



# BUILDING ON STRENGTH

## Corporate Briefing Session

Bestway Cement Limited | 30 September 2021

Presided by

**Mr. Muhammad Irfan A. Sheikh (MD)**

Facilitated by

**Mr. Muhammad Amir Khan (CFO)**  
**Mr. Muhammad Danish Khan (Head BTR)**

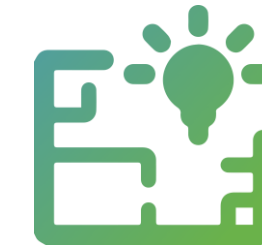
# CONTENTS



**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

**Rs. 276 Billion**

(\$1.65 billion)



Largest independent wholesaler in UK having 65 Bestway and Batleys depots

**Bestway Wholesale**



3<sup>rd</sup> largest retail pharmacy in UK with 760 pharmacies

**Well Pharmacy**



2<sup>nd</sup> largest retail bank in Pakistan with more than 1,400 branches and over 4 million customers

**United Bank Limited**



2<sup>nd</sup> largest cement producer in Pakistan

**Bestway Cement**

# BESTWAY CEMENT



10.7  
million

tonnes cement per annum  
production capacity

6

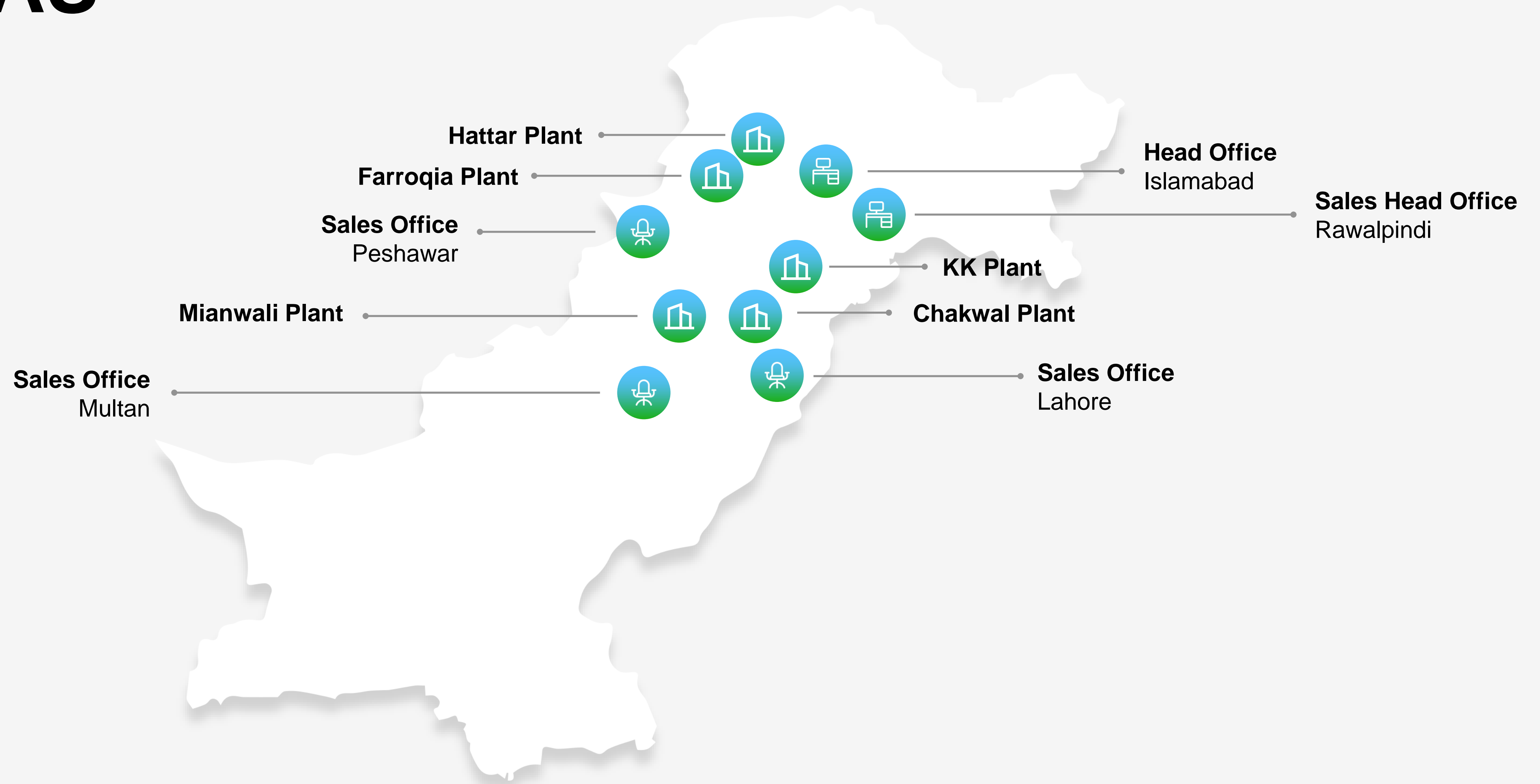
state-of-the-art production  
lines at four locations

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



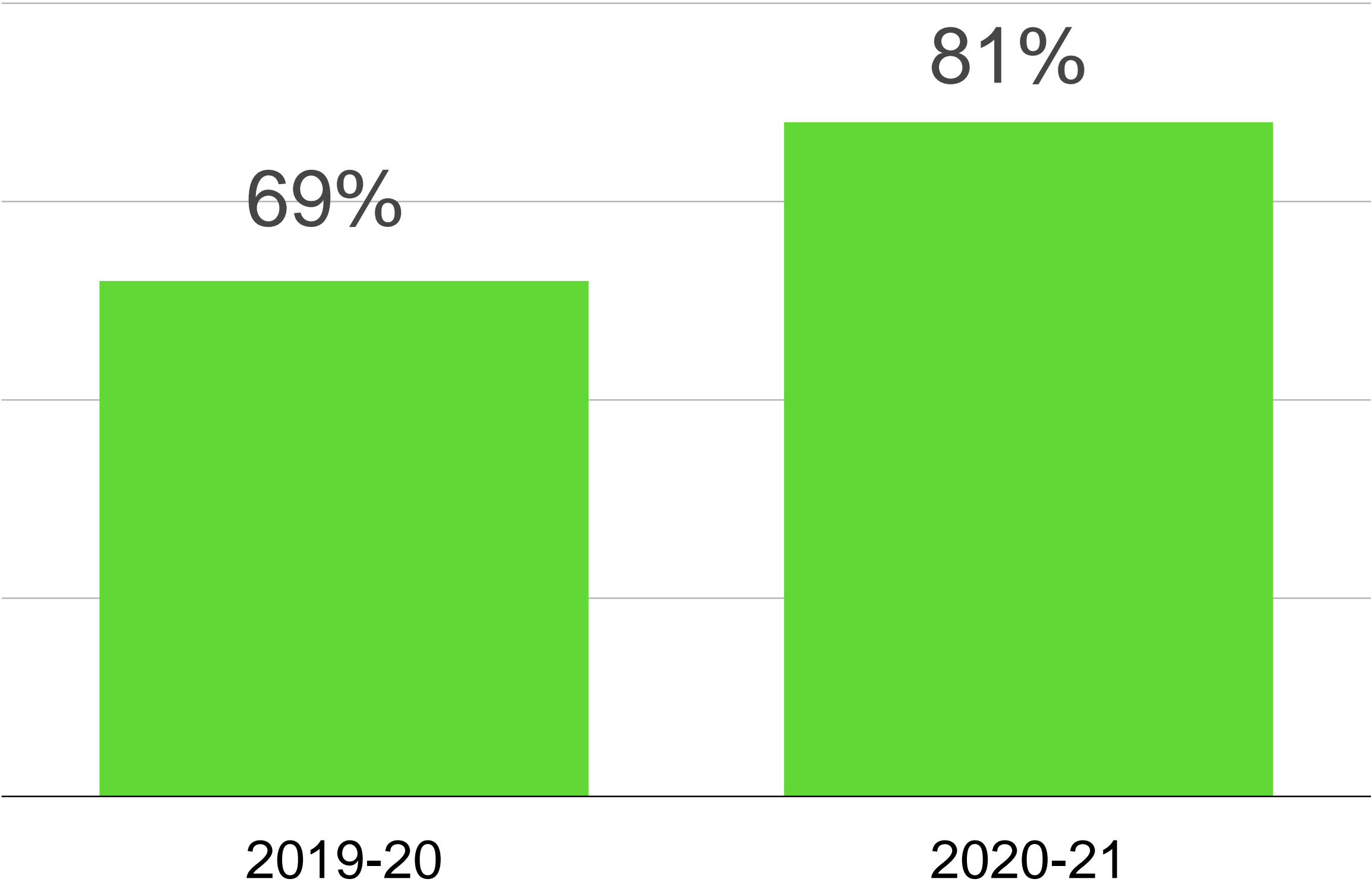


# KEY HIGHLIGHTS

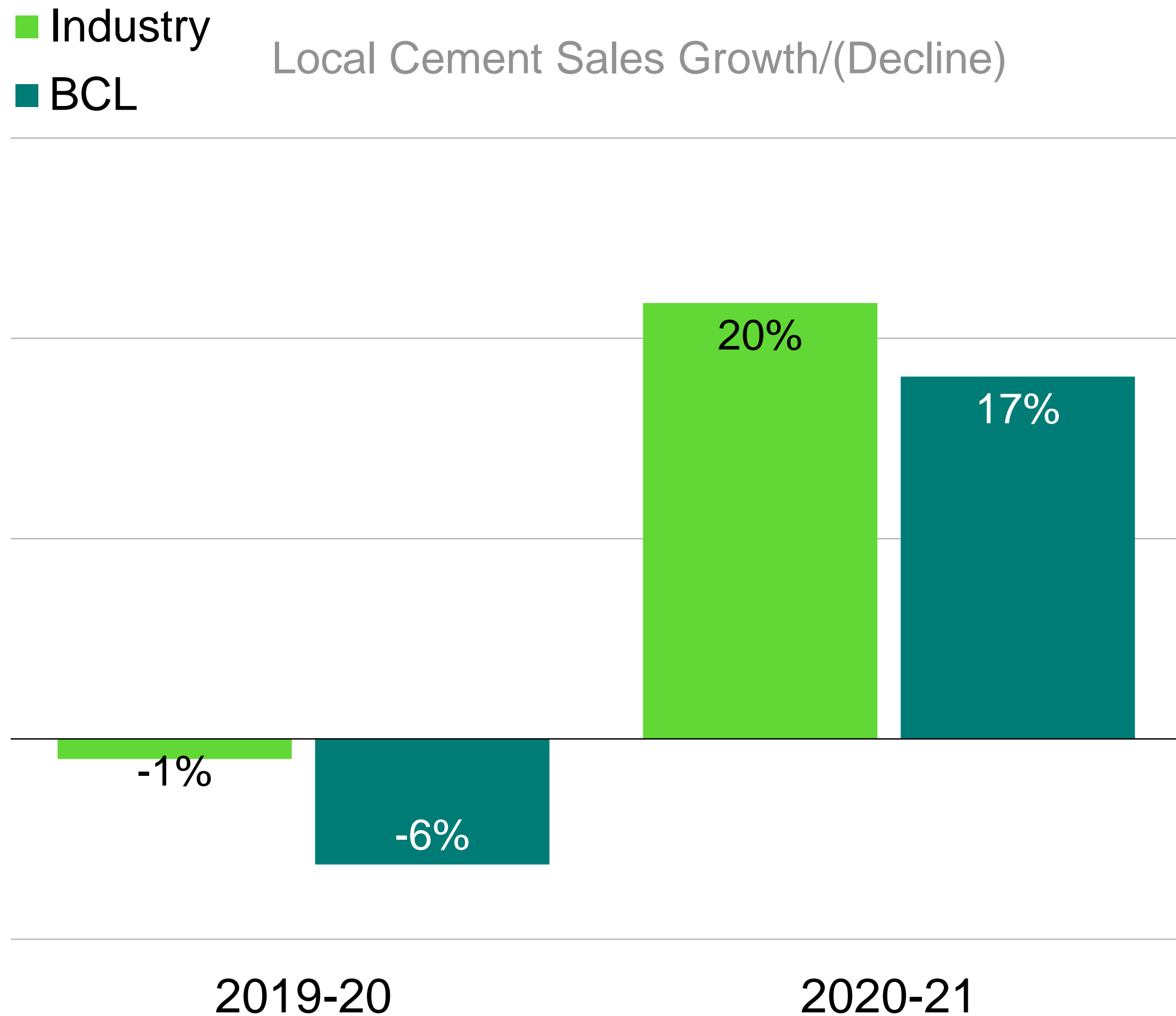
# BCL CAPACITY UTILISATION



BCL - Capacity Utilisation

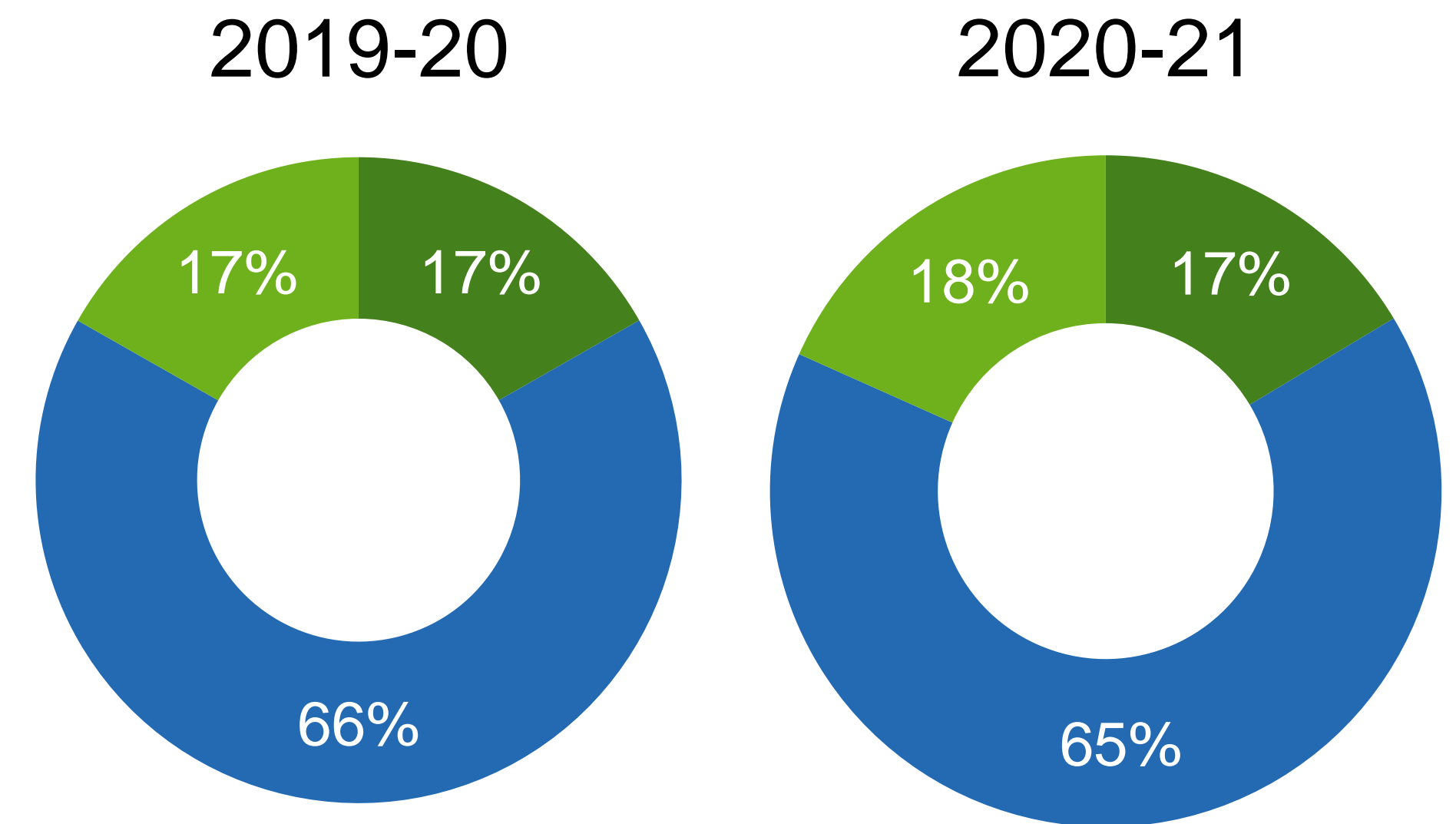


# INDUSTRY GROWTH AND BCL MARKET SHARE (BASED ON DESPATCHES)



BCL Market Share – Total Cement Sales

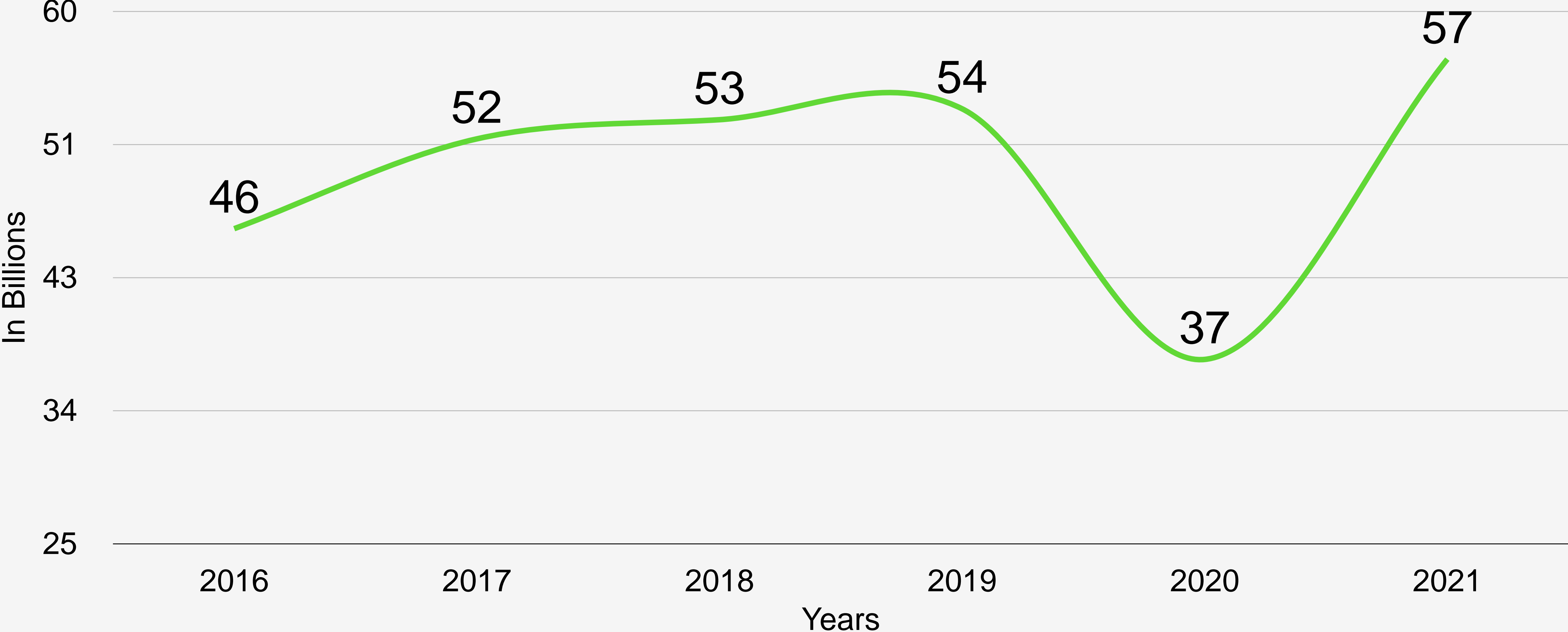
- BCL
- Industry - North excl BCL
- Industry - South



# KEY FINANCIAL HIGHLIGHTS



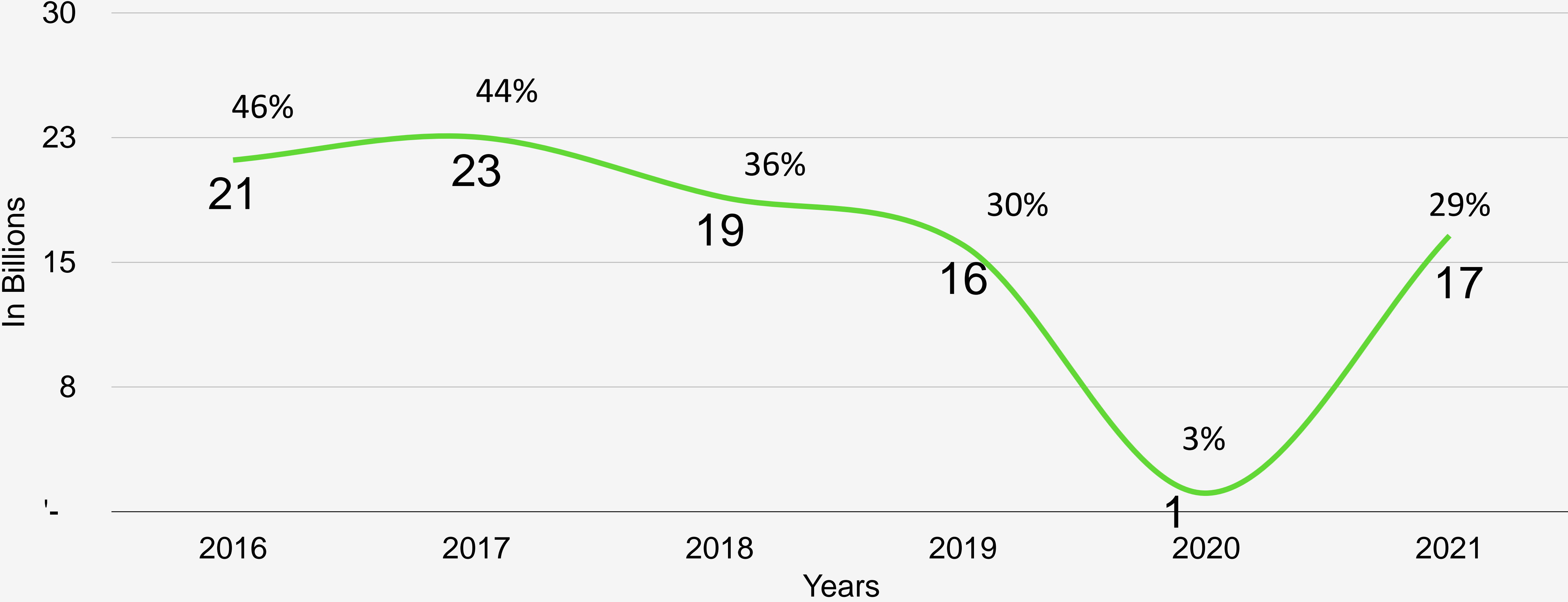
## Net Turnover



# KEY FINANCIAL HIGHLIGHTS



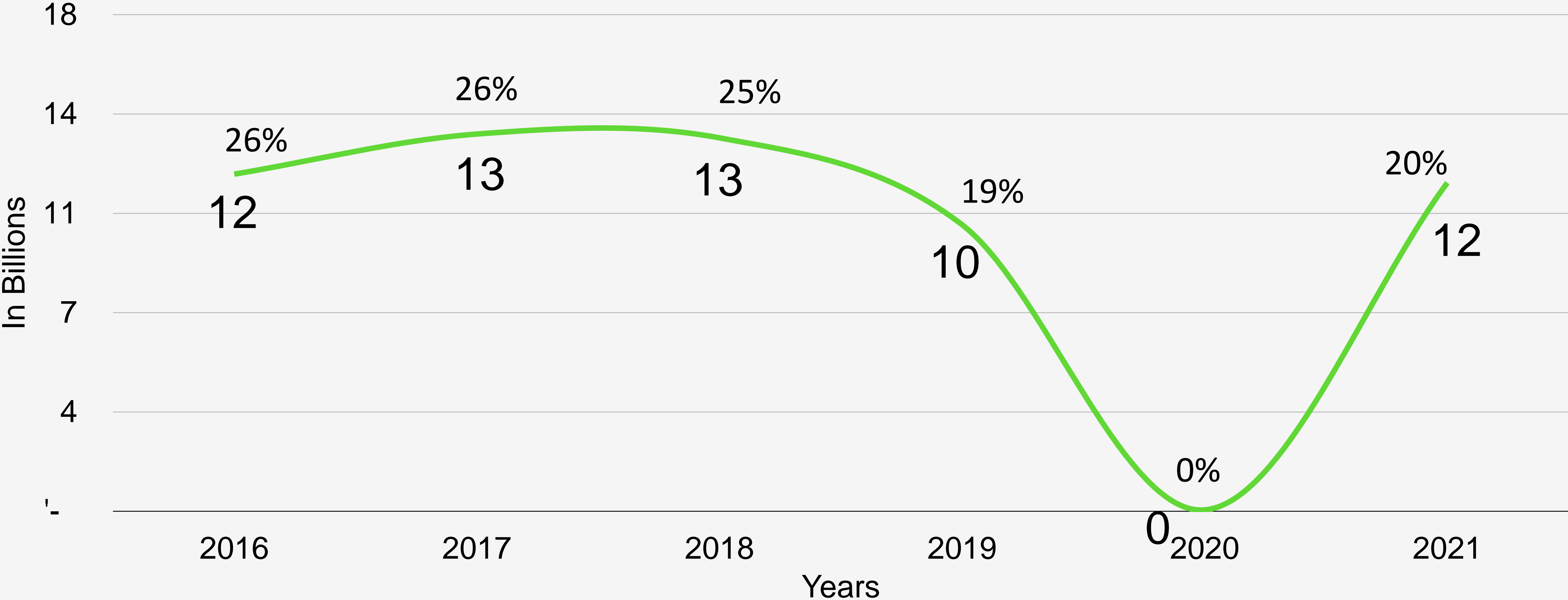
## Gross Profit



# KEY FINANCIAL HIGHLIGHTS



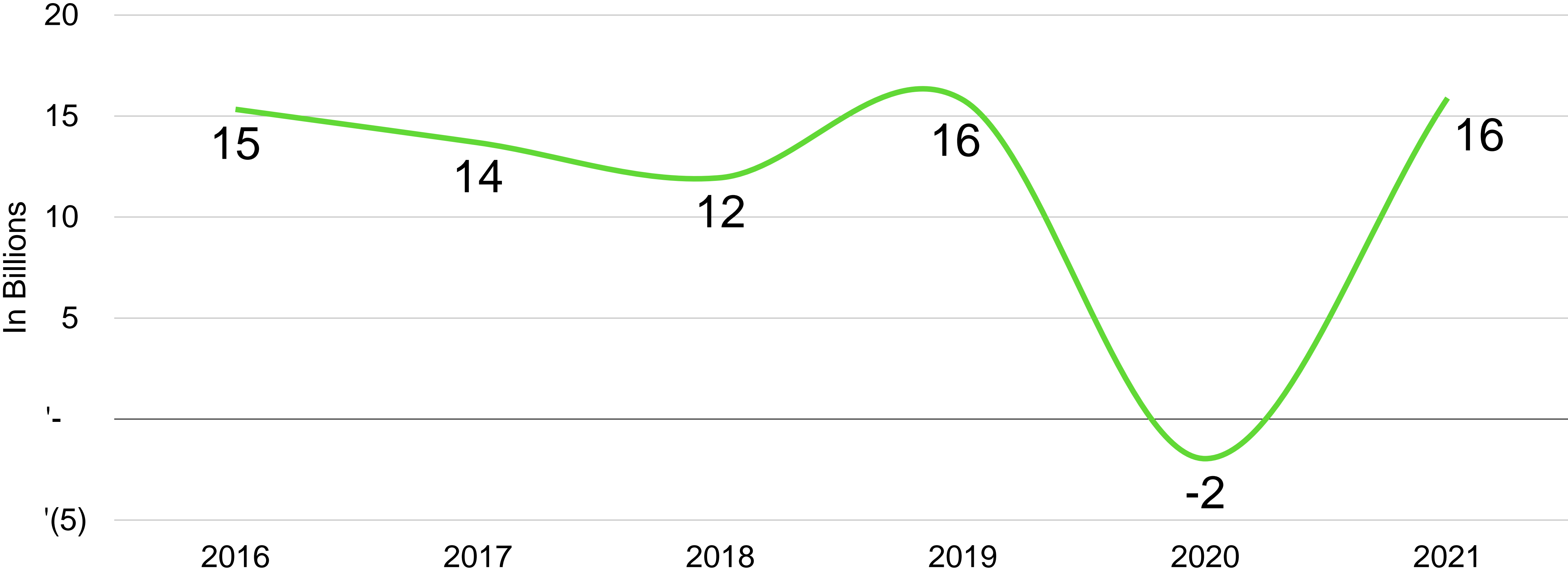
## Net Profit



# KEY FINANCIAL HIGHLIGHTS



## Net Cash from Operations

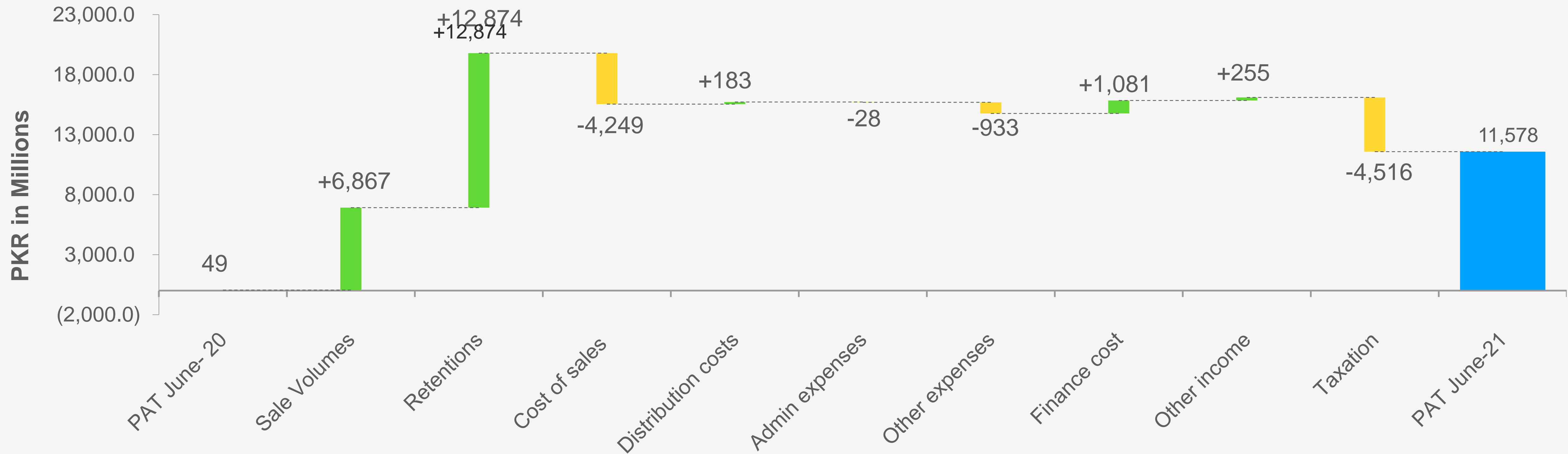


# KEY FINANCIAL HIGHLIGHTS



Other Financial Measure	2019-20	2020-21
Leverage Ratio (D/E)	0.41	0.25
Dividend Payout	30%	140%
Profit from Operations	Rs. (0.03) Billion	Rs. 14.7 Billion
Profit from Associate	Rs. 1.7 Billion	Rs. 1.9 Billion
Contribution to Exchequer	Rs. 26.3 Billion	Rs. 28.2 Billion

# FINANCIAL PERFORMANCE



• **Net revenue** increased by 19.7 billion (53%):

- **Volume Impact:** Despatches increased by 8.7 MT (18%)

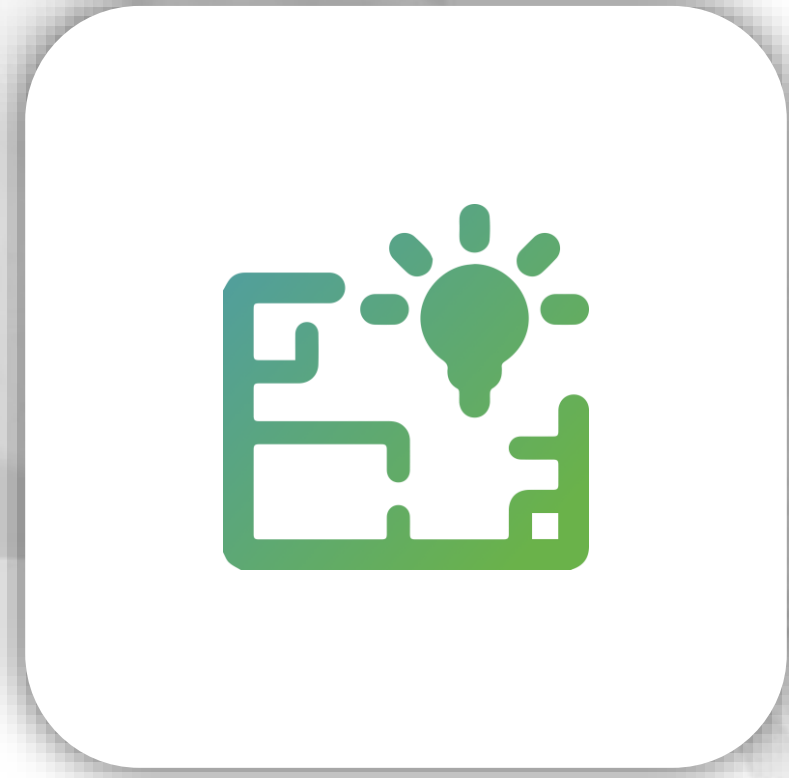
- **Retention Impact:** Increased from 5,078 to 6,564 per tonne (29%).

• **Cost of sales** increased due to higher sale volumes. However, partially offset by decrease in per tonne cost (6%) due to better mixes and temporary dip in international fuel prices and power incentive by government.

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

- **Finance cost** decreased due to decline in interest rates and higher cash generation.

- **Other income** increased due to increase due to higher profits of associated companies.



# NEW PROJECTS

# MIANWALI PROJECT



Location

**Mianwali**

Capacity

**7,200**  
tpd clinker

Pre Expansion  
Capacity

**10.7**  
tpa cement

Post Expansion  
Capacity

**12.9**  
tpa cement

Project Start Date

**26 May 2021**

Expected Date  
of Completion

**Oct-Dec**  
**2022**

Plant Manufacturer

**Sinoma**

# SOLAR PROJECT



**51 MWs**

off-grid solar power initiative.

Farooqia and Chakwal solar plants energized with combined capacity of

**30 MWs**

Kallar Kahar and Hattar plants to be energized by Feb 2022 with capacity of

**21 MWs**

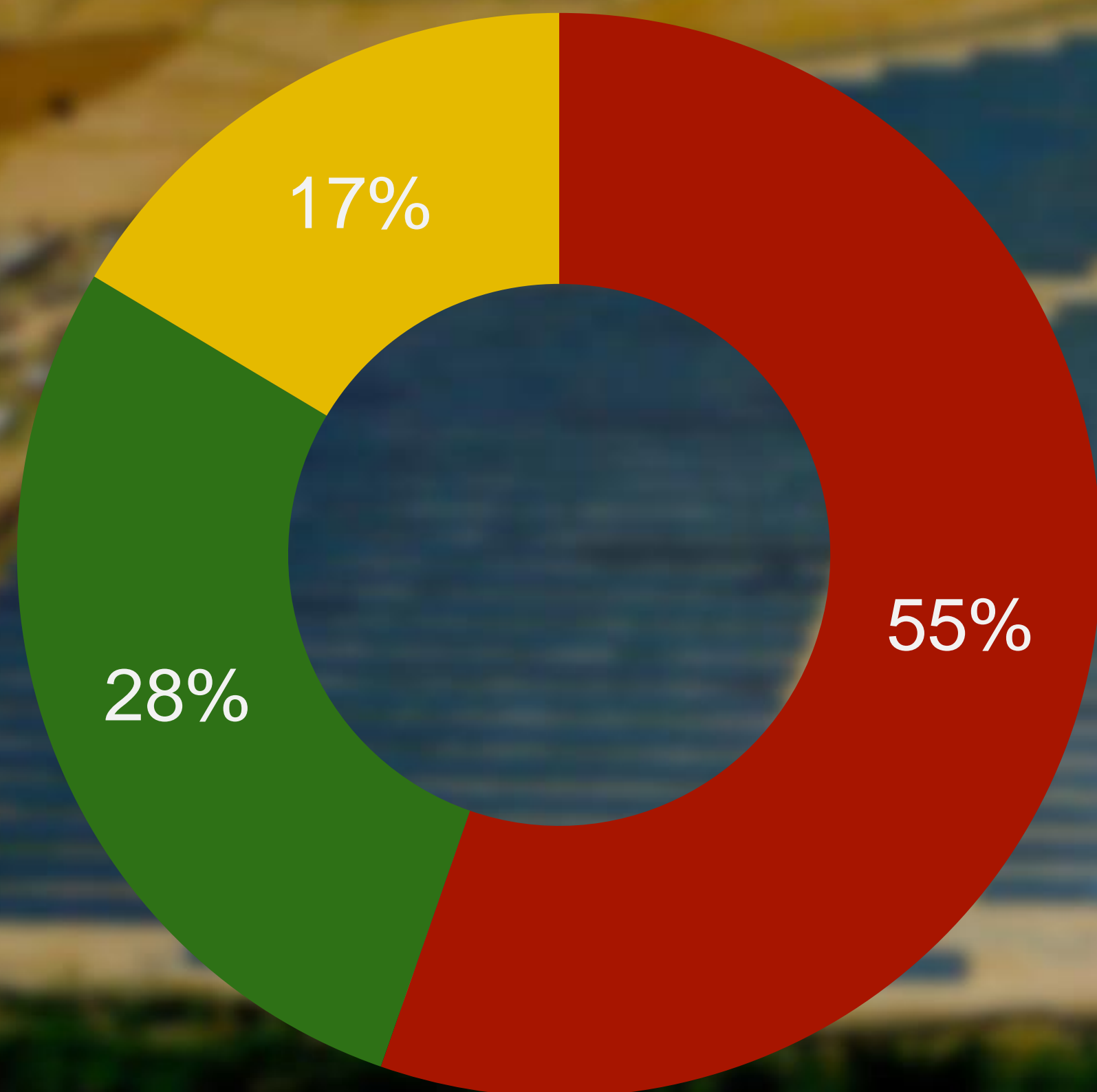
Entire initiative is envisaged to reduce 1 million tonnes of CO2 emissions over the life of the project, equal to plantation of approximately

**2.1 million trees**

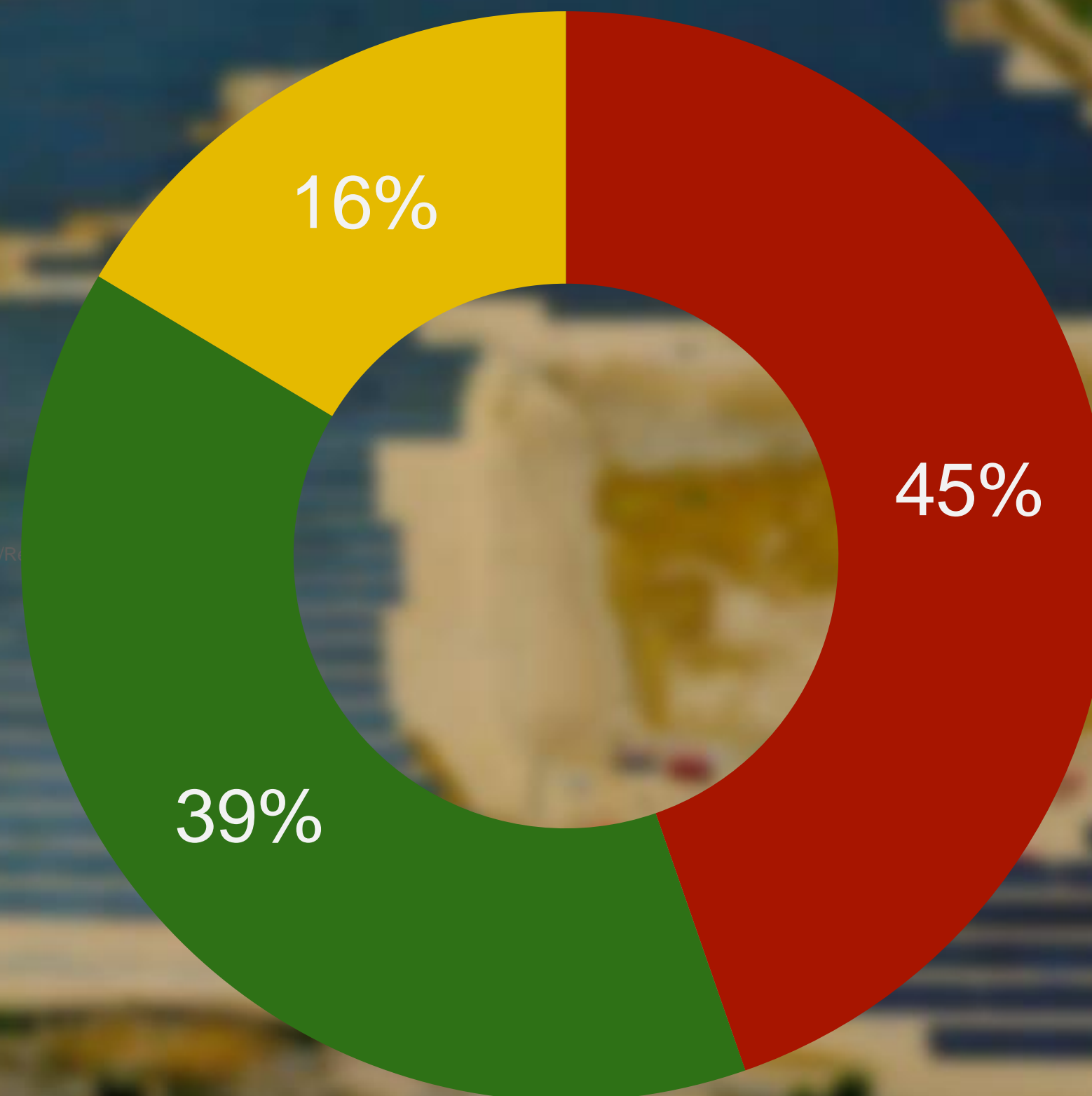
# SOLAR PROJECT



Power Mix Before Solar



Expected Power Mix After Solar



- Grid
- Green/Renewable
- Fossil



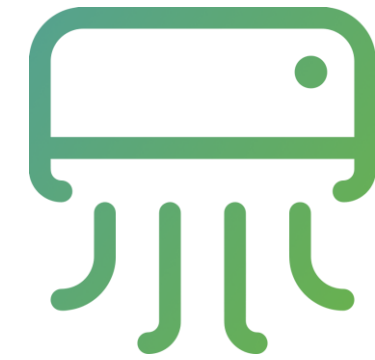
# ENVIRONMENT

# ENVIRONMENT CONSERVATION



## Plantation Drive

As part of our clean and green ambition, we have planted more than 2 lac across all works. 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

Z.A.

HO

CBE



# CORPORATE SOCIAL RESPONSIBILITY



# CORPORATE SOCIAL RESPONSIBILITY



## Education

- Spent Rs. 8 million on renovation work of four government schools in Chakwal District.
- 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 12,000 patients benefitted from medical centres located at Bestway Plants.

## CSR

- Spent more than Rs. 204 million on various CSR initiatives making it one of largest corporates in the country in terms of CSR spend.
- Support 350 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 economic relief measures put in place by the Government to mitigate the effects of COVID-19 including various incentives for the construction industry have been successful.

2

Government's particular focus on infrastructure development and housing, will likely result in higher domestic cement consumption and therefore higher revenues going forward.

3

Challenges ahead include rising input costs, currency devaluation, changes in interest rate and ever-changing economic and geopolitical landscape.

4

Government and industry needs to collaborate in finding ways to ensure that the initial benefits from the incentives taken are not one off, but continue to help the construction industry strive for the foreseeable future.



# QUESTION & ANSWER SESSION



# APPENDICES

# SALES VOLUME



Description	Industry			BCL		
	June-21	June-20	YOY	June-21	June-20	YOY
Domestic-North	40,581,580	34,327,505	18%	8,191,679	7,004,137	17%
Domestic- South	7,537,362	5,637,538	34%	-	-	0%
<b>Domestic- Total</b>	<b>48,118,942</b>	<b>39,965,043</b>	<b>20%</b>	<b>8,191,679</b>	<b>7,004,137</b>	<b>17%</b>
Exports-North	2,566,402	1,970,388	30%	471,825	307,153	54%
Exports- South	2,135,744	1,678,891	27%	-	-	0%
<b>Exports- Total</b>	<b>4,702,146</b>	<b>3,649,279</b>	<b>29%</b>	<b>471,825</b>	<b>307,153</b>	<b>54%</b>
<b>Grand Total</b>	<b>52,821,088</b>	<b>43,614,322</b>	<b>21%</b>	<b>8,663,504</b>	<b>7,311,290</b>	<b>18%</b>

# KEY FINANCIAL DATA

## HISTORICAL DATA



OPERATING RESULTS (PKR Millions)	2021	2020	2019	2018	2017	2016
Net turnover	56,864	37,129	53,602	52,884	51,624	45,721
Cost of sales	40,261	36,012	37,557	33,928	29,091	24,573
Gross profit	16,603	1,117	16,045	18,956	22,533	21,148
Operating profit	14,691	(26)	13,290	14,217	17,439	16,789
Finance cost	1,071	2,152	1,498	600	831	1,823
Profit before tax	15,538	(506)	13,246	14,964	18,664	17,078
Profit for the year	11,578	49	10,097	13,158	13,293	11,880
STATEMENT OF FINANCIAL POSITION (PKR Millions)	2021	2020	2019	2018	2017	2016
Share capital and reserves	60,123	54,653	57,606	53,310	47,769	41,983
Property, plant and equipment	55,007	55,789	57,242	56,086	44,732	42,955
Long term financing	11,872	11,542	-	5,500	10,000	16,500
Net current (liabilities) / assets	6,366	(1,441)	(9,680)	(7,250)	2,008	2,031

# KEY FINANCIAL DATA

## HISTORICAL DATA



<b>SIGNIFICANT FINANCIAL RATIOS (Percentage)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Gross profit ratio	<b>29.20</b>	3.01	29.93	35.84	43.65	46.25
Net profit ratio	<b>20.36</b>	0.13	18.84	24.88	25.75	25.98
Interest coverage ratio	<b>15.51</b>	0.76	9.84	25.94	23.46	10.37
Return on equity	<b>19.26</b>	0.09	17.53	24.68	27.83	28.30
Earnings per share	<b>19.42</b>	0.08	16.93	22.07	22.29	20.16
Dividend	<b>140</b>	30	110	120	120	100
<b>Despatches (Thousand Metric Tonnes)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Cement and Xtreme bond	<b>8,664</b>	7,311	8,126	8,590	7,478	6,904

# KEY FINANCIAL DATA

## PROFIT AND LOSS



Description (PKR “Millions”)	2020	2021
Revenue	37,129	56,864
Cost of sales	(36,012)	(40,261)
<b>Gross profit</b>	<b>1,117</b>	<b>16,603</b>
Other income	248	255
Selling and distribution expenses	(794)	(611)
Administrative expenses	(579)	(607)
Other expenses	(17)	(950)
<b>Operating profit</b>	<b>(26)</b>	<b>14,690</b>
Net finance costs	(2,152)	(1,071)
Share of profit of equity-accounted investees, net of tax	1,671	1,918
<b>Profit before tax</b>	<b>(506)</b>	<b>15,538</b>
Income tax expense	556	(3,960)
<b>Profit</b>	<b>49</b>	<b>11,578</b>