

SOCIETE LIBANAISE DES CEMENTS BLANCS

BOARD OF DIRECTORS REPORT

ACTIVITY AND RESULTS AT 31 DECEMBER 2024

Dear Shareholders,

Pursuant to Article 48 of the by-laws, the General assembly is held in order to present a report on the situation of the Company during the year 2024 and submit the financial statements for the year 2024.

Commercial Situation

Ton	2023	2024
Local Volumes	32 883	30 294
Export Volumes	120	0
Total	33 003	30 294

The local market of white cement decreased compared to 2023. Consequently, sales dropped to 30,294 tons against 33,003 tons in 2024. The prices were increased during May 2024.

Production

White cement production declined by 12% compared to 2023, driven by weaker market demand.

Clinker production dropped significantly by 89% year-over-year primarily due to absence of quarry permits. Clinker was imported from Algeria to cover market need. (15,417 T during 2024)

Production costs rose compared to the previous year, mainly as a result of reduced production volumes and the higher cost of electricity and imported clinker.

Production in 2024 is as follows:

(tons)	2023	2024
Production clinker	17 690	1 947
Production cement	34 075	29 970
Imported Clinker	7,700	15,417

Net income as at 31/12/2024

The total comprehensive income is 17.244 Billion LBP in 2024 vs 223.029 Billion in 2023, a decrease of 92.7 % in LBP.

	2024	2023
	000 LBP	000 LBP
Sale of goods	487 309 745	511 171 997
Production cost of goods sold	(378 572 422)	(285 643 129)
GROSS PROFIT	108 737 323	225 528 868
Distribution and selling cost	(24 251 841)	(27 096 834)
Administrative expenses	(26 316 247)	(26 803 311)
Other expenses	(1 365 156)	(376 814)
Net financial income	5 605 848	110 929 954
PROFIT BEFORE TAX	62 409 927	282 181 863
Income tax expense	(10 653 650)	(47 578 116)
Re-measurement gain on defined plan	(34 511 885)	(11 574 161)
TOTAL COMPEHENSIVE INCOME FOR THE YEAR	17 244 392	223 029 586

Gross profit margin reached 22.3% in 2024 compared to 44.1% in 2023. The lower net sales and the higher cost contributed negatively to the gross profit.

The net profit amounted to 51.756 Billion LBP.

The Board proposes not to distribute dividends during 2025.

Distributable income:

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Profit of the year	287 975 500
Allocation of legal reserve	-
Retained earnings current year	51 756 277
Available for distribution	339 731 777
Distributable income	-

Equity:

Capital +premium	13 502 656
Statutory reserve	4 500 000
Revaluation Reserve	4 010 692
Re-measurement of DBO	(47 019 379)
Retained earnings	339 731 777
Total Equity	314 725 746

Auditors

The fees charged for audit services of Societe Libanaise Des Ciments Blancs SAL by Ernest and Young for the audit exercise of the year 2024 were 12 221 USD.

The Board of Directors proposes to nominate Ernest and Young as auditors for the accounts of the company for the year ending 31.12.2025.

For the Board of Directors
Chairman