



DANGOTE CEMENT

An emerging cement major
building shareholder value
and prosperity in Africa



Audited results for the year ending 31 December 2013
26 March 2014

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2013 highlights

Operational

- Total Nigerian market volumes up 15.6% to 21.1mt
- Dangote Cement Nigerian sales up 28.2% to 13.3mt
 - Obajana sales up 37.2%
 - Ibese sales up 40.4%
- Direct sales strategy gaining popularity; now >50% of sales
- Market share improves to 62.8%

Financial

- Revenue up 29.4% to ₦386.2bn (\$2.45bn)
- EBITDA up 31.9% to ₦229.6bn at 59.5% margin (\$1.45bn)
- Pre-tax profit up 40.6% ₦190.8bn (\$1.21bn)
- Earnings per share up 39.1% to ₦11.85
- Dividend up 133% to ₦7.0 per share; 59.3% payout ratio
- Net debt ₦110.6bn (\$693m)

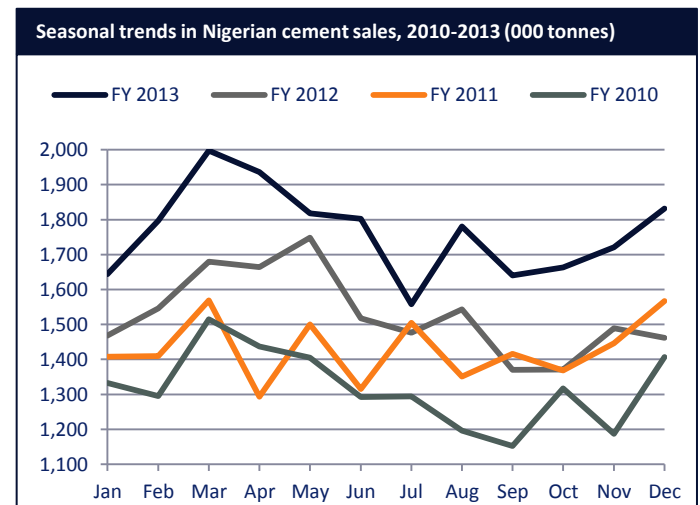


Robust market growth

- Market growing at average 10.9% since 2004
- Nigeria's monthly cement shipments have grown at an average of 10.6% since January 2011, when compared with the previous year
 - The market grew in 32/36 months
- In the same period, Dangote Cement's monthly growth has been 20.9% as new capacity enabled gains in market share
 - Dangote Cement has exceeded the market's growth in 32/36 months since January 2011
 - Only 2/36 months saw reductions compared with the prior year
- Dangote Cement's volume growth has consistently outpaced cement sales, Building Sector GDP growth and overall GDP



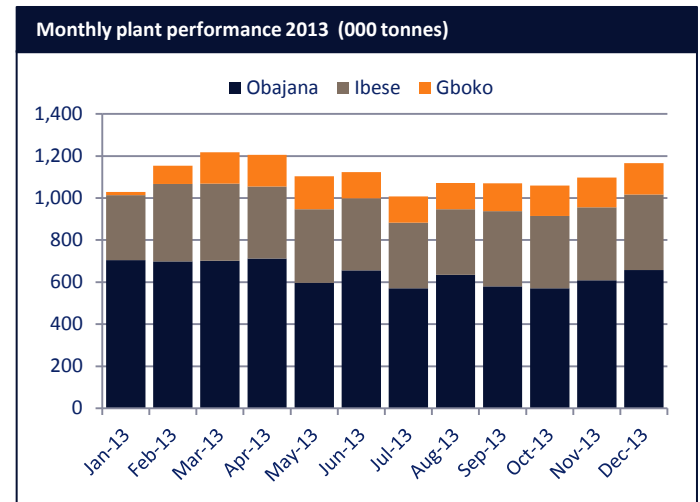
Source: Dangote Cement estimates



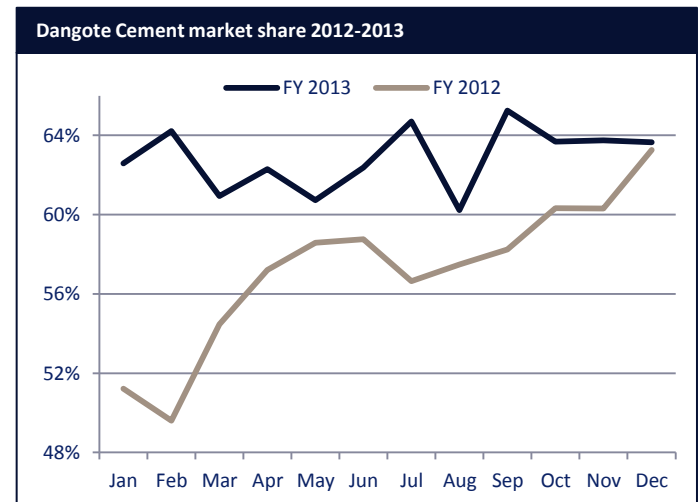
Source: Dangote Cement estimates

Operational highlights

- Obajana sales up 37.2% to nearly 7.9mt
 - Disruption to gas supply continued
 - Coal mill being readied for Line 3
- Ibese sales up 40.4% to 4.0mt
 - Excellent gas supply, 98% average
 - Coal mill being readied for Lines 1+2
- Gboko upgraded to 4mt capacity
 - Sales down 13.1% owing to mothballing in January
- Direct sales now more than half of dispatches
 - Sustained improvements in market share
- Ghana volumes up 23.9% to 709kt



Source: Dangote Cement estimates



Source: Dangote Cement estimates

Improving profitability

Year to 31 December	2012 (₦bn)	2013 (₦bn)	% change	Comments
Revenue	298.4	386.2	29.4%	Backed by 28.2 % growth in volumes
Cost of sales	(118.3)	(142.5)	20.5%	
Gross profit	180.2	243.7	35.3%	Improvement in gross profit margin due to better fuel mix and volume growth
<i>Gross margin</i>	60.4%	63.1%		
EBITDA	174.1	229.6	31.9%	As above
<i>EBITDA margin</i>	58.3%	59.5%		
EBIT	146.5	195.9	33.7%	
<i>EBIT margin</i>	49.1%	50.7%		
Net interest	(10.8)	(5.1)	(52.8%)	Lower due to more interest earned from higher deposits
Profit before tax	135.6	190.7	40.6%	
Earnings per share (naira)	8.52	11.85	39.1%	

Strong balance sheet

Year to 31 December	2012 (₦bn)	2013 (₦bn)	Comments
Non-current assets	534.3	695.1	Increase mainly on account of various cement projects under execution
Current assets	123.9	148.1	Due to higher bank balance
Total assets	658.2	843.2	
Equity	404.5	550.1	
Non-current liabilities	117.63	129.6	Margin increase due to long term borrowings
Current liabilities	136.0	163.5	
Total equity & liabilities	658.2	843.2	
Cash	44.4	70.5	
Overdraft	(1.3)	(0.9)	
Short-term debt	(50.4)	(55.4)	
Long-term debt	(112.5)	(124.9)	
Net cash (debt)	(119.7)	(110.6)	
Debt / Equity	40.6%	32.9%	
Net debt / Equity	29.6%	20.1%	
ROCE inc. CWIP	24.9%	26.1%	Including Capital Work in Progress
ROCE excl. CWIP	40.6%	40.0%	Excluding Capital Work in Progress

Excellent cash flow

Year to December	2012 (₦bn)	2013 (₦bn)	Comments
Profit before tax	135.6	190.8	
Cash flow from operations	180.3	231.5	
Changes in working capital	(35.1)	50.2	
Net cash from operations	145.1	281.7	
Investments	(108.6)	(175.6)	
Financing	(10.7)	(76.4)	
Increase in cash during year	25.8	29.8	
Exchange rate effects	(1.0)	(3.3)	
Cash at beginning of period	18.3	43.2	
Cash at end of period	43.2	69.6	

Update on African projects

- New Nigerian lines on schedule to begin production this year
 - 2 x 3mt lines at Ibese
 - 3mt line at Obajana
- Sephaku Cement already selling cement from Delmas
 - Aganang integrated plant expected to be in operation by summer
- Cameroon likely to begin operations in summer 2014
- Previously reported delays at Sierra Leone, now likely to open H2 2014
- Reviewing scope of Kenya in light of finding good limestone deposits
- South Sudan on hold owing to conflict
- Zambia on track for opening in H2 2014

Outlook for 2014

- Good start to 2014
- Expect to increase direct deliveries, gain share
- Focus on 42.5 strength cement as best for Nigeria, 3X launch
- Adding 52.5 strength for heavy load-bearing structures
- Continuing fuel disruption at Obajana in Q1
- Nigeria tax rate likely to be 10%-12% in 2014
 - Obajana 1+2 and Gboko now out of Pioneer Tax status
- Capex of about \$1bn for 2014

Investor relations

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