

9M 2022 results

UNAUDITED RESULTS FOR NINE MONTHS
ENDED 30th SEPTEMBER 2022



31st October 2022

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www.dangotecement.com 



9M 2022: Strong results, despite elevated inflation

FINANCIAL

OPERATIONAL

SUSTAINABILITY

SDG
Alignment

Group revenue up 15.2%
at **₦1,177.3B**

Group volumes down 6.2%
at **20.8Mt**

27% female Board
representation

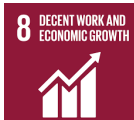
Diverse Board with **6**
different nationalities



Group EBITDA up 0.2%
at **₦515.9B**

3Mta Okpella power plant
commissioned

Issuance of **₦116B**
series 2 Bond.
Under the **₦300 billion**
Multi-Instrument Issuance
Programme



Nigeria EBITDA up 4.5%
at **₦479.9B**

The National Consumer
Promotion improved
market share in the
quarter

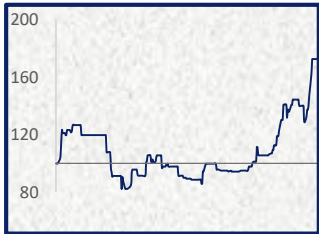
3.8% alternative fuel
thermal substitution rate
versus 2.3% in 9M 2021

Rated **“B-”** by CDP and
in 2021 become a CDP
supported.



Creating Sustainable Value for Shareholders

The year so far.....



January

Buy-Back

Completed the 2nd tranche of the buy-back programme.



February

New female Board Member

Ms. Halima Aliko-Dangote appointed to the Board of Dangote Cement as Non Executive Director.



March

Okpella Plant

Continued ramp up on our 3Mt Okpella plant



April

Bond Issuance

Successful issuance of ₦116B series 2 Bond.
Under the ₦300 billion Multi-Instrument Issuance Programme



June

AGM

Released our 2021 combined Annual and Sustainability Report



July

National Consumer Promotion

Dangote Cement's National Consumer Promotion "Bag of Goodies - season 3" launched.



August

Okpella Power Plant

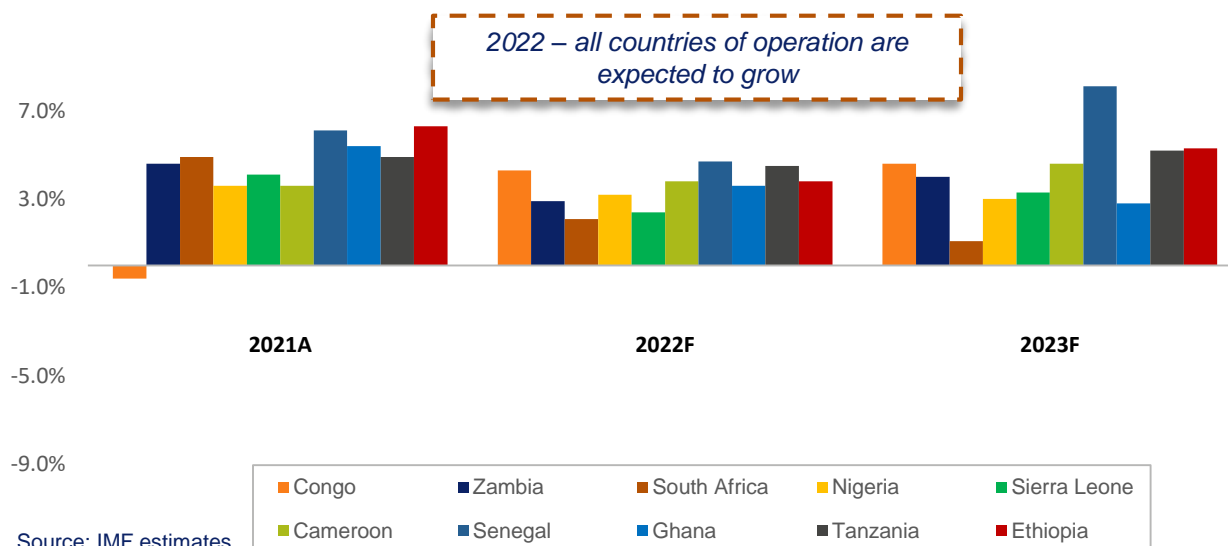
Commissioned our power plant at Okpella

SSA - Macro-economic environment

- Sub-Saharan Africa (SSA) is estimated to grow at 3.6% in 2022, slower than the 4.7% rebound in 2021.
- The slower than expected growth forecast is premised on the huge supply shocks from the Russia-Ukraine crisis and inflation at levels not seen in decades.
- SSA is also experiencing rising food and energy prices as well as weakening currencies. According to the IMF, the Russia-Ukraine crisis and its attendant effect, remains the biggest risk to growth in 2022.
- However, our countries of operation are estimated to all grow in 2022, with Tanzania, Congo and Senegal expected to grow at the highest rates. This growth should drive cement demand across our operations.

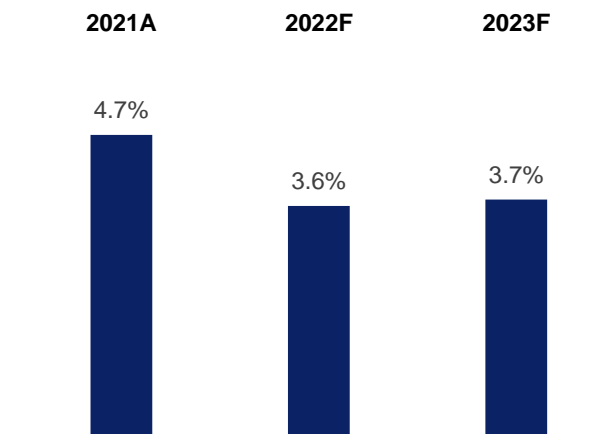


GDP growth across our operating environment



Source: IMF estimates

SSA GDP growth



Nigeria - Macro-economic environment



Economic Growth

- The Nigerian economy is expected to grow at 3.2% in 2022 according to the IMF.
- Growth in 2022 is driven by developments in the non-oil sector, particularly telecommunication, trade and manufacturing, and supported by the uptick in oil prices.
- Nigeria recorded 3.5% GDP growth in Q2 22, faster than the 3.1% rise in Q1 22.



Interest Rate

- The CBN hiked MPR three-consecutive times to 15.5%. A move to contain accelerating inflation and achieve price stability.
- One year T-bills rate reached 13.3% in Oct 22, compared to 7.3% a year ago.



Exchange Rate

- The Nigerian naira weakened by 5.2% to ₦432.9/\$1 at the end of September, as high demand for dollar asset continue to weigh on the domestic currency.
- Pressure on the naira remains, given the backlog of unmet demand despite increased supply from the CBN.



Fiscal Policy

- The Federal Government has proposed a budget of ₦20.5 trillion (\$43.7B) for the 2023 fiscal year.
- Implementation of the 2021 Finance Act is expected to drive government's non-oil revenue through broadening of tax base.
- Total debt rose to ₦42.8 trillion as at end of June 2022.



Inflation

- Headline inflation rate reached 20.7% YoY in September, the highest in 17 years, buoyed by disruption in food supply and increases in import costs.
- Food inflation accelerated to 23.3% whilst core inflation rose 17.6% in September.



Oil Production

- Nigeria's oil production averaged 1.21mb/d in the first nine months of 2022, down by 15.1% from the average production of 1.4mb/d a year earlier.
- Oil production was impacted by oil theft, declining offshore investments and a fall in rig counts.

Nigeria's GDP growth for sixth-consecutive quarters, through Q2 2022, highlights its resilient economy and recovery from the COVID 19 pandemic.

Financial and Operational Overview



9M 2022 – Strong Performance



Good results amidst a tough macro economic environment

Financial

- Group revenues up 15.2%, largely due to better price realisation to offset rising costs
- Group EBITDA up 0.2%; with EBITDA margin of 43.8%
- Nigeria EBITDA up 4.5%; supported by our robust cost control measures offsetting some inflationary pressure
- Rapidly increasing prices of AGO resulted in a 54.2% increase in our selling and distribution cost
- Net debt of ₦466.8B; net gearing of 55.7%
- EPS down at ₦12.41, partly owing to ₦72.4B in unrealised foreign exchange losses from the depreciation in Pan-African countries

Operational

- Group volumes down 6.2% to 20.8Mt
- The lower volume, elevated by the high base of 9M 2021, was due to inflation and energy supply disruptions
- Pan-Africa volumes down owing to extended plant maintenance in Senegal and Congo and volatility in cement/clinker landing costs in Cameroon, Ghana and Sierra-Leone
- Commenced the 3rd season of the National Consumer Promotion which improved market share
- On track to deploy grinding plants in Ghana and Cote d'Ivoire in the coming months

Nine months ended 30 th September	2022	2021	Change
Sales volumes*	'000t	'000t	%
Nigeria	13,481	14,144	(4.7)
Pan-Africa	7,372	8,163	(9.7)
Inter-company sales	(56)	(144)	(61.0)
Total	20,797	22,163	(6.2)
Revenues	₦m	₦m	
Nigeria	890,654	729,603	22.1%
Pan-Africa	288,509	297,860	(3.1%)
Inter-company sales	(1,907)	(5,277)	-
Total	1,177,256	1,022,186	15.2%
EBITDA	₦m	₦m	
Nigeria**	479,924	459,226	4.5%
Pan-Africa**	47,844	66,968	(28.6%)
Inter-company and central costs	(11,889)	(11,403)	-
Total	515,879	514,791	0.2%
EBITDA margin**	%	%	
Nigeria	53.9%	62.9%	-9.0pp
Pan-Africa	16.6%	22.5%	-5.9pp
Group	43.8%	50.4%	-6.6pp
EPS	12.41	16.23	-23.5%

- *Sales volumes include cement and clinker
- **Before central costs and eliminations

Group Financial Overview

Income Statement

	9M 2022 ₦m	9M 2021 ₦m	% change
Revenue	1,177,256	1,022,186	15.2%
Cost of sales	(483,831)	(403,388)	19.9%
Gross profit	693,425	618,798	12.1%
<i>Gross margin</i>	58.9%	60.5%	-1.6pp
EBITDA	515,879	514,791	0.2%
<i>EBITDA margin</i>	43.8%	50.4%	-6.5pp
EBIT	433,623	440,324	-1.5%
<i>EBIT margin</i>	36.8%	43.1%	-6.2pp
Finance income	28,834	13,851	108.2%
Finance cost	(126,557)	(48,688)	159.9%
Profit before tax	335,900	405,487	-17.2%
Income tax (expense)/credit	(122,799)	(127,237)	-3.5%
Profit for the period	213,101	278,250	-23.4%
Earnings per share	12.41	16.23	-23.5%



Group financial overview (cont'd)

Movement in debt

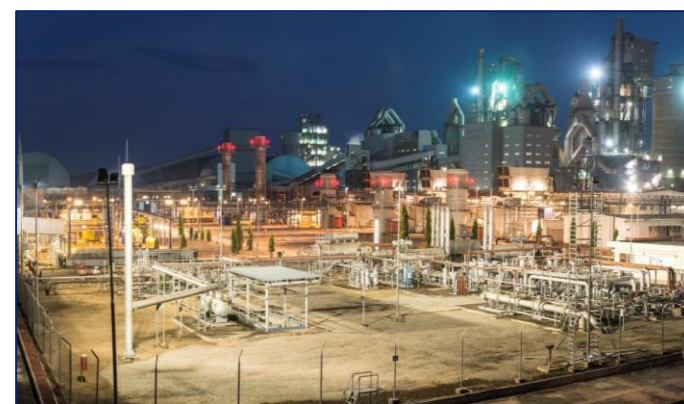
	Cash ₦m	Debt ₦m	Net debt ₦m
As at 31st December 2021	339,843	(564,940)	(225,097)
Cash from operations before working capital changes	500,123	-	500,123
Change in working capital	(95,396)	-	(95,396)
Income tax paid	(110,083)	-	(110,083)
Additions to fixed assets	(49,762)	-	(49,762)
Loans to related party	(80,312)	-	(80,312)
Change in non-current prepayments and payables	(8,329)	-	(8,329)
Other investing activities	(311)	-	(311)
Net Lease receivables	6,388	-	6,388
Share buyback	(35,323)	-	(35,323)
Net dividend received	(332,764)	-	(332,764)
Net interest payment	(34,514)	-	(34,514)
Net loans obtained (repaid)	70,954	(70,954)	-
Overdraft	53,506	(53,506)	-
Other cash and non-cash movements	(7,186)	5,760	(1,426)
As at 30th September 2022	216,834	(683,640)	(466,806)



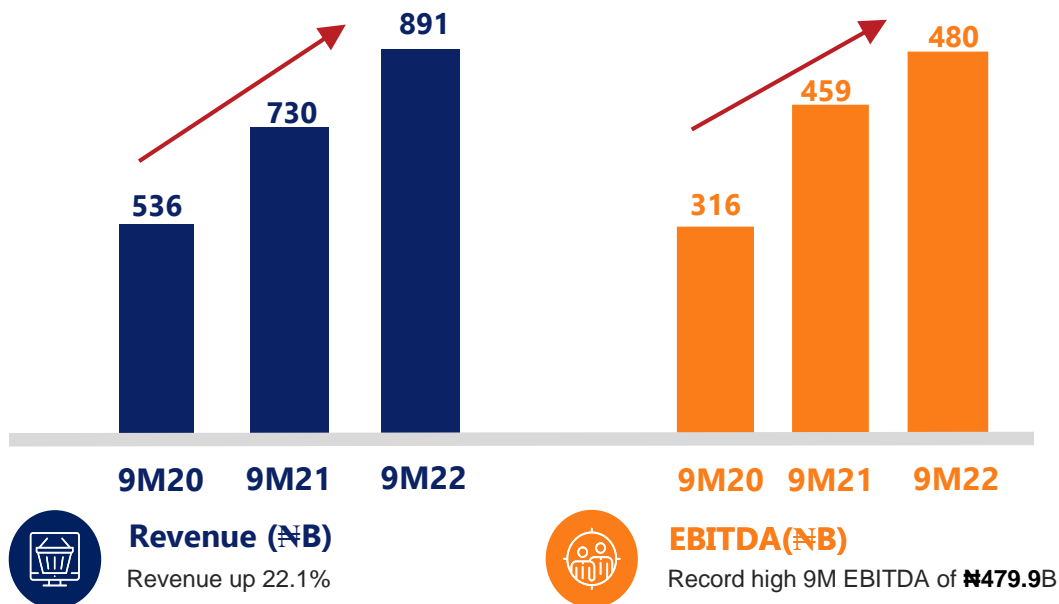
Group financial overview (cont'd)

Balance Sheet

	As at 30/09/22 ₦m	As at 31/12/21 ₦m
Property, plant and equipment	1,378,109	1,472,859
Other non-current assets	44,977	40,996
Intangible Assets	4,784	5,122
Current Assets	689,034	533,199
Cash and Cash Equivalents	216,834	339,843
Total Assets	2,333,042	2,392,019
Non-current liabilities	149,449	155,305
Current liabilities	662,431	688,105
Debt	683,640	564,940
Total Liabilities	1,495,520	1,408,350
Net Asset	838,218	983,669



Nigeria – Promotional activities improved market share



- Nigeria 9M sales volume was down 4.7%, mainly due to inflation and gas supply disruption in Nigeria
- Revenues increased by 22.1% to ₦890.7B, supported by price increases to offset inflationary pressures
- Significant increase in distribution cost due to our national coverage which results in longer distance served
- Despite these challenges in the period, we achieved an EBITDA of ₦479.9B, up 4.5%
- Commissioned our power plant at Okpella
- Exported 581Kt of cement, up 10% YoY, whilst we exported 56Kt of clinker
- The National Consumer Promotion has made 190 millionaires and multimillionaires across the country

Financial Summary - Nigeria

Nine months ended 30th September	2022	2021	Change
Cement (Kt)	13,425	14,000	-4.1%
Clinker	56	144	-61.1%
Total volumes (Kt)	13,482	14,144	-4.7%
Revenue (₦m)	890,654	729,603	22.1%
EBITDA** (₦m)	479,924	459,226	4.5%
EBITDA margin**	53.9%	62.9%	-9.0pp

**Before corporate costs and inter-company eliminations



Pan-Africa – Extended plant maintenance and repairs

- Volumes down 9.7% to 7.4Mt due to plant maintenance and supply chain challenges
- Revenues down 3.1% to ₦288.5B due to lower sales volume
- EBITDA of ₦47.8B with a margin of 16.6%
- Extended plant maintenance and repairs activities in Congo and Senegal limited Pan-Africa production volume
- Cost pressure on countries importing clinker (Cameroon) and cement (Ghana, Sierra-Leone) due to freight costs and overall scarcity
- On track to deploy grinding plants in Ghana and Cote d'Ivoire in the coming months



Financial Summary – Pan-Africa

Nine months ended 30th September	2022	2021	Change
Cement (Kt)	7,081	7,994	-11.4%
Clinker	291	169	72.2%
Total volumes (Kt)	7,372	8,163	-9.7%
Revenue (₦m)	288,509	297,860	-3.1%
EBITDA** (₦m)	47,844	66,968	-28.6%
EBITDA margin**	16.6%	22.5%	-5.9pp

- *Before corporate costs and eliminations



Country updates



CAMEROON

- Estimated 3.2Mt total market sales for 9M 2022
- Increase in consumption owing to individual construction projects, including roads and bridges, and government housing estates
- DCP Cameroon sold 998Kt for 9M 2022
- 31% market share for the period



CONGO

- Estimated market sales of 505Kt for 9M 2022
- Shutdown of Congo plant for 2 months due to maintenance limited production
- DCP Congo sold 381Kt for 9M 2022.



ETHIOPIA

- Estimated 4.2Mt total market sales for 9M 2022
- DCP sales of 1.7Mt for 9M 2022 is up 1.8% compared to 9M 2021
- 41.7% market share for the period
- Despite the security challenges, our operation continues to perform strongly.

Country updates



GHANA

- Estimated over 5.0Mt total market sales for 9M 2022
- DCP Ghana sold 201Kt of cement in 9M 2022
- Surge in international freight prices continues to impact supply



SENEGAL

- Estimated 5.8Mt total market sales for 9M 2022
- DCP sold 745Kt of cement in 9M 2022.
- Production was constrained by extended power plant maintenance
- The Mali border closure and regional sanctions affected exports



SIERRA LEONE

- Estimated market sales of 615.6Kt for 9M 2022
- Robust cement demand owing to increased infrastructure spending, and growing population
- Volume is limited by supply and volatile shipping and cement cost

Country updates



SOUTH AFRICA

- GDP growth in South Africa remains low with a subdued outlook
- Builders' holiday and increased rainfall in many parts of the country impacted construction activities.
- Our sales volumes for 9M 2022 reduced by 13.2%



TANZANIA

- Estimated 5.1Mt total market sales for 9M 2022
- DCP sales of 1.4Mt for 9M 2022, including 290.6Kt of clinker
- Volumes up 11.7%
- 27.4% market share for the period



ZAMBIA

- Estimated 1.6Mt total market sales for 9M 2022
- Macro-factors are still challenging demand
- DCP Zambia sold 466Kt of cement in 9M 2022
- Increased competition in export market
- 29% market share for the period

Debt and Liquidity

Robust Capital Structure



Track record of accessing Debt Capital Market



Bond Programme

Bond – Key Terms

Bond	Date issued	Tranches	Pricing	Maturity
₦100B	April 2020	-	12.5%	2025
₦50B	May 2021	A - ₦3.6B	11.25%	2024
		B - ₦10.4B	12.5%	2026
		C - ₦35.9B	13.5%	2028
₦116B	April 2022	A - ₦4.3B	11.85%	2027
		B - ₦23.3B	12.23%	2029
		C - ₦88.4B	13.0%	2032

Commercial Paper Programme

- Issued an aggregate of almost ₦ 500 billion in Commercial Papers since 2018
- In August 2021, we successfully established of a new ₦150 billion Commercial Paper Programme
- Undrawn balance of ₦109 billion on our Commercial Paper Programme

Undrawn balance of ₦134 billion on our Bond Programme

DCP Bond Issuances timeline



April 2020

May 2021

May 2021

March 2022

April 2022

June 2022

Issuance of maiden ₦100B series 1 fixed rate 5-year Bond.

New ₦300B Multi-Instrument Programme enabling DCP to issue Green Bonds and Sukuk

Successfully raised ₦50B series 1, 3, 5 and 7-year Bonds, under a fresh NGN300 billion Debt Issuance Programme.

₦100B maiden Bond selected as the winner of 2021s Bonds, Loans & Sukuk Africa Awards for Local Currency Corporate Bond Deal of the Year.

Issuance of ₦116B Series 2 Bond, largest corporate Bond issuance in history of the Nigerian capital markets

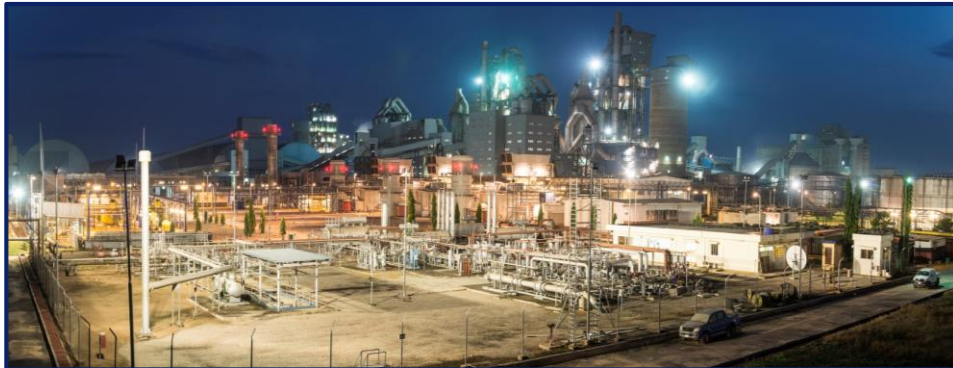
₦50B series 1 Bond selected as best local currency bond in EMEA at the EMEA Finance Achievement Award 2021

Successful share buy-back programme

In January 2022, DCP completed the second tranche of its buy-back programme.

Buy-back – tranche II

- DCP's bought back 0.74% of its issued and fully paid-up ordinary shares in the second tranche of its buyback programme
- The buy-back was exercised at an average price of ₦276.89/share.



Dangote Cement share buy-back summary

Share Capital Analysis

Pre-Buy-Back number of shares ¹	17,040,507,404
Shares bought back (Tranche I)	(40,200,000)
Shares bought back (Tranche II)	(126,748,153)

Total number of residual issued and fully paid outstanding shares	16,873,559,251
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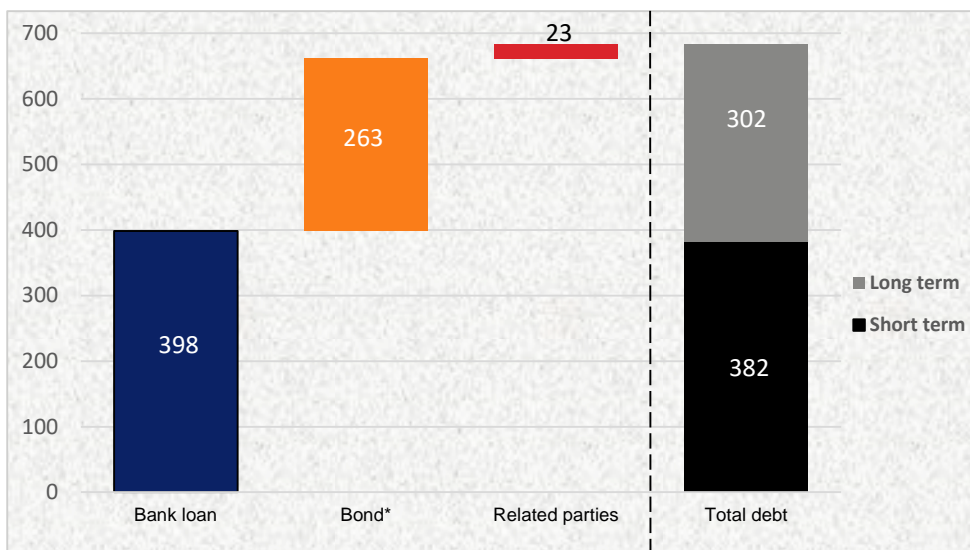
Total shares bought back (Tranche I&II)	166,948,153
Percentage of shares bought back	0.98%
Number of shares cancelled	Nil

The share buy-back programme reflects DCP's commitment to finding opportunities beyond dividend to return cash to shareholders.

Robust capital structure

Strong balance sheet with available liquidity

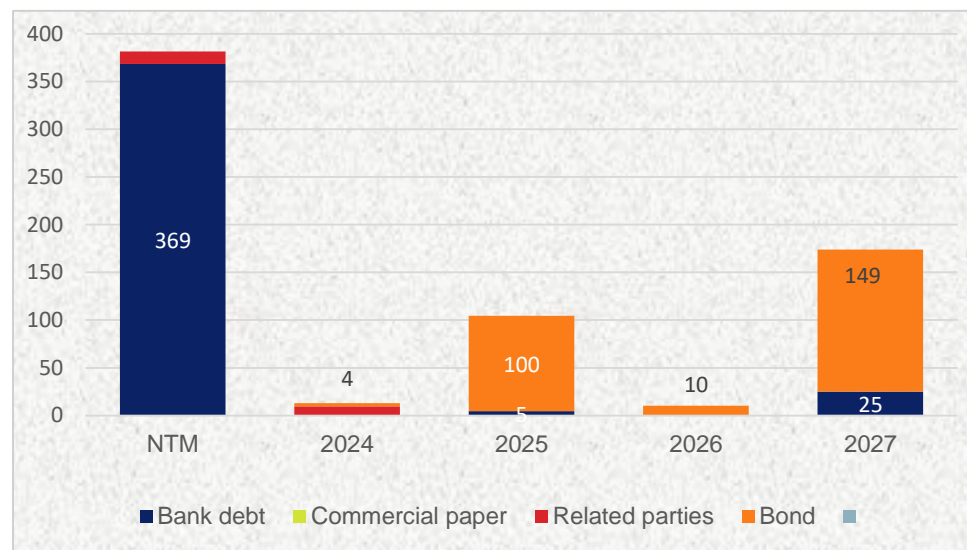
Diverse Capital Structure, ₦B



Bond face value - ₦266B

as at the end of September 2022

Debt Maturity Profile, ₦B



as at the end of September 2022

*NTM – Next Twelve Months

- The available liquidity, cash generation and undrawn borrowing capabilities secure DCPs short-term debt coverage
- Strong 9M cash flow generation leading to cash flow from operating activities of ₦500.1B

Robust capital structure

LENDING DIVERSIFICATION

Facility	Pricings	Draw down	Tenor
Bond - April 2020	12.5%	₦100B	2025
Bond – May 2021 (tranche A,B&C)	11.25%-13.5%	₦50B	2024-2028
Bond – April 2022 (tranche A,B&C)	11.85%-13.0%	₦116B	2027-2032
Bank debt	various	₦398B	2021-2023
Commercial Paper	-	-	-
Related parties	6%-8.5%	₦22B	2021-2025

Bond face value - ₦263B

as at the end of September 2022

RATINGS

- On 29 April 2022, **Global Credit Ratings**
 - long-term Issuer rating to AA+ (NG) and affirmed the short-term issuer rating of A1+(NG), with outlook as Stable.
 - long-term Issue rating of AA+ (NG) accorded to DCPs existing Bond issues and DCPs new N116bn Series 2 Bond, with the outlook accorded stable.
- On October 2022, **Moody's**:
 - (P)B3 local currency rating and A3.ng national scale rating (NSR) to the NGN300 billion domestic medium-term programme issued by DCP.
 - B3 long term corporate family rating (CFR). The rating outlook is under review, similar to that of the sovereign.



Sustainability

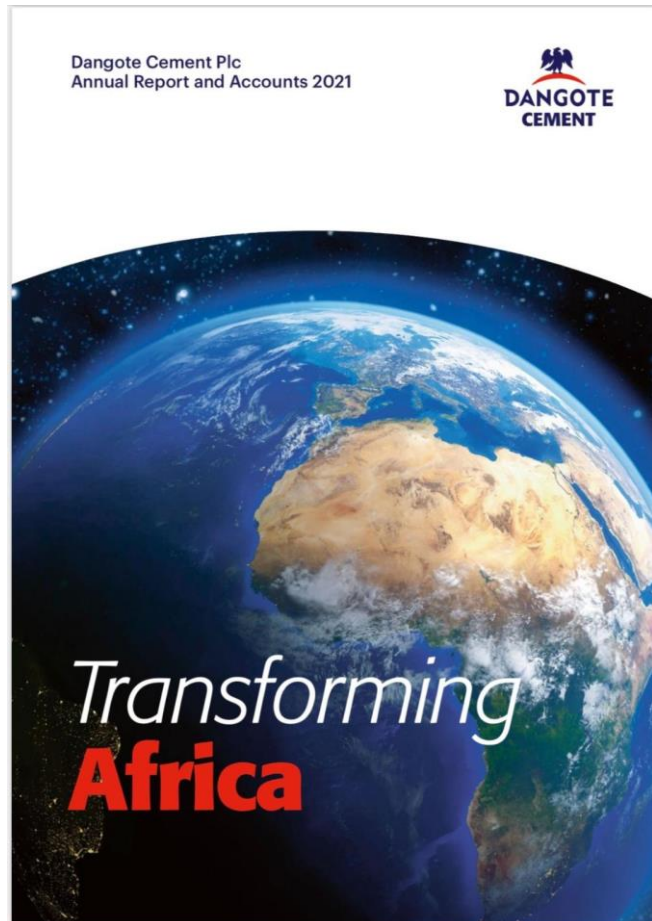


Sustainability & Governance – The Dangote Way



Our 7 Sustainability Pillars are embedded in our culture and guide our approach to building a sustainable business.

We released our **2021 combined Annual Report and Sustainability Report** with ESG data presented as per Global Reporting Initiative (GRI) referential and external assurance by Deloitte.



Sustainability Reporting Best Practices



SEC Code of Corporate Governance



Institutional Pillar – Strong governance framework



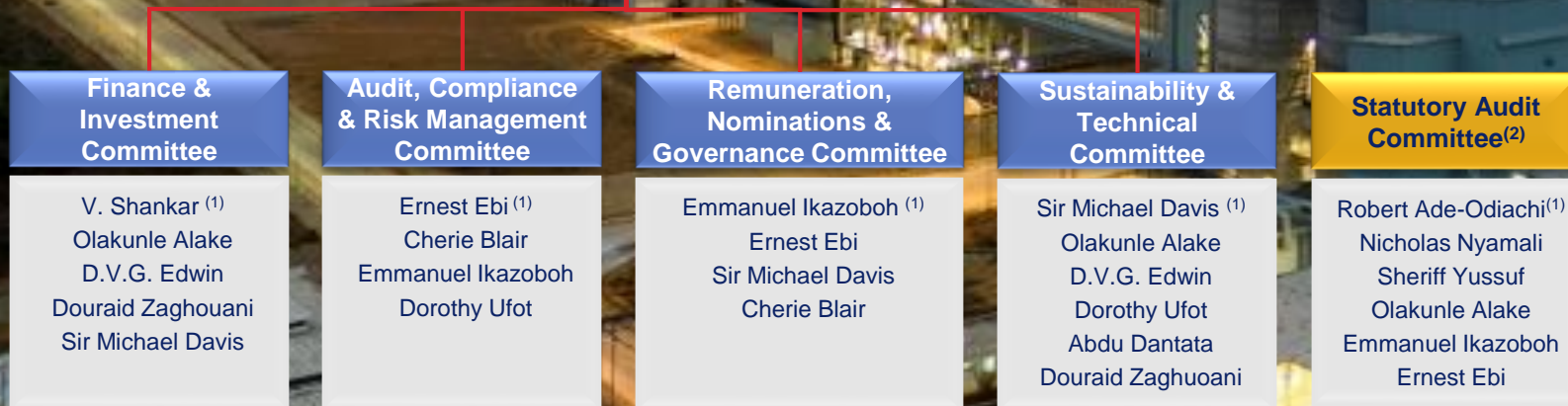
Board of Directors (includes five Independent Directors)	
Aliko Dangote	Ernest Ebi*
Michel Puchercos	Devakumar Edwin
Olakunle Alake	Emmanuel Ikazoboh*
Cherie Blair*	Philip Mathew
Abdu Dantata	Viswanathan Shankar
Sir Michael Davis*	Dorothy Ufot*
Berlina Moroole	Douraid Zaghouani
	Halima Aliko-Dangote

Diverse Board

*Gender diversification: **27%** female Board members*

***6** different nationalities*

***5** Independent Non-Executive Directors*



Note: * denotes Independent Non-Executive Directors.

- Chairman of Committee
- The Statutory Audit Committee is not a Committee of the Board

Environmental Pillar – Focus on Alternative Fuel project

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



Circular Economy Model

We have increased corporate focus and strategy by committing to the use of alternative fuel sources in our energy mix.

Waste type	We are exploring fully the feasibility of increasing the use of alternative energy in our cement production, through co-processing of wastes such as: agro wastes, waste lubricants, tyre derived fuels, saw dust, packaging materials
Benefits	<ul style="list-style-type: none"> • Lower CO2 emission • Alternative energy sourced from environment reduces cost and supports local economies • Lower dependence on foreign currencies • Sustainable waste management

Alternative Fuel Project

DCP's plants are installing AF equipment (Mechanical Multi-Fuel systems) that can process diverse types of wastes

Reduction in CO2 emission and water consumption per tonne in comparisons to 2021

44,913

Green jobs created through the alternative fuel value chain

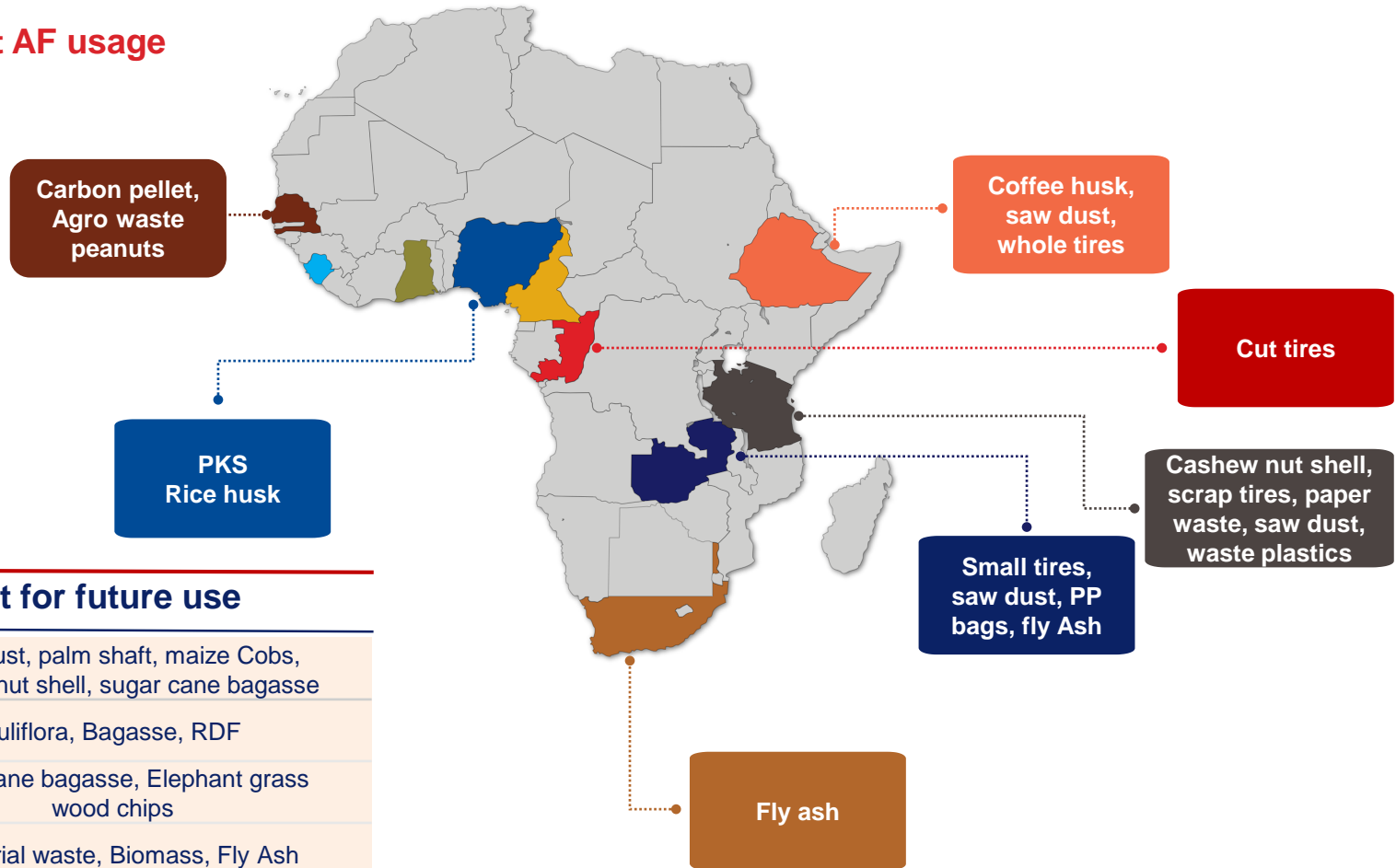
- DCP co-processed **101,553 tons** of waste in 9M 2022, a 77% increase over 9M 2021
- AF thermal substitution rate is estimated at **3.8%** for 9M 2022 vs. 2.3% in 9M 2021

Top wastes co-processed in 9M include:		
1	Palm kernel shell	
2	Coffee Husk	
3	Paper waste	
4	Coconut husk	

	9M 2022	FY 2021	%
Energy consumption (Kcal/kg)	874	828	5.6%
CO2 emission (kg CO2/tonne)	594	643	(7.3%)
Water consumption (lt/tonne)	233	278	(16.1%)

Environmental Pillar – AF usage across our operations

Current AF usage



Waste development for future use

Nigeria	Saw dust, palm shaft, maize Cobs, cashew nut shell, sugar cane bagasse
Ethiopia	Juliflora, Bagasse, RDF
Congo	Sugarcane bagasse, Elephant grass wood chips
Senegal	Industrial waste, Biomass, Fly Ash
South Africa	Scrap tires
Tanzania	Sugar Cane, Tobacco dust, plastic waste, maize husk Charcoal Briquettes, Cashew nut shell
Zambia	Agro waste, wood chip


12 RESPONSIBLE CONSUMPTION AND PRODUCTION



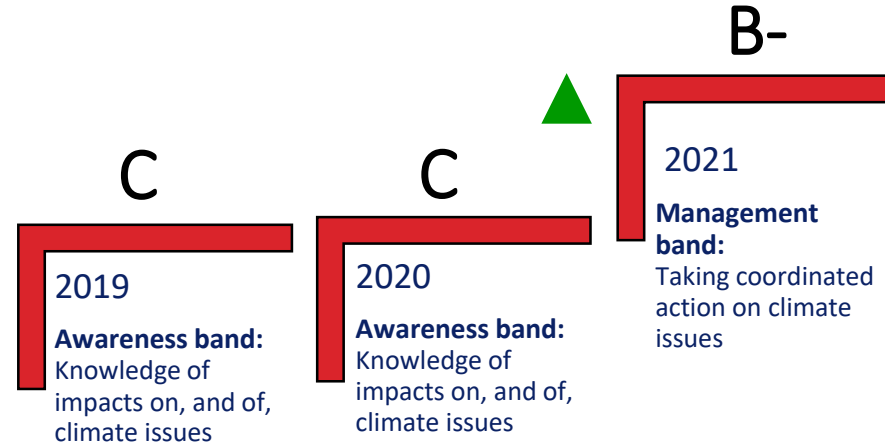
13 CLIMATE ACTION



Environmental Pillar – CDP rating upgraded to B-

- Submission to Carbon Disclosure Project (CDP)
- Rated “B-” by CDP on our carbon disclosure for 2021
- One of the highest ratings in Sub-Saharan Africa and the only Nigeria company rated by CDP
- In 2021 DCP became a CDP supporter.



“ As a mission-based non-profit that runs the global environmental disclosure system, CDP greatly values the support of Dangote Cement. Action this decade is critical to ensuring that we can limit global warming to 1.5°C and safeguard our planet’s natural resources. Quite simply what is measured can be managed. Through its 2021 disclosure to CDP, Dangote Cement has demonstrated its clear commitment to transparency around its environmental impacts and its strategies for action. This benefits the company as well as its shareholders, customers, and employees alike.”

Sonya Bhonsle, Global Head of Value Chains & Regional Director Corporations

Action to Protect Nature

- Biodiversity awareness in all countries
- Tracking of mines rehabilitation plans

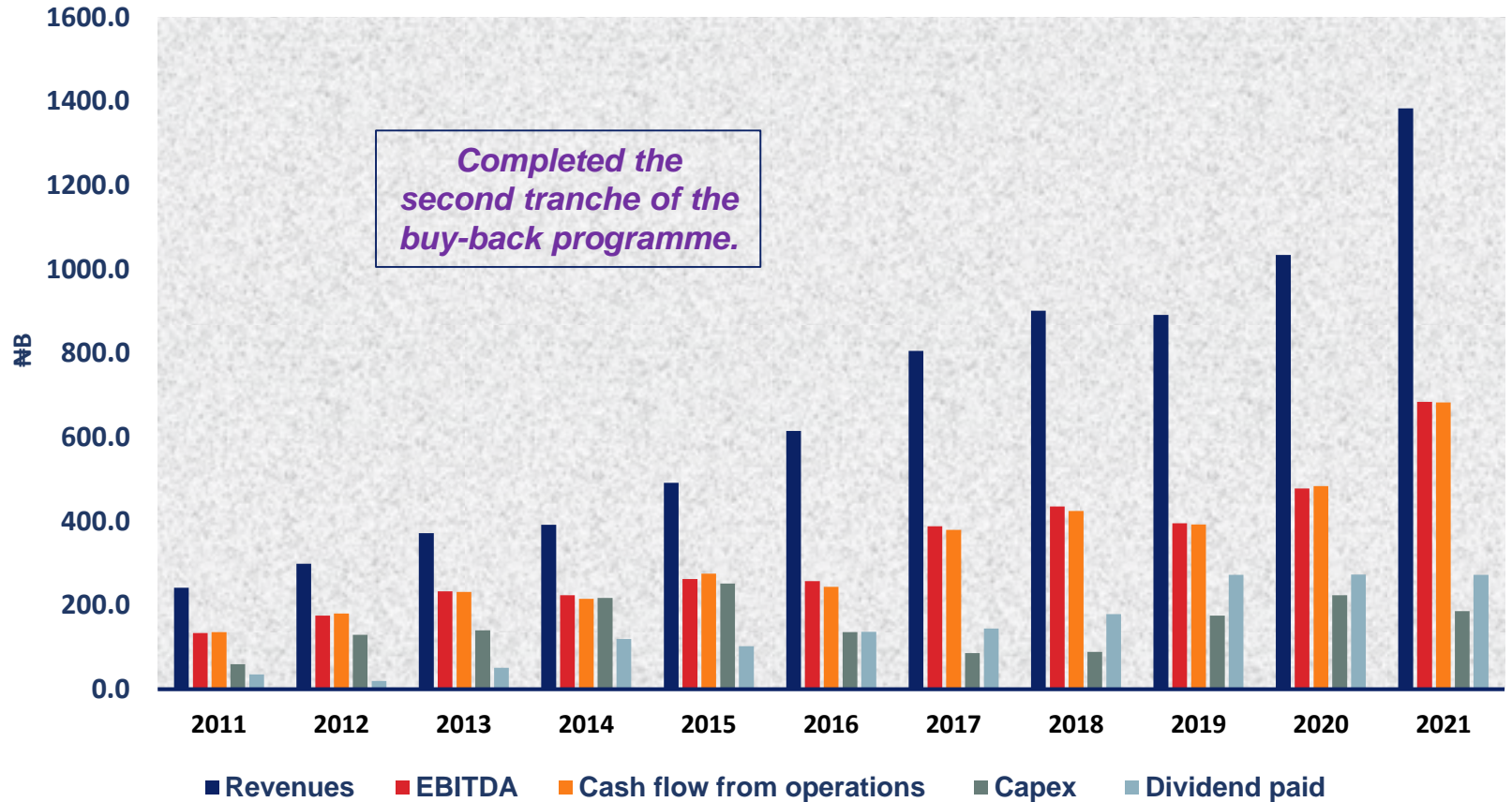


Financial Pillar – Creating value for shareholders

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



19% 11-year CAGR

REVENUE

18% 11-year CAGR

EBITDA

23% 11-year CAGR

DIVIDEND

Financial Pillar – XBRL reporting

First Nigerian listed company to report its financial results using eXtensible Business Reporting Language (XBRL) format with the IFRS taxonomy

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Quotes

“We believe that adopting XBRL reporting will strongly benefit Dangote Cement’s existing and potential investors. It represents another step in Dangote Cement’s continuing efforts to modernise and enhance transparency of, and access to, companies’ disclosures.

It will enable our publicly available financial information to be captured accurately and promptly, thus bringing uniformity of our results on all the platforms and ensuring that investors and analysts who use these platforms have the correct information. Although XBRL reporting is not mandatory for companies listed on the Nigerian Exchange, it is becoming a universal format to exchange financial data and promotes the coordination of international reporting requirements.

The implementation of XBRL demonstrates Dangote Cement’s strong dedication to reaching international reporting and corporate governance standards. As Africa’s leading cement producer, we are leading the way with our commitment to sustainability and best practice. We are driven by the goal of achieving the highest level of governance and building a prosperous and sustainable brand for all our stakeholders. Transparency and consistency are at the core of every part of our business culture.”



Michel Puchercos
Chief Executive Officer, Dangote Cement

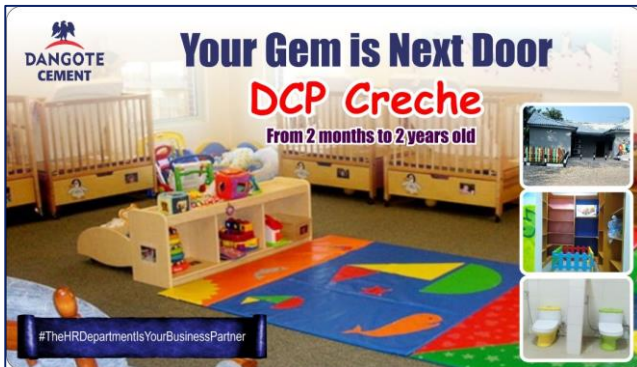
Social Pillar – Diversity and Integration



International Women’s Day celebration



Diversity and Integration



- Launch of Dangote Cement crèche to support workplace childcare.
- To promote gender diversity, Dangote Cement joined Nigeria2Equal programme through the Dangote Women Network (DWN).

Sustainability week



- ✓ Key initiatives included ‘Waste to Wealth’ campaigns, tree planting, skills & capacity building, donations to less privileged, etc.
- ✓ All initiatives focused on advancing six core SDGs: 1,3,4,5,6 & 13.
- ✓ Hundreds of DCP volunteers, in compliance with strict COVID-19 prevention protocols.

Theme: “Building a Sustainable Future: The Dangote Way”
Focus on schools, students, vulnerable, and environment



Dangote Cement women plant tree



Presentation of food and other household

For further information contact:

Temí Aduroja

Head of Investor Relations

Dangote Cement Plc

+44 207 399 3070

InvestorRelationsDangoteCement@dangote.com



@dangotecement



www.dangotecement.com

