



BUA Cement Q1 2025 Report: Fall in FX Loss Drives Triple-Digit Profit Growth.



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Key Highlights.

Price effect and renewed government commitment to infrastructural projects has supported the Nigerian cement industry in the first quarter (Q1) 2025. The demand for cement remains and higher have driven top-line earnings to cushion the FX exposure and domestic inflationary pressures. The naira's marginal appreciation and stability in Q1 2025 with an average of N1,521.78/US\$1 compared to N1,621.71/US\$1 average in Q4 2024 lowered FX revaluation losses, giving room for higher profitability growth. This narrative showed up in **BUA Cement** Q1 2025 financial numbers. The company's top-line earnings rose by **+80.49%** to N290.82bn in Q1 2025 from N161.13bn in Q1 2024, followed by higher profit margins due to lower cost of sales growth (**+31.25%**) and a significant drop (**-91.69%**) in FX loss.

Despite, the clinker maker's increased principal and interest repayment which raised the finance costs by **+295.90%** to N19.32bn in Q1 2025, with selling & distribution costs and administrative expenses rising by 106.45% and 24.26% to N19.32bn and N14.41bn in Q1 2025, respectively, the profitability grew by triple digits to N99.74bn (PBT) and N81.12bn (PAT). However, the cash position saw a marginal squeeze to N138.97bn in Q1 2025 as net cash flow from core operations dropped to N130.70bn, decommissioning liabilities adjustment and other CAPEX-related deductions. Nevertheless, the group's strict cash and cash basis sales structure kept trade receivables below N300m compared to payables worth N382.36bn in Q1 2025, sustaining robust liquidity (see table 1).

Table 1:

BUA CEMENT'S KEY HIGHLIGHTS			
Key Highlights	Q1 2024 (N'bn)	Q1 2025 (N'bn)	Growth Rate (%)
Revenue	161.13	290.82	80.49%
Cost of sales	116.09	152.37	31.25%
Gross Profit	45.04	138.45	207.39%
Foreign Exchange loss	10.06	0.836	-91.69%
Finance Income	3.06	1.53	-50.00%
Finance Costs	4.88	19.32	295.90%
Selling and distribution costs	6.98	14.41	106.45%
Administrative expenses	4.62	5.75	24.46%
Profit Before Tax	21.29	99.74	368.48%
Profit After Tax	17.97	81.12	351.42%
Earnings per share(kobo)	0.53	2.40	351.45%
Total Assets	1,245.89	1,583.14	27.07%
Shareholder's Equity	403.19	469.67	16.49%
Borrowings	412.85	494.39	19.75%
Cash and cash equivalents	176.20	138.97	-21.13%
Trade and other receivables	0.152	0.265	74.34%
Inventories	113.86	185.58	62.99%

Source: Financial Statement, Proshare Research

Ratios.

BUA Cement's financial ratios showed a positive profitability margin, return on equity and assets were strong but liquidity metrics slightly squeezed with current ratio and acid-test ratio lower than 1.00x. The group's increased borrowings raised debt-to-equity ratio to 1.05x in Q1 2025 from 1.02x in Q1 2024 (see table 2).

Table 2:

BUA CEMENT'S RATIOS		
Ratios	Q1 2024	Q1 2025
Gross profit margin	27.95%	47.61%
Net profit Margin	11.15%	27.89%
Return on equity	4.46%	17.27%
Return on assets	1.44%	5.12%
Current Ratio	1.14x	0.82x
Acid-Test Ratio	0.83x	0.47x
Inventory Turnover Ratio	1.02x	0.82x
Debt-to-equity ratio	1.02x	1.05x

Source: Financial Statement, Proshare Research

Valuation.

BUA Cement's share price was flat for most of Q1 and then dropped before reverting to another flat trend. The company's fundamentals were modestly strong, but it saw a lower trailing price-to-earnings ratio and price-to-book ratio (P/B) in Q1 2025. The P/E and P/B dropped to 34.94x and 6.03x, respectively (see table 3).



Table 3:

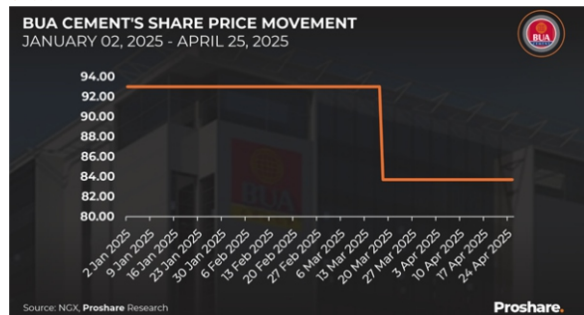
BUA CEMENT'S VALUATION		
Valuation	Q1 2024	Q1 2025
Price to Earnings (P/E)	269.39x	34.94x
Price to Book (P/B)	12.03x	6.03x

Source: Financial Statement, Proshare Research

Share Price Movement.

BUA Cement's share price took a flat position at N93.00k from January 02, 2025 to March 17, 2025, reflecting a similar trend seen in Q4 2025. The share price saw a sharp drop to N83.70k on March 18, 2025, post announcement of the N2.05k dividend for FY 2024 and remained spread-out flat to April 28, 2025, to generate a negative return on -10.00% (see chart 1).

Chart 1:



Concluding Thoughts.

BUA Cement showed resilience with its Q1 2025 financial performance, with higher earnings, a stronger balance sheet, and robust liquidity. The top-line earnings growth may persist in the other quarters of 2025 as demand for cement remains strong on the back of government infrastructural projects, anticipated N1 trillion FG housing funds and MOFI Real Estate Investment Fund. The expected low energy and logistics costs spurred by declining oil prices should cushion BUA Cement's cost of sales and ensure profit growth, but the recent increase in naira volatility and depreciation pose a mild risk.

For further updates on **BUA Cement**, follow the company **Proshare Investor Relations (IR) Portal**.

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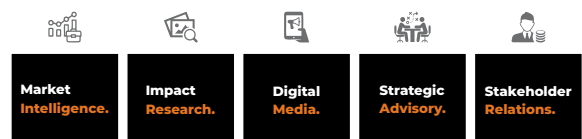
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