

Q&A

WORKING RESPONSIBLY



I am deeply honoured to have served Dangote Cement over the last few years. It has been an exhilarating and transformative journey. I leave confident that the leadership team and our talented employees are equipped to drive the business towards its next growth phase."

The year at a glance

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.

October

Sustainability Week
Theme: 'People, Planet and Profit – The Dangote Way'.

November

Alternative fuel feed systems
Commissioned alternative fuel feed systems at Obajana lines I and V, and Ibese line II.

November

Consecutive CDP rating upgrade
CDP rating upgrade from B- to B, second consecutive upgrade in two years.

December

EGM
Share buyback programme II approved by shareholders at EGM in December.

1) As you retire as Group Managing Director of Dangote Cement what has been the greatest achievements over the last few years?

Dear fellow stakeholders, it has truly been an honour and a privilege to serve as CEO of this transformative organisation, as well as lead such a diverse and multi-cultural staff. After serving at the helm of Dangote Cement Plc., I officially retire as Group Managing Director effective 28th February 2023. The Board has approved the appointment of Mr Arvind Pathak as Group Managing Director of Dangote Cement Plc, effective 1 March 2023.

In the last few years, we have pushed boundaries, taken risks and forged on to greater heights. We have built a company well equipped to fully transition into cleaner energy sources such as alternative fuel; we have achieved record results for our shareholders; delivered on our export strategy propelling us to greater heights; and improved our safety performance. Our biggest challenges faced during the period were undoubtedly the COVID-19 pandemic in 2020, unprecedented growth in 2021 and the volatile macro-economic challenges in 2022, where we saw significant inflationary pressure and supply chain challenges across the Group. Through these challenges, we came out stronger; I remain thankful!

2) What have been the main highlights and achievements in 2022?

I describe the African cement market as resilient and robust. 2022 came with its myriad of challenges that impacted the macroeconomic environment and in turn the cement industry. The cement sector was impacted by supply chain disruptions and elevated inflation both at the instance of the Russia-Ukraine crisis.



To strengthen our local production capacity, I am pleased to announce the Company's plan to expand capacity into Itori, Ogun State Nigeria.

Commodity prices as well as input costs rose to unparalleled levels, affecting operating costs. Despite these challenges, Dangote Cement recorded growth across major line items and released a solid set of results for its shareholders. We proactively implemented a robust cost reduction strategy and a performance improvement plan across the Group. These initiatives enabled us to manage our costs efficiently, while also tracking performance across all departments.

Several milestones made 2022 a productive year. We ramped-up production at our Okpella plant and commissioned our power plant there. To address rising coal prices, we commissioned our alternative fuel feed systems at Obajana and Ibese which saw thermal substitution rate reach 7.5% in December 2022. Successively, the Carbon Disclosure Project for the second consecutive year upgraded Dangote Cement's CDP rating, this time to B. The CDP rating upgrade clearly illustrates the growth we have achieved in our commitment to transparency on climate and environmental issues. In June, we released our 2021 combined annual and sustainability report during our Annual General Meeting, while we held an Extraordinary General Meeting in December 2022, where Dangote Cement's shareholders authorised the Company to undertake another share buyback. The share buy-back programme has now been approved by the Securities and Exchange Commission. As a matter of course, we had a successful 'Sustainable Week' themed "People, Planet and

Profit: The Dangote Way", and it was fantastic to see such a great team effort across all our countries of operations.

We have made great strides in our debt capital market journey, from the issuance of our maiden ₦100 billion 5-year bond in 2020 to another landmark bond issuance, where we have now raised ₦116 billion. The largest corporate bond issuance in the history of the Nigerian capital market, at the time. Not only have these debt issuances been oversubscribed by investors at market competitive rates, but Dangote Cement has also received numerous recognition from capital market regulators and players alike such as: Largest corporate bond lodgement by FMDQ; best issuer in terms of the fixed income listings by the Nigerian Exchange Limited (NGX); and the sectoral leadership awards at the 2022 PEARL awards. Indeed, 2022 was another transformational year for us at Dangote Cement.

Again, our National Consumer Promo, which we commenced a few years ago to reward loyal customers, further increased consumer awareness of our product and translated into improved sales performance. This is evident in our strong revenue growth of 17.0% to N1,618.3B, whilst EBITA outperformed the full impact of the high inflationary trend to grow by 3.5%.

Lastly, our strategic growth priorities are on track. We are progressing well to deploy grinding plants in Ghana and Cote d'Ivoire this year. To strengthen our local production capacity, I am pleased to announce the Company's plan to expand capacity into Itori, Ogun State Nigeria.

3) Were there lessons learnt from 2022?

One major highlight was the fact that 2022 provided us with the opportunity to do business differently in a cost-effective and efficient manner. This was necessitated following the high inflationary trend, particularly the prices of diesel and coal, witnessed in the period. Our sustained cost containment measures ensured we delivered strong results, albeit the challenging operating environment. As a firm, we had to look inward and strategised on new ways of doing business that ensured operating costs were contained beyond outrageous levels while still maintaining a superior quality product and delivering top-notch customer services.

4) Outlook for Dangote Cement and any final departing words?

I am confident about the outlook of Dangote Cement. The International Monetary Fund (IMF) expects economic growth to pick up, with Sub-Saharan Africa's GDP projected at 3.8% in 2023. This growth cuts across all our countries of operations, supporting cement demand. This demand is driven by the burgeoning population, booming real estate sector and increasing infrastructure development.

No leader accomplishes anything alone and any success we have achieved has been a joint effort. I must say a big thank you to all staff and stakeholders for your dedication and hard work which enabled us to deliver on our achievements. I retire from Dangote Cement Plc, confident that it has a great team of people in place and a strong leadership team equipped to drive the business forward.

As I look ahead, I remain confident in Dangote Cement's position, strategy, and growth prospects. I am also confident that Mr Arvind Pathak can steer the business through the current volatile global environment and inflationary pressure, and then drive the business towards the next phase of growth. It has been my utmost pleasure to serve this truly transformative organisation. It has been an exhilarating experience, which will remain with me always.