BUA CEMENT PLC

1995 - 2020

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November, 2020

BUA CEMENT PLC

This report is provided by ***DataPro*** subject to the terms & condition stipulated in our ***Terms of Engagement***

BOND RATING REPORT

Up To ₦115, 000,000,000 Series 1 Fixed Rate Bond Under The ₦200, 000,000 Debt Issuance Programme

References

Abiodun Adeseyoju, FCA.
Abimbola Adeseyoju
Oladele Adeoye

SUMMARY

- **Rating**

AA-

- **Report Type:** Bond Rating
- **Client:** BUA Cement Plc
- **Date Compiled** 12-Nov-20

EVALUATION VALID TILL: October, 2021

DataPro Rating:	AA-
Security Type:	₦115Billion Series 1 Senior Fixed Rate Bond Under the ₦200B Debt Issuance Programme
Maturity Profile:	2027
Rating Outlook:	Stable
Trend:	Up
Currency:	Naira
Rating Watch:	Applicable

EXECUTIVE SUMMARY

	2019 ₦'000	2018 ₦'000	2017 ₦'000	2016 ₦'000	2015 ₦'000
Turnover	175,518,326	119,012,572	87,193,161	48,638,749	5,653,367
Pre Tax Profit	66,235,964	39,166,582	39,470,897	11,586,015	(4,775,324)
Equity	363,697,242	308,612,184	29,339,662	5,616,126	(3,572,058)
Non Current Assets	408,405,566	399,431,134	157,662,079	129,219,675	119,027,943
Total Asset	470,566,595	487,974,291	204,031,100	153,139,432	122,767,378
Long-term Debt	10,407,490	3,613,823	15,128,635	383,270	500,000

RATING EXPLANATION

*The Long term rating of **AA-** indicates Lower Risk.* It shows excellent financial strength, operating performance and business profile when compared to the standard established by ***DataPro***. The Issuer, in our opinion, has the ability to meet its ongoing obligations.

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THE ISSUE

The Issue ("The Bond") is a 7year 7.5% Senior Unsecured Fixed Rate ***Series 1 Bond of*** up to *₦115billion* under the ***₦200billion Debt Issuance Programme of BUA Cement Plc ("The Issuer")*** falling due in the year 2027.

The ***Issue*** is a senior, direct, unsecured and unsubordinated obligation of the ***Issuer***. The ***Issue*** shall be an irrevocable obligation of the ***Issuer***. It shall rank pari passu without preference or priority among themselves except for any obligations preferred by law.

The Bond shall be issued by way of Book Building to Qualified Institutional Investors and High Networth Individuals. It shall be issued at par with a minimum subscription of ₦10million.

The ***Issue*** is subject to relevant laws of the Federal Republic of Nigeria, especially the ***Investment and Securities Act 2007***. ***Securities & Exchange Commission (SEC)*** is the primary regulator of all parties to the Issuance Programme.

Aside the ***Issuer***, other parties to the Issue are: ***Stanbic IBTC Capital Limited*** *(Lead Issuing House),* ***UCML Capital Limited*** and ***Tiddo Securities*** *(Joint Issuing House),* ***Udo Udoma & Belo Osagie*** *(Solicitors),* ***Stanbic IBTC Trustees Limited***, ***Custodian Trustees Limited*** and ***ARM Trustees Limited*** *(Joint Trustees),* ***Access Bank Plc*** and ***United Bank for Africa Plc*** *(Receiving Banks).*

REDEMPTION AND USE OF PROCEEDS

The ***Issue*** is a Fixed Rate Bond with a Principal Moratorium of three (3) years from the Issue Date. It has a maturity profile of seven (7) years falling due in the year 2027.

The redemption of the Principal Amount is by Amortization following the expiration of the three (3) years Moratorium period. The Bond is a callable Bond. It is callable at par by the ***Issuer*** during the Call Period which is any Coupon or Principal Payment Date from the 48th month and at any time, if an event of default occurs. Prior to an early redemption, a notice period of 30 to 60 days shall be given to the Trustees.

The Coupon on the Bond shall be paid in arrears and semi-annually throughout the duration of the ***Issue***. The interest on the ***Issue*** shall accrue from the Issue Date.

The Net proceeds of the ***Series 1 Bond*** shall be utilized to refinance the existing loans of the ***Issuer***, fund the completion of capital project expansions, finance working capital needs and other general corporate purposes.

FINANCE STRUCTURE

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To enable the payment of obligations under the ***Issue***. The ***Issuer*** shall establish a ***Payment Account*** and ***a Debt Service Reserve Account (DSRA)***. These Accounts shall be opened with the Account Bank in the name and under the sole control of the Bond Trustees.

The ***Payment Account*** shall be funded by the ***Issuer*** by paying all monies due under the ***Series 1 Bonds*** into the account not later than three (3) Business Days before each Coupon Date or the Principal Payment Date.

The money standing to the credit of the ***Payment Account*** on any Payment Date shall not be less than the aggregate principal and/or interest due on the ***Series 1 Bonds*** on the relevant Payment Date. The Bond Trustees shall utilize the funds in the ***Payment Account*** for the purpose of effecting payments on the ***Series 1 Bonds*** to the Bondholders.

The ***Debt Service Reserve Account (DSRA)*** shall be funded from the proceeds of the ***Series 1 Bonds***. The ***Issuer*** shall, not later than twenty-four (24) hours after receipt of the net proceeds of the ***Issue*** from the Receiving Bank, pay into the ***Debt Service Reserve Account*** an amount not less than the ***DSRA*** Required Balance.

The ***Issuer*** shall ensure that, at all times during the tenor of the ***Issue***, and until its obligations are fully discharged, the amount standing to the credit of the ***Debt Service Reserve Account*** shall not be less than the Required Balance. The ***DSRA*** Required Balance is an amount equal to one semi-annual coupon payment obligation of the ***Issuer***

THE ISSUER

BUA Cement, ("The Company" "The Issuer") previously known as ***OBU Cement Company Plc*** was incorporated on 30th May 2014 and commenced operations in August 2015. The Company was converted from a Private

Limited Liability Company to a Public Limited Liability company on 16th May, 2019. On the 23rd of December, 2019, the Company merged its operations with the defunct ***Cement Company of Northern Nigeria Plc***. The shares of the Company was listed on the Nigeria Stock Exchange on the 9th of January 2020.

The Principal activities of the Company are manufacturing and sale of cement to the general public. The Company's brand is ***Portland Cement***. It is currently one of the leading cement producers in Nigeria with a market share of 20%. Its production plants are located in ***Edo State*** and ***Sokoto State***.

Aside its production plants, the Company operates through ten (10) Area Offices. The location of the Area Offices include; ***Kano, Minna, Kaduna, Zamfara, Katsina and Benin City***. This is in addition to five (5) depots located in ***Abuja, Apapa, Ibadan, Ilorin and Sokoto***. The staff strength of the Company as at June 30th, 2020 was 1,073.

The ownership of the Company as at 31 December, 2019 is divided majorly among ***Alhaji Abdulsamad Rabiu, BUA Cement Co. Ltd and Alhaji Isiaku Rabiu*** and other minority shareholders. The shareholding is as distributed.

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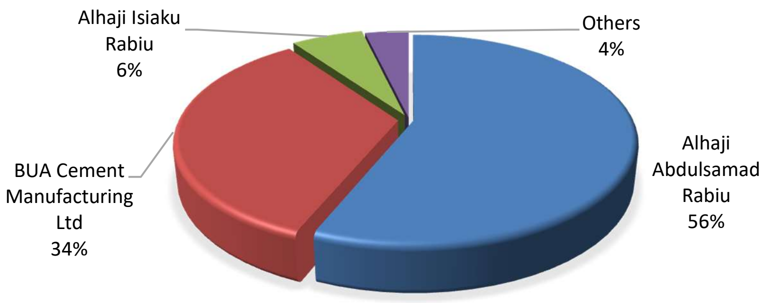
ANALYSIS OF SHAREHOLDING STRUCTURE



Source: *BUA Cement Plc*

DIRECTORS PROFILE

The following served as directors during the year under review; ***Alhaji Abdul Samad Rabiu CON - Chairman, Engr. Yusuf Haliru Binji - Managing Director/CEO, Mr. Jacques Piekarski, Mr. Chimaobi Madukwe, Mr. Kabiru Rabiu, Mr. Finn Arnoldsen, Mrs. Khairat Abdulrazaq-Gwadabe, Mr. Shehu Abubakar***

The Directors' profiles are as follows.

1. **Name:** Alhaji Abdul Samad Rabiu, CON
   Position: Chairman
   Education: •Capital University of Columbus, Ohio, USA

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Job Experience: •Chairman & Majority Shareholder: BUA Cement Plc (2019 till date)
•Director: Obu Cement Company
•Chairman: Cement Company of Northern Nigeria Plc (2009- 2019)
•Chairman: Tropical Continental Bank (1993 - 2000)
•Two-time Chairman: Bank of Industry
•IRS Group
•Founder of BUA International (1988)

2. **Name:** Engr. Yusuf Haliru Binji
Position: Managing Director/CEO
Years of Experience: 27 years
Education: •B.Eng – Ahmadu Bello University, Zaria
•M.Sc – University of London
Job Experience: •Cement Company of Northern Nigeria
•BUA International Limited
•OBU Cement Company Limited

3. **Name:** Mr. Jacques Piekarski
Position: Director
Years of Experience: 26 years
Education: •Ecole Superieure de Commerce, Switzerland
•MBA – Robert Kennedy College, Switzerland
Job Experience: •FMCG: Cement Mining & Trading
•TGI Group Nigeria
•Flour Mills of Nigeria
•Holcim Egypt/Egyptian Cement Company

4. **Name:** Mr. Chimaobi Madukwe
Position: Director
Education: •B. Sc- University of Jos
•M.Sc-ESUTH Business School
Job Experience: •Citizens International Bank Plc
•PBTG Consulting
•BUA International Limited
•BUA Sugar Refinery Limited

5. **Name:** Mr. Kabiru Rabiu
Position: Director
Education: •B. Sc-Webster University, London
•MBA-American Intercontinental University, UK
Job Experience: •BUA Group
•Nigeria Oil Mills

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•BUA Oil Mills Limited
•BUA Cement Plc

6. **Name:** Mr. Finn Arnoldsen
Position: Director
Years of Experience: 43years
Education: •NTH Norway
•INSEAD
Job Experience: •BUA Group
•Cement Company of Northern Nigeria Plc
•Edo Cement Ltd.

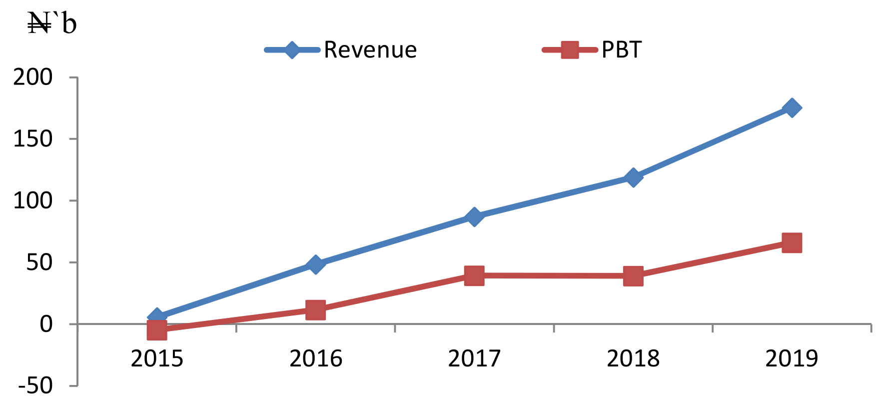
7. **Name:** Mrs. Khairat Abdulrazaq-Gwadabe
Position: Independent Non-Executive Director
Education: •B.A.-University of Wolver Hampton, England
•LL. B – University of Buckingham, England
Job Experience: •A. Abdulrazaq & Co.

8. **Name:** Mr. Shehu Abubakar
Position: Independent Non-Executive Director
Years of Experience: 30 years
Education: •B. Sc- Usman Danfodio University, Sokoto
•MBA- Ahmadu Bello University, Zara
Job Experience: •Keystone Bank Limited
•BUA Cement Plc

FINANCIAL PERFORMANCE

- **EARNINGS PROFILE**

REVENUE GROWTH (2015 – 2019)



Source: *BUA Cement Plc*

The Company derives its earnings from the sale of cement. This can be categorized into Bagged Cement and Bulk Cement. However, Bagged

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cement constituted the most significant source of the Company's revenue during the period under consideration. Revenue contribution from the sales of Bulk Cement was less than 1% during the year 2019.

Total Revenue grew by 47% from ₦119b (Yr. 18) to ₦175.5b (Yr. 19). This growth is largely attributed to a 35% increase in sales volume from 2.9million tons (Yr. 18) to 4.5million tons (Yr. 19). The half year result shows that the Company has grown its revenue by 13% from ₦89.9b (H1 2019) to ₦101.3b (H1 2020).

Geographically, the Company earns it revenue from sales of cement to customers both in and outside Nigeria. Revenue earned in Nigeria accounted for 97% of the total revenue in year 2018 and 2019. However, two (2) customers contributed 20% of the total sales in the year 2019.

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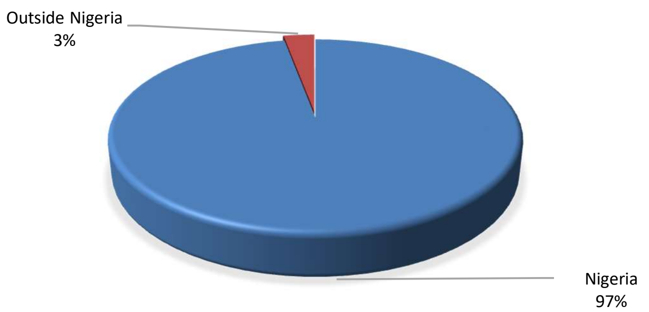
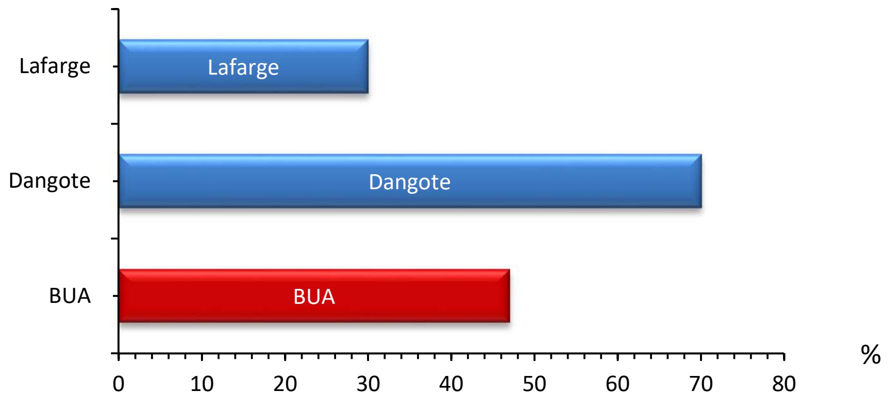
GEOGRAPHICAL DISTRIBUTION OF REVENUE (2019)



***Source**: BUA Cement Plc*

Cost of sales increased by 58% from ₦59.0b (Yr. 18) to ₦93b (Yr19). It was 53% of revenue in 2019 as against 49% (Yr. 18). The growth in Cost of Sales outpaced the increase in revenue during the year 2019. This led to the decrease in Gross Profit Margin from 50% (Yr. 18) to 47% (Yr. 19).

PEER COMPARISON OF GROSS PROFIT MARGIN (2019)



***Source**: DataPro Limited*

Other elements of expenses comprised of Selling and Distribution, Administration and Finance Cost. These amounted to ₦27.6b (Yr. 19) as against ₦22.4b (Yr. 18). In view of the moderate growth in these categories of expenses, Pre-Tax profit increased from ₦39.2b (Yr. 18) to ₦66.2b (Yr. 19). Therefore, Net Profit Margin went up from 33% (Yr. 18) to 38% (Yr. 19). Similarly, Return on Equity also increased from 13% (Yr. 18) to 18% (Yr. 19).

- **CAPITALIZATION**

Shareholders' Fund grew by 18% from ₦308.6b (Yr. 18) to ₦363.7b (Yr.19). The growth in retained earnings was responsible for the increase. The business is capital intensive with Non-Current Assets accounting for a major proportion of 87% of the Total Assets. Continuous investment in Property, Plant and Equipment enhanced the asset base expansion from ₦399.4b (Yr.18) to ₦408.4b (Yr.19) and further to ₦444.4b (H1 20).

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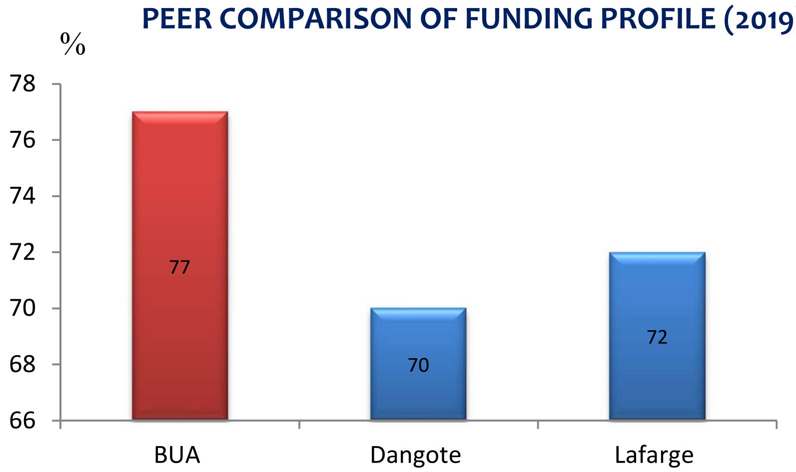
BREAKDOWN OF THE TOTAL ASSET 2019

ITEM	₦'000	%
Current Assets	62,161,029	13%
Non-Current Assets	408,405,566	87%
Total Assets	470,566,595	100%

***Source**: BUA Cement Plc*

The proportion of Total Equity to Total Asset was 63% (Yr. 18) and 77% (Yr. 19). The Company also maintain this same funding profile in the half year 2020.This attainment is also the best in the industry.

PEER COMPARISON OF FUNDING PROFILE (2019)



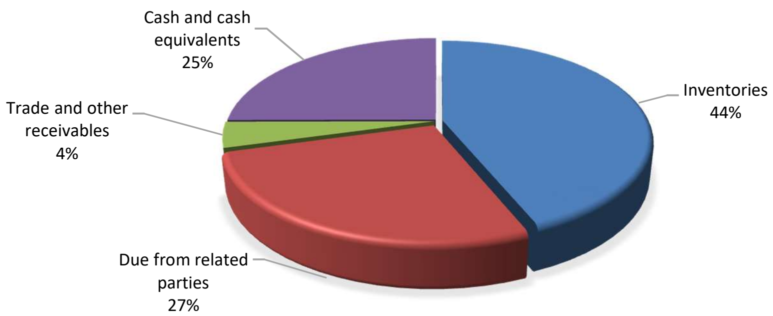
***Source**: DataPro Limited*

• ASSET UTILITY

BUA Cement Plc has a combined installed production capacity of 8 million tons per annum. This is distributed as follows: ***OBU Plant, Edo State*** (6 million), ***Kalambaina Plant, Sokoto State*** (2 million) with capacity utilization of 53% and 69% respectively.

Total Assets comprises of Current Assets and Non-Current Assets. The Current Assets accounted for 13% of the Total Assets. Current Assets reduced from ₦88.5b (Yr. 18) to ₦62.2b (Yr. 19) as a result of significant decrease in Amount Due from Related Parties by 73% from ₦62.4b (Yr. 18) to ₦16.8b (Yr. 19).

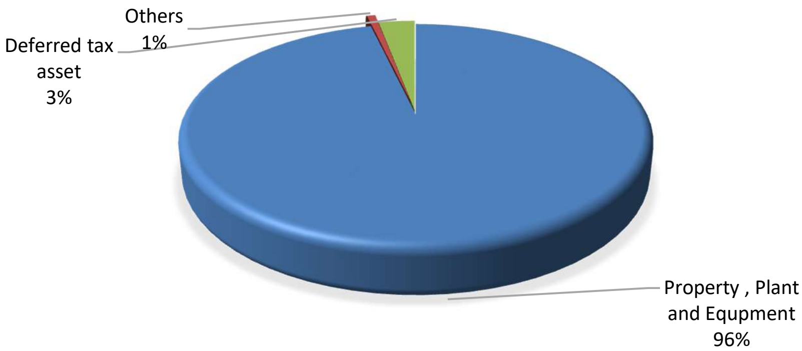
COMPOSITION OF CURRENT ASSETS (2019)



Source: *BUA Cement Plc*

The Non-Current Assets constituted 87% of the Total Assets. It increased from ₦399.4b (Yr. 18) to ₦408.4b (Yr. 19). The growth can be largely attributed to the increase in Property, Plant and Equipment and Deferred Tax Asset.

COMPOSITION OF NON CURRENT ASSETS



Source: *BUA Cement Plc*

The ability of the company to effectively utilize assets to generate profit increased from 8% (Yr. 18) to 14% (Yr. 19). This further reduced to 7%

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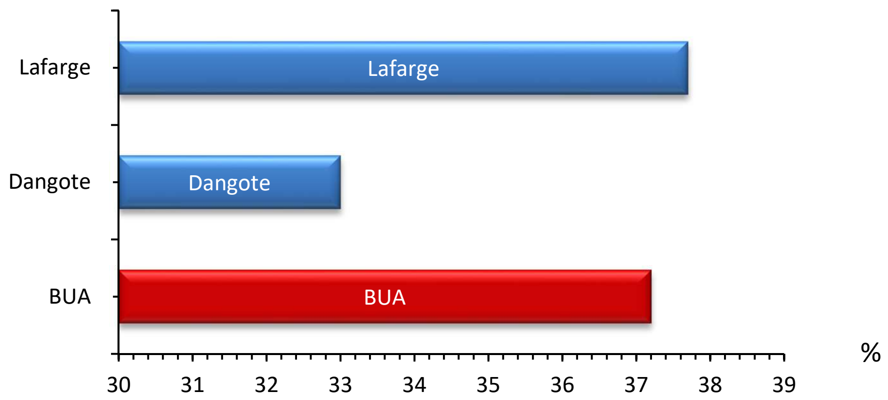
(H1 20). Similarly, ability to effectively generate revenue using capital increased from 24% (Yr. 18) to 37% (Yr. 19). However, it compared well with its peers in the industry for the year 2019.

PEER COMPARISON OF REVENUE/ASSET RATIO (2019)

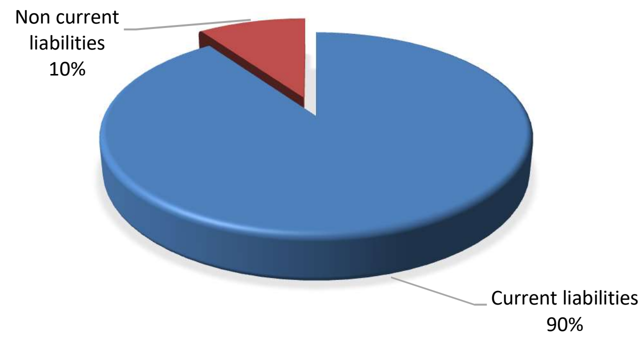


Source: *DataPro Limited*

- **LIQUIDITY**

Total Liabilities comprised of Current and Non-Current Liabilities. It went down by 60% from ₦179.4b (Yr.18) to ₦106.9b (Yr.19). The decrease in Total Liabilities was largely due to reduction in Current Liabilities by 45% from ₦175.7b(Yr.18) to ₦96.5b (Yr.19).

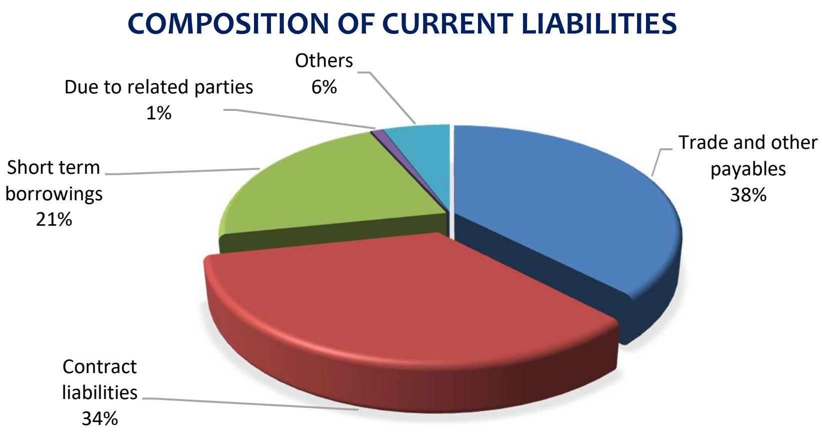
COMPOSITION OF TOTAL LIABILITIES AS AT 2019



Source: *BUA Cement Plc*

Current Liabilities constituted 90% of the Total Liabilities. The major components of current liabilities are Trade and Other Payables, Contract Liabilities and Short-term Borrowing. The reduction in the size of the current liabilities as at the year-end 2019 was due to significant decrease in amount Due to Related Parties.

The composition of current liabilities is as presented



Source: *BUA Cement Plc*

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BUA Cement Plc continued to generate positive cashflows from its operations. Cash generated from operations increased from ₦15.6b (Yr.18) to ₦28.8b (Yr.19).Current ratio for the year 2019 was 60% as against 50% (Yr. 18). This further increased to 70% (H1 2020).

POLITICAL ENVIRONMENT

The incumbent President Muhammadu Buhari who is a member of the ruling political party secured a second term after the 2019 presidential election while the major contender Alhaji Atiku Abubakar contested the result. The country has survived the usual political tension associated with the conduct and outcome of the general electoral process.

However, the Nigerian security landscape has been consistently shaped by the war against ***Boko Haram*** terrorists in the Northern Nigeria since 2011. Currently, the country is faced with a major pandemic as it recorded its first casualty of COVID-19 on 27th of February, 2020 with the death toll approaching 1,200 as at the mid of September, 2020. Additionally, there has been consistent call for wholesale reform of Nigerian Police popularly tagged "ENDSARS" by the Nigerian Youth. The protest organized by the Youth to draw government attention has turned violent thereby threatening national security.

Apart from the security challenges and the ability of the government to manage the pandemic, no major political consideration appears to pose serious challenges to the ability of the ***Issuer*** to pay obligations under the ***Issue***.

ECONOMIC ENVIRONMENT

Nigeria is the leading economy in Africa. It has a population of nearly 200 million people. It is the 30th largest economy worldwide by Gross Domestic Product (GDP).According to the National Bureau of Statistics, the GDP for Q2 2020 stood at ₦34, 023,198 million in nominal terms. This represented a drop of 6.1% points when compared with the ***GDP*** Q1 2020 (real terms). The reduced performance was due to the COVID-19 public health crisis, sharp fall in Oil prices and restriction in international trade.

The Nigerian economy can be aggregated into the Oil and Non-Oil sectors. The Non-Oil sector contributed 91.2% to the nation's GDP in Q2 2020 as against 90.5% (Q1, 2020). The growth in Q2 2020 was driven by Non-Oil sectors such as: Telecommunication, Agriculture, Financial Institutions and Public Administration. The global disruption caused by the COVID-19 pandemic and the attendant economic lockdowns affected the Federal Government's 2020 budget implementation. In response, the Oil benchmark for the 2020 budget had been downwardly reviewed from $57 per barrel to $28 per barrel.

Additionally, the Federal Government has continued to borrow with a view to finance its growing deficit budget. The capacity of the Federal Government to address infrastructural gaps in the country amidst growing cost of the borrowing is a major economic concern.

Nigeria's local currency has been hitting low records on the Parallel and Over-the-counter spot markets since early March 2020 when the ***Central Bank of Nigeria (CBN)*** adjusted value of the Naira. The official Exchange Rate to the dollar as at September is ₦380.

According to the Nigeria Bureau of Statistics inflation rate for the month of September 2020 was 13.71% as against 12.82% in July 2020. This was largely due to general increase in price of consumer based commodities.

The Nigerian Cement Sector has evolved from import-dependent into a growing hub for the product exportation. The local production is estimated to be 23.5million MT in the year 2019 as against 2million MT in 2002.

In view of Nigeria's infrastructural deficit coupled with her growing population, the Market presents a unique opportunity to the operators within the sector for continuous expansion.

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CORPORATE GOVERNANCE & RISK MANAGEMENT

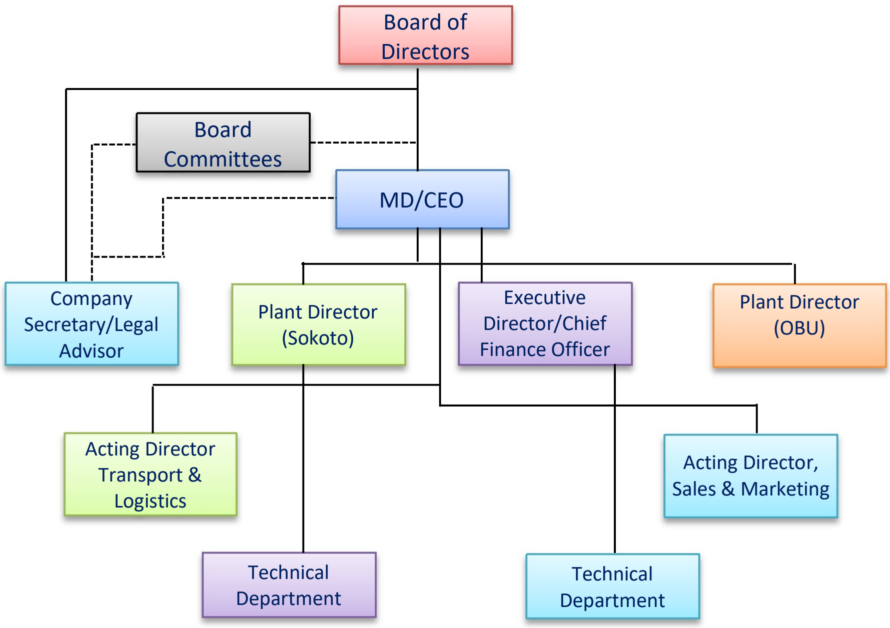
The affairs of the company is directed by its Board of Directors which consists of one Executive, seven Non-Executives two of which are Independent Directors.

The oversight function of the board is carried out by various board committees.

The company recognizes that it has market risk, credit risk, liquidity risk and capital risk. In line with details contained in its annual report and information provided, the company has in place measures to deal with its various risks.

The company's corporate organogram structure is as highlighted.

CORPORATE ORGANOGRAM



Source: *BUA Cement Plc*

RISK FACTORS

In the course of our review, we observed the following significant risks.

- **EXCHANGE RATE RISK**

This is the risk of loss to income as a result of adverse movement in the Exchange Rate.

Based on our review, we observed that the company exports 3% of its products outside Nigeria. Therefore adverse movement in exchange rate could have minimal effect on its earnings.

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- **INTEREST RISK**

This is the risk of loss to income arising from adverse changes in interest rates.

Based on our review, the company incurred interest bearing borrowings of ₦21.3b which is short term in nature. Therefore adverse movement in interest rate could have minimal effect on its profitability.

- **CREDIT RISK**

This is the risk arising from the inability of counterparties to honour their obligations as at when due.

Based on our review, we observed that Trade and other receivables constituted a marginal proportion of 0.6% of the Company's total asset. Therefore, the Company exposure to credit risk is significantly very low.

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ISSUE QUALITY

- The ***Issuer*** has the ability to continually generate revenue and profit by carrying out their primary activity of manufacturing and sale of cement to the general public
- The governance structure around the Bond issuance programme will limit the ***Issuer's*** interference in administering coupon and principal payment under the ***Issue***.
- The Bondholders have a senior and direct obligation owed to them by the Issuer.
- The Bondholders' claim on the cash flow of the ***Issuer*** is equal to all senior obligations of the ***Issuer*** except statutory obligations.

REGULATORY ENVIRONMENT

The operation of the Company is subject to ***Standard Organization of Nigeria (SON)*** regulation. The registration status of the Company is still current as at the time of compiling this report.

CONCLUSION

We have reviewed the documents relating to the ***Issue***. The payment of obligations under Issue is tied to the ability of the ***Issuer***. Consequently, we assigned a rating of ***"AA-"***.

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Signed:
Name: **Oladele Adeoye**
Designation: Chief Rating Officer
Date: 12th November, 2020

For and on behalf of:
DataPro Limited
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By Marina Water Front
163/165 Broad Street, Lagos Island, Lagos.
Tel: 234-1-4605395, 4605396
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Email: info@datapronigeria.net,dataprong@gmail.com
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USER GUIDE

DataPro's credit rating is an opinion of an issuer's overall creditworthiness and its capacity to meet its financial commitment.

Our ***short-term*** ratings have a time horizon of less than 12 months in line with industry standards reflecting risk characteristics. The ratings place greater emphasis on the liquidity to meet financial commitment in a timely manner.

The long-term risk indicator is divided into 8 bands ranging from AAA through DD. Each band could be modified by + or –. With + representing slightly less risk than –. Such suffixes are not added to the 'AAA' long –term rating category and to categories below 'CCC'. Or to short-term rating older than A1+.

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LONG-TERM RATING

Investment Grade

Indicator	Meaning	Explanation
AAA	Lowest Risk	*(Superior)* Assigned to issues which have superior financial strength, operating performances and profile when compared to the standards established by *DataPro Limited.* These issuers, in our opinion, have a Excellent ability to meet their ongoing obligations.
AA	Lower Risk	*(Excellent)* Assigned to issues which have excellent financial strength, operating performance and profile when compared to the standards established by *DataPro Limited.* These issuers, in our opinion, have a very strong ability to meet their ongoing obligations.
A	Low Risk	*(Very Good)* Assigned to issues which have very good financial strength, operating performance And profile when compared to the standards established by *DataPro Limited.* These issuers, in our opinion, have a strong ability to meet their ongoing obligation.
BBB	Slight Risk	*(Fair)* Assigned to issues which have fair financial strength, operating performance and profile when compared to the standards established by *DataPro Limited.* These issuers, in our opinion, have an ability to meet their current obligations, but their financial strength is vulnerable to adverse changes in economic conditions.

SUMMARY

- **Rating**

AA-

- **Report Type:** Bond Rating
- **Client:** BUA Cement Plc
- **Date Compiled** 12-Nov-20

Non-Investment Grade

Indicator	Meaning	Explanation
BB	Moderate Risk	*(Marginal)* Assigned to issues which have, marginal financial strength, operating performance and profile when compared to the standards established by *DataPro Limited.* These issuers, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
B	High Risk	*(Weak)* Assigned to issues which have, weak financial strength, operating performance and profile when compared to the standard established by *DataPro Limited.* These issuers, in our opinion have an ability to meet their current obligation, but their financial strength is vulnerable to adverse changes in economic conditions.
CCC	Higher Risk	*(Poor)* Assigned to issues which have poor financial strength, operating performance and profile when compared to the standards established *DataPro Limited.* These issuers, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.
DD	Highest Risk	*(Very Poor)* Assigned to issues which have very poor financial strength, operating performance and profile when compared to the standards established by *DataPro Limited.* These issuers, in our opinion may not have an ability to meet their current obligation and their financial strength is extremely vulnerable to adverse changes in economic conditions.

SHORT-TERM RATING

Indicator	**Meaning**	**Explanation**
A1+	Highest credit quality	Indicates the strongest capacity for timely payment of financial commitments. May have an added "+" to denote any exceptionally strong credit feature.

A1	Good credit quality	A satisfactory capacity for timely payment of financial commitments, but the margin of safety is not as great as in the case of the higher ratings.
A2	Fair credit quality	The capacity for timely payment of financial commitments is adequate. However, near term adverse changes could result in reduction to non investment grade.
B	Speculative	Minimal capacity for timely payment of financial commitments, plus vulnerability to near term adverse changes in financial and economic conditions.
C	High default risk	Default is a real possibility. Capacity for meeting financial commitments is solely reliant upon a sustained, favorable business and economic environment.

Indicates an entity that has defaulted on all its financial obligations.

SUMMARY

- **Rating**

  AA-

- **Report Type:** Bond Rating
- **Client:** BUA Cement Plc
- **Date Compiled** 12-Nov-20