



ARABIAN CEMENT
العربية للأسمنت

Arabian Cement Company

3Q 2023 Investor Presentation

9M 2023 Highlights



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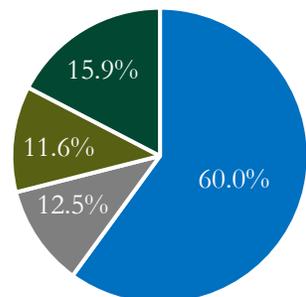
Introduction to ACC



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

3Q 2023 Shareholding Structure



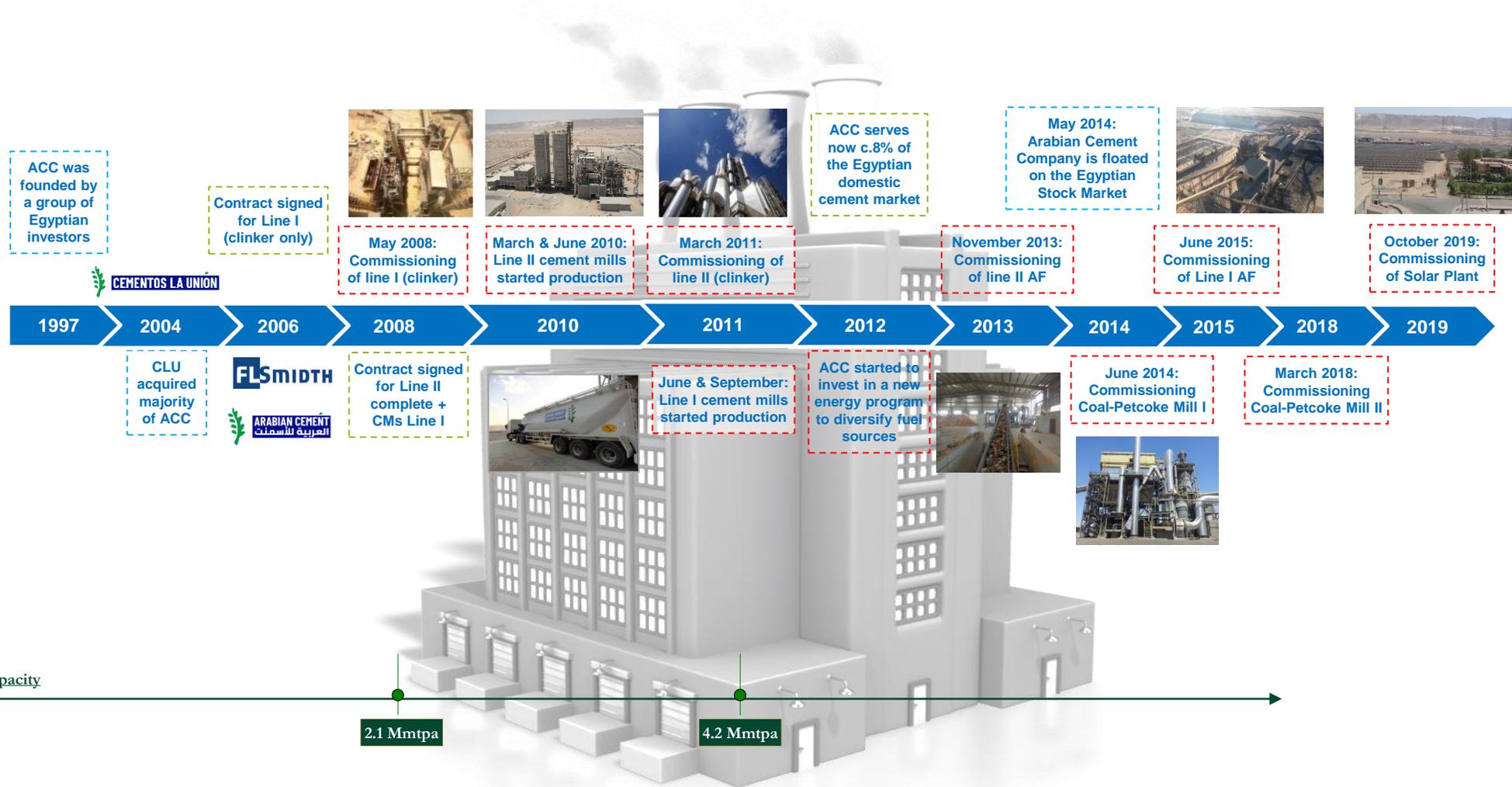
■ Aridos Jativa ■ Sadek El Sewedy ■ El Bourini Family ■ Free Float

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

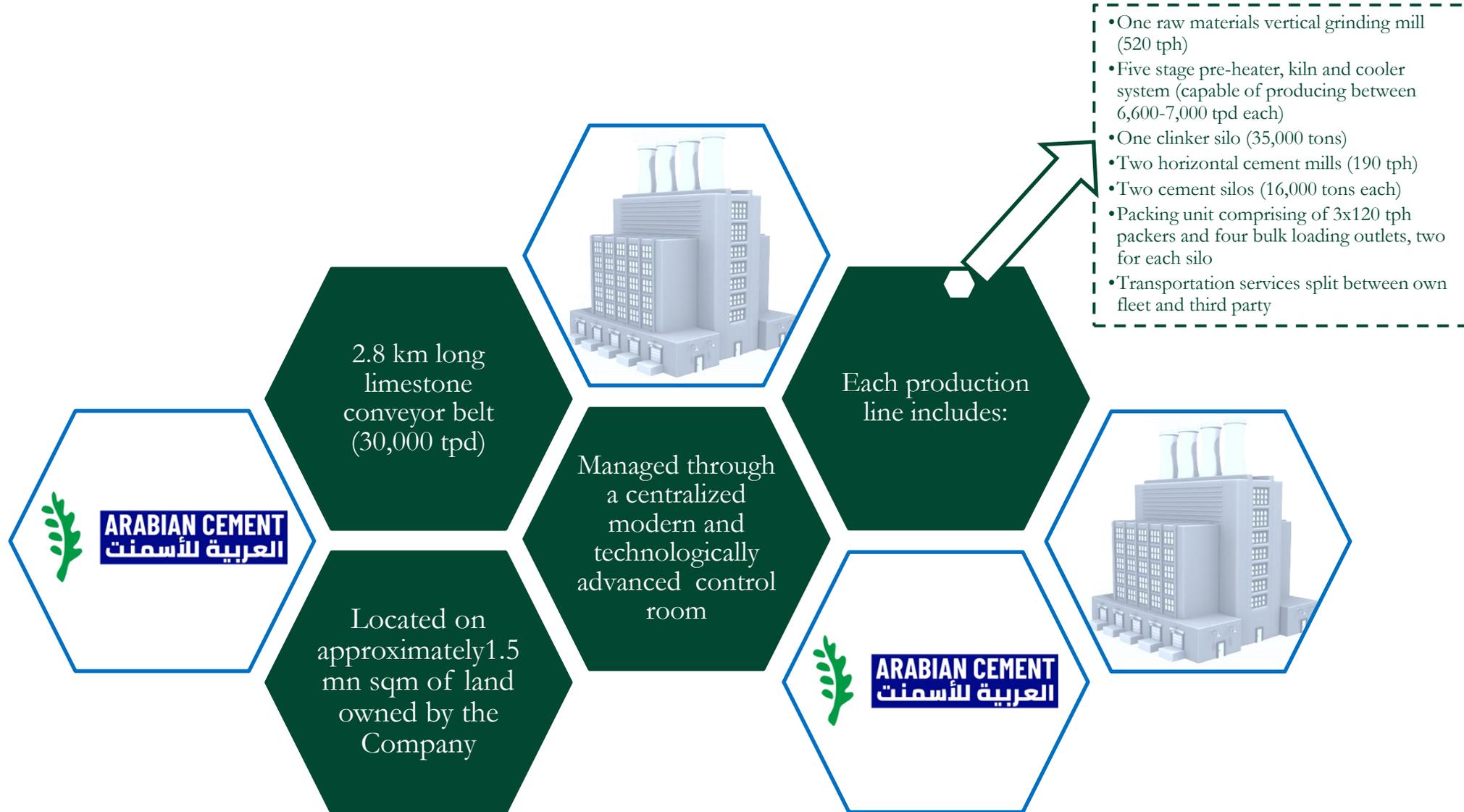
Introduction to ACC

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

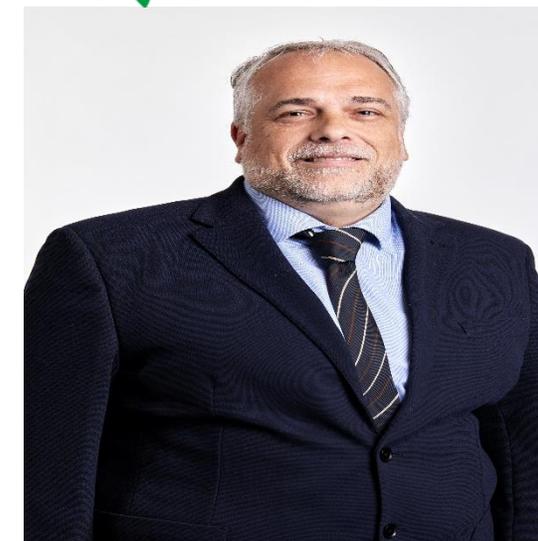
Mr. Ismail is the Chief Operations Officer of Arabian Cement Company. With over 20 years of progressive and extensive experience in the cement industry, he oversees ACC's business operations as well as the execution of the business plan in alignment with the overall business model and corporate goals.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



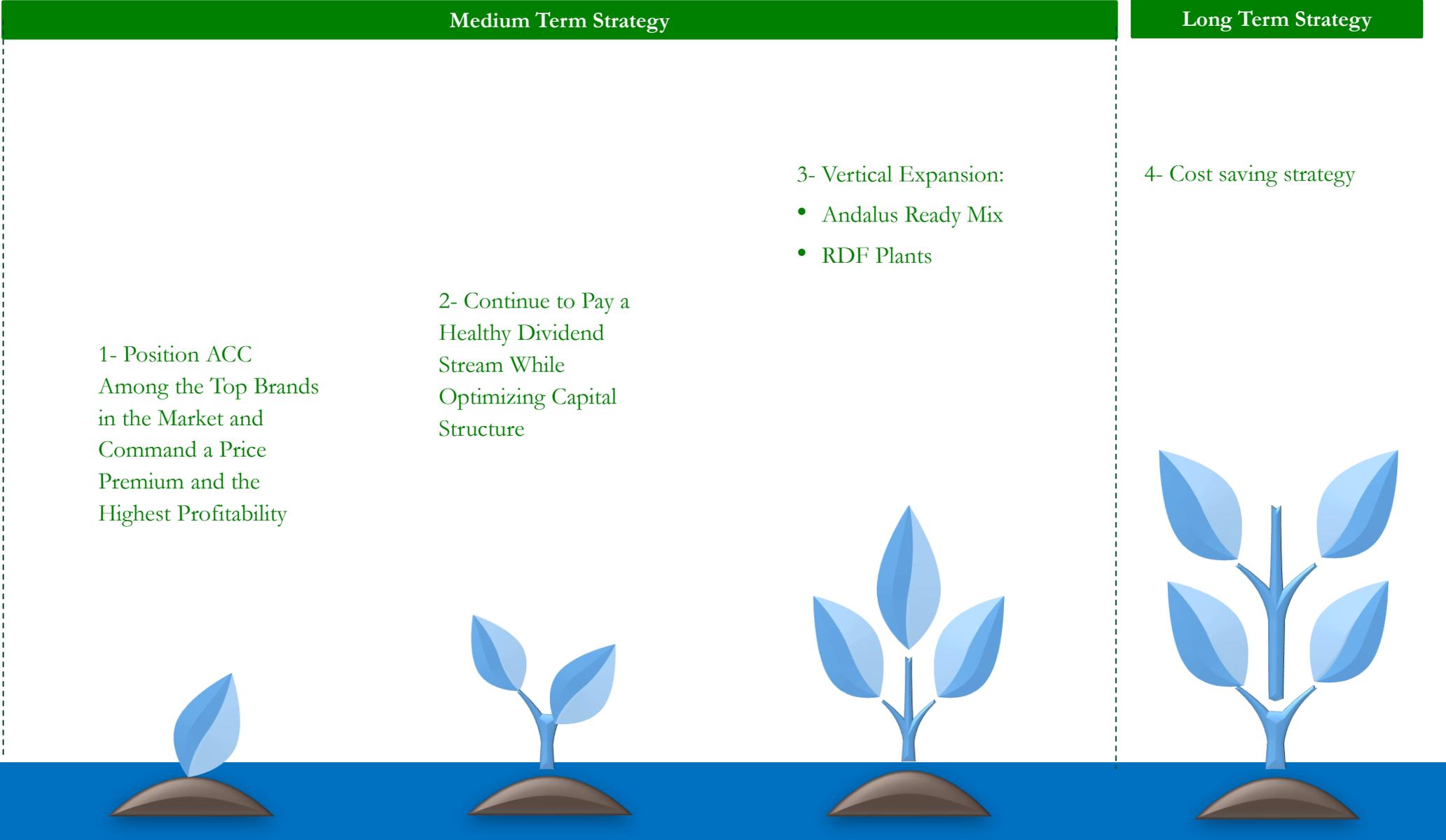
Arturo Gallart

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

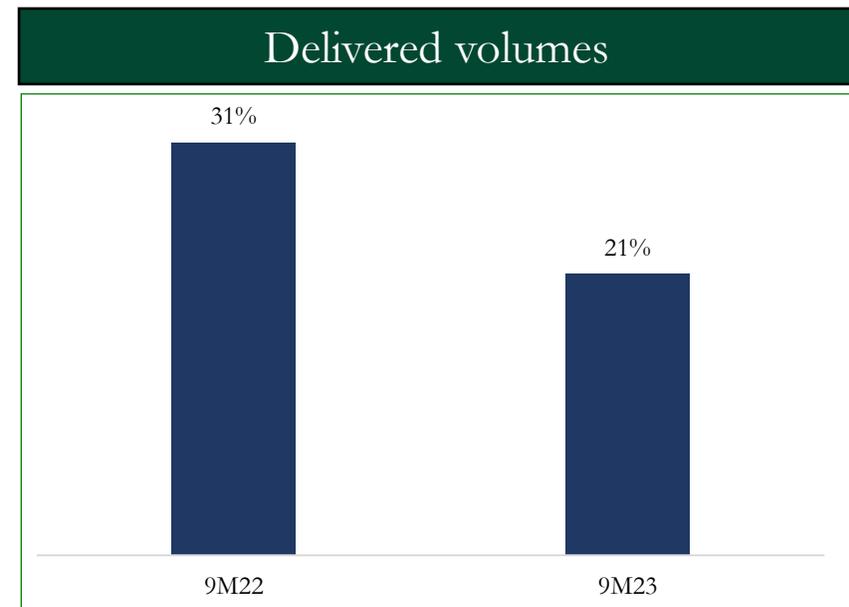
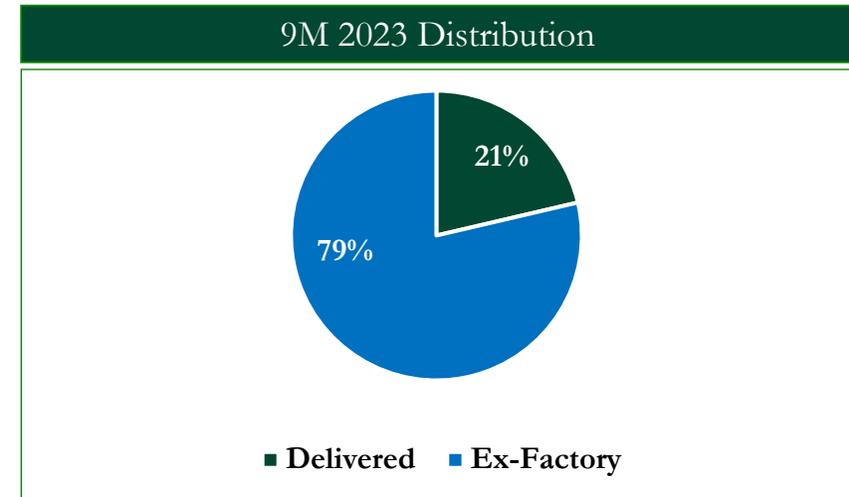
Distribution Network Overview



- In 3Q 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

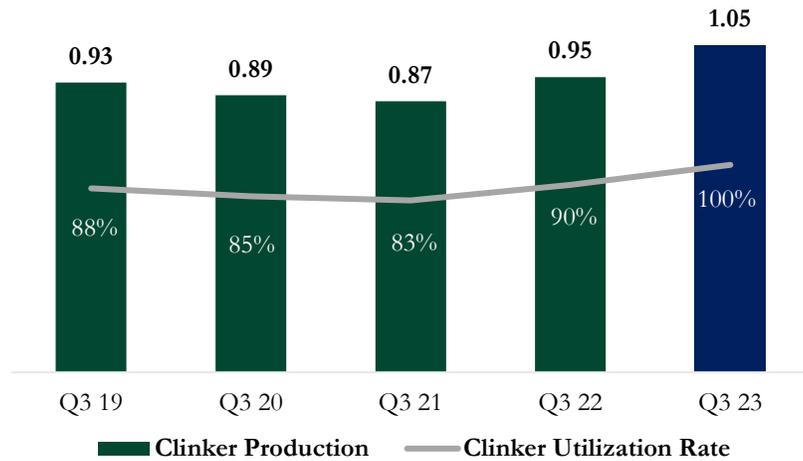


ACC Quarter Performance

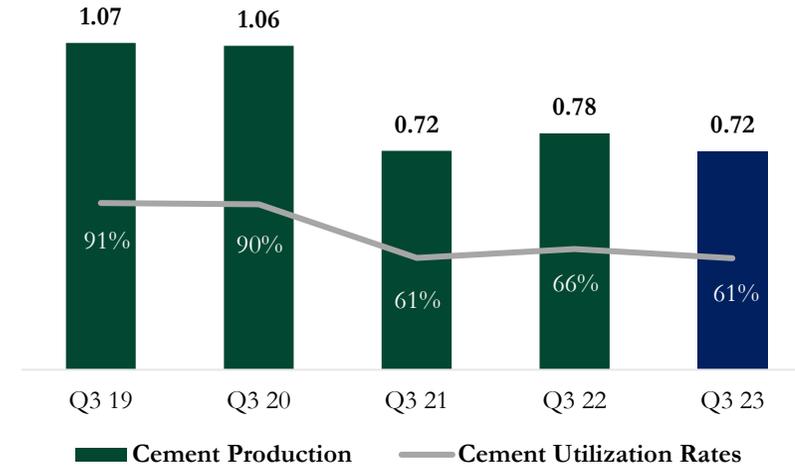
Main KPIs



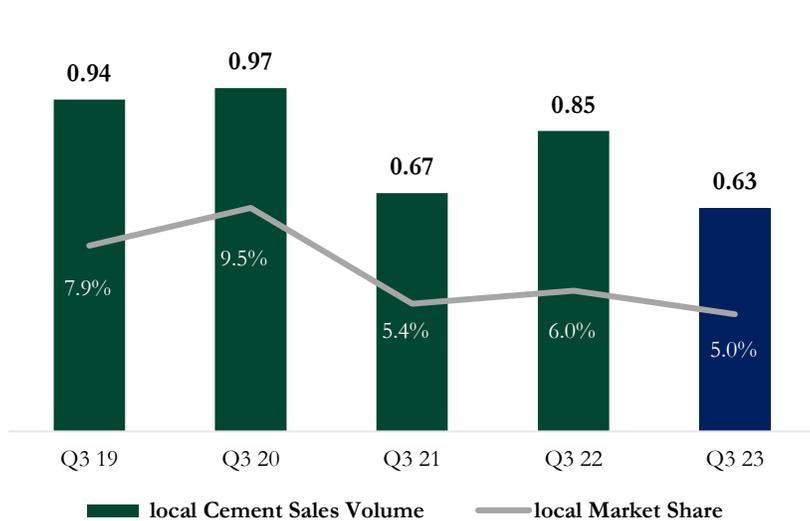
Clinker Production (MM Tons) and Utilization Rates



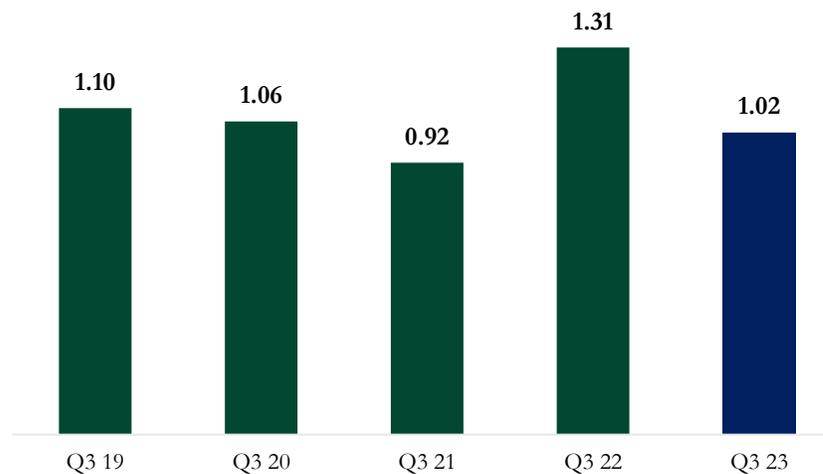
Cement Production (MM Tons) and Utilization Rates



Local Cement Sales Volumes (MM Tons)



Total Sales Volumes (MM Tons)

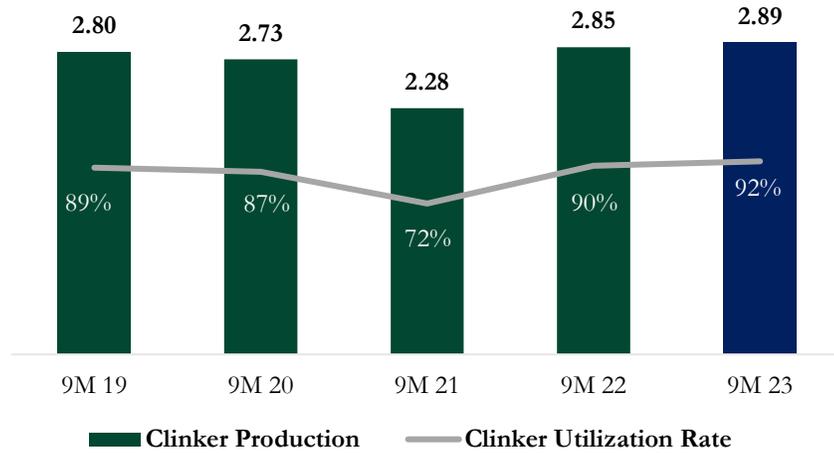


ACC Nine Months Performance

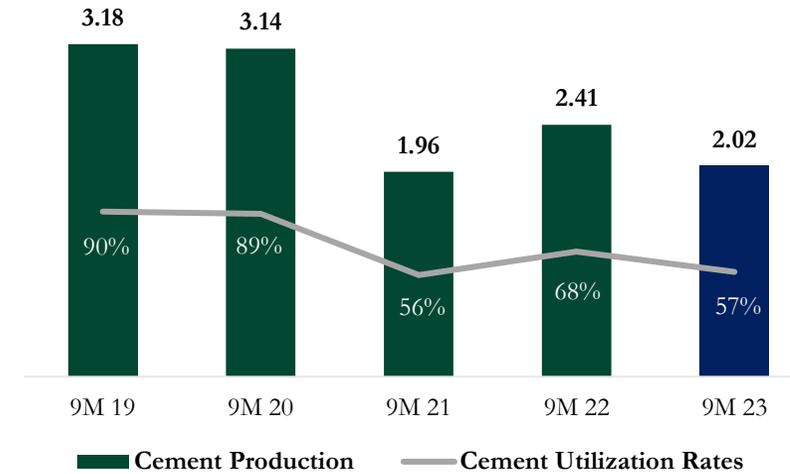


Main KPIs

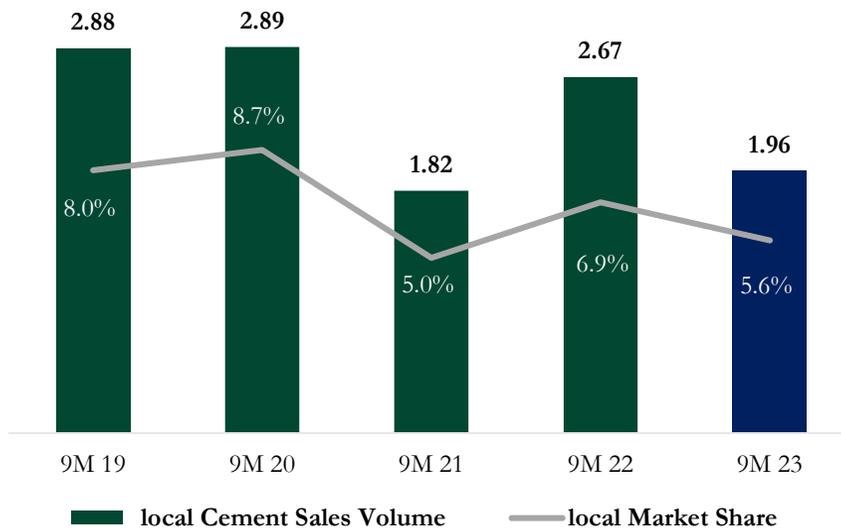
Clinker Production (MM Tons) and Utilization Rates



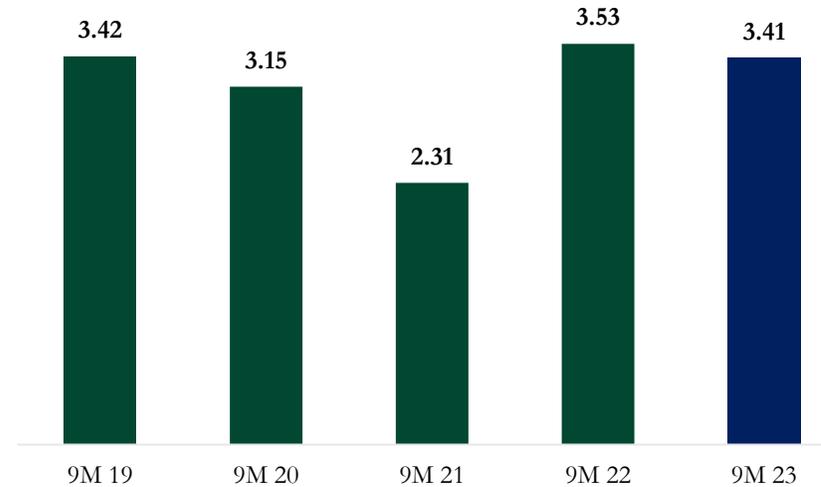
Cement Production (MM Tons) and Utilization Rates



Local Cement Sales Volumes (MM Tons)



Total Sales Volumes (MM Tons)

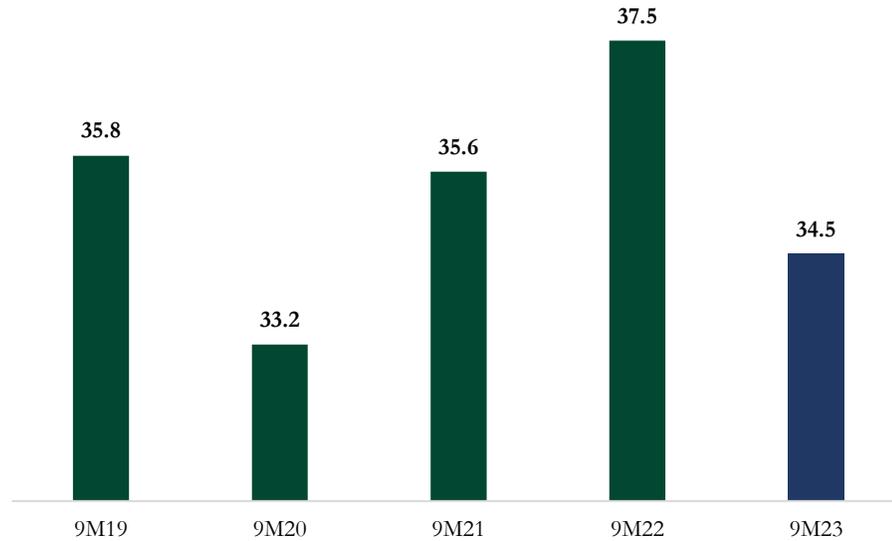


Egyptian Cement Market

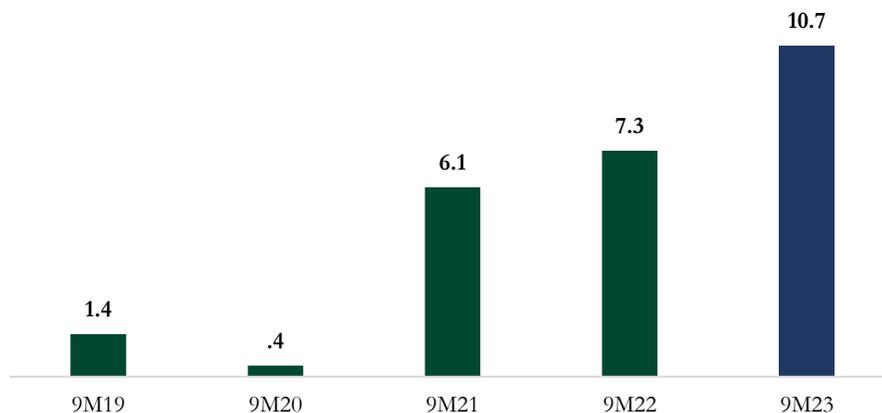
Demand and Supply Synopsis



Domestic Sales (MM Tons)



Export Sales (MM Tons)



Outlook

As expected, no major events in the economic front happened during Q3 of this year. Accordingly, the previous comments of Q2 related to lack of hard currency availability, historical high inflation records, supply chain shocks, lack of liquidity attracted by the high interest rates, etc... are still valid. The country is still working in several fronts to bring stability to its economy.

In this environment, local cement consumption is reaching values not seen since 2008. That's why we focus very much on exports as a medium to long term strategy, as we see the economic fundamentals will take time to have a significant change that will affect the playground. We can also see this trend at national level, where total exports (clinker + cement) increased an amazing 47% versus 2022, which was already an excellent year of records in exports. We can now say that Egypt is positioning itself as a strong competitor in the global export market.

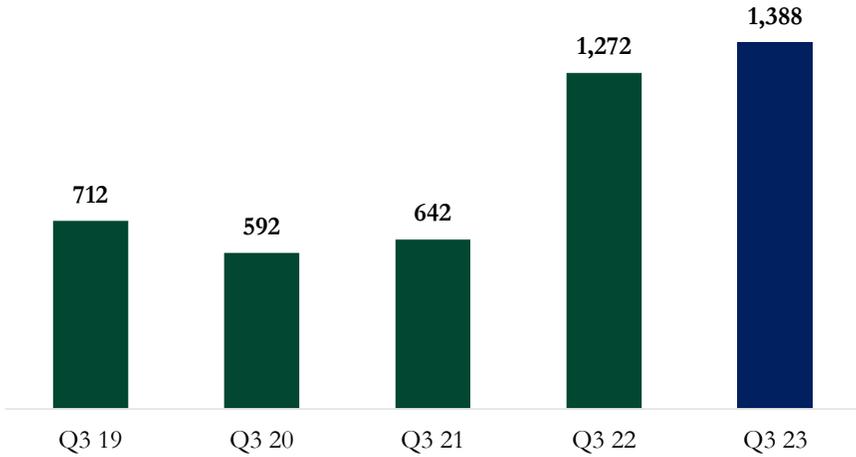
With the international fuel market (coal-petcoke) having a much more stable dynamic and in absence of big Feasts, we hope that the rest of 2023 will see an improvement in the industry performance, although local cement demand will remain weak until the economic challenges mentioned before start to be resolved.

Period Highlights

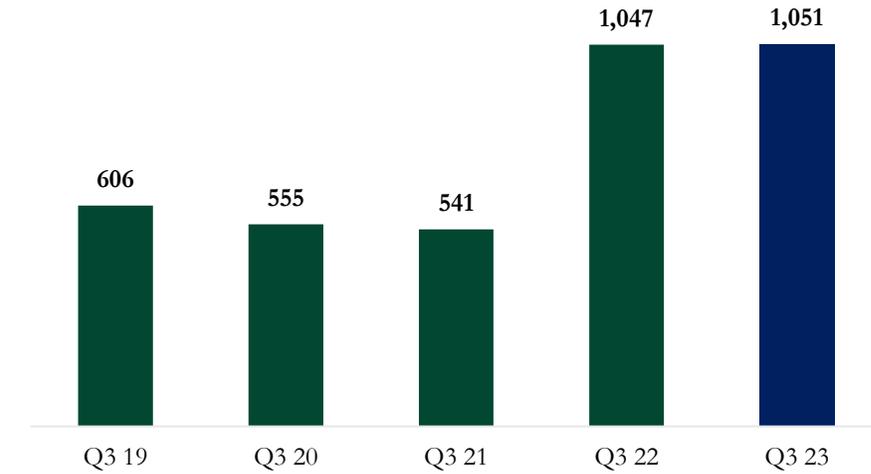
Main KPIs



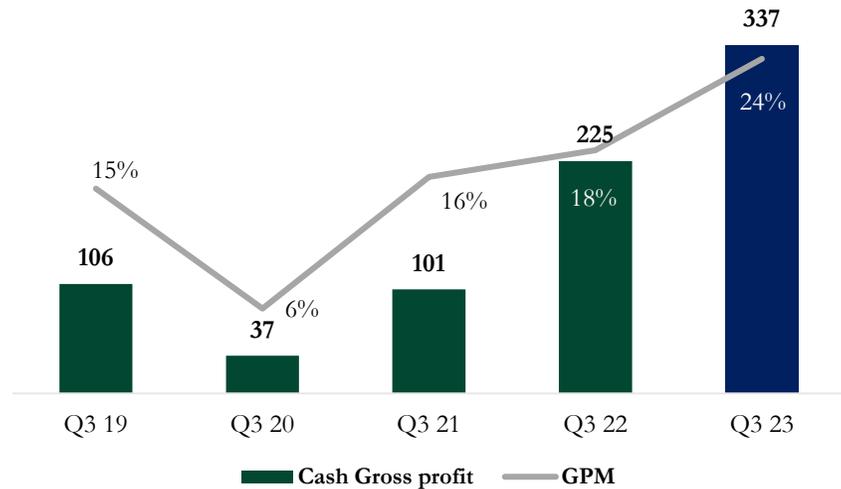
Revenues (MM EGP)



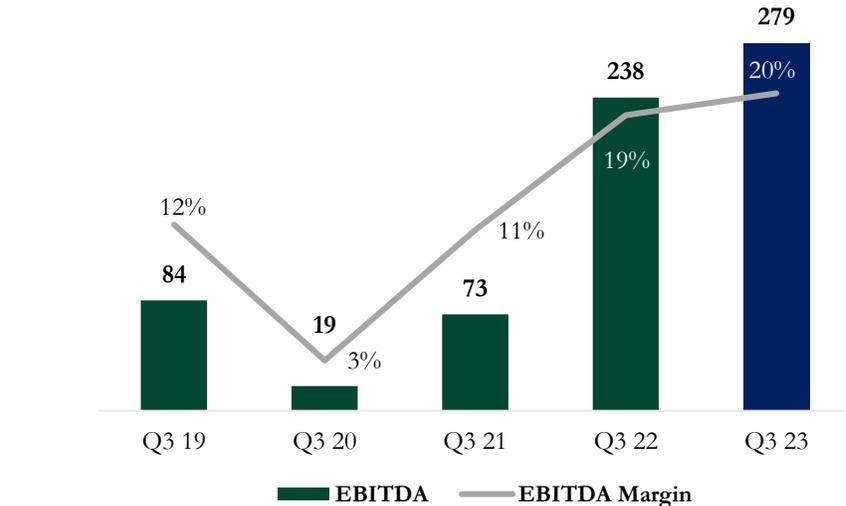
Cash Cost (MM EGP)



Cash Gross Profit (MM EGP)



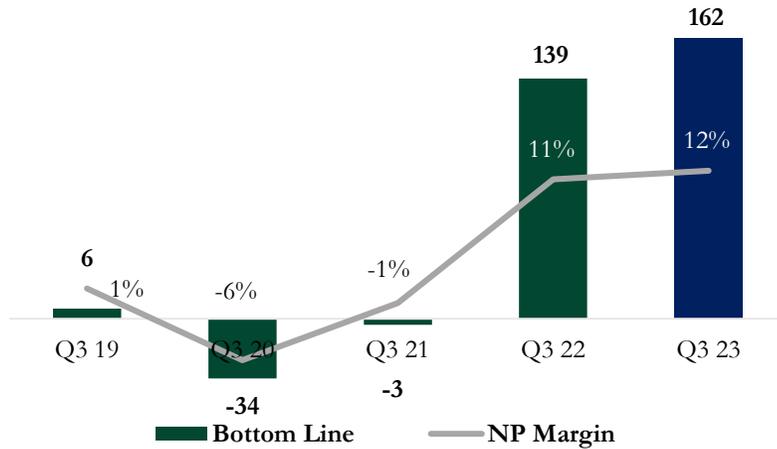
EBITDA (MM EGP)



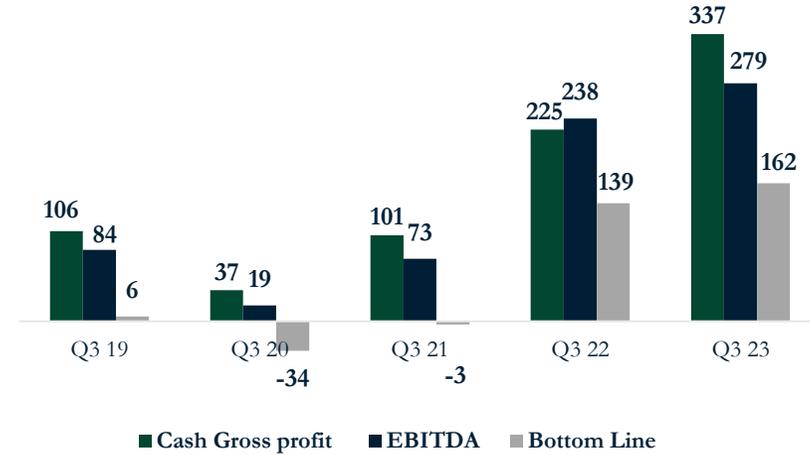
Period Highlights (continued)

Main KPIs

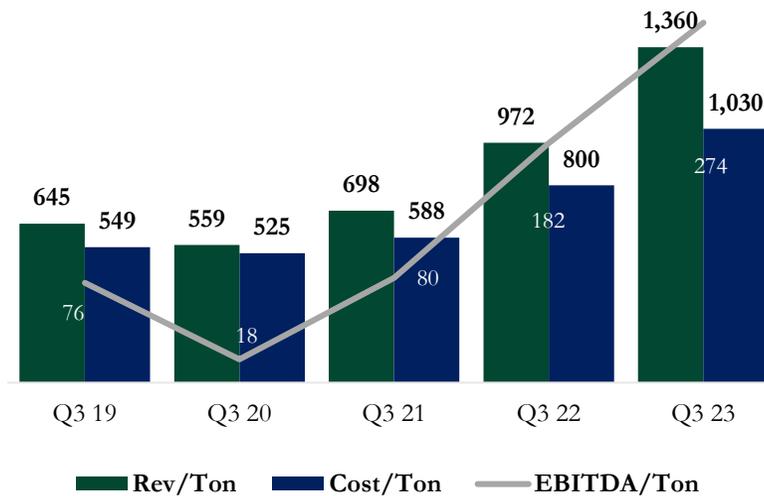
Bottom Line (MM EGP)



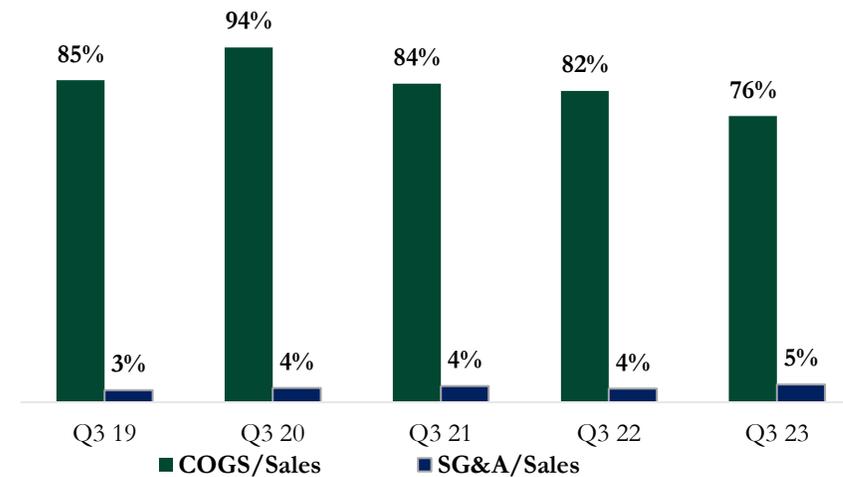
GP, EBITDA & Net Profit (MM EGP)



Revenues, COGS and EBITDA (EGP/Ton)



Efficiency Ratios

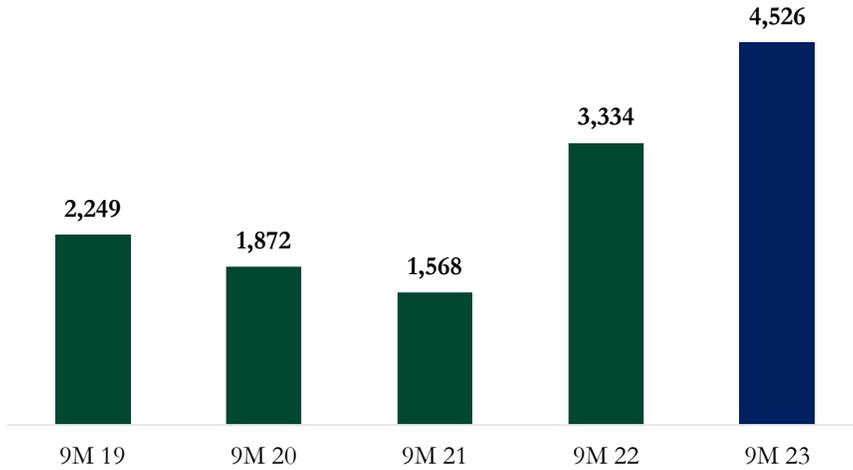


Nine Months Highlights

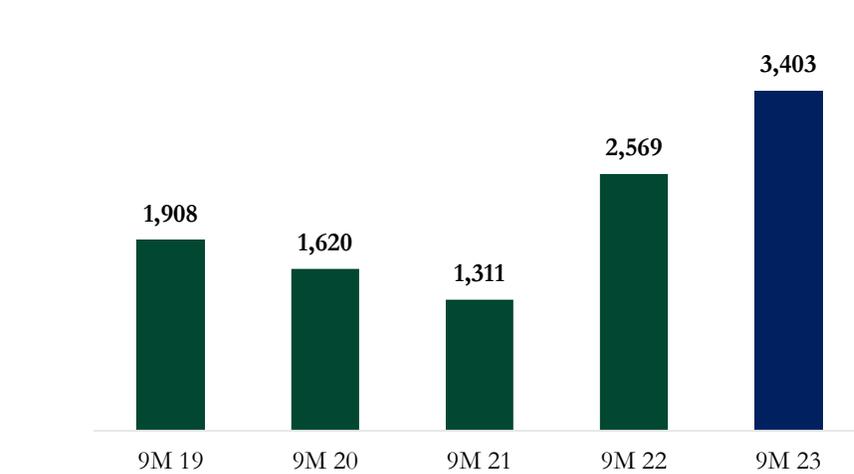
Main KPIs



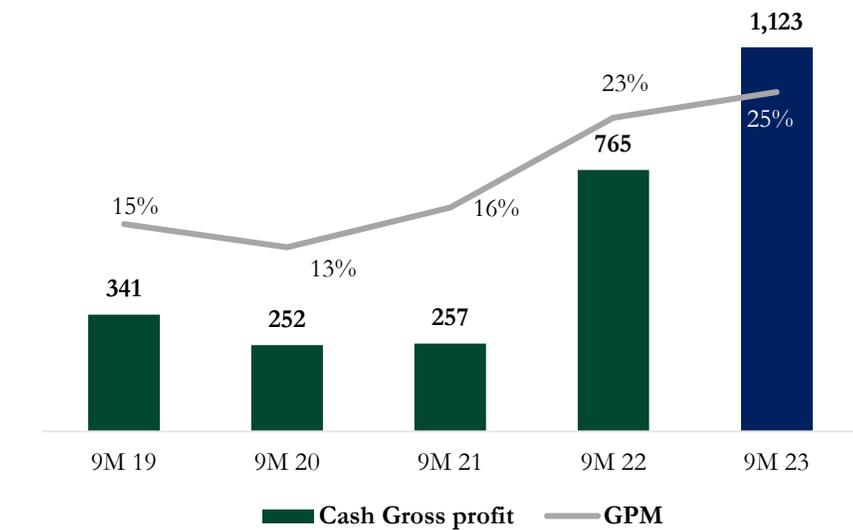
Revenues (MM EGP)



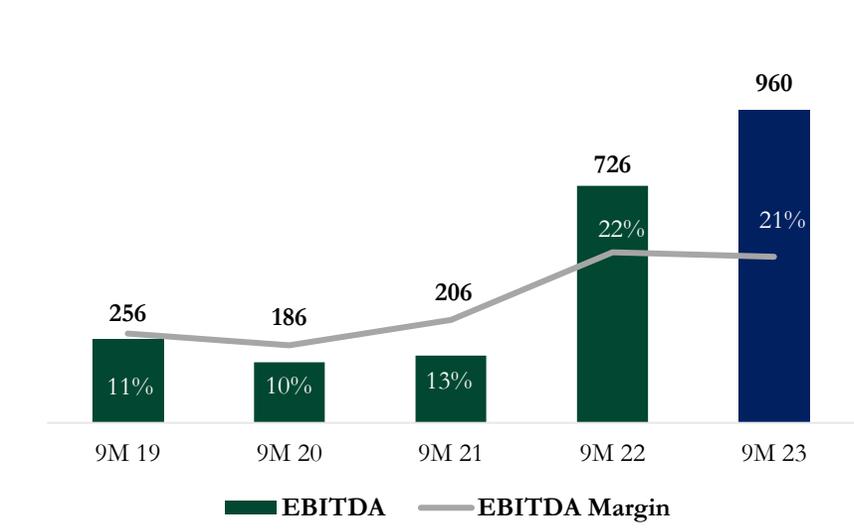
Cash Cost (MM EGP)



Cash Gross Profit (MM EGP)



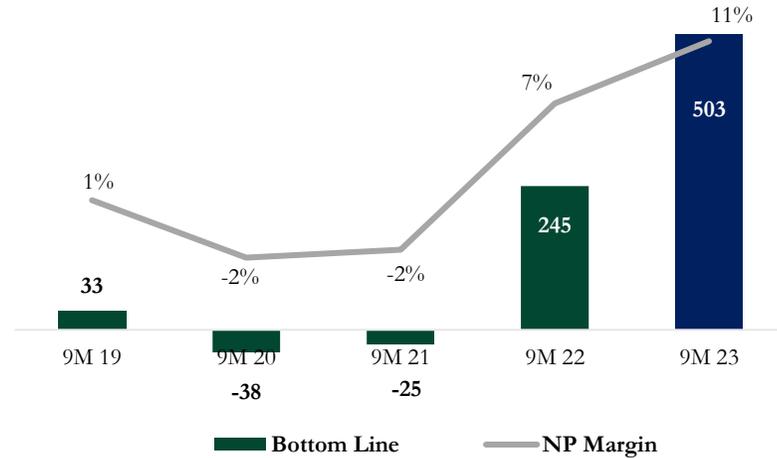
EBITDA (MM EGP)



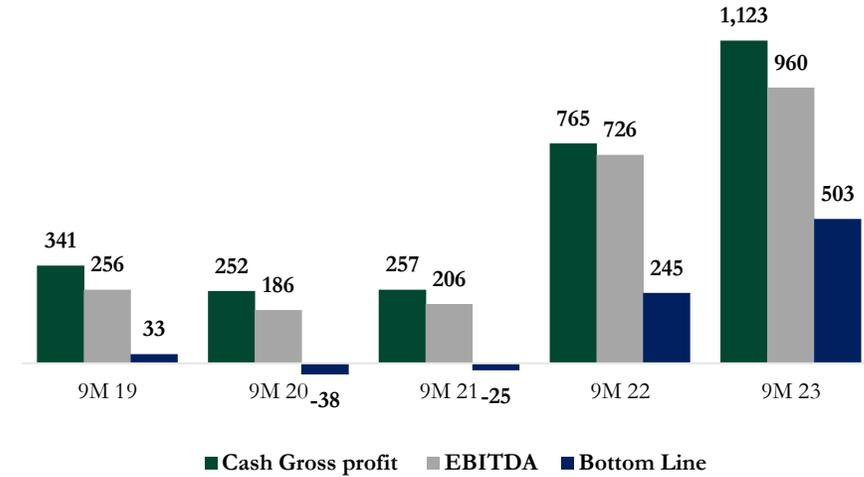
Nine Months Highlights (continued)

Main KPIs

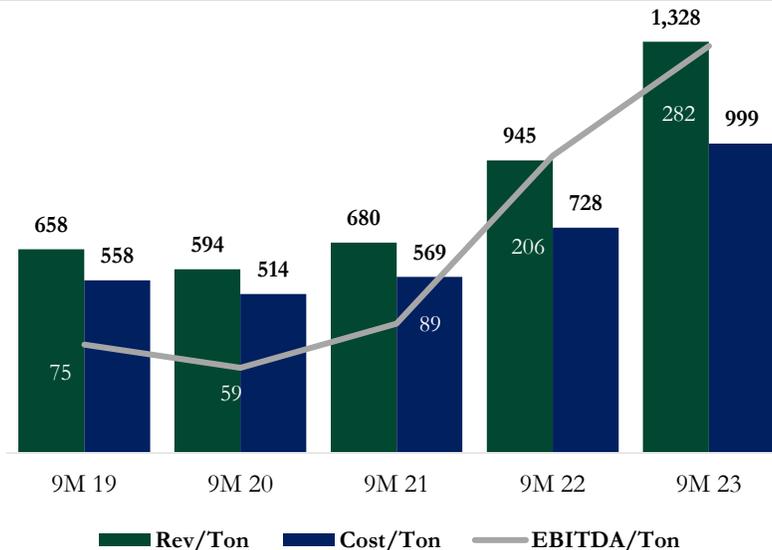
Bottom Line (MM EGP)



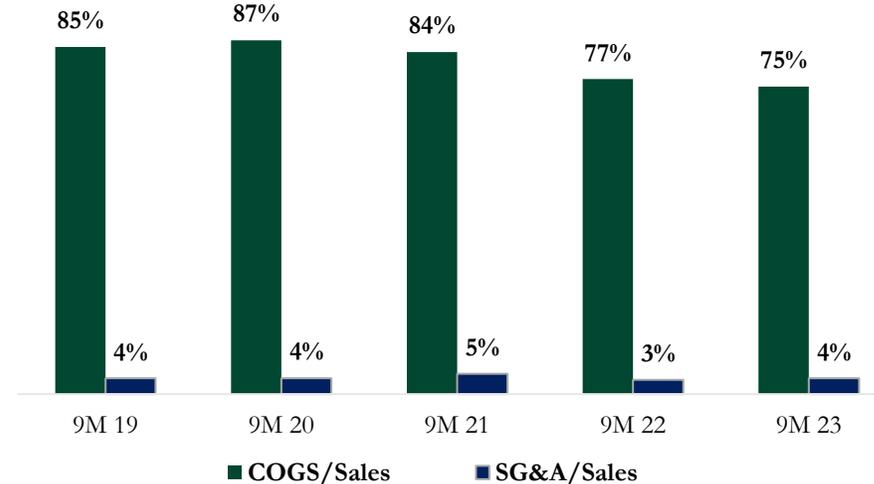
GP, EBITDA & Net Profit (MM EGP)



Revenues, COGS and EBITDA (EGP/Ton)



Efficiency Ratios



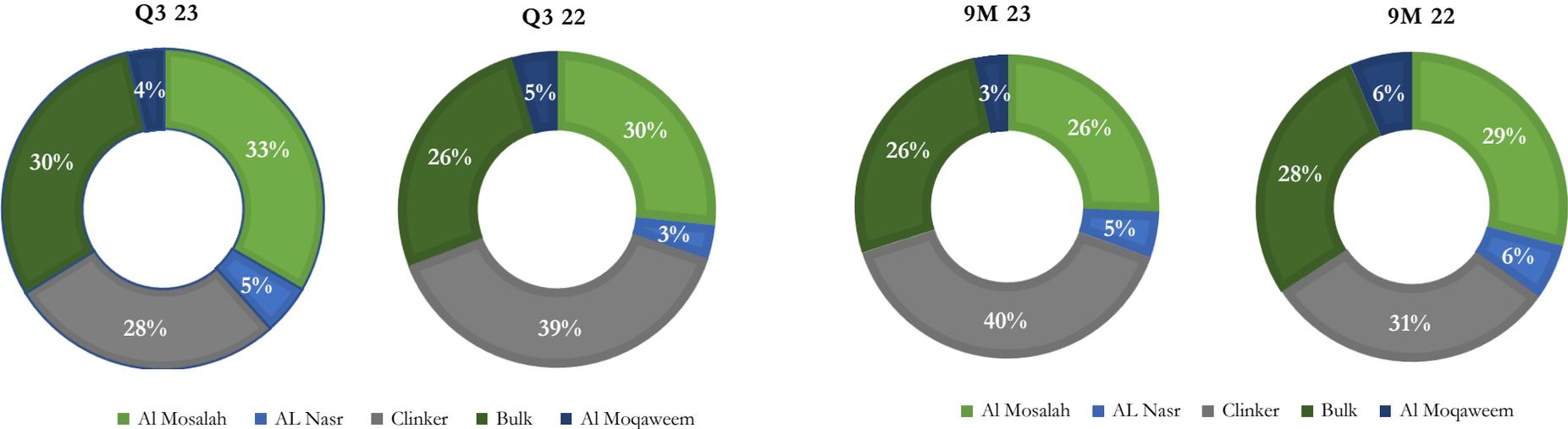
Sales Overview



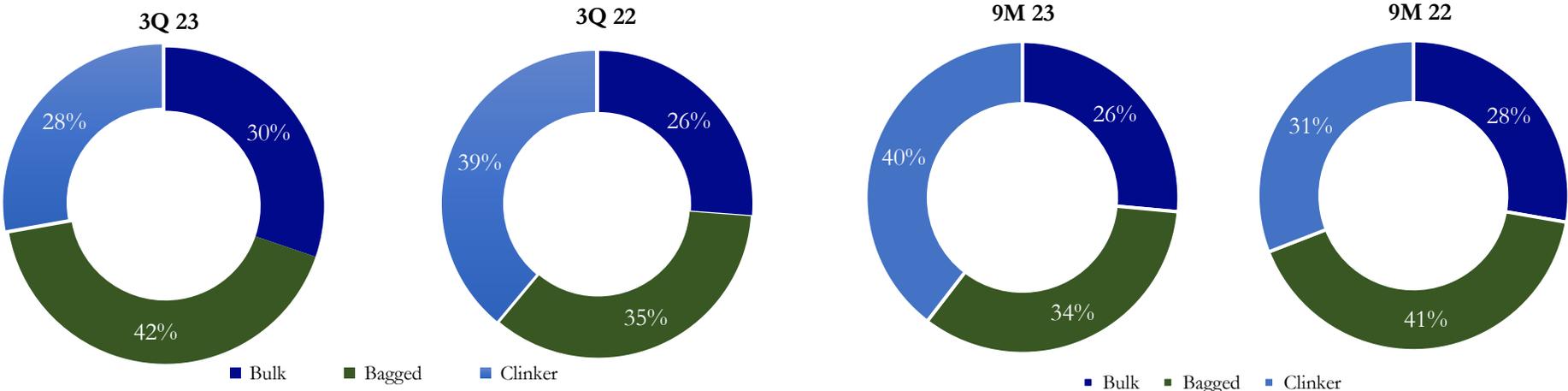
Quantities Breakdown

Quantities Breakdown

Breakdown by Brand



Breakdown by Type

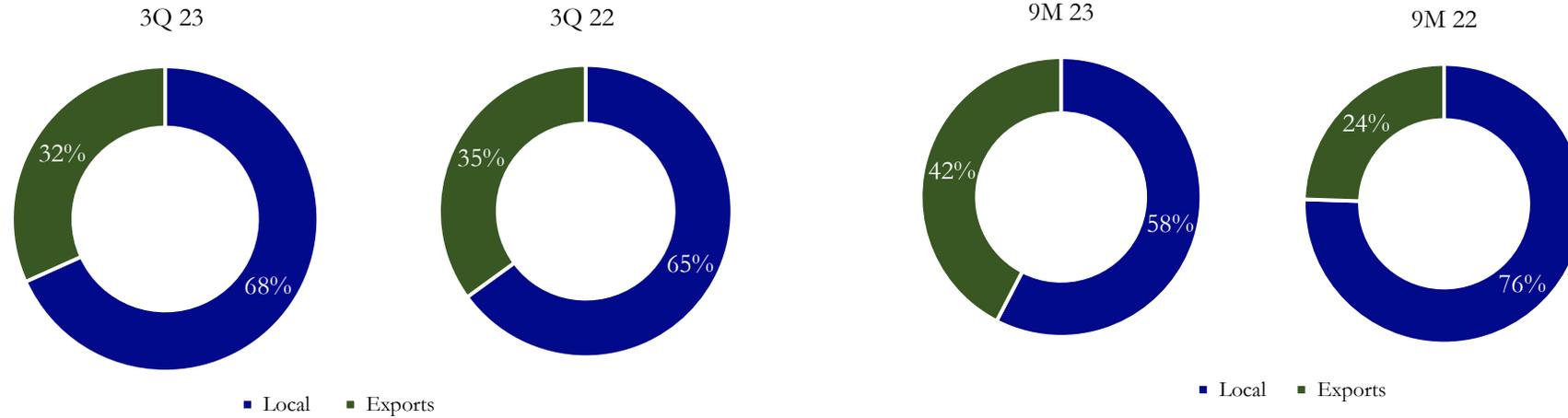


Sales Overview

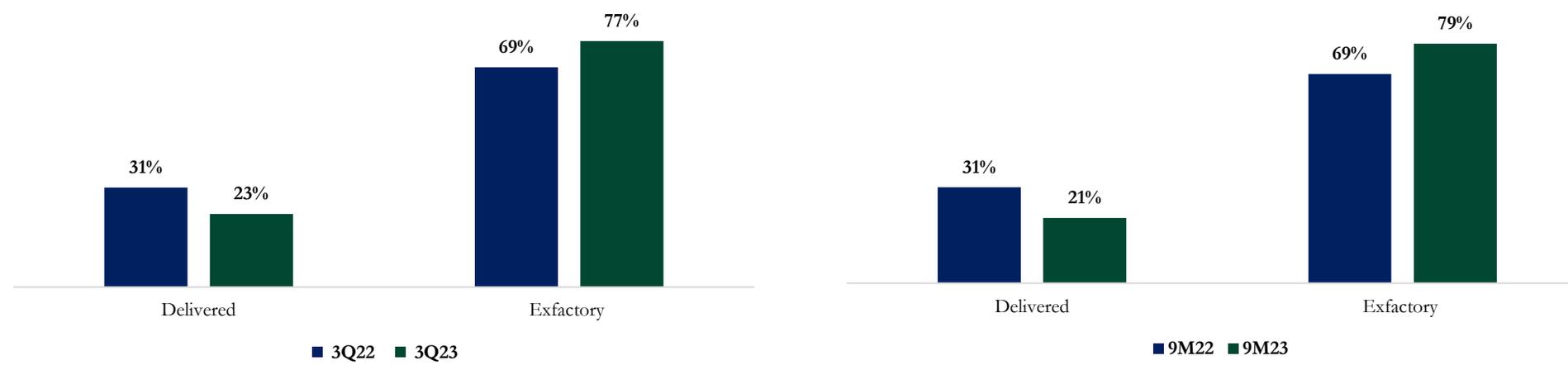
Quantities Breakdown

Quantities Breakdown

Breakdown by Market



Breakdown by Point of Sale



Financial Statements

Third Quarter Income Statement



Amounts MN EGP	Q3 19	Q3 20	Q3 21	Q3 22	Q3 23
Revenue	712	592	642	1,272	1,388
Cost of goods sold	606	555	541	1,047	1,051
Cash Gross profit	106	37	101	225	337
<i>GPM</i>	<i>15%</i>	<i>6%</i>	<i>16%</i>	<i>18%</i>	<i>24%</i>
SG&A Expenses	23	23	28	46	66
Other income	1	5		59	8
EBITDA	84	19	73	238	279
<i>EBITDA Margin</i>	<i>12%</i>	<i>3%</i>	<i>11%</i>	<i>19%</i>	<i>20%</i>
Provisions					3
Depreciation & Amortization	65	61	59	59	60
EBIT	18	-42	14	179	216
<i>EBIT Margin</i>	<i>3%</i>	<i>-7%</i>	<i>2%</i>	<i>14%</i>	<i>16%</i>
Foreign exchange	15	13		-18	
Interest Income	1			2	5
Finance cost, net	28	19	16	14	18
Net Profit Before Tax	6	-48	-3	149	203
NPBT Margin	1%	-8%	0%	12%	15%
Deferred tax				12	
Income tax expense		-14	1	-1	41
Net Profit	6	-34	-3	139	162
<i>Net Profit Margin</i>	<i>0.8%</i>	<i>-5.8%</i>	<i>-0.5%</i>	<i>10.9%</i>	<i>11.7%</i>

Financial Statements

Nine Months Income Statement



Amounts MN EGP	9M 19	9M 20	9M 21	9M 22	9M 23
Revenue	2,249	1,872	1,568	3,334	4,526
Cost of goods sold	1,908	1,620	1,311	2,569	3,403
Cash Gross profit	341	252	257	765	1,123
<i>GPM</i>	<i>15%</i>	<i>13%</i>	<i>16%</i>	<i>23%</i>	<i>25%</i>
SG&A Expenses	86	72	77	114	174
Other income	2	6	27	75	11
EBITDA	256	186	206	726	960
<i>EBITDA Margin</i>	<i>11%</i>	<i>10%</i>	<i>13%</i>	<i>22%</i>	<i>21%</i>
Provisions	4	1	1	91	9
Depreciation & Amortization	191	183	179	175	178
EBIT	62	2	26	459	773
<i>EBIT Margin</i>	<i>3%</i>	<i>0%</i>	<i>2%</i>	<i>14%</i>	<i>17%</i>
Foreign exchange	65	12		-82	-105
Interest Income	1	1		2	23
Finance cost, net	97	62	52	39	73
Net Profit Before Tax	32	-48	-25	340	618
NPBT Margin	1%	-3%	-2%	10%	14%
Deferred tax	1	-7	-8		-23
Income tax expense		-2	8	95	138
Net Profit	33	-38	-25	245	503
<i>Net Profit Margin</i>	<i>1.4%</i>	<i>-2.0%</i>	<i>-1.6%</i>	<i>7.3%</i>	<i>11.1%</i>

Financial Statements



Balance Sheet

Amounts in MN EGP	9M 19	9M 20	9M 21	9M 22	9M 23
Non-current Assets					
Property plant and equipment, net	2,399	2,227	2,026	1,856	1,688
Projects under construction	35	7	7	4	1
Intangible assets	308	264	227	198	170
Right of use				13	15
Investment in subsidiaries	48	48	48	48	48
Total Non-current Assets	2,790	2,545	2,307	2,119	1,922
Current Assets					
Inventory	180	189	285	650	788
Trade Receivables		27		290	130
Debtors and other debit balances	98	123	139	430	183
Due from related parties	17	21	88	18	10
Cash and bank balances	168	103	95	233	280
Total Current Assets	463	462	607	1,620	1,391
Total Assets	3,252	3,007	2,914	3,740	3,313
Current Liabilities					
Provisions	13	11	18	53	46
Current tax liabilities		3	13	125	134
Trade payables and other credit balances	857	684	789	1,283	1,115
Due to related parties	6	3	8		5
Credit Facilities	49	338	333	341	95
Borrowings - short term portions	90	94		139	
Current Portion of long-Term Other liabilities	16	3	112		
Lease Liability				10	9
Total Current Liabilities	1,031	1,136	1,273	1,951	1,404
Equity					
Paid up capital	757	757	757	757	757
Legal reserve	255	258	258	260	295
Retained earnings	345	116	6	293	602
Total Equity	1,357	1,131	1,021	1,311	1,654
Non-current Liabilities					
Borrowings - long term portions	519	415	303	197	
Deferred income tax liability	342	325	308	270	245
Lease Liability	3			6	2
Notes Payable			8	5	8
Total Non-Current Liabilities	864	740	619	478	255
Total Equity and Liabilities	3,252	3,007	2,914	3,740	3,313

Financial Statements

Cash Flow Statement



ARABIAN CEMENT
العربية للأسمنت

Amounts in MN EGP	9M 19	9M 20	9M 21	9M 22	9M 23
Cash flows from operating activities					
Net profit before tax	32.0	-47.5	-25	340	617.6
Interest income	-1.3	-1.0		-2	-22.5
Finance Cost	96.6	61.9	52	39	72.6
Depreciation expense	152.5	154.2	153	152	153.6
Amortization of intangible assets	37.9	30.9	28	21	21.1
Amortization of right of use assets	.5	.0		4	5.0
Gain from sale of property plant and equipment	.0	-.1			
Foreign exchange (gain)/losses differences	-33.7	-3.0		33	
Provision	3.6	1.1	1	91	9.0
Changes in working capital	288	197	208	679	856
Debtors and other debit balances	1.7	-31.9	-15	-291	23.1
Change in Inventory	102.5	-33.0	-115	-287	-172.6
Trade payables and other credit balances	66.8	-191.8	168	450	-22.1
Due from related parties	3.7	-6.0	-65		2.3
Current Income Tax Paid				-42	-188.0
Increase/ Decrease in trade receivables	69.3	-26.6		-278	-81.1
Due to related parties	-1.3	-5.5	5	-73	2.8
Interest Paid	-90.7	-72.3	-52	-38	-71.7
Net cash from operating activities	440	-171	133	119	349
Cash flows from investing activities					
Interest income	1	1		2	23
Purchase of property, plant and equipment	-30	-1	-3	-14	-29
Additions in projects under construction	-3	-3			
Net cash flows used in investing activities	-32	-3	-3	-12	-6
Cash flows from financing activities					
Payments of license liability/other liabilities	-118	-9	-1		
Payments of borrowings	-55	-70	-72	-84	-341
Interest paid					
Dividends paid	-7	-7	-7	-7	-250
Payment of finance lease liability				-1	-4
Proceeds from credit facility	-225	276	-8	101	-266
Net cash flows from financing activities	-405	190	-87	8	-861
Net increase (decrease) in cash and cash equivalents	3	17	43	116	-518
Cash and cash equivalents at beginning of the year	165	86	52	117	798
Cash and cash equivalents at end of the period	168	103	95	233	280



ARABIAN CEMENT
العربية للأسمنت

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