

Q1 2023 results

UNAUDITED RESULTS FOR THREE MONTHS ENDED
31st MARCH 2023



2nd May 2023

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Q1 2023: Increase in Profit After Tax to ₦109.5B

FINANCIAL

OPERATIONAL

SUSTAINABILITY SDG Alignment

Group PAT up 3.4%
to **₦109.5B**

Strong recovery and
operational delivery in
pan-Africa

29% female Board
representation

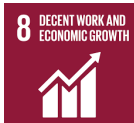
Diverse Board with **6**
different nationalities



EPS up 4.2% to
₦6.44

On track to commission
Ghana's grinding plant
in Q2

Issued **₦138B** CP at
attractive rates for
working capital purposes



Record pan-Africa
EBITDA up 71.0% to
₦31.2B

Planned 6Mta Itori Plant
to boost local capacity

8.7% alternative fuel
thermal substitution rate
versus 2.9% in Q1 2022
Second-consecutive CDP
rating upgrade to **"B"**



Creating Sustainable Value for all Shareholders

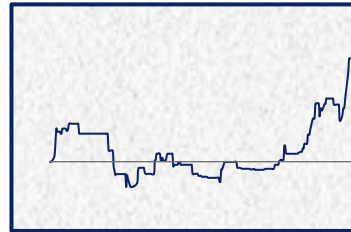
The year so far.....



February

Itori Cement Plant

Signed MoU for planned 6Mta Itori Cement Plant



March

2nd Buy-Back Programme

Received regulatory approval for DCPs second share buyback programme



March

Commercial Paper

Issued Commercial Papers for working capital purpose



April

AGM

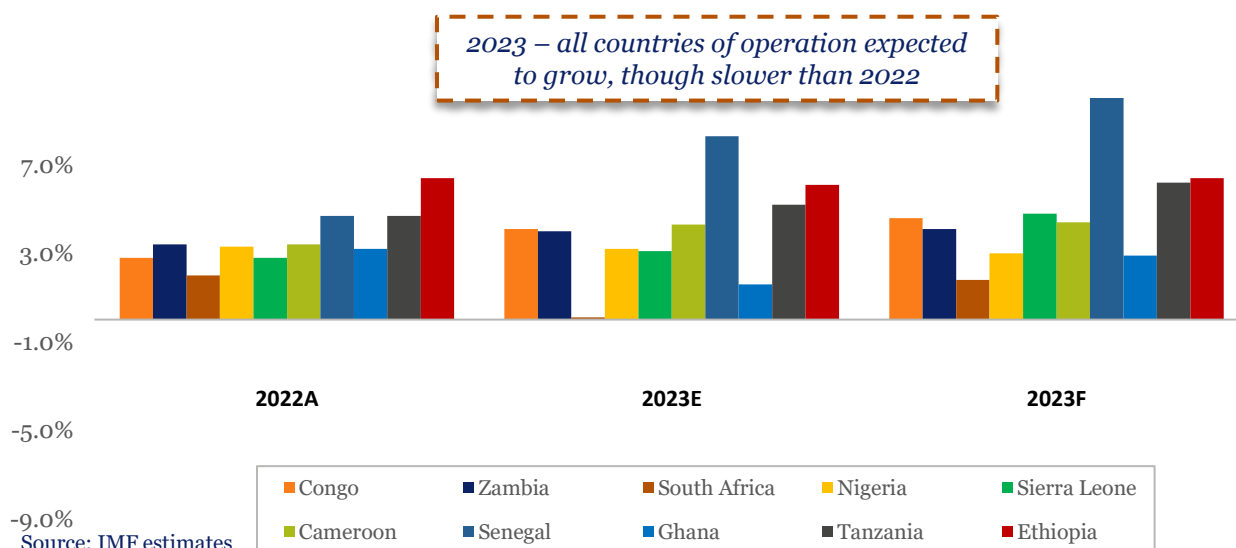
Released our 2022 combined Annual and Sustainability Report

SSA - Macro-economic environment

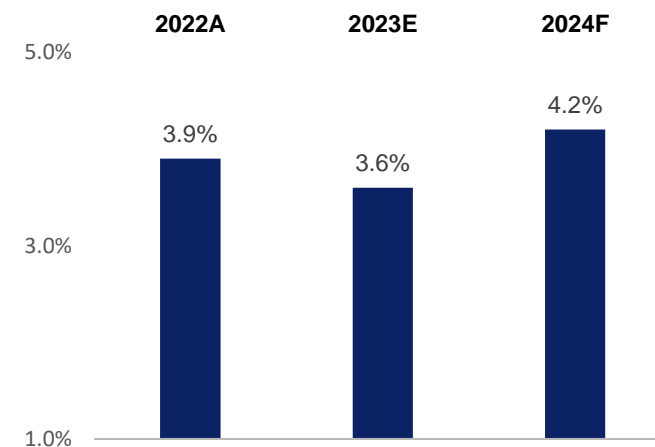
- Sub-Saharan Africa (SSA) is estimated to grow at a slower pace of 3.6% in 2023 from 3.9% in 2022. This is due to the challenges of accelerating commodity prices, fiscal imbalance and a pile up of public debt, which the region is still confronted with.
- More worrisome to the grim outlook of the region is the outbreak of the war in Sudan, which borders countries of Ethiopia, Egypt, Chad, and Libya
- For our operations, we have implemented a robust cost reduction strategy and a performance improvement plan across, which propelled strong demand in pan-Africa and sustain our business on a path of growth.
- Senegal, Ethiopia, Tanzania and Zambia are among our fastest growing operating countries in 2023



GDP growth across our operating environment



SSA GDP growth



Nigeria - Macro-economic environment

Economic Growth

- The Nigerian economy is projected to grow at a slower pace of 3.2% in 2023 from a growth of 3.3% in 2022.
- This growth, although softer, would be driven by developments in the non-oil sector, particularly telecommunication, trade and manufacturing, and supported by the uptick in oil prices.
- Major downside to this outlook is tighter monetary stance due to accelerating inflation and a fall in oil price and production.

Interest Rate

- The CBN hiked MPR for sixth-consecutive time over the last 12 months to 18%, in a sustained move to tame accelerating inflation.
- One-year T-bills closed at 14.7% in March 2023, compared to 4.5% in Q1 2022, as investors bet on higher yield amid the elevated inflationary environment.
- Nigerian corporates issued commercial papers worth ₦507 billion in the first quarter, compared to the ₦175.4 billion raised in the corresponding period of 2022.

Exchange Rate

- The Nigerian naira weakened slightly by 2.6% to ₦460.9/\$1 in Q1 2023, 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 approved ₦21.8trillion budget for the 2023 fiscal year, at an oil benchmark of \$75 per barrel, oil production at 1.7mb, and an exchange rate of ₦435.6/\$
- A total of ₦11.1 trillion is expected as revenue from oil and non-oil sources, leaving a deficit of ₦10.8trillion to be financed through borrowing.

Inflation

- Headline inflation rate accelerated to 22.04% YoY in March 2023, on the back of disruption in food supply and increases in import costs.
- Food inflation quickened to 24.5% whilst core inflation rose 19.9% in March.

Oil Production

- Nigeria's oil production averaged 1.3mb/d in the first two months of 2023, down by 3.7% 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 held its Presidential elections in February 2023

Financial and Operational Overview



Q1 2023 – Strong Performance



Solid pan-African growth, reinforcing our Africa strategy

Financial

- Group revenues down 1.6%, due to decline in sales from our Nigerian operation
- Group EBITDA down 12.0%; with EBITDA margin at 45.7%
- Record pan-Africa EBITDA up 71.0% to ₦31.2B; 24.7% margin
- Nigeria EBITDA down 19.3%; as election uncertainties and the currency crunch take toll on sales amidst elevated inflationary environment
- Group profit after tax up 3.4% to ₦109.5B
- Net debt of ₦394.1B; net gearing of 33.4%
- EPS up at ₦6.44

Operational

- Group volumes down 13.5% to 6.3Mt
- Pan-Africa volumes up 8.9% on improved performance from Cameroon, Senegal, Zambia and Congo.
- Election uncertainty and cash unavailability impacted Nigeria volumes
- Improved energy supply in Nigeria and Pan-Africa
- Planned 6Mta Itori Plant to boost total capacity
- Received regulatory approval for second share buyback programme.

Year ended 31 st March	Q1 2023	Q1 2022	Change
Sales volumes*	'000t	'000t	%
Total	6,271	7,248	(13.5)
Revenues	₦m	₦m	
Nigeria	280,315	321,918	(12.9)
Pan-Africa	126,407	91,263	38.5
Total	406,722	413,181	(1.6)
EBITDA	₦m	₦m	
Nigeria**	158,618	196,548	(19.3)
Pan-Africa**	31,162	18,225	71
Inter-company and central costs	(4,072)	(3,752)	8.5
Total	185,708	211,021	(12.0)
EBITDA margin**	%	%	
Nigeria	56.6%	61.1%	(4.5pp)
Pan-Africa	24.7%	20.0%	4.7pp
Group	45.7%	51.1%	(5.4pp)
EPS	6.44	6.18	4.2%

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

Group Financial Overview



Income Statement

	Q1 2023 ₦m	Q1 2022 ₦m	% change
Revenue	406,722	413,181	(1.6%)
Cost of sales	(163,671)	(154,108)	6.2%
Gross profit	243,051	259,073	(6.2%)
<i>Gross margin</i>	59.8%	62.7%	<i>(2.9pp)</i>
EBITDA	185,708	211,021	(12.0%)
<i>EBITDA margin</i>	<i>45.7%</i>	<i>51.1%</i>	<i>(5.4pp)</i>
EBIT	156,867	182,803	(14.2%)
<i>EBIT margin</i>	<i>38.6%</i>	<i>44.2%</i>	<i>(5.7pp)</i>
Finance income	10,466	10,356	1.1%
Finance cost	(32,512)	(36,761)	(11.6%)
Gains on monetary assets	12,003	-	
Profit before tax	146,824	156,398	(6.1%)
Income tax (expense)/credit	(37,323)	(50,547)	(26.2%)
Profit for the period	109,501	105,851	3.4%
Earnings per share	6.44	6.18	4.2%



Group Financial Overview (cont'd)



Movement in debt

	Cash ₦m	Debt ₦m	Net debt ₦m
As at 31st December 2022	283,843	(706,734)	(422,891)
Cash from operations before working capital changes	183,136	-	183,136
Change in working capital	(68,470)	-	(68,470)
Income tax paid	(1,406)	-	(1,406)
Additions to fixed assets	(10,161)	-	(10,161)
Loans to related party	(64,000)	-	(64,000)
Change in non-current prepayments and payables	(302)	-	(302)
Other investing activities	(73)	-	(73)
Net Lease receivables	1,369	-	1,369
Net interest payment	(7,339)	-	(7,339)
Net loans obtained (repaid)	68,212	(68,212)	-
Overdraft	(126,295)	126,295	-
Other cash and non-cash movements	(3,320)	(640)	(3,960)
As at 31st March 2023	255,194	(649,291)	(394,097)



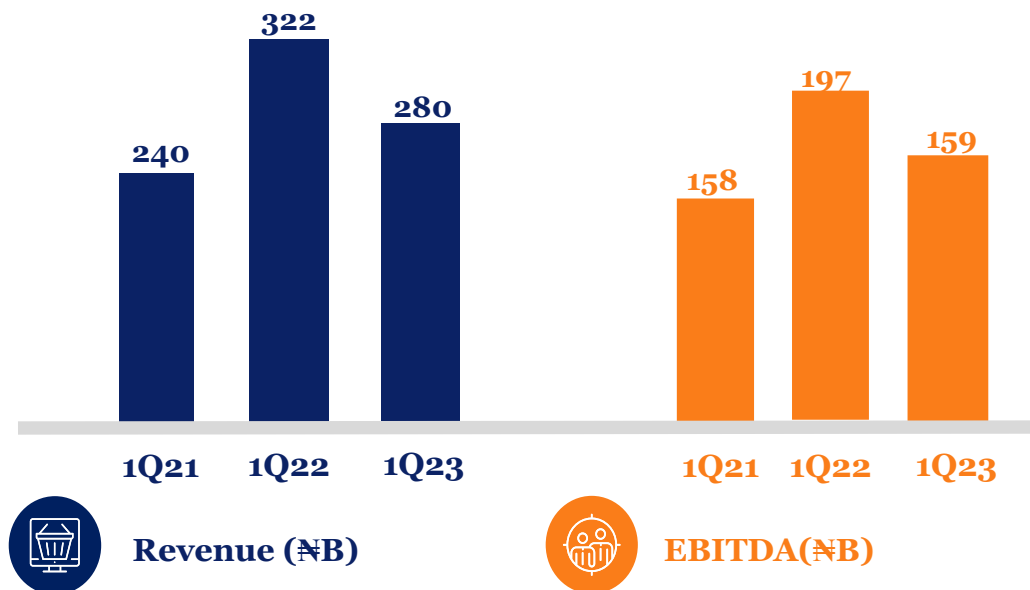
Group Financial Overview (cont'd)

Balance Sheet

	As at 31/3/23 ₦m	As at 31/12/22 ₦m
Property, plant and equipment	1,517,187	1,527,293
Other non-current assets	56,835	58,676
Intangible Assets	6,208	6,225
Current Assets	863,246	739,618
Cash and Cash Equivalents	255,194	283,843
Total Assets	2,698,670	2,615,655
Non-current liabilities	185,928	181,525
Current liabilities	684,739	648,449
Debt	649,291	706,734
Total Liabilities	1,519,958	1,536,708
Net Asset	1,178,712	1,078,947



Election uncertainties weigh on Nigeria operations



- Nigeria Q1 2023 volume was down, due to election uncertainties and the currency crunch in the quarter
- This put pressure on volumes amidst the elevated inflationary environment
- Revenues decreased by 12.9% to ₦280.3B, reflecting the decline in sales in the period
- EBITDA down 19.3% to ₦158.6B, exacerbated by the 13.2% increase in selling and distribution cost.
- Improved energy supply in Nigeria and Pan-Africa
- Planned 6Mta Itori Plant to boost Nigeria’s capacity to 41.3Mta

Financial Summary - Nigeria

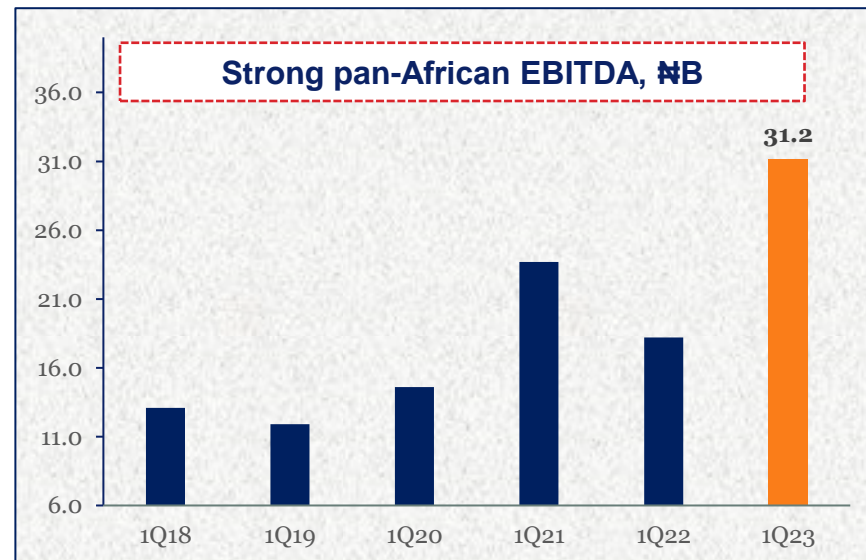
Three months ended 31 st March	2023	2022	Change
Revenue (₦m)	280,315	321,918	-12.9%
EBITDA** (₦m)	158,618	196,548	-19.3%
EBITDA margin**	56.6%	61.1%	-4.5pp



**Before corporate costs and inter-company eliminations

Pan-Africa – Record EBITDA up 71.0%

- Volumes up 8.9% to 2.6Mt driven largely by improved cement demand from Senegal, Cameroon, Congo and Zambia
- Revenues up 38.5% to ₦126.4B, on improved sales
- Record double-digit growth in EBITDA to ₦31.2B with a margin of 24.7%
- Return to full operation in Congo after months of continual shutdown and extended plant maintenance
- Improved clinker exports from Congo to Cameroon
- On track to commission Ghana’s grinding plant in Q2
- Advanced stage in the deployment of grinding plant in Cote d’Ivoire



Financial Summary – Pan-Africa

Three months ended 31st March	2023	2022	Change
Total volumes (Kt)	2,628	2,414	8.9%
Revenue (₦m)	126,407	91,263	38.5%
EBITDA** (₦m)	31,162	18,225	71.0%
EBITDA margin**	24.7%	20.0%	4.7pp



• *Before corporate costs and eliminations

Country updates



CAMEROON

- Estimated 1.1Mt total market sales in Q1 2023
- Ongoing constructions of roads and bridges and an increase in developmental projects in various regions, are major projects expected to spur cement demand in the near term
- DCP Cameroon sold 363Kt in Q1 2023



CONGO

- Estimated market sales of 190Kt in Q1 2023
- Return to full operation of Congo plant in the quarter compared to months of shutdown witnessed last year
- DCP Congo sold 158Kt in Q1 2023, over 4 times increase from the 36Kt sold in the prior year



ETHIOPIA

- Estimated 1.5Mt total market sales in Q1 2023
- DCP sales of 555Kt in Q1 2022 was down 4.7% compared to Q1 2022
- Slight volume decline was due to low-capacity utilisation on the back of heightened macroeconomic risk

Country updates



GHANA

- Estimated over 1.8Mt total market sales in Q1 2023
- DCP Ghana sold 83Kt of cement in Q1 2023
- Ghana's economy is faced with a short-term challenges of acute government revenue shortage, high inflation and huge budget deficit



SENEGAL

- Estimated total market sales of 2.5Mt in Q1 2023
- DCP sold 457Kt of cement in the period, up by 30.6% year-on-year.
- Senegal's cement market has benefitted from a relatively stable environment and the normalisation of the diplomatic relationship between Mali and its neighbours



SIERRA LEONE

- Estimated market sales of 207Kt in Q1 2023
- Volume is limited by supply and volatile shipping and cement costs. Pockets of stock shortages impacted volumes for the year
- Dangote Cement Sierra Leone sold 19.8Kt of cement in the period.

Country updates



SOUTH AFRICA

- GDP growth in South Africa remains low with a subdued outlook
- Alternative fuel usage increased, with Dangote Cement South Africa achieving an average thermal substitution rate of 72.9% in Q1 2023.
- Our sales volumes for Q1 2023 was up by 0.4%



TANZANIA

- Estimated 1.7Mt total market sales for Q1 2023
- DCP sold 445Kt for Q1 2023, down by 12.4%.
- Volumes were impacted by gas shortage and a high unanticipated rainfall



ZAMBIA

- Estimated 487Kt total market sales for Q1 2023
- DCP Zambia sold 136Kt of cement in Q1 2023, up by 4.8%.
- Volume growth was supported by improved exports to neighbouring countries.

Debt and Liquidity

Robust Capital Structure



Track record of accessing Debt Capital Market



Bond Programme

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

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

Undrawn balance of ₦134 billion on our Bond Programme

Commercial Paper Programme

Established a ₦150 billion Commercial Paper Programme in 2021

Outstanding Commercial Paper				
Series	Value (₦bn)	Tenor	Pricing	Maturity
Series 4	44.0	183 days	13.0%	09-08-23
Series 5	46.0	267 days	14.0%	01-11-23
Series 6	7.9	176 days	10.4%	05-09-23
Series 7	40.3	267 days	11.5%	05-12-23

- Issued ₦138.2 billion Series 4, 5, 6 and 7 Commercial Paper in Q1 2023 for working capital purposes
- In August 2021, we successfully established of a new ₦150 billion Commercial Paper Programme
- Issued an aggregate of over ₦600 billion in Commercial Papers since 2018.



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	₦234B	2021-2023
Commercial Paper	10-14%	₦127B	2023
Related parties	6%-8.5%	₦25B	2021-2025

Bond face value - ₦263B
Commercial paper face value - ₦138.2B

as at the end of March 2023

RATINGS

- On 29 December 2022, **Global Credit Ratings**
 - long-term Issuer rating affirmed at AA+ (NG), with a stable outlook, while the short-term issuer rating at A1+(NG) was with a negative outlook
 - 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.
- February 2023, **Moody's**:
 - (P)B3 local currency rating and Baa3.ng national scale rating (NSR) to the NGN300 billion domestic medium-term programme issued by DCP.
 - Caa1 long term corporate family rating (CFR). The rating outlook is stable, similar to that of the sovereign.



Sustainability

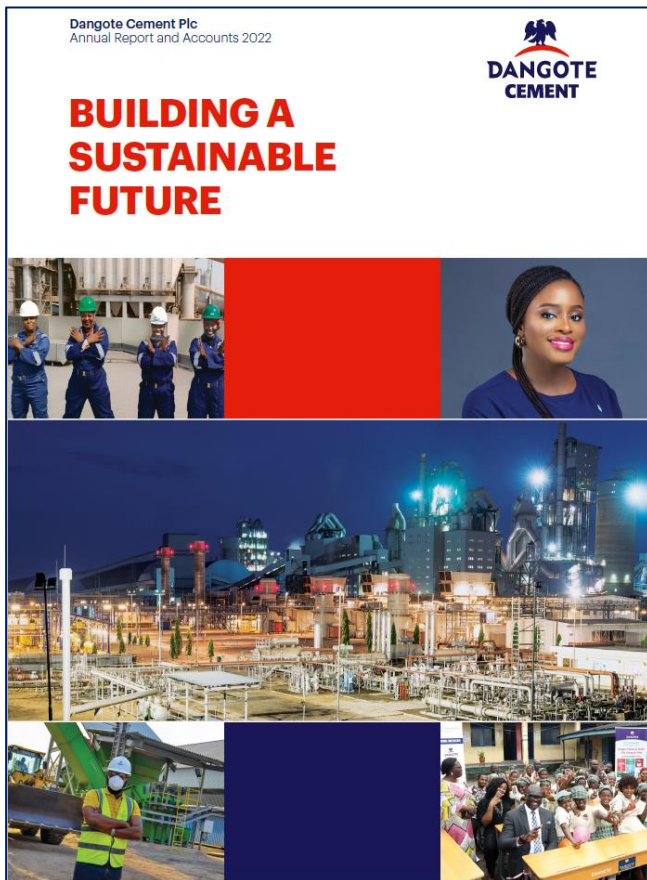


Sustainability & Governance – The Dangote Way



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

We released our **2022 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

5 GENDER EQUALITY



10 REDUCED INEQUALITIES



Board of Directors (includes five Independent Directors)

Aliko Dangote	Ernest Ebi *
Arvind Pathak	Devakumar Edwin
Olakunle Alake	Emmanuel Ikazoboh *
Cherie Blair*	Philip Mathew
Abdu Dantata	Viswanathan Shankar
Berlina Moroole	Dorothy Ufot *
	Douraid Zaghouni
	Halima Aliko-Dangote

Diverse Board

*Gender diversification: **29%** female Board members*

6 different nationalities

4 Independent Non-Executive Directors

Finance & Investment Committee

V. Shankar ⁽¹⁾
Olakunle Alake
D.V.G. Edwin
Douraid Zaghouni

Audit, Compliance & Risk Management Committee

Ernest Ebi ⁽¹⁾
Cherie Blair
Emmanuel Ikazoboh
Dorothy Ufot

Remuneration, Nominations & Governance Committee

Emmanuel Ikazoboh ⁽¹⁾
Ernest Ebi
Cherie Blair

Sustainability & Technical Committee

Olakunle Alake
D.V.G. Edwin
Dorothy Ufot
Abdu Dantata
Douraid Zaghouni

Statutory Audit Committee⁽²⁾

Robert Ade-Odiachi⁽¹⁾
Nicholas Nyamali
Sheriff Yussuf
Olakunle Alake
Emmanuel Ikazoboh
Ernest Ebi

Note: * denotes Independent Non-Executive Directors.

1. Chairman of Committee
2. 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

58,609 Indirect green jobs created through biomass in our Alternative Fuel value chain

67,006 tonnes of biomass co-processed in DCP kilns

AF Thermal Substitution Rate (TSR) increased to **8.7%** in Q1 2023 from 2.6% in Q1 2022

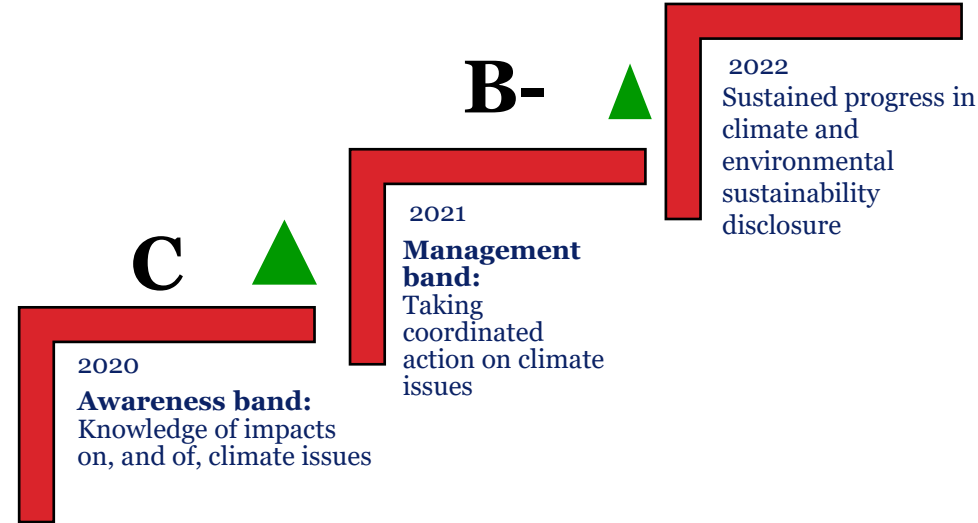
Top wastes co-processed in 9M include:		
1	Palm kernel shell	
2	Coffee Husk	
3	Paper waste	
4	Coconut husk	

	Q1 2023	Q1 2022	%
 Energy consumption (Kcal/kg)	802	805	(0.4%)
 CO2 emission (kg CO2/tonne)	580	601	(3.5%)
 Water consumption (lt/tonne)	226	221	2.3%

Environmental Pillar – CDP rating upgraded to B



- Submission to Carbon Disclosure Project (CDP)
- Rated “B” by CDP on our carbon disclosure for 2022, second consecutive upgrade
- 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 using, EPRP, GCCA Sustainability Charter, and IUCN Integrated Biodiversity Management System (IBMS)



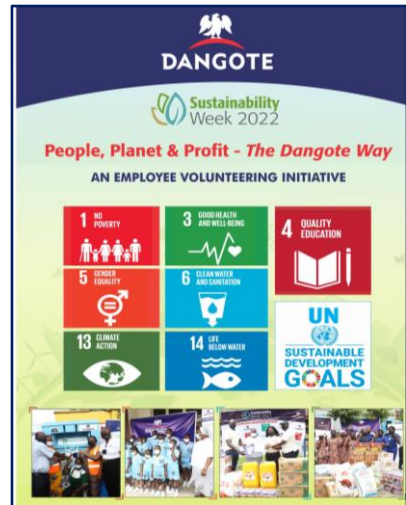
Social Pillar – Diversity and Integration



International Women’s Day celebration

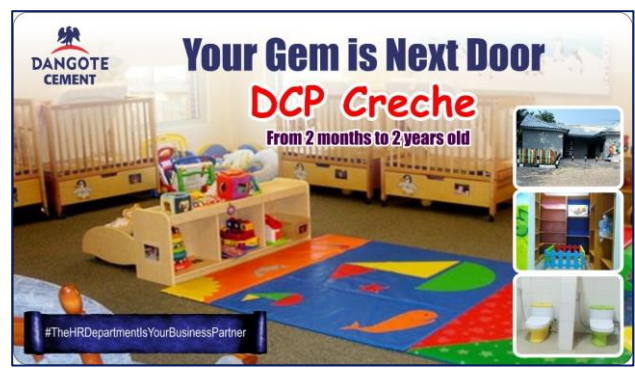


Sustainability week



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).



Theme: “People, Planet and Profit –The Dangote Way”

₦468 million spent on CSR in Q1 2023 up 50% YoY



Dangote Cement women plant tree

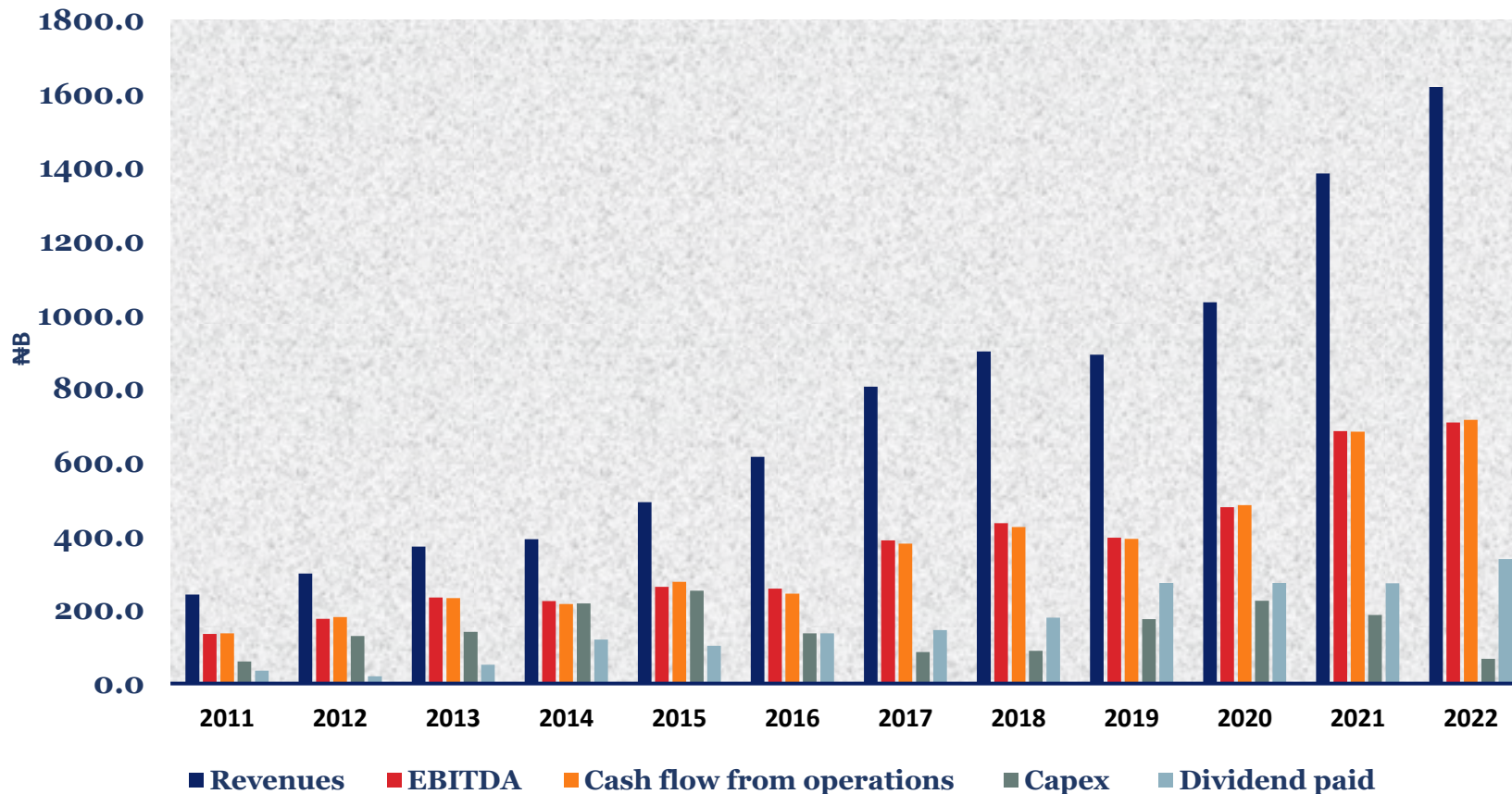


Sustainability week

Creating value for all shareholders

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



18% 12-year CAGR

REVENUE

15% 12-year CAGR

EBITDA

33% 12-year CAGR

DIVIDEND

For further information contact:

Temí Aduroja

Head of Investor Relations

Dangote Cement Plc

+234 915 469 1597

InvestorRelationsDangoteCement@dangote.com



@dangotecement



www.dangotecement.com

