



An emerging cement major  
building shareholder value  
and prosperity in Africa



Unaudited results for the nine months ended 30<sup>th</sup> September 2015

26<sup>th</sup> October 2015

# Disclaimer

*This document is not an offer of securities for sale in the United States. Any securities discussed herein have not been and will not be registered under the US Securities Act of 1933, as amended (the "US Securities Act") and may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act.*

*No public offering of any securities discussed herein is being made in the United States and the information contained herein does not constitute an offering of securities for sale in the United States, Canada, Australia or Japan.*

*This document is addressed only to and directed at persons in member states of the European Economic Area who are "Qualified Investors" within the meaning of Article 2(1)(e) of the Prospectus Directive. In addition, in the United Kingdom, this document is being distributed to and is directed only at Qualified Investors (i) who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "Order") or (ii) persons who are high net worth entities falling within Article 49(2) of the Order, or (iii) persons to whom it may otherwise be lawfully communicated (all such persons being referred to as "Relevant Persons").*

*This document must not be acted on or relied on (i) in the United Kingdom by persons who are not Relevant Persons and (ii) in any member state of the European Economic Area by persons who are not Qualified Investors.*

*By attending this presentation / accepting this document you will be taken to have represented, warranted and undertaken that you are a Relevant Person (as defined above).*

# Jan-Sept 2015 highlights

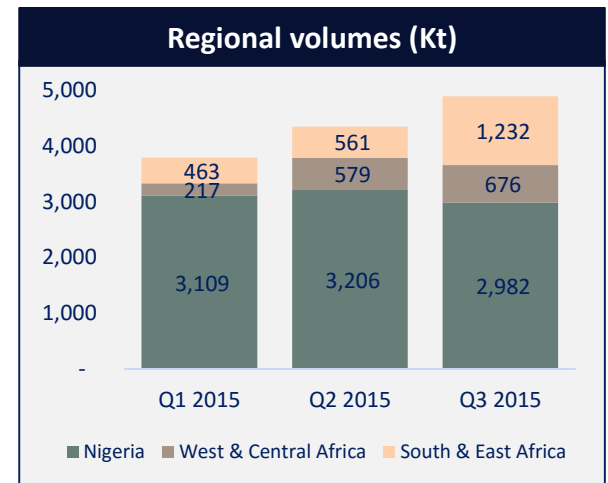
## Financial results

- Revenue up 17.8% to ₦365.5bn on strong pan-African performance
- Gross profit up 13.5% to ₦226.8bn, 62.0% margin
- EBITDA up 12.6% to ₦213.1 bn, 58.3% margin
- Pre-tax profit up 8.4% to ₦166.9bn
- Earnings per share up 18.6% to ₦9.80
- Net debt increased to ₦240bn from ₦222bn at 31/12/14

## Operational highlights

- Group cement sales volumes up 24% to 13.0Mt
- 3.7Mt, nearly 29% of volumes shipped outside Nigeria ytd
- Strong market share gains in South Africa, Senegal, Ethiopia, Zambia
- New pricing strategy for Nigeria, market share improving
- Export drive begins from Nigeria
- Expansion within and beyond Africa announced
- Joins Premium Board of NSE, after rigorous review of governance

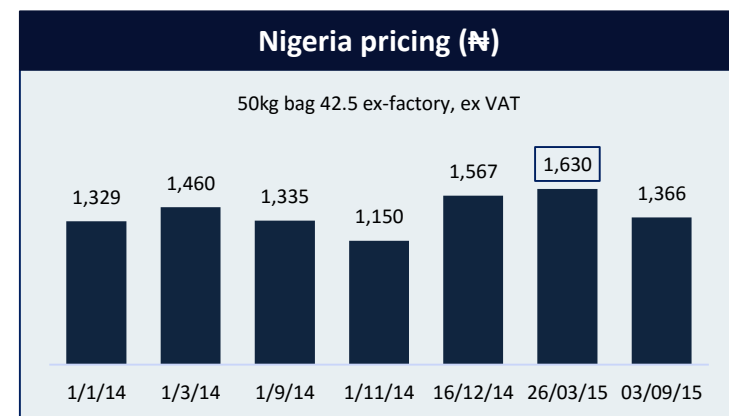
Regional Revenues (₦bn)		
Nine months ended 30 <sup>th</sup> September	2015	2014
Nigeria	295.4	297.5
West & Central Africa	28.8	4.9
South & East Africa	41.3	7.7
<b>Total</b>	<b>365.5</b>	<b>310.2</b>



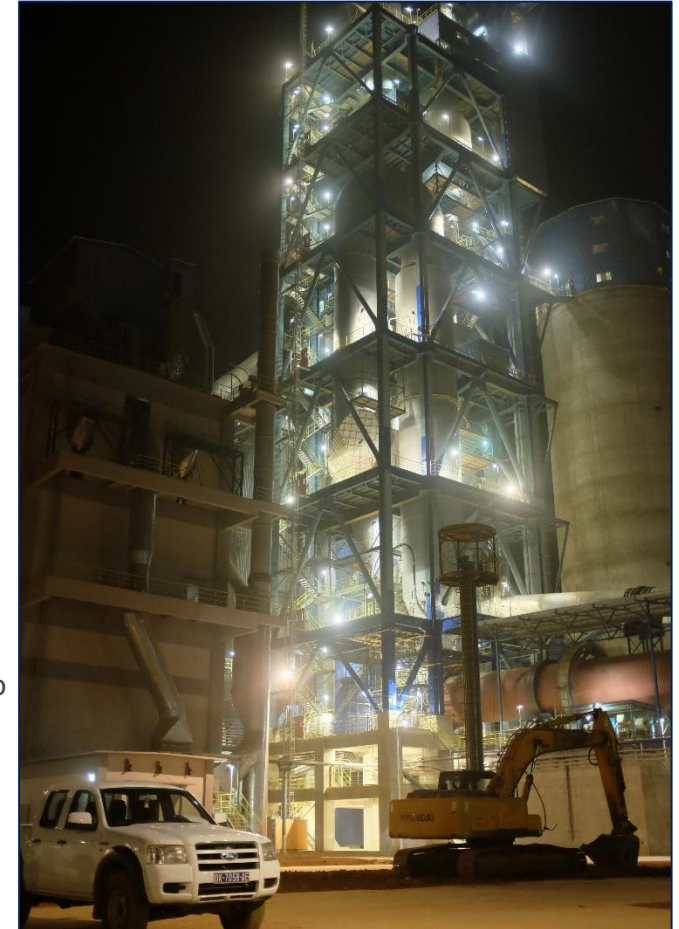
# Nigerian Operations Jan-Sep 2015

- Election delay, oil price and currency weight on market
  - 15.7mt sold across total Nigerian market, about 3% down
- Dangote Cement sales down 5.6% to 9.3Mt
- But market share continues to improve; 63.7% in September
- Nigeria revenues ₦295.4bn
- EBITDA of ₦195.3bn (66.1% margin)
- EBIT of ₦162.7bn (55.1% margin)
- Margins protected by cheaper fuel costs
- New, lower pricing announced 3<sup>rd</sup> September to ensure long-term and sustainable profitability
- Exports beginning from Nigeria to neighbouring countries
- New retail drive to increase market awareness / presence

Nigeria performance			
Nine months ended 30 September	2015	2014	% change
Volumes sold (kt)	9,296	9,843	(5.6)%
Revenue (₦bn)	295.4	297.5	(0.7)%
EBITDA (₦bn)	195.3	190.2	2.7%
EBITDA margin	66.1%	63.9%	



- Nearly 1.5Mt of cement sold in first nine months of 2015
- Region generated ₦28.8bn revenue, up 482%
- ₦2.9bn EBIT, 10% margin (Jan-Sep 2014: loss of ₦2.1bn)
- Excellent start in Senegal, market share of about 40%
  - Already operating at close to full capacity
  - Market recognises high quality of products
- Cameroon doing well
  - Plant running at very high utilisation
  - Positive response to our 42.5-grade cement
  - Recent ban on imported bulk cement brings immediate opportunity to substitute >1mt with locally ground cement
- Ghana sales still impacted by currency challenges
  - Sales volumes have almost doubled compared to 2014
  - Beginning to substitute 3<sup>rd</sup>-party imports with Nigerian cement



Senegal, January 2015

# South & East Africa Jan-Sep 2015

- Nearly 2.3Mt cement sold in first nine months
- Region generated ₦41.3bn sales
- Operating profit of ₦7.4bn (18% margin in ramp-up)
- Strong performance in all countries
- Sephaku gains good share of SA market
- Zambia began operations in June
  - Already achieving high monthly utilisation rates (60%-70%)
  - Selling both 32.5 and 42.5 grade cement to meet local needs
- Ethiopia makes commanding start
  - Already operating at close to full capacity
  - Market recognises high quality of product (32.5/42.5)
- Tanzania likely to begin sales in December 2015
  - Formally inaugurated on 10<sup>th</sup> October in advance of production



Aganang, South Africa, January 2015



Inauguration of 3Mta factory in Tanzania, October 2015

# Financial Overview

Income Statement (₦bn)				
Nine months to 30 September	2015 ₦bn	2014 ₦bn	% change	Comments
Revenue	365.5	310.2	17.8%	24% volume increase across the Group
Cost of sales	(138.7)	(110.5)	25.5%	Nigeria Power & Fuel cost contained due to better gas availability & usage of coal
<b>Gross profit</b>	226.8	199.7	13.5%	
<i>Gross margin</i>	62.0%	64.4%		
<b>EBITDA</b>	<b>213.1</b>	<b>189.2</b>	12.6%	
<i>EBITDA margin</i>	58.3%	61.0%		Non-Nigerian operations in ramp up phase, less profitable
<b>EBIT</b>	<b>173.5</b>	<b>162.5</b>	6.8%	
<i>EBIT margin</i>	47.5%	52.4%		
Finance income	31.7	4.6	591%	Naira depreciation
Finance costs	(38.3)	(13.0)	195%	
<b>Profit before tax</b>	<b>166.9</b>	<b>154.0</b>	8.4%	
Income tax (expense)/credit	(8.9)	(13.6)	(34.6%)	
<b>Profit for the period</b>	<b>158.0</b>	<b>140.5</b>	12.5%	
<b>Earnings per share</b>	<b>₦9.80</b>	<b>₦8.26</b>	18.6%	

# Financial Overview (Cont'd)

## Movement in net debt (₦bn)

	Cash ₦bn	Debt ₦bn	Net debt ₦bn
<b>As at 31st December 2014</b>	<b>20.6</b>	<b>(242.6)</b>	<b>(222.0)</b>
Cash generated from operations before changes in working capital	226.7	-	226.7
Changes in working capital	3.7	-	3.7
Income tax paid	(2.2)	-	(2.2)
Capital expenditure	(199.6)	-	(199.6)
Other investing activities	(4.3)	-	(4.3)
Change in non-current prepayments	71.6	-	71.6
Net interest payments	(17.3)	-	(17.3)
Net loans obtained	39.4	(39.4)	-
Other cash and non-cash movements	2.2	3.4	5.6
Dividend paid	(102.2)	-	(102.2)
<b>As at 30th September 2015</b>	<b>38.6</b>	<b>(278.6)</b>	<b>(240.0)</b>

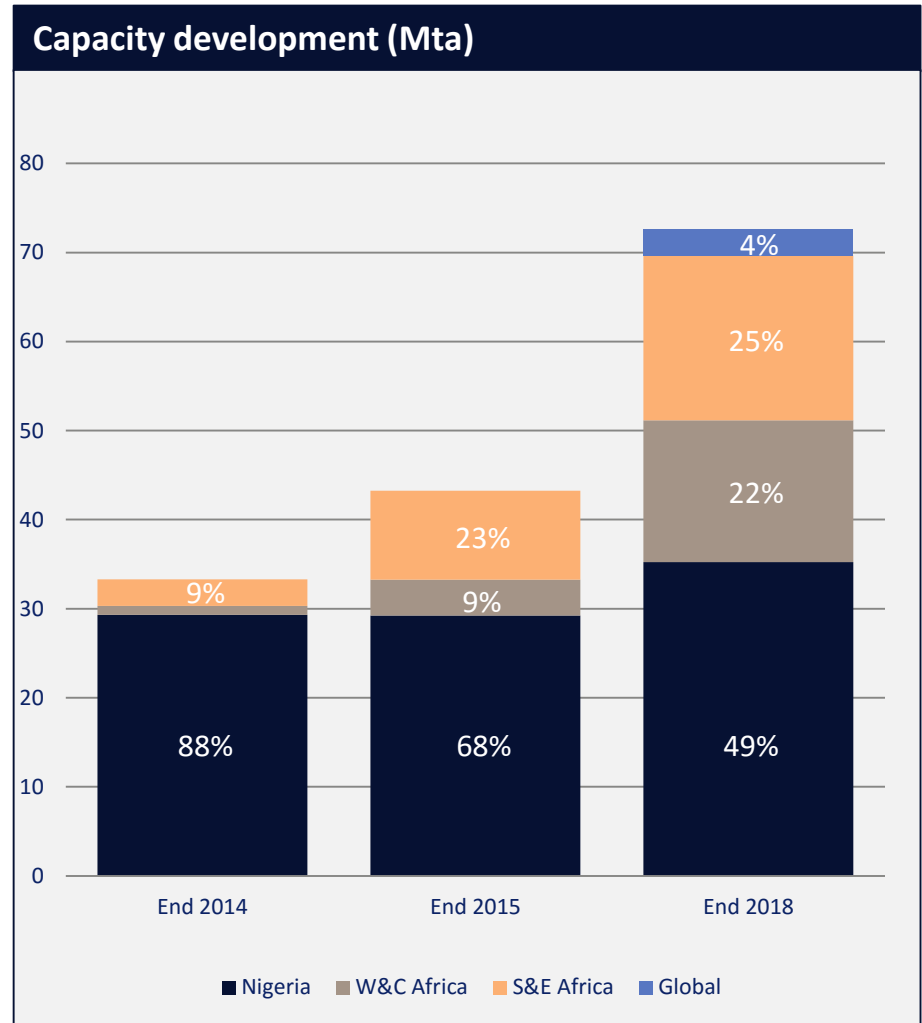


# Financial Overview (Cont'd)

<b>Balance Sheet (₦bn)</b>			
	<b>As at 30/9/15 ₦bn</b>	<b>As at 31/12/14 ₦bn</b>	<b>Comments</b>
Property, plant and equipment	881.2	747.8	
Other non-current assets	27.5	96.1	
Intangible assets	7.3	3.7	
Current assets	142.4	116.5	Build up of inventory & receivables on start of new operations
Cash and cash equivalents	38.6	20.6	
<b>Total Assets</b>	<b>1,097.0</b>	<b>984.7</b>	
Non-current liabilities	163.9	159.9	
Current liabilities	306.2	232.9	
<b>Total liabilities</b>	<b>470.1</b>	<b>392.8</b>	
<b>Net Assets</b>	<b>626.9</b>	<b>591.9</b>	
<b>Net Debt</b>	240.0	222.0	
<b>Net Gearing</b>	38.3%	37.5%	
<b>Return on Capital Employed</b> (Annualized)	26%	32%	

# Expanding and diversifying

	End 2015	End 2018	Type
<b>Nigeria</b>	Mta	Mta	
Obajana	13.3	13.3	Integrated
Ibese	12.0	12.0	Integrated
Itori		6.0	Integrated
Gboko	4.0	4.0	Integrated
<b>Total Nigeria</b>	<b>29.3</b>	<b>35.3</b>	
<b>West &amp; Central Africa</b>	Mta	Mta	
Cameroon	1.5	3.0	Grinding
Cote d'Ivoire	0.0	1.5	Grinding
Ghana	1.0	2.5	Grinding + Import
Liberia		0.7	Grinding
Mali		1.5	Grinding
Niger		1.5	Integrated
Republic of Congo	0.0	1.5	Integrated
Senegal	1.5	3.0	Integrated
Sierra Leone		0.7	Import
<b>Total W&amp;C Africa</b>	<b>4.0</b>	<b>15.9</b>	
<b>South &amp; East Africa</b>	Mta	Mta	
Ethiopia	2.5	5.0	Integrated
Kenya		3.0	Integrated
South Africa	3.0	3.0	Integrated
Tanzania	3.0	3.0	Integrated
Zambia	1.5	3.0	Integrated
Zimbabwe		1.5	Integrated
<b>Total S&amp;E Africa</b>	<b>10.0</b>	<b>18.5</b>	
<b>Global</b>	Mta	Mta	
Nepal		3.0	Integrated
<b>Total global</b>		<b>3.0</b>	
	Mta	Mta	
<b>Group total</b>	<b>43.3</b>	<b>72.7</b>	
<b>Integrated</b>	<b>40.8</b>	<b>62.8</b>	
<b>Grinding</b>	<b>1.5</b>	<b>8.2</b>	
<b>Import</b>	<b>1.0</b>	<b>1.7</b>	
	<b>43.3</b>	<b>72.7</b>	



# Outlook

- Nigerian market remains subdued by currency, oil price, anticipation of FG policy news
- Impact of new pricing yet to be felt in Nigerian market
- Exports will increase over next few years; Ghana, Cameroun key markets
- Zambian Kwachas and South African Rand currency depreciation will impact consolidated earnings

## For further information contact:

### **Carl Franklin**

Chief Investor Relations Officer  
Dangote Industries

+44 207 399 3070

+44-7713 634 834

[carl.franklin@dangote.com](mailto:carl.franklin@dangote.com)

### **Ayeesha Aliyu**

Investor Relations  
Lagos

+234 1 448 0815

[Ayeesha.aliyu@dangote.com](mailto:Ayeesha.aliyu@dangote.com)

[www.dangcem.com](http://www.dangcem.com)

@DangoteCement