

BUA Cement paid its owners more than it earned.

The company had an outstanding half year — revenue up 26%, profit up 80%, costs barely moving. Then it handed shareholders ₦338.6bn, which was ₦13.8bn more than it made.

What the company earned, and what it paid out

Paid to shareholders in the six months



₦338.6bn

Profit earned in the same six months



₦324.9bn

The gap is ₦13.8bn. That is exactly the amount by which total equity shrank over the half, from ₦672.9bn to ₦659.1bn — a profitable company that ended the period worth less than it started.

How does BUA Cement actually make money?

It quarries limestone, burns it into clinker, grinds and bags it, and sells it — almost entirely inside Nigeria. Plants at Obu in Edo and Kalambaina in Sokoto, with a bond and a syndicated IFC loan financing expansion.

One number shapes this whole half year. Energy is the largest single cost of making cement, and it rose about 6%, from ₦127.4bn to ₦135.4bn, while revenue rose 25.6%. Everything profitable about this filing follows from that gap.

THE BIG NUMBER

₦44.57

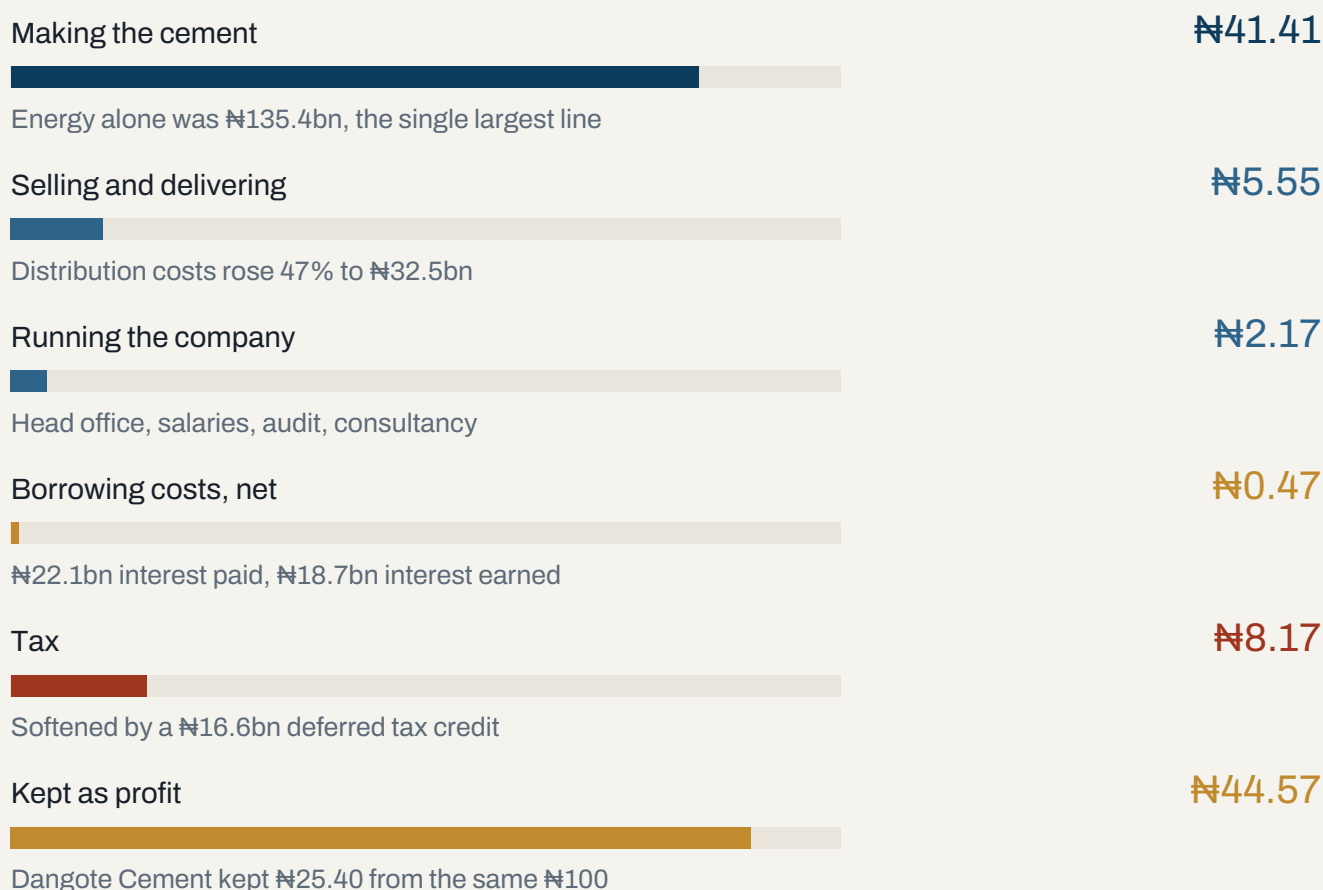
Kept as profit from every ₦100 of revenue. Dangote Cement kept ₦25.40.

The half year in six numbers

Revenue	₦728.9bn	up 25.6% on H1 2025
Cost of sales	₦301.9bn	up just 2.7%
Profit after tax	₦324.9bn	up 79.6%
Dividend paid	₦338.6bn	₦69.4bn for all of 2025
Total borrowings	₦620.3bn	from ₦469.4bn in December
Earnings per share	959 kobo	from 534 kobo

Where did every ₦100 of revenue go?

The whole income statement, rescaled so revenue equals ₦100. What stands out is how little had to leave the company before profit.



Derived from the statement of profit or loss, page 8, and cost notes, pages 13–15. Bars are scaled to ₦50 so the smaller lines stay readable. A ₦2.27 currency gain and ₦0.07 of other income are not shown as separate rows.

WHAT TO NOTICE

Revenue rose 25.6% while the cost of making the cement rose 2.7%. Almost all of that extra revenue fell straight through to profit, taking the gross margin from 49.3% to 58.6%.

What changed since last year?

The company paid out more than it earned

The dividend was ₦338.6bn against a half-year profit of ₦324.9bn. The difference came from profits kept back in earlier years, so retained income fell from ₦462.3bn to ₦448.6bn and total equity shrank by ₦13.8bn. In the first half of 2025 the company paid no dividend at all.

Bulk cement went from a rounding error to a real business

Sales of bulk cement were ₦236m in the first half of 2025. This half they were ₦40.2bn — roughly 170 times larger. Bagged cement, still the bulk of the business at ₦688.8bn, grew a more ordinary 18.7%.

It borrowed heavily in the same six months

Borrowings rose from ₦469.4bn to ₦620.3bn, with ₦233.3bn drawn down in the half, most of it through an IFC syndicated loan that grew from ₦297.0bn to ₦470.3bn. Against ₦303.6bn of cash, net debt is roughly ₦359.6bn.

The bill it actually has to pay quadrupled

The reported tax charge was ₦59.6bn, an effective rate of 15.5%, barely changed. But that was softened by a ₦16.6bn deferred tax credit. The current tax provision — the part that becomes a real bill — was ₦76.1bn against ₦18.5bn, and income tax payable rose from ₦29.2bn to ₦75.9bn.

WHAT CAUGHT OUR ATTENTION

Only 2.31% of BUA Cement can be bought on the exchange — 783.7 million units out of 33.9 billion. Abdul Samad Rabiou holds 56.03% and BUA Industries 39.75%. The share price ended the half at ₦340.20, against ₦95.40 a year earlier.

The Scorecard

Each label comes from a fixed rule applied the same way to every company we cover. We publish no single score out of 100, because these categories do not trade off against each other in any honest way.

Sales growth Revenue up 25.6%, with bulk cement rising from ₦236m to ₦40.2bn	Strong
Making money on each sale Gross margin 58.6%, up from 49.3%	Strong
Cost discipline Cost of sales rose 2.7% while revenue rose 25.6%	Strong
Cash generation ₦278.5bn from operations, over four times the ₦60.7bn spent on plant	Strong
Balance sheet Equity fell to ₦659.1bn from ₦672.9bn despite a profitable half	Watch
Return to shareholders ₦338.6bn paid, against ₦69.4bn for the whole of 2025	Strong
Tax burden Effective rate 15.5%, broadly level with 15.8% a year earlier	Steady
Debt load Borrowings up 32% to ₦620.3bn; ₦233.3bn of new loans drawn in the half	Watch

HOW TO READ THIS

Strong means the measure improved materially against the same period last year. Steady means it held. Watch means it moved against shareholders, or moved without explanation. The eighth category is sector-specific; for a single-country operator we use debt load.

Finance speak, human speak

Five phrases from this filing, in plain words.

Gross margin

What is left from every sale after paying the direct cost of making the thing you sold. It excludes head office, delivery, interest and tax. BUA's went from 49.3% to 58.6% because prices rose far faster than energy costs.

Retained income

Profits from earlier years that were never paid out. They sit in equity and can legally fund a dividend later. BUA's fell from ₦462.3bn to ₦448.6bn because this half's payout was bigger than this half's profit.

Deferred tax

Tax a company expects to pay or recover in future years, because tax rules and accounting rules count things at different times. A deferred tax credit lowers the reported charge without any cash arriving. BUA's was ₦16.6bn.

Net debt

Everything owed to lenders, minus the cash held. BUA carries roughly ₦359.6bn of net debt. Dangote Cement, over the same six months, moved to ₦215.2bn of net cash — two companies in one industry choosing opposite balance sheets.

Free float

The slice of a company the public can actually buy. Here it is 2.31%: 783.7 million units out of 33.9 billion. A price set by trading in one fortieth of a company moves further, both ways, than the business underneath it does.

The Bottom Line

BUA Cement had an exceptional operating half. It sold more cement, at better prices, without its costs following — and kept ₦44.57 of every ₦100 it earned, against ₦25.40 at Dangote Cement over the same six months.

It then distributed more than the whole half's profit and borrowed ₦233.3bn. Shareholders were paid handsomely, and the company they own is worth slightly less than it was in January. Both of those sentences are true, and the filing explains neither.

THREE QUESTIONS FOR THE NEXT FILING

- Is a payout of this size repeatable, or was it a one-off distribution of past profits?
- What did the ₦233.3bn of new borrowing fund?
- Does the 2.7% cost growth hold once energy prices move again?

Every figure in this report is taken from BUA Cement Plc's unaudited financial statements for the three months and six months ended 30 June 2026, approved by the board on 23 July 2026. Figures we calculated ourselves are labelled derived. Where we explain why something happened and the company published no commentary, we say so.

Before publishing we checked the filing's arithmetic: revenue less cost of sales equals gross profit; assets equal liabilities plus equity; opening cash plus movements equals closing cash. All three reconcile. One immaterial inconsistency inside the filing: the face of the income statement shows a net exchange gain of ₦16,574,654 thousand while note 9(a) shows ₦16,574,272 thousand.

By Betini Udom. An explanation of a public filing, not investment advice. therainingmoney.com