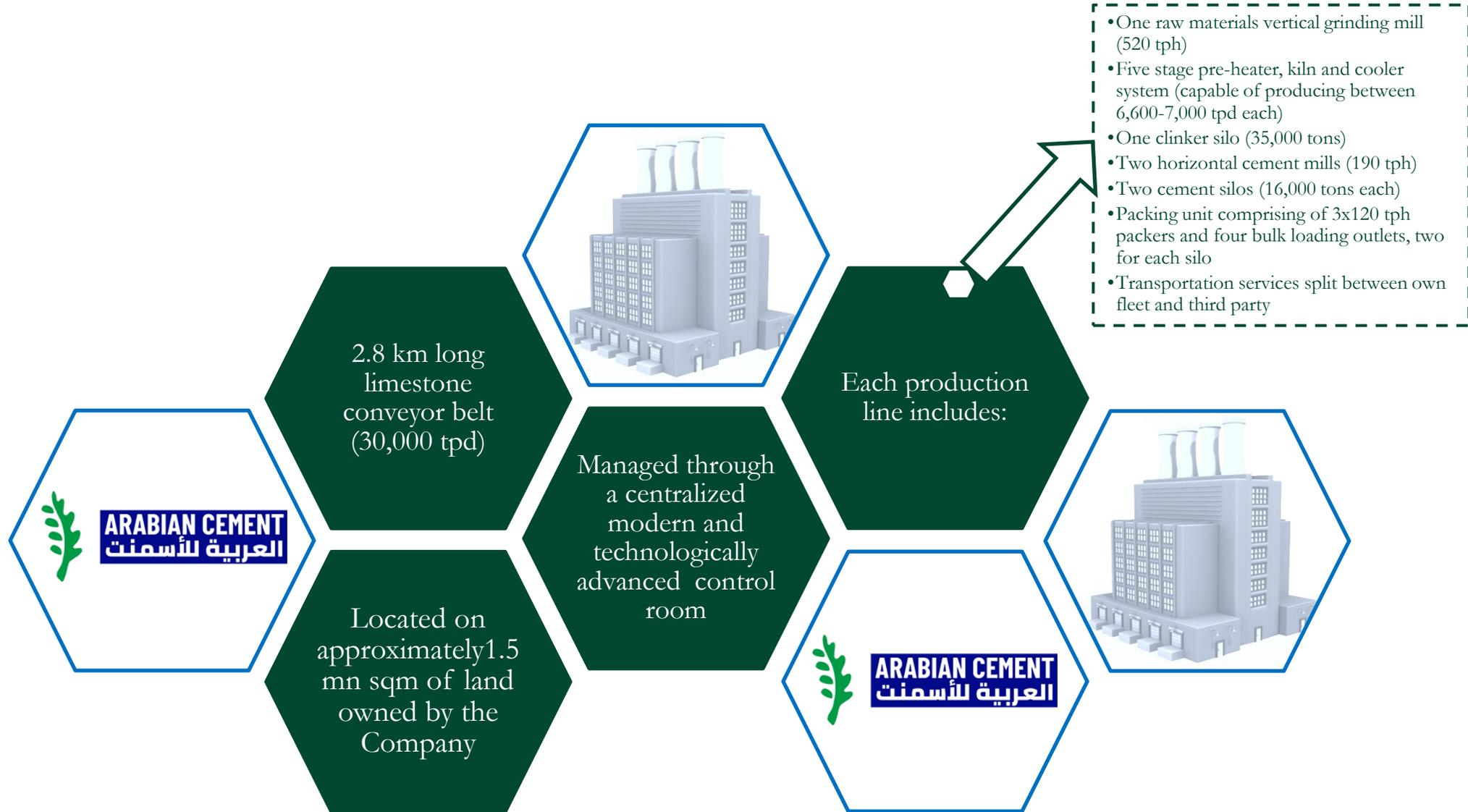
# Introduction to ACC

## 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**

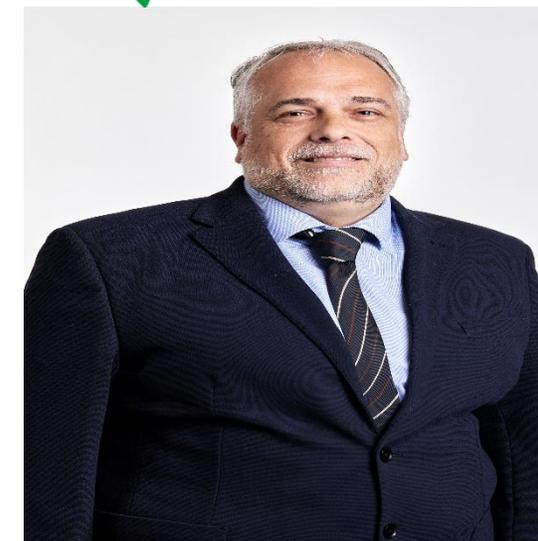
Mr. Ismail is the Chief Operations Officer of Arabian Cement Company. With over 20 years of progressive and extensive experience in the cement industry, he oversees ACC's business operations as well as the execution of the business plan in alignment with the overall business model and corporate goals. 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.



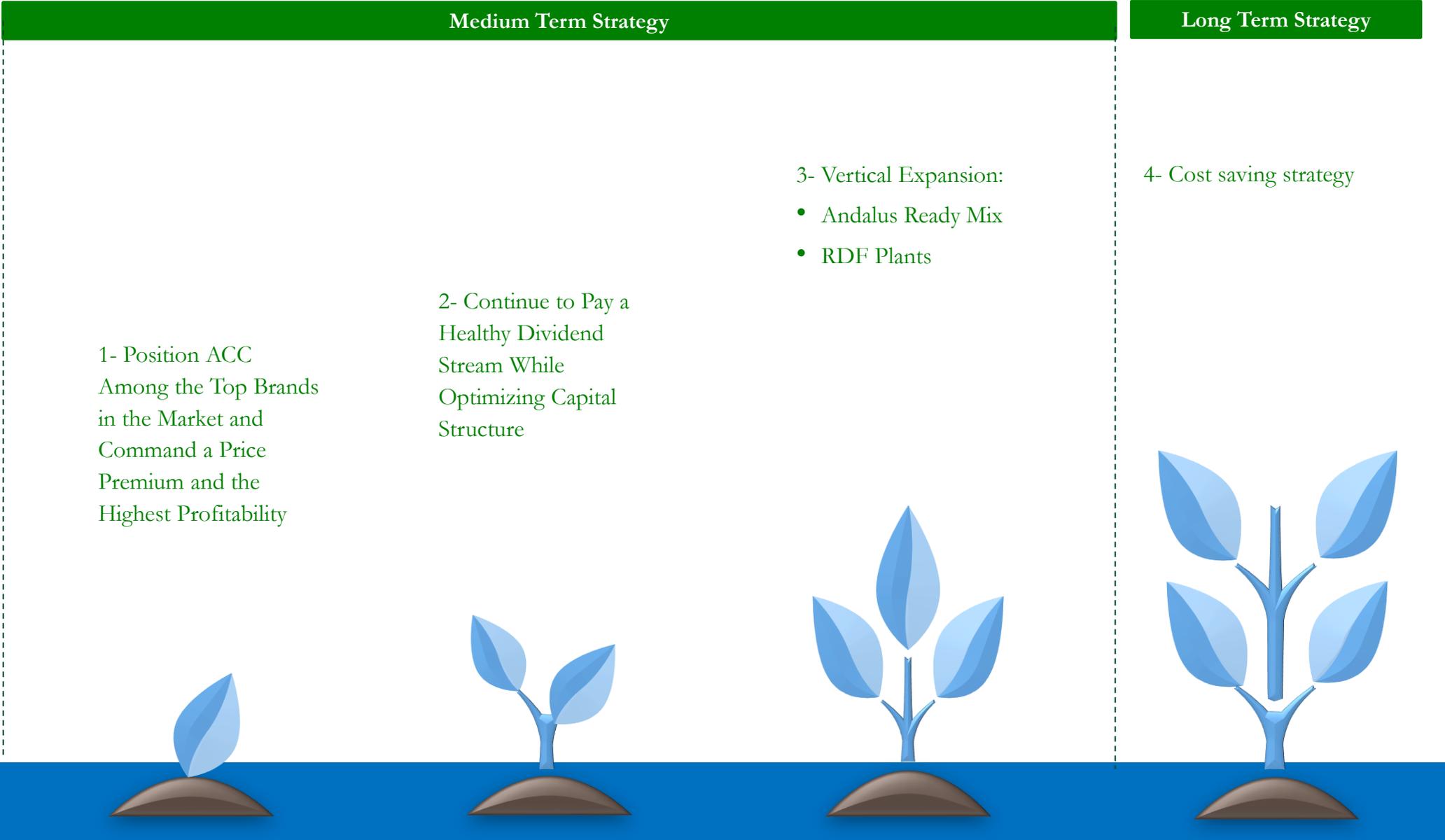
**Arturo Gallart**

**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

## Our Strategy



# Introduction to ACC

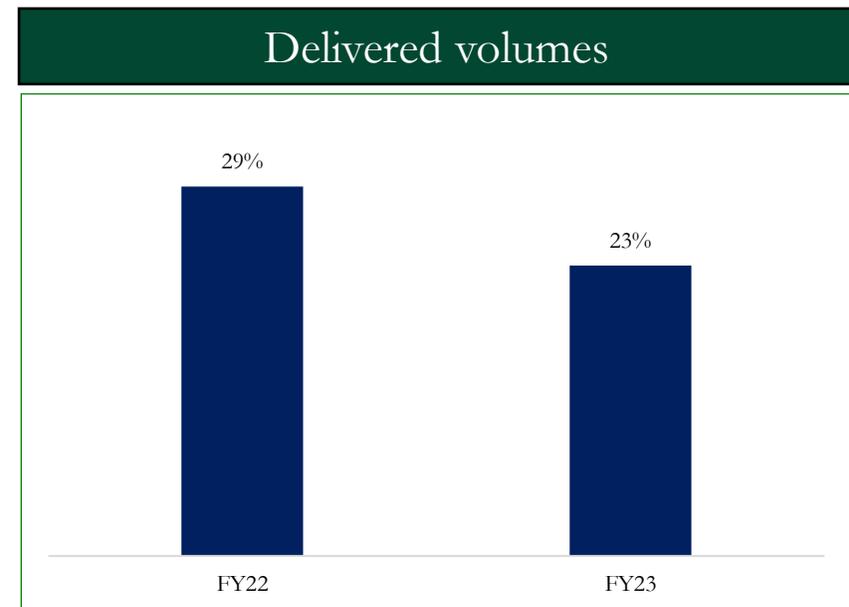
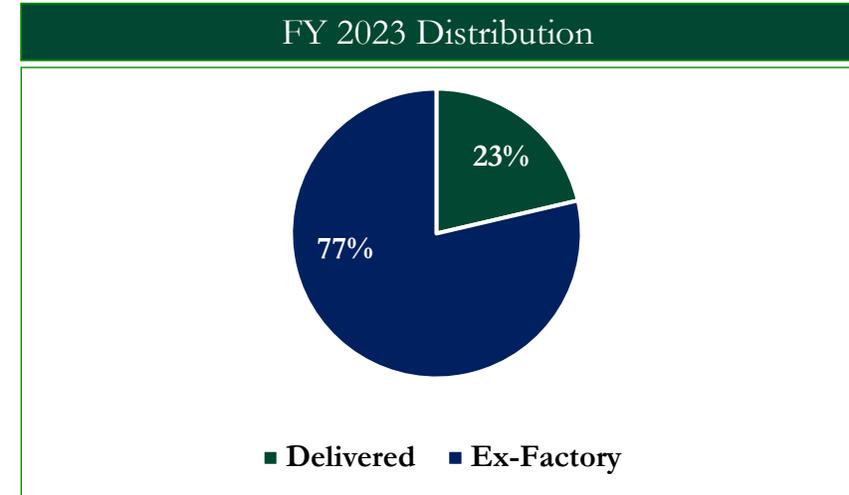
## Distribution Network Overview



- In FY 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

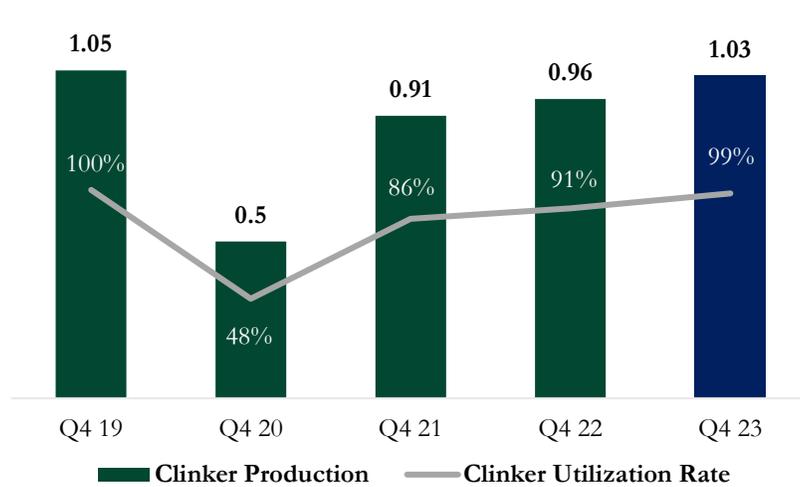


# ACC Quarter Performance

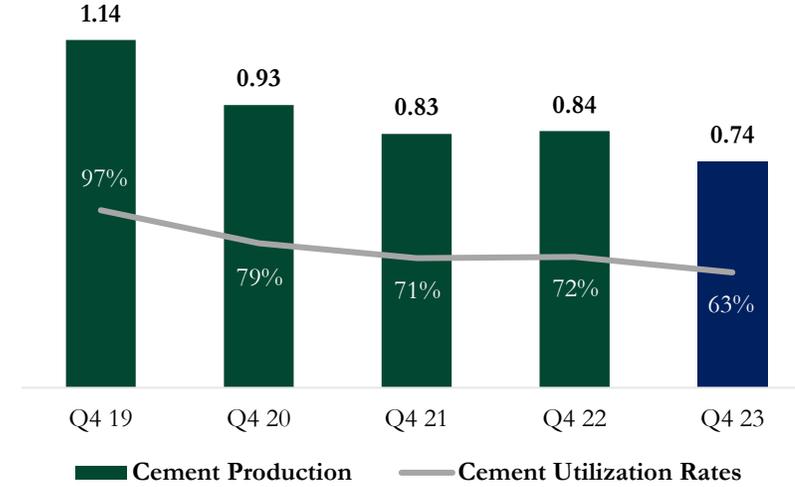
Main KPIs



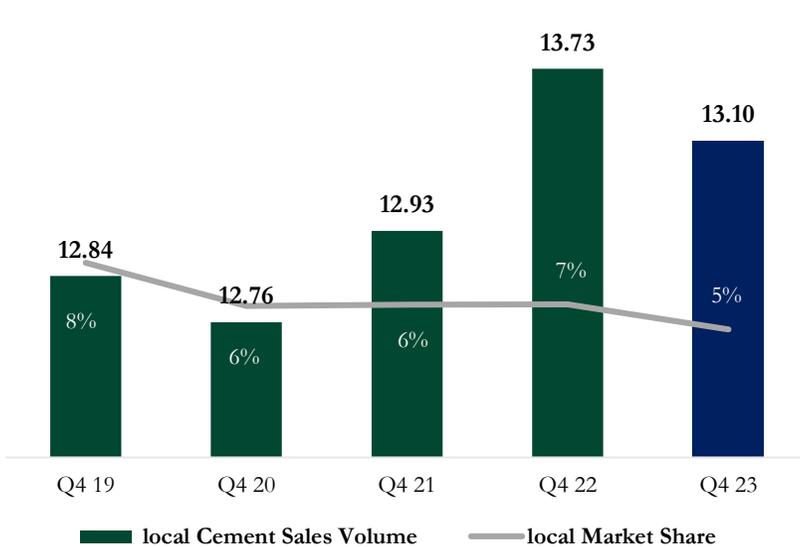
Clinker Production (MM Tons) and Utilization Rates



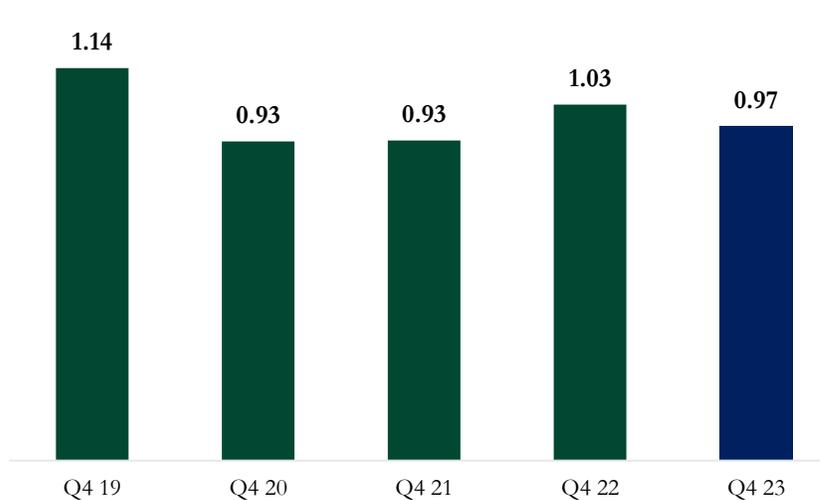
Cement Production (MM Tons) and Utilization Rates



Local Cement Sales Volumes (MM Tons)



ACC Total Sales Volumes (MM Tons)

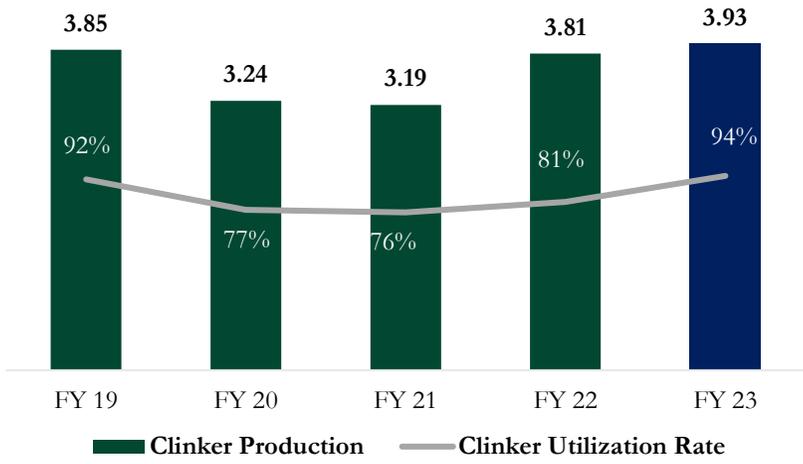


# ACC Full Year Performance

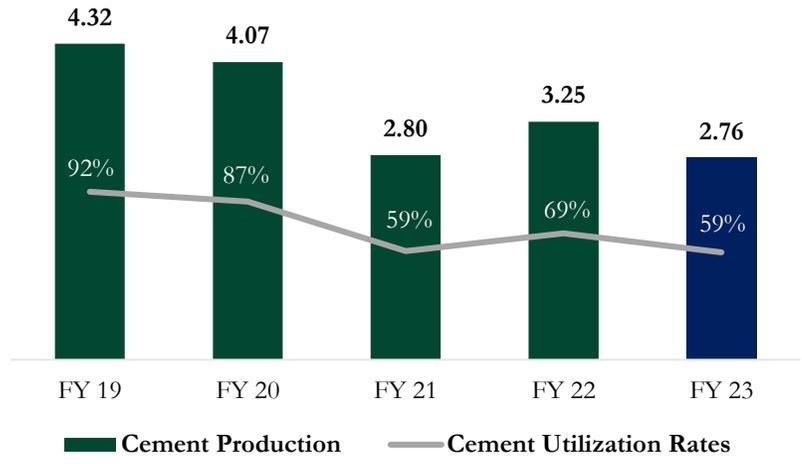


## Main KPIs

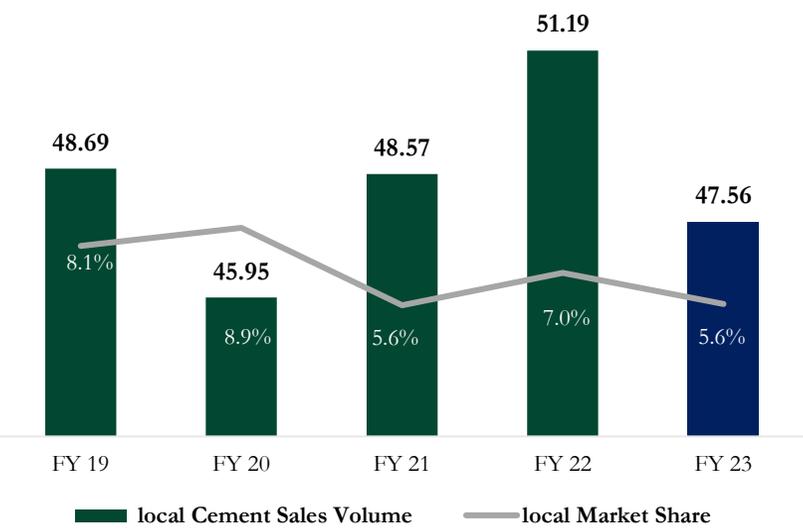
**Clinker Production (MM Tons) and Utilization Rates**



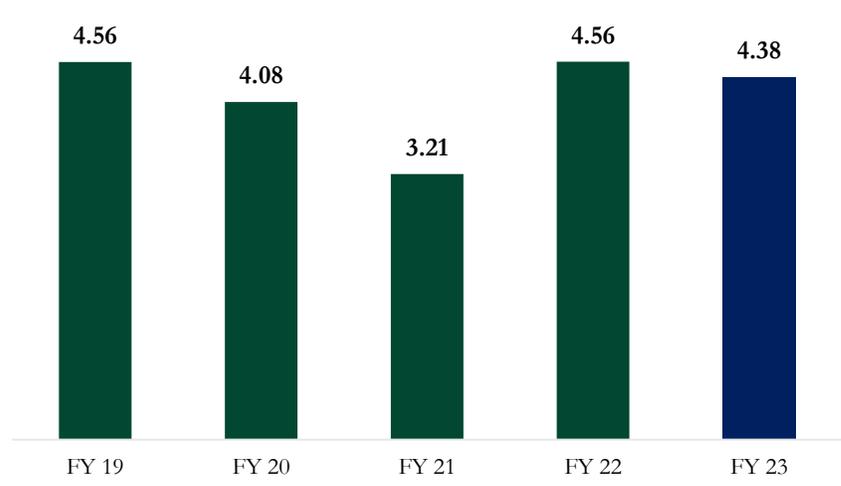
**Cement Production (MM Tons) and Utilization Rates**



**Local Cement Sales Volumes (MM Tons)**



**ACC Total Sales Volumes (MM Tons)**

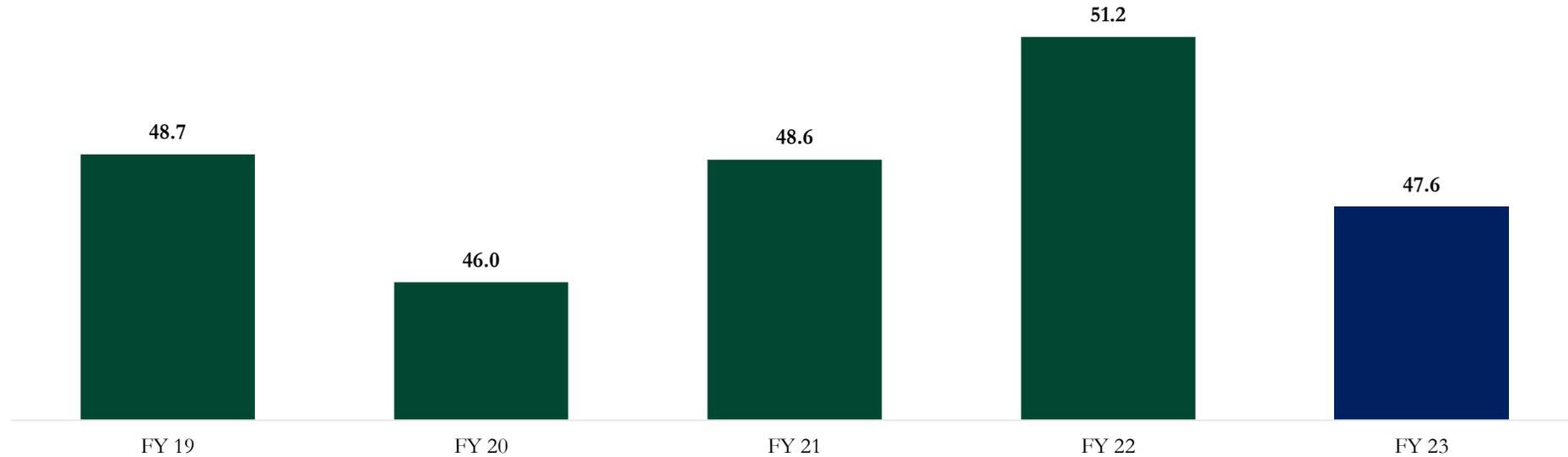


# Egyptian Cement Market

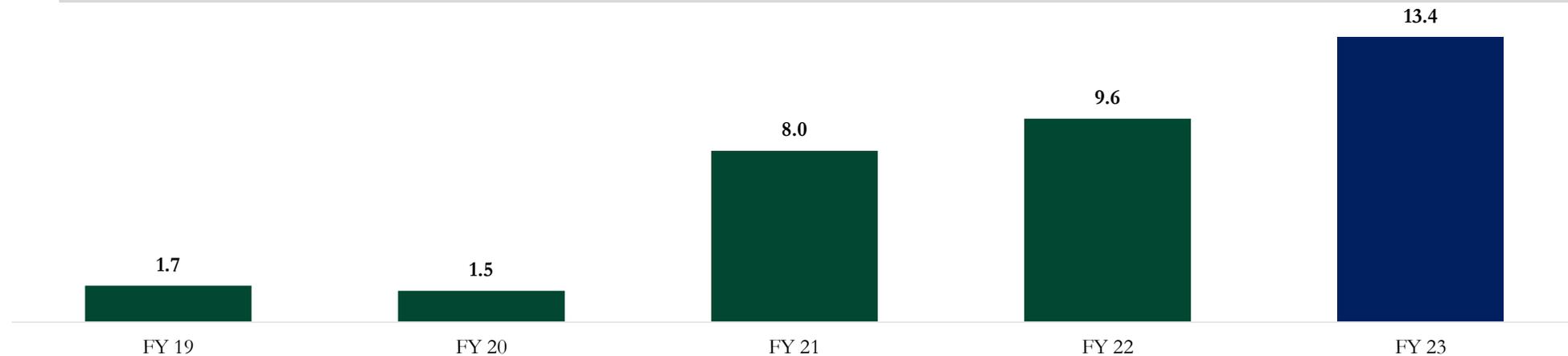
Demand and Supply Synopsis



## Domestic Sales (MM Tons)



## Export Sales (MM Tons)

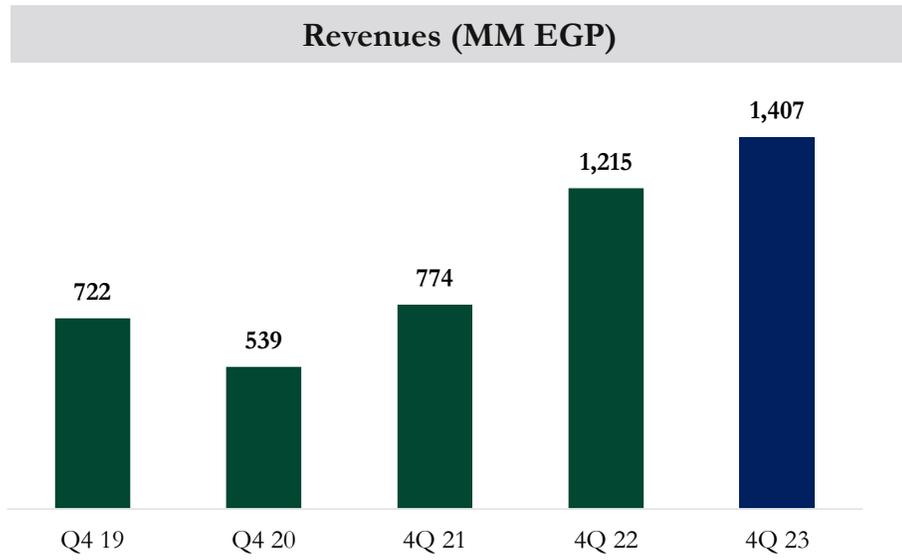


# Period Highlights

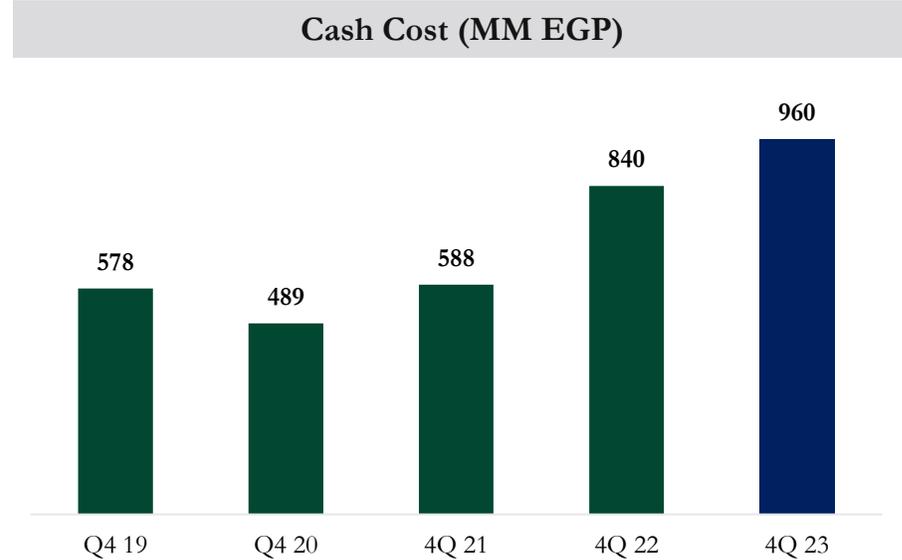
Main KPIs



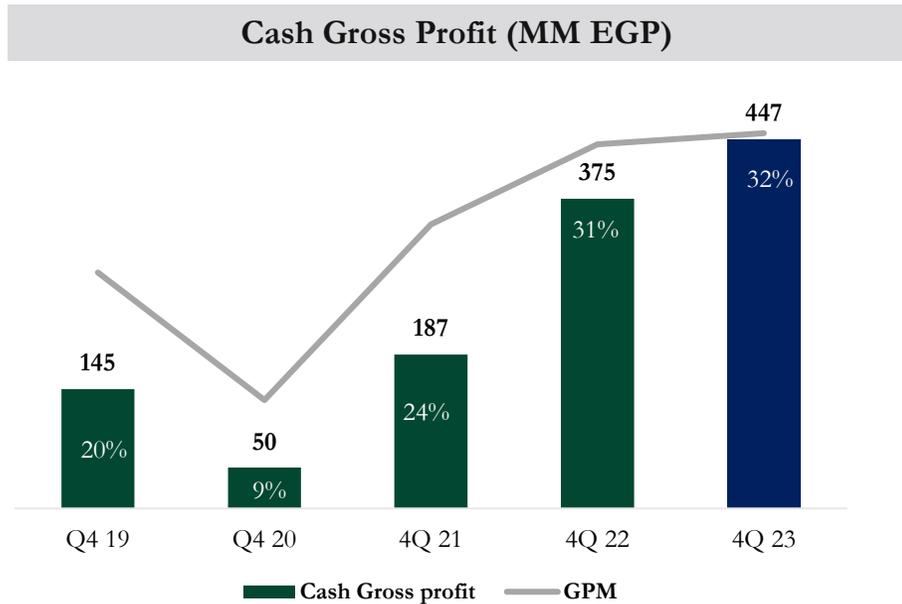
Revenues (MM EGP)



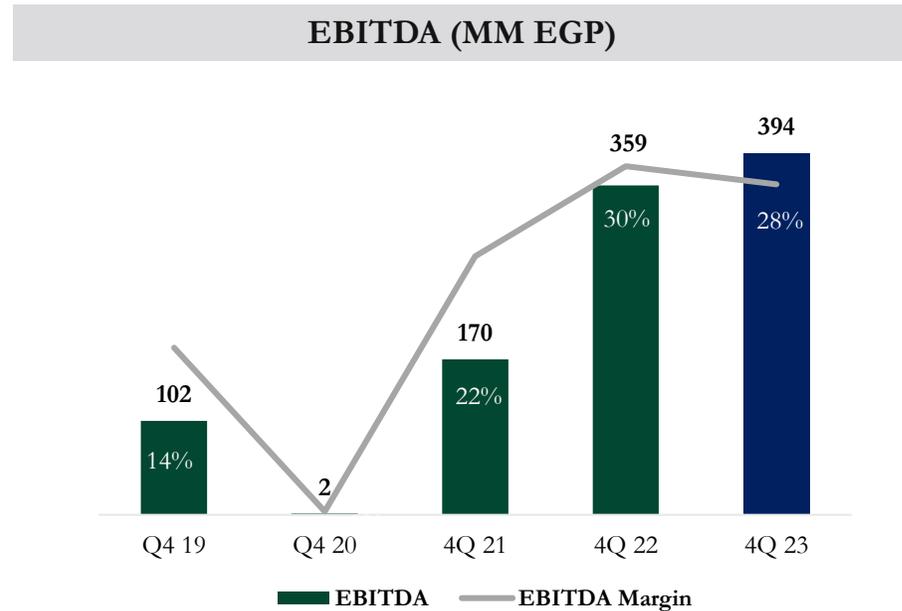
Cash Cost (MM EGP)



Cash Gross Profit (MM EGP)



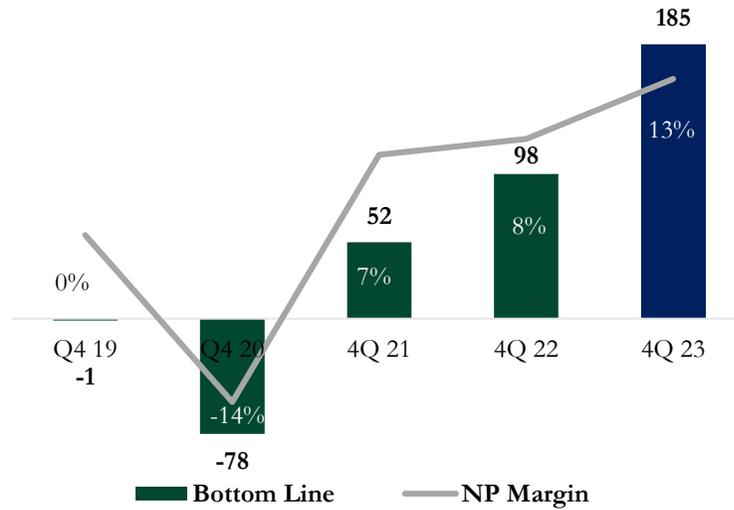
EBITDA (MM EGP)



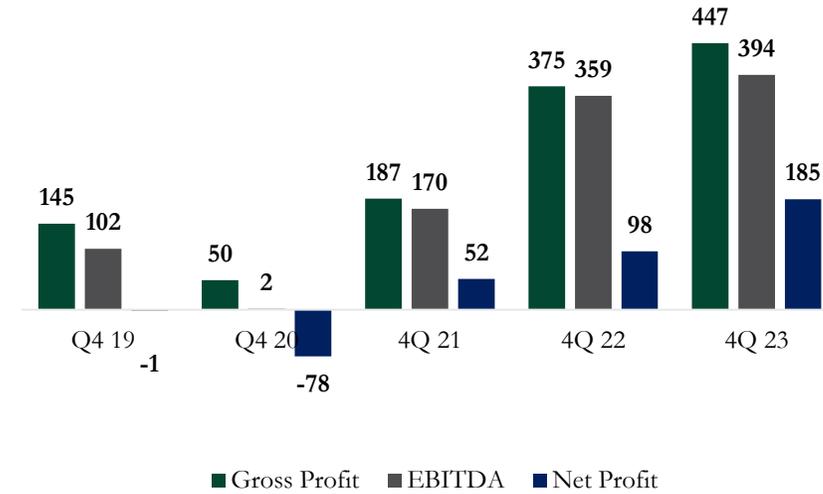
# Period Highlights (continued)

## Main KPIs

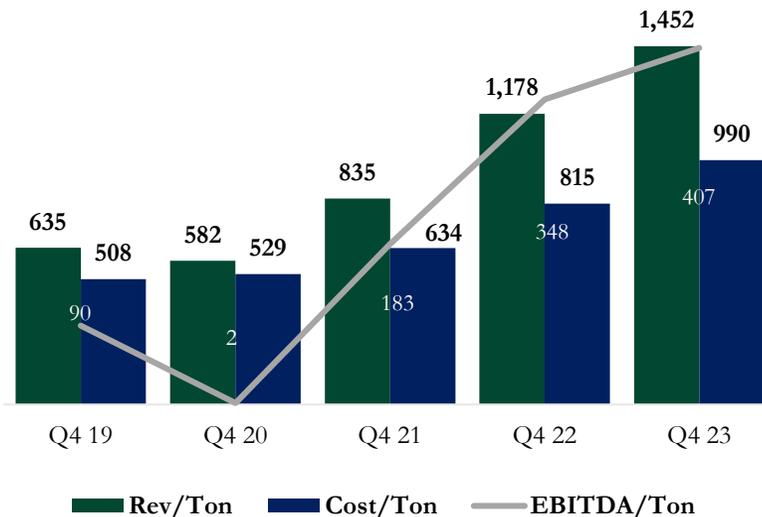
### Bottom Line (MM EGP)



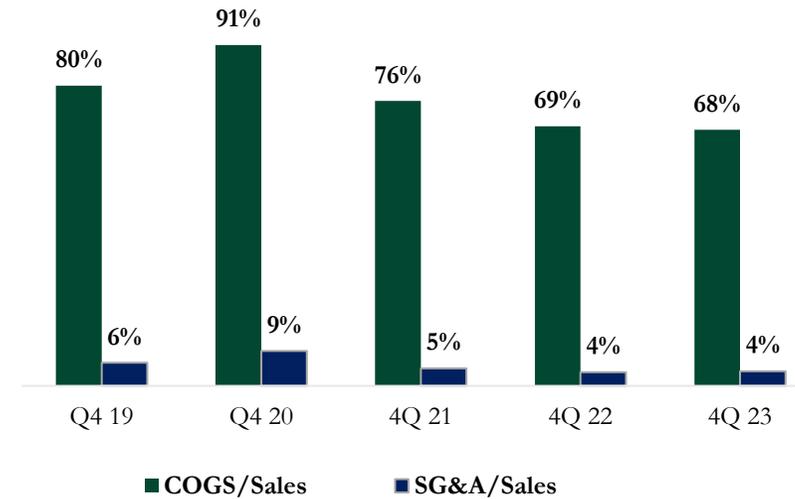
### GP, EBITDA & Net Profit (MM EGP)



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



### Efficiency Ratios

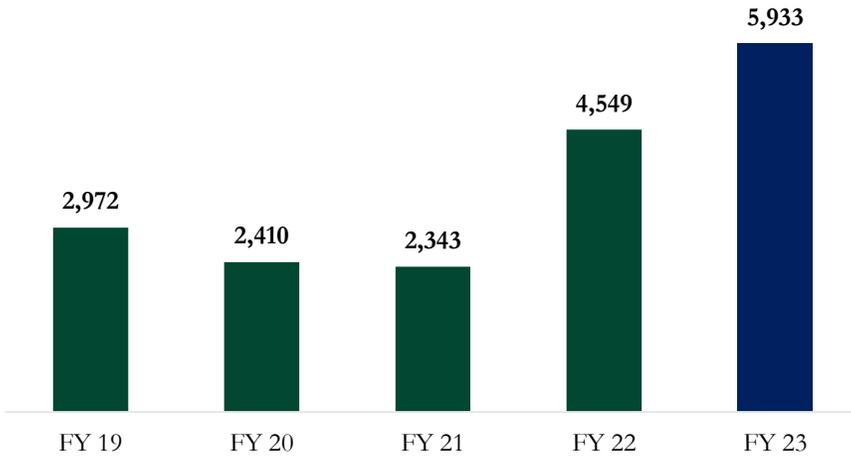


# Full Year Highlights

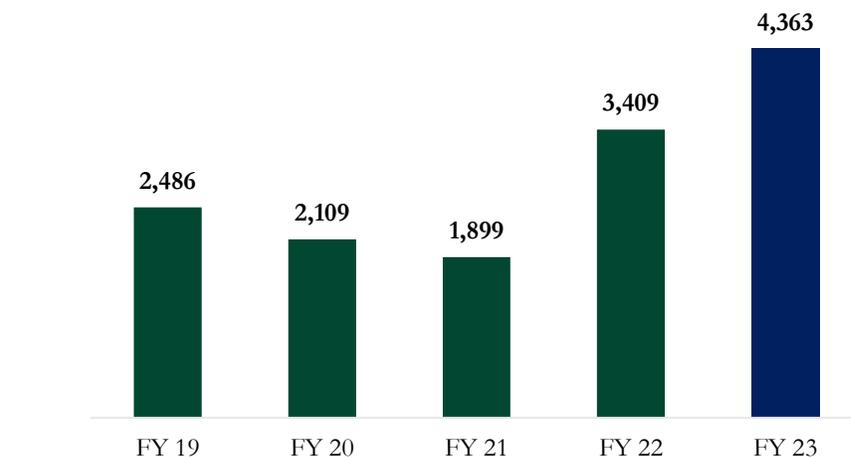
## Main KPIs



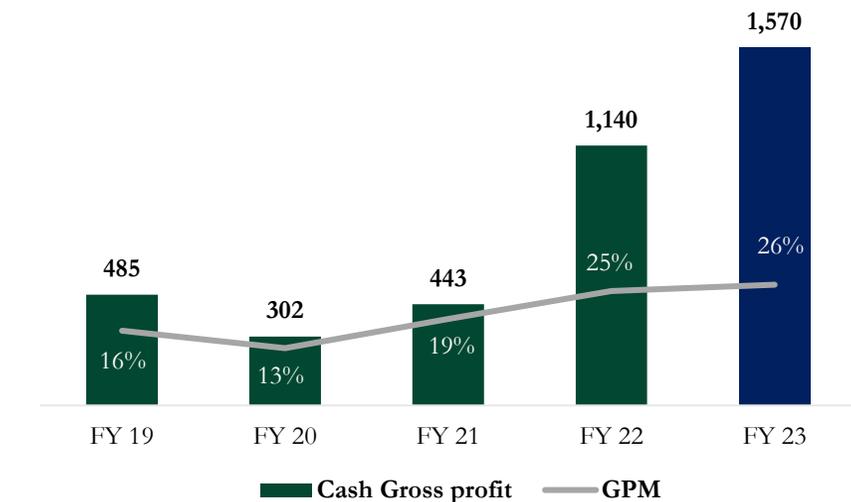
Revenues (MM EGP)



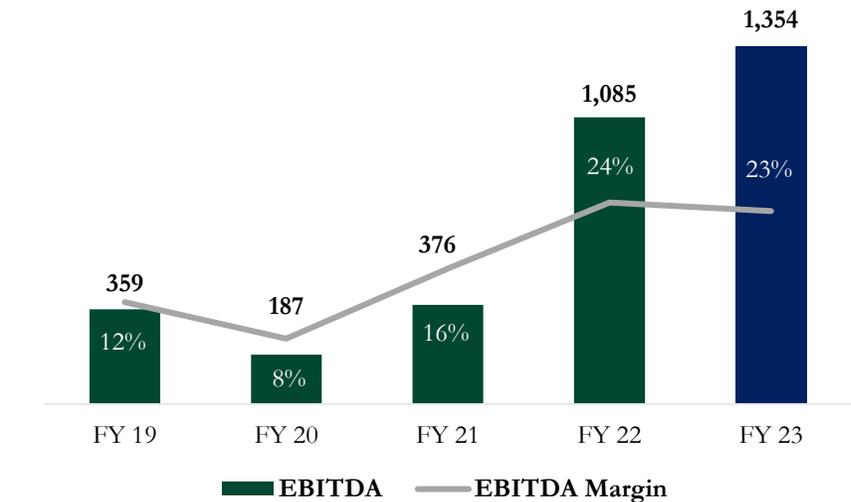
Cash Cost (MM EGP)



Cash Gross Profit (MM EGP)



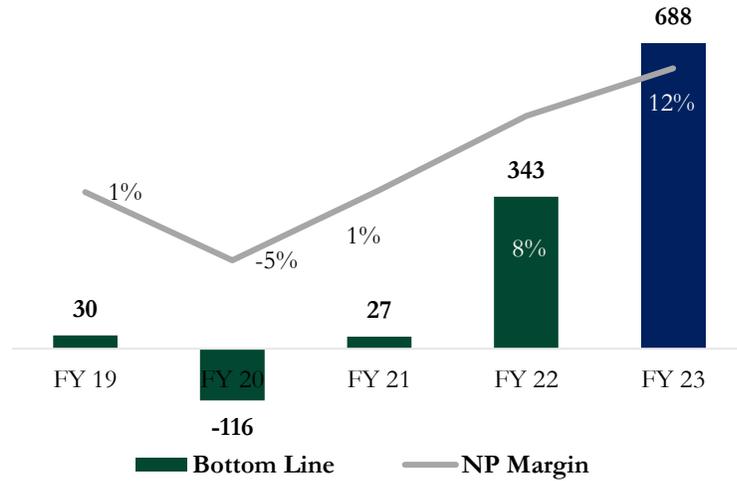
EBITDA (MM EGP)



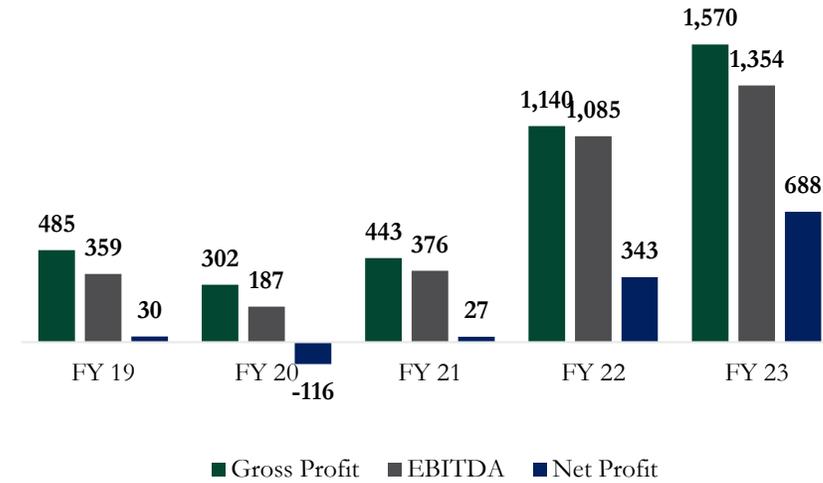
# Full Year Highlights (continued)

## Main KPIs

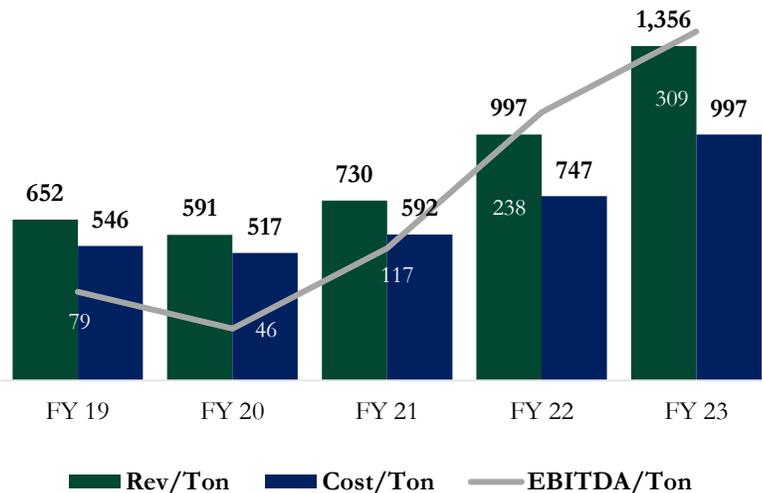
### Bottom Line (MM EGP)



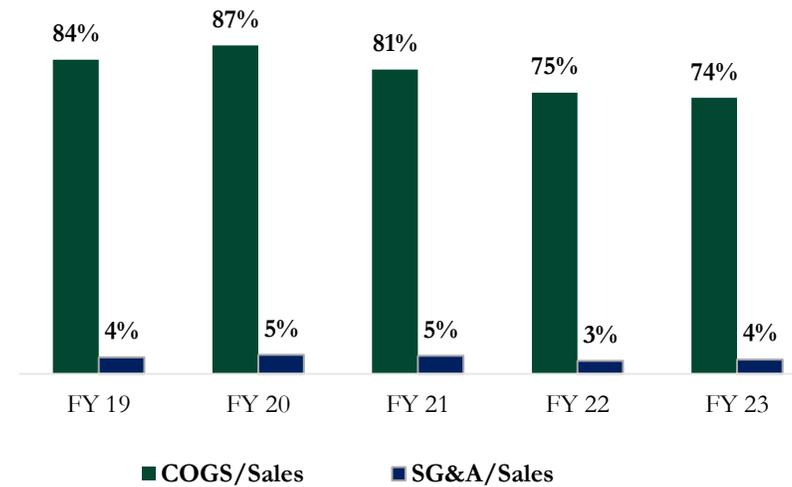
### GP, EBITDA & Net Profit (MM EGP)



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



### Efficiency Ratios



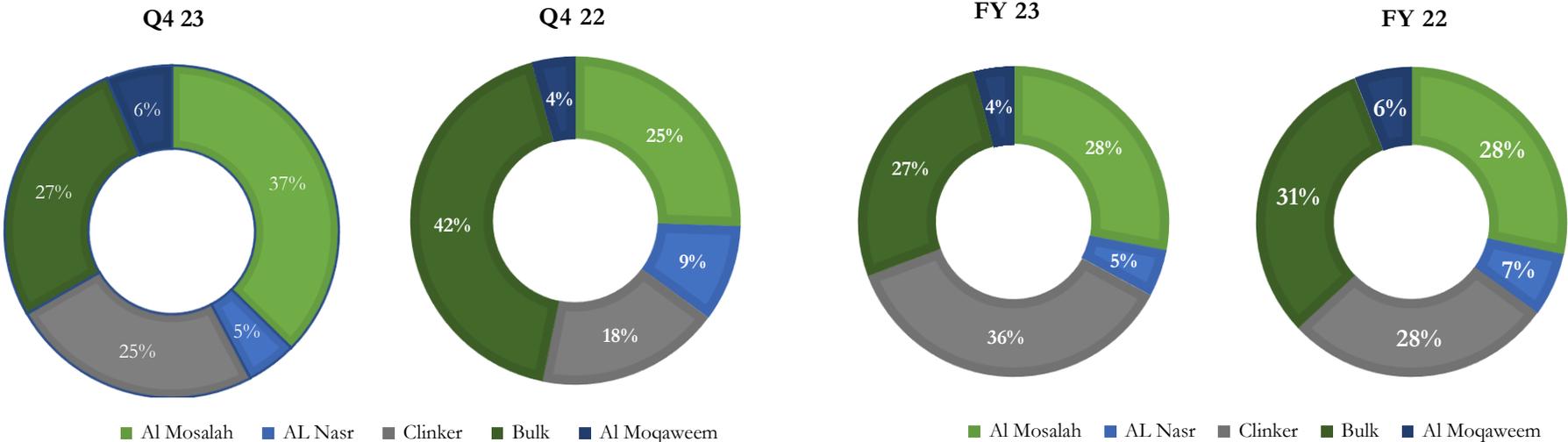
# Sales Overview



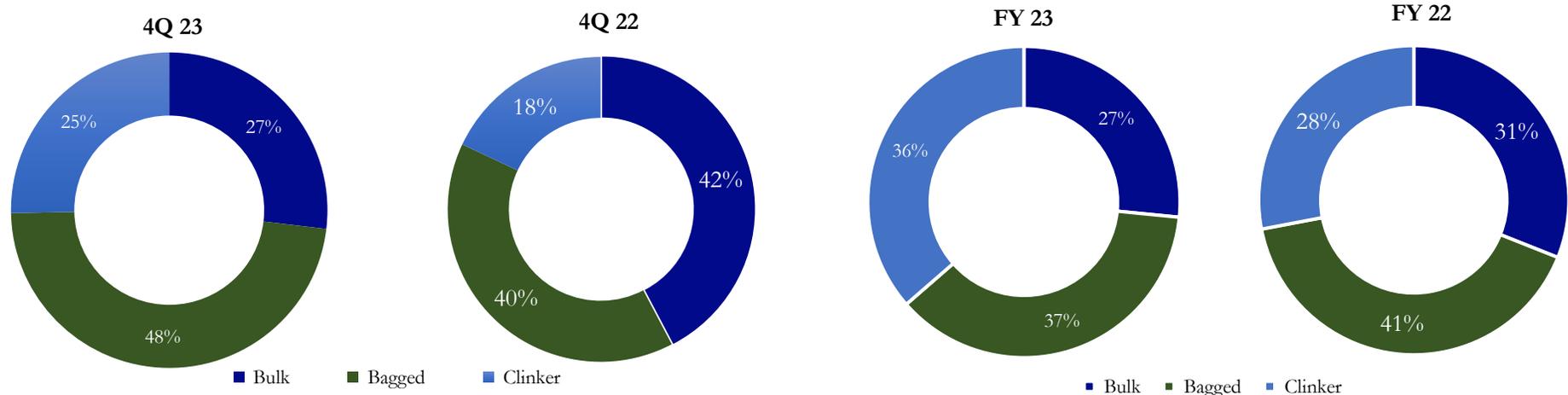
## Quantities Breakdown

### Quantities Breakdown

#### Breakdown by Brand



#### Breakdown by Type

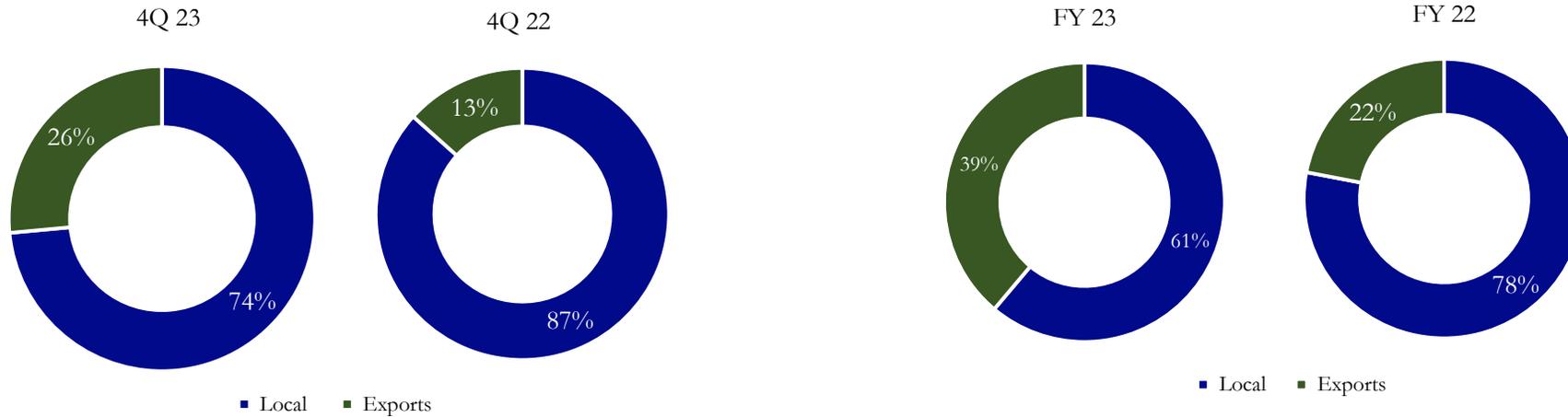


# Sales Overview

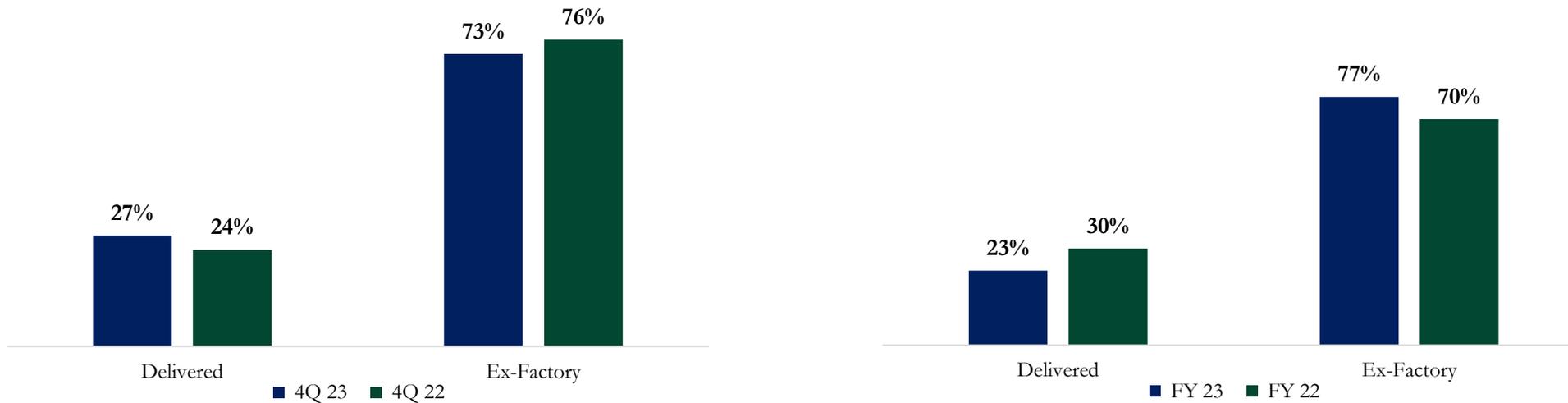
## Quantities Breakdown

### Quantities Breakdown

#### Breakdown by Market



#### Breakdown by Point of Sale



# Financial Statements

## Fourth Quarter Income Statement



Amounts MN EGP	Q4 19	Q4 20	4Q 21	4Q 22	4Q 23
Revenue	722	539	774	1,215	1,407
Cost of goods sold	578	489	588	840	960
<b>Cash Gross profit</b>	<b>145</b>	<b>50</b>	<b>187</b>	<b>375</b>	<b>447</b>
<i>GPM</i>	<i>20%</i>	<i>9%</i>	<i>24%</i>	<i>31%</i>	<i>32%</i>
SG&A Expenses	45	50	37	45	55
Other income	2	2	20	29	2
<b>EBITDA</b>	<b>102</b>	<b>2</b>	<b>170</b>	<b>359</b>	<b>394</b>
<i>EBITDA Margin</i>	<i>14%</i>	<i>0%</i>	<i>22%</i>	<i>30%</i>	<i>28%</i>
Provisions	-2	7	6	19	5
Depreciation & Amortization	62	61	72	60	64
<b>EBIT</b>	<b>42</b>	<b>-66</b>	<b>91</b>	<b>281</b>	<b>325</b>
<i>EBIT Margin</i>	<i>6%</i>	<i>-12%</i>	<i>12%</i>	<i>23%</i>	<i>23%</i>
Foreign exchange	1	1	-2	-110	-10
Interest Income	2			7	8
Finance cost, net	40	19	18	19	4
Impairment losses on investments in subsidiaries					-17
<b>Net Profit Before Tax</b>	<b>5</b>	<b>-84</b>	<b>72</b>	<b>160</b>	<b>302</b>
NPBT Margin	1%	-16%	9%	13%	21%
Deferred tax	7	8	14	35	-35
Income tax expense	13	2	34	97	82
<b>Net Profit</b>	<b>-1</b>	<b>-78</b>	<b>52</b>	<b>98</b>	<b>185</b>
<i>Net Profit Margin</i>	<i>-0.2%</i>	<i>-14.5%</i>	<i>6.7%</i>	<i>8.0%</i>	<i>13.2%</i>

# Financial Statements

## Full Year Income Statement



Amounts MN EGP	FY 19	FY 20	FY 21	FY 22	FY 23
Revenue	2,972	2,410	2,343	4,549	5,933
Cost of goods sold	2,486	2,109	1,899	3,409	4,363
<b>Cash Gross profit</b>	<b>485</b>	<b>302</b>	<b>443</b>	<b>1,140</b>	<b>1,570</b>
<i>GPM</i>	<i>16%</i>	<i>13%</i>	<i>19%</i>	<i>25%</i>	<i>26%</i>
SG&A Expenses	131	122	114	159	229
Other income	4	8	46	104	13
<b>EBITDA</b>	<b>359</b>	<b>187</b>	<b>376</b>	<b>1,085</b>	<b>1,354</b>
<i>EBITDA Margin</i>	<i>12%</i>	<i>8%</i>	<i>16%</i>	<i>24%</i>	<i>23%</i>
Provisions	2	8	7	110	14
Depreciation & Amortization	253	243	251	235	242
<b>EBIT</b>	<b>104</b>	<b>-64</b>	<b>118</b>	<b>740</b>	<b>1,098</b>
<i>EBIT Margin</i>	<i>3%</i>	<i>-3%</i>	<i>5%</i>	<i>16%</i>	<i>19%</i>
Foreign exchange	66	12	-1	-192	-115
Interest Income	4	1		10	31
Finance cost, net	137	81	70	58	77
Impairment losses on investments in subsidiaries					-17
<b>Net Profit Before Tax</b>	<b>37</b>	<b>-131</b>	<b>47</b>	<b>500</b>	<b>920</b>
NPBT Margin	1%	-5%	2%	11%	15%
Deferred tax	6	15	22	35	-16
Income tax expense	13		42	192	216
<b>Net Profit</b>	<b>30</b>	<b>-116</b>	<b>27</b>	<b>343</b>	<b>688</b>
<i>Net Profit Margin</i>	<i>1.0%</i>	<i>-4.8%</i>	<i>1.2%</i>	<i>7.5%</i>	<i>11.6%</i>

# Financial Statements



## Balance Sheet

Amounts in MN EGP	FY 19	FY 20	FY 21	FY 22	FY 23
<b>Assets</b>					
<b>Non-current Assets</b>					
Property plant and equipment, net	2,380	2,176	1,994	1,810	1,654
Projects under construction	4	7	3	4	2
Intangible assets	295	254	219	191	163
Right of use			18	13	13
Investment in subsidiaries	48	48	48	48	30
<b>Total Non-current Assets</b>	<b>2,726</b>	<b>2,484</b>	<b>2,282</b>	<b>2,066</b>	<b>1,863</b>
<b>Current Assets</b>					
Inventory	156	170	363	616	977
Trade Receivables			12	49	186
Debtors and other debit balances	104	125	139	218	231
Due from related parties	17	23	18	12	8
Cash and bank balances	86	52	117	798	545
<b>Total Current Assets</b>	<b>363</b>	<b>369</b>	<b>649</b>	<b>1,693</b>	<b>1,947</b>
<b>Total Assets</b>	<b>3,089</b>	<b>2,853</b>	<b>2,931</b>	<b>3,758</b>	<b>3,810</b>
<b>Current Liabilities</b>					
Provisions	12	17	24	60	51
Current tax liabilities	13		42	192	216
Trade payables and other credit balances	886	619	830	1,361	1,316
Due to related parties	8	4	10	2	6
Credit Facilities	62	340	240	361	90
Borrowings - short term portions	90	99	114	164	
Current Portion of long-Term Other liabilities	12	1			
Lease Liability			10	6	9
Dividends payable					99
<b>Total Current Liabilities</b>	<b>1,084</b>	<b>1,080</b>	<b>1,271</b>	<b>2,147</b>	<b>1,787</b>
<b>Equity</b>					
Paid up capital	757	757	757	757	757
Legal reserve	255	258	258	260	295
Retained earnings	164	38	58	141	688
<b>Total Equity</b>	<b>1,176</b>	<b>1,053</b>	<b>1,073</b>	<b>1,159</b>	<b>1,740</b>
<b>Non-current Liabilities</b>					
Borrowings - long term portions	492	387	273	177	
Deferred income tax liability	337	322	299	264	280
Lease Liability			7	7	2
Notes Payable		11	8	5	2
<b>Total Non-Current Liabilities</b>	<b>829</b>	<b>720</b>	<b>587</b>	<b>453</b>	<b>284</b>
<b>Total Equity and Liabilities</b>	<b>3,089</b>	<b>2,853</b>	<b>2,931</b>	<b>3,758</b>	<b>3,810</b>

# Financial Statements

## Cash Flow Statement



Amounts in MN EGP	FY 19	FY 20	FY 21	FY 22	FY 23
<b>Cash flows from operating activities</b>					
Net profit before tax	37.3	-131.4	47	500	920
Interest income	-3.7	-1.2		-10	-31
Finance Cost	136.5	80.9	70	58	77
Depreciation expense	207.3	206.1	214	203	209
Amortization of intangible assets	50.7	40.7	35	28	28
Amortization of right of use assets	.7	.0	5	5	7
Impairment losses on investments in subsidiaries					17
Foreign exchange (gain)/losses differences	-37.0	-5.2		70	
Provision	2.0	5.6	7	36	14
<b>Changes in working capital</b>	<b>394</b>	<b>195</b>	<b>377</b>	<b>891</b>	<b>1,241</b>
Debtors and other debit balances	-5.3	-36.7	-14	-102	-62
Change in Inventory	126.1	-14.1	-193	-253	-361
Trade payables and other credit balances	99.4	-245.9	195	275	238
Due from related parties	3.5	-6.0	5	5	4
Current Income Tax Paid		.0		-19	-187
Increase/ Decrease in trade receivables	69.3		-12	-37	-137
Provision Used					-23
Due to related parties	.8	-4.4	7	-8	3
Interest Paid	-134.0	-91.5	-71	-54	-76
<b>Net cash from operating activities</b>	<b>554</b>	<b>-203</b>	<b>294</b>	<b>698</b>	<b>640</b>
<b>Cash flows from investing activities</b>					
Interest income	4	1		10	31
Purchase of property, plant and equipment	-33	-2	-16	-19	-51
Additions in projects under construction	-3			-1	-2
<b>Net cash flows used in investing activities</b>	<b>-33</b>		<b>-16</b>	<b>-10</b>	<b>-22</b>
<b>Cash flows from financing activities</b>					
Payments of license liability/other liabilities	-125	-12	-1		
Payments of borrowings	-78	-90	-99	-116	-341
Dividends paid	-185	-7	-7	-7	-250
Payment of finance lease liability			-6	-5	-10
Proceeds from credit facility	-212	278	-100	120	-271
<b>Net cash flows from financing activities</b>	<b>-600</b>	<b>169</b>	<b>-213</b>	<b>-8</b>	<b>-871</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-79</b>	<b>-34</b>	<b>66</b>	<b>681</b>	<b>-253</b>
Cash and cash equivalents at beginning of the year	165	86	52	117	798
<b>Cash and cash equivalents at end of the period</b>	<b>86</b>	<b>52</b>	<b>117</b>	<b>798</b>	<b>545</b>



**ARABIAN CEMENT**  
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**For more Information Please Contact:**

Karim Naguib – Head of Budgeting & Investor Relations

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

Nourhan Elakkad –Budgeting & Investor Relations Analyst

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

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