

# FY 2020 results

AUDITED RESULTS FOR THE FULL YEAR ENDED 31<sup>ST</sup> DECEMBER 2020



23<sup>rd</sup> MARCH 2021

@dangotecement



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



# 2020: A Record Year Across Board

## FINANCIAL

## OPERATIONAL

## SUSTAINABILITY

SDG  
Alignment

Record high PAT up 37.7%  
At **₦276.1B**

Record Group volume up  
8.6% at **25.7Mt**

**20%** female Board  
representation from 12.5%  
in 2019

Diverse Board with **6**  
different nationalities

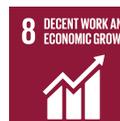


Record high EBITDA up  
20.9% at **₦478.1bn**

Nigeria volumes up 12.9%  
at **15.9Mt**

**471** millionaires  
produced from the  
National Consumer Promo

Paid over **₦1 trillion**  
in dividends in 7 years



Proposed Dividend of  
**₦16.00**

Started clinker exports  
from Nigeria to West and  
Central Africa

**\$5.8mn** spent protecting  
our people/ communities  
from COVID-19

Rated **“C”** by CDP on our  
carbon disclosure for 2020



**Creating Sustainable Value for Shareholders**

# 2020 at a glance



**February**



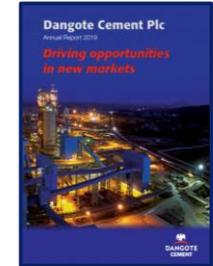
**March**



**April**



**June**



**June**

## New CEO

Michel Puchercos joined Dangote Cement as CEO effective 1<sup>st</sup> February 2020

## COVID-19 Impact

Lockdowns and restrictions in most of our operations from March. Ensured the health and safety of our employees and communities.

## Maiden Bond Issuance

Largest corporate bond issuance in Nigeria's debt capital market at the time.

## Maiden Clinker Shipment

Commissioning of Apapa terminal. Maiden shipment of clinker from Nigeria to West/Central Africa.

## Virtual AGM

Released our first combined Annual and Sustainability Report.



**July**



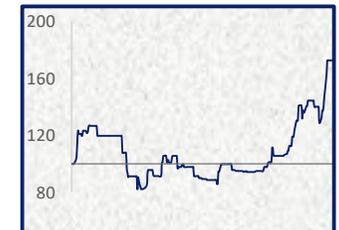
**July**



**August**



**November**



**December**

## New Board Member

Berlina Moroole appointed to the Board of Dangote Cement as Non-Executive Director.

## National Consumer Promo

471 millionaires produced through Bag of Goodies 2.

## New Capacity Obajana Line 5

Additional 3Mta capacity in Obajana.

## Tanzania Power Plant Commissioning

Commissioning of gas fired power plant in Tanzania and Onne export terminal.

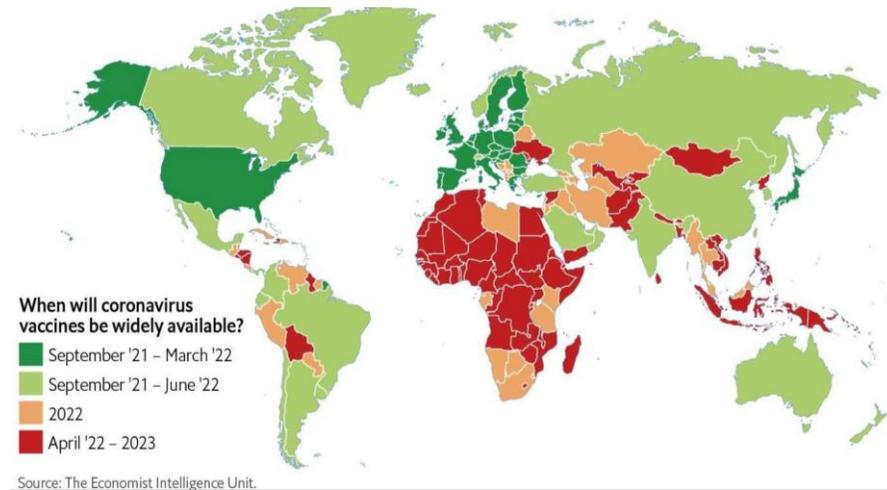
Re-instated Gboko plant.

## Buyback

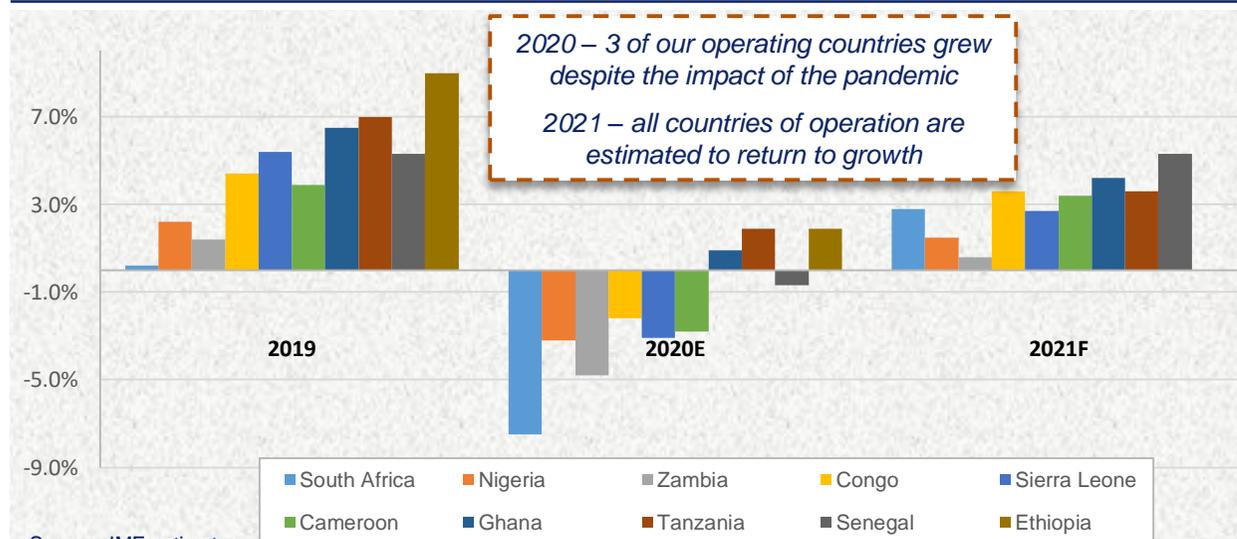
Innovative mindset to execute the first buy back in the company. Returning cash to shareholders.

# Macro-economic environment

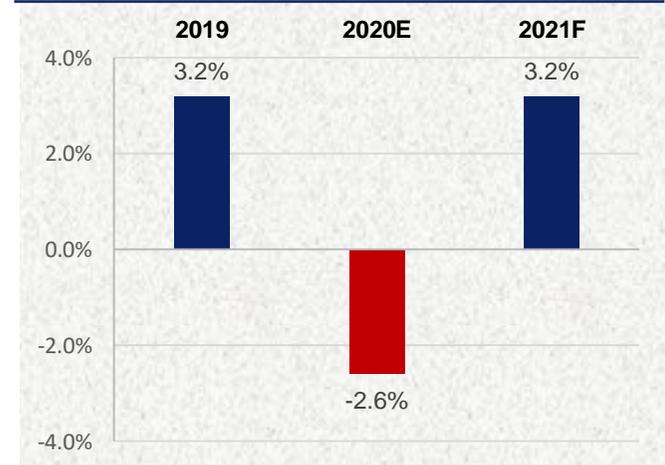
- The Sub-Saharan African region was hit by the twin shock of the COVID-19 pandemic and commodity market decline in 2020
- The IMF estimates that SSAs GDP contracted by 2.6% in 2020
- South Africa and Zambia were hit the hardest; growth is estimated to have declined by 7.5% and 4.8%, respectively in 2020
- Nevertheless, our more diversified countries of operation such as Ghana, Ethiopia, and Tanzania remained positive in 2020
- By 2021, all our countries of operation are estimated to return to growth, IMF estimates a growth of 3.2% in SSA
- The continental free trade agreement and duty-free trading of goods and services in Africa – AfCFTA, could support growth
- However, delays in the SSA vaccine roll out may continue to impact its economic recovery



## GDP growth across our operating environment



## SSA GDP growth



# COVID-19 Interventions

*The health and safety of our employees, customers and communities is a core value*

## Protecting our communities (CACOVID)

- ₦30bn raised so far by CACOVID, an intervention initiative set up by Alhaji Aliko Dangote;
- ₦2.5bn contributed by Aliko Dangote Foundation (ADF);
- 16 Ambulances and Rapid Response vehicles donated by ADF across states;
- 1.7 million households and 10 million people fed in 774 LGAs



Lagos State Isolation Centre donated by CACOVID



## Protecting our people and customers



Cameroon donating PPEs etc.to the Ministry of Public Health



Dangote Cement Isolation Centre, Obajana



Dangote Cement Isolation Centre, Ibese

Dangote Cement spent **c. \$5.8mn** in protecting its people, customers and communities from COVID-19.

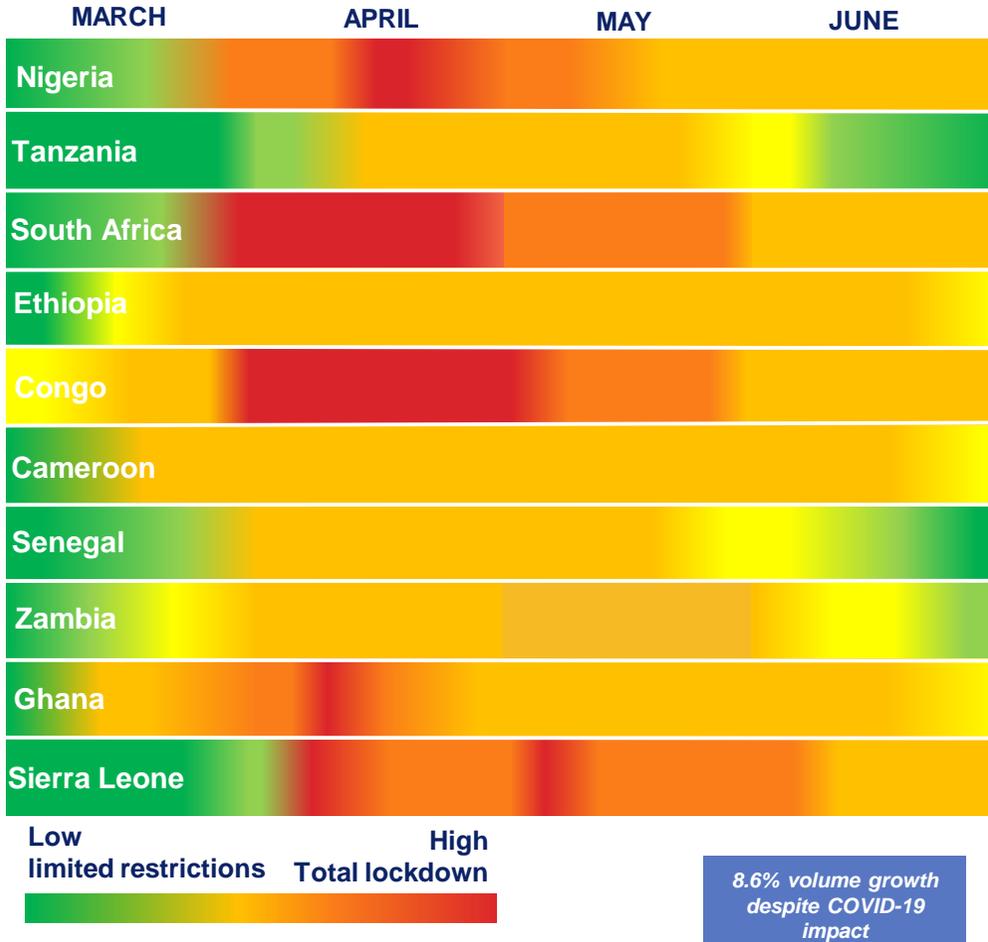
Isolation centres, face masks, sanitizers, thermometers and financial support for testing staff were made available.

Donations to the government and health facilities across our 10 countries of operations.

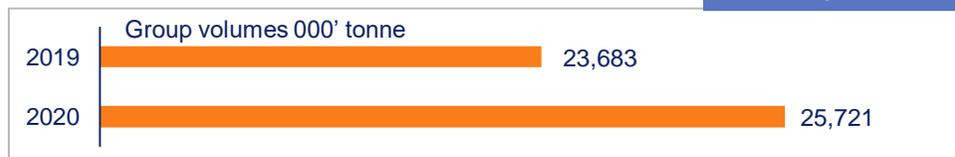
# Impact of COVID-19



## Restrictions across our operations



- We instituted a Business Continuity Framework, and an Emergency Preparedness and Response Plan to ensure that our operations and supply chains were not hindered
- In a limited number of markets, such as South Africa, we were required to close our operations
- South Africa, Ghana, Congo and Nigeria experienced full or partial lockdown in most of April, which impacted our operations
- Our other operations had various levels of restrictions and curfews in the second quarter
- Lockdown eased by early May and all our businesses were fully operational by June. Business levels in May and June showed a marked improvement
- This strong recovery continued into the second half of the year. H2 2020 volumes were up 19% YoY and up 12% when compared to the first half of 2020
- Though Q2 volume was down 3% YoY, for the FY we experienced 8.6% YoY growth despite the COVID-19 impact



# Financial and Operational Overview

Investor Presentation



# FY 2020 – Resilient performance



*Strong performance sustained by robust demand and cost control measures*

## Financial

- Group revenue up 16.0%, supported by strong volumes
- Group EBITDA up 20.9%; with EBITDA margin of 46.2%
- Nigeria EBITDA up 16.7%; with a margin of 58.5% despite FX impact on costs
- Pan-Africa EBITDA up 49.0%, with a record high EBITDA margin of 22.4%
- Strong earnings with EPS up 36.9% at ₦16.14
- Successful share buyback programme implemented; ₦16.00 dividend recommended for 2020

## Operational

- Group volumes up 8.6% to 25.7Mt despite impacts of COVID-19
- Despite inflationary environment and high volatility of forex, strong cost control measures led to relatively flat cash cost
- Nigeria volumes up 12.9%; supported by robust domestic demand
- Strong cash conversion

Full year ended 31 <sup>st</sup> December	2020	2019	Change
<b>Sales volumes*</b>	'000t	'000t	%
Nigeria	15,936	14,119	12.9%
Pan-Africa	9,982	9,564	4.4%
Inter-company sales	(197)	-	-
<b>Total</b>	<b>25,721</b>	<b>23,683</b>	<b>8.6%</b>
<b>Revenues</b>	₦m	₦m	%
Nigeria	719,945	610,247	18.0%
Pan-Africa	318,681	282,710	12.7%
Inter-company sales	(4,430)	(1,286)	-
<b>Total</b>	<b>1,034,196</b>	<b>891,671</b>	<b>16.0%</b>
<b>EBITDA</b>	₦m	₦m	%
Nigeria**	421,417	361,204	16.7%
Pan-Africa**	71,313	47,858	49.0%
Inter-company and central costs	(14,608)	(13,635)	-
<b>Total</b>	<b>478,122</b>	<b>395,427</b>	<b>20.9%</b>
<b>EBITDA margin**</b>	%	%	
Nigeria	58.5%	59.2%	(0.7pp)
Pan-Africa	22.4%	16.9%	5.5pp
<b>Group</b>	<b>46.2%</b>	<b>44.3%</b>	<b>1.9pp</b>
<b>EPS</b>	<b>16.14</b>	<b>11.79</b>	<b>36.9%</b>

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

# Group Financial Overview

## Income Statement

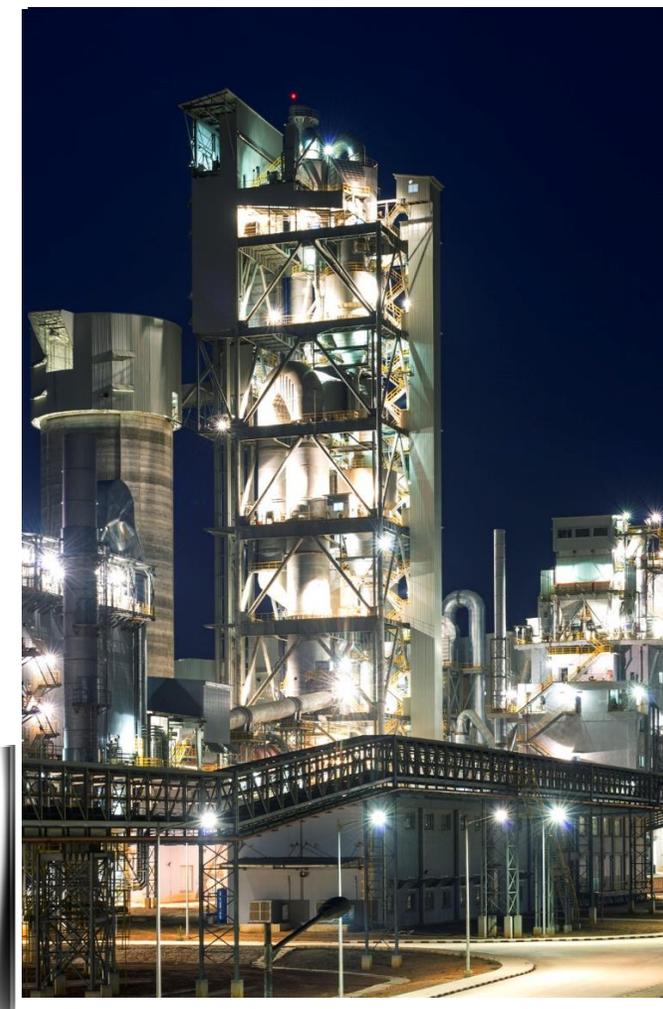
Full year ended 31 <sup>st</sup> December	2020 ₦m	2019 ₦m	% change
Revenue	1,034,196	891,671	16.0%
Cost of sales	(437,970)	(379,989)	15.3%
<b>Gross profit</b>	<b>596,226</b>	<b>511,682</b>	<b>16.5%</b>
<i>Gross margin</i>	<i>57.7%</i>	<i>57.4%</i>	<i>0.3pp</i>
<b>EBITDA</b>	<b>478,122</b>	<b>395,427</b>	<b>20.9%</b>
<i>EBITDA margin</i>	<i>46.2%</i>	<i>44.3%</i>	<i>1.9pp</i>
<b>EBIT</b>	<b>386,734</b>	<b>299,893</b>	<b>29.0%</b>
<i>EBIT margin</i>	<i>37.4%</i>	<i>33.6%</i>	<i>3.8pp</i>
Net finance cost	(14,174)	(50,063)	(71.7%)
Share of Associate's profit	750	-	-
<b>Profit before tax</b>	<b>373,310</b>	<b>250,479</b>	<b>49.0%</b>
Income tax (expense)/credit	(97,242)	(49,958)	94.6%
<b>Profit for the period</b>	<b>276,068</b>	<b>200,521</b>	<b>37.7%</b>
<b>Earnings per share</b>	<b>16.14</b>	<b>11.79</b>	<b>36.9%</b>



# Group Financial Overview (cont'd)

## Movement in Net Debt

	Cash ₦m	Debt ₦m	Net debt ₦m
<b>As at 31<sup>st</sup> December 2019</b>	<b>123,903</b>	<b>(351,434)</b>	<b>(227,531)</b>
Cash from operations before working capital changes	483,531	-	483,531
Change in working capital	51,791	-	51,791
Income tax paid	(20,997)	-	(20,997)
Additions to fixed assets	(224,005)	-	(224,005)
Other investing activities	(551)	-	(551)
Loan to related party	(70,000)	-	(70,000)
Change in non-current prepayments and payables	13,635	-	13,635
Net lease payment	6,191	-	6,191
Net interest payment	(39,850)	-	(39,850)
Net loans obtained (repaid)	122,925	(122,925)	-
Dividend paid	(272,693)	-	(272,693)
Other cash and non-cash movements	(18,212)	(8,751)	(26,963)
<b>As at 31<sup>st</sup> December 2020</b>	<b>145,835</b>	<b>(483,110)</b>	<b>(337,275)</b>



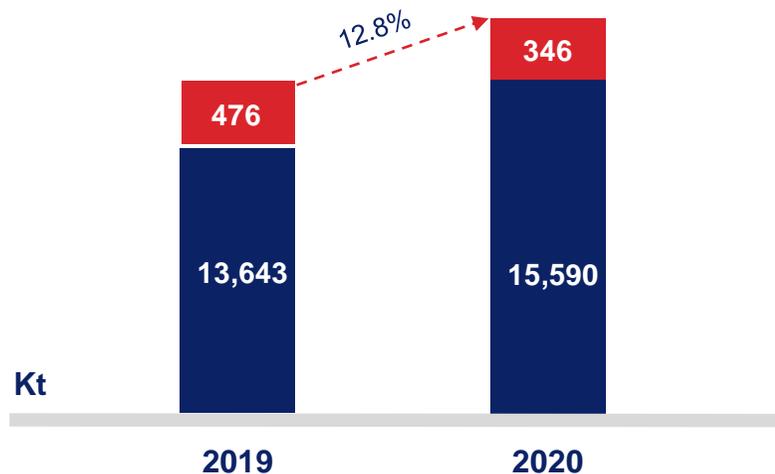
# Group Financial Overview (cont'd)

## Balance Sheet

	As at 31/12/20 ₦m	As at 31/12/19 ₦m
Property, plant and equipment	1,390,687	1,206,749
Other non-current assets	77,072	124,203
Intangible Assets	4,554	3,663
Current Assets	404,303	282,833
Cash and Cash Equivalents	145,835	123,903
<b>Total Assets</b>	<b>2,022,451</b>	<b>1,741,351</b>
Non-current liabilities	142,756	105,341
Current liabilities	505,615	386,639
Debt	483,110	351,434
<b>Total Liabilities</b>	<b>1,131,481</b>	<b>843,414</b>
<b>Net Assets</b>	<b>890,970</b>	<b>897,937</b>



# Nigeria – robust cement demand



## Domestic cement



Resilient demand  
14.3% volume growth

## Exports\*



Maiden clinker exports by sea  
in June. Cement exports by  
road continued

- Record high sales volumes in Nigeria at 15.9Mt, up 12.9%
- Domestic volumes up 14.3%
- Strong performance sustained by robust volume growth coupled with cost saving measures
- Strong EBITDA of ₦421.4B, up 16.7% despite impact of COVID-19 in 2020
- Maiden clinker exports by sea in June; cement exports by road continued
- Increase in domestic and export volumes has resulted in stronger fixed cost absorption

Full year ended 31 <sup>st</sup> December	2020	2019	Change
Cement (Kt)	15,739	14,119	11.5%
Clinker (Kt)	197	-	-
Total volumes (Kt)	15,936	14,119	12.9%
Revenue (₦m)	719,945	610,247	18.0%
EBITDA** (₦m)	421,417	361,204	16.7%
EBITDA margin**	58.5%	59.2%	(0.7pp)

\*\*Before corporate costs and inter-company eliminations

\*Cement and clinker exports

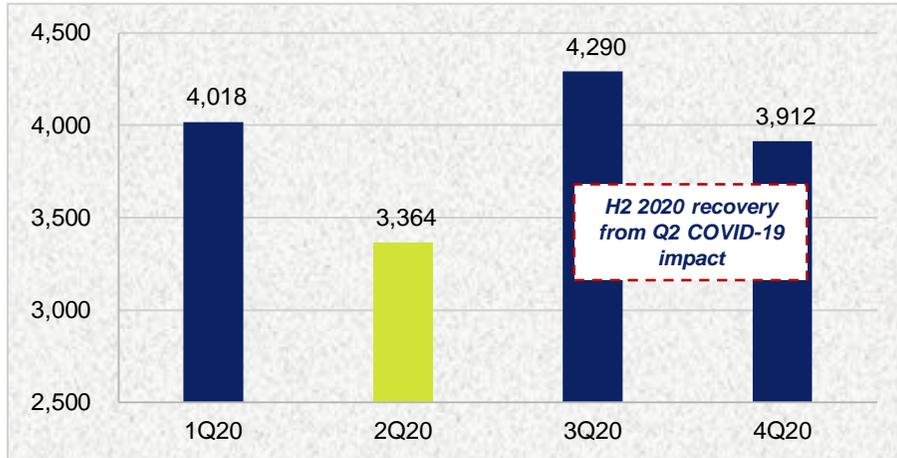


Vessel conveying clinker to Senegal from Dangote Cement Export Terminal, Apapa, Lagos.

# Nigeria – Strong Recovery in Domestic Market



## Strong growth – V curve recovery



## Dangote Cement has recovered from the Q2 impact of COVID-19:

- Catch-up effect from suspended projects in Q2
- Low interest rate environment driving strong demand for real estate assets and supporting construction sector
- Dangote Cement's innovative marketing programmes
- Decreased market disruptions as a result of reduced rains

Dangote Cement's efficient production ramp-up and marketing efforts enabled the company to seize the strong market demand and pull-effect created by the National Consumer Promotion.

## YoY domestic volume growth\*



## Declining interest rate environment (T-Bills)

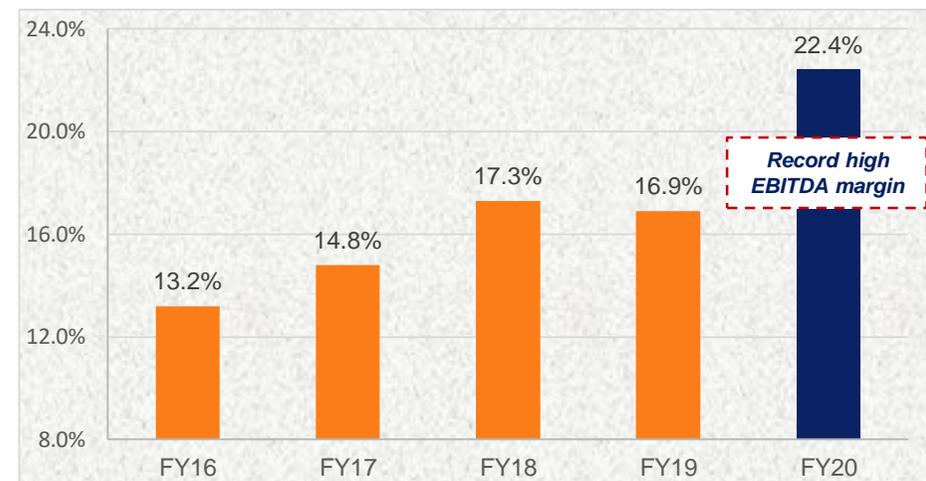


\*Nigerian export sales not included (domestic sales alone)

# Pan-Africa – Record High EBITDA Margin

- Volumes up at 4.4% to 10.0Mt despite lockdown and restrictions in 2020
- Revenues up 12.7% to ₦318.7B, supported by higher realised prices and volume growth
- Record high EBITDA of ₦71.3B, up 49.0%
- Record high EBITDA margin of 22.4%
- Strong volume growth in Ethiopia, Congo and Cameroon
- Cash cost improvement in 7 of our 9 Pan-African operations
- Continuous strong performance in Senegal
- Commissioned Tanzanian power plant in November

## EBITDA trend



Year ended 31 <sup>st</sup> December	2020	2019	Change
Cement (Kt)	9,901	9,447	4.8%
Clinker (Kt)	82	116	
Total volumes (Kt)	9,982	9,564	4.4%
Revenue* (₦m)	318,681	282,710	12.7%
EBITDA* (₦m)	71,313	47,858	49.0%
EBITDA margin*	22.4%	16.9%	5.5pp

- \*Before corporate costs and eliminations



# Country updates



## CAMEROON

- Estimated 3.5Mt total market sales for FY 2020
- Increase in construction projects owing to African Nations Championship
- DCP sales of 1.3Mt for FY 2020, up 17.2% compared to FY 2019
- 38% market share for the period



## CONGO

- Estimated under 900Kt total market sales for FY 2020
- DCP Congo sold 388Kt of cement, a 59% increase compared to FY 2019
- 42% market share for the period, up from 28% in FY 2019
- Significant cash cost improvement from lower contract maintenance supported higher profitability



## ETHIOPIA

- Estimated 7.6Mt total market sales for FY 2020
- DCP sales of 2.1Mt for FY 2020, up 8.7% compared to FY 2019
- 28% market share for the period
- Improved efficiency with a focus on the increased use of local coal and other cheaper alternative fuels

# Country updates



## GHANA

- Estimated 6.7Mt total market sales for FY 2020
- DCP Ghana sold 422Kt of cement, a 15.8% decrease compared to FY 2019, owing to strategic intent to focus on more profitable markets
- 6% market share for the period



## SENEGAL

- Estimated 7.0Mt total market sales for FY 2020
- DCP sales of 1.59Mt for FY 2020, up 7.5% compared to FY 2019
- 23% market share for the period
- Senegal continues to be one of Dangote Cement's best performing markets, where we sell everything we produce



## SIERRA LEONE

- Increased infrastructure spending
- Estimated 870Kt total market sales for FY 2020
- DCP sales of 270Kt for FY 2020, up 14.6% compared to FY 2019
- 31% market share for the period

# Country updates



## SOUTH AFRICA

- Total national lockdown imposed from 27 March 2020 to 3 May 2020 to curb the spread of COVID-19
- Sales at DCP South Africa increased by 9.1% year on year mainly due to a surge in home improvements post the COVID-19 lockdown
- Roll-out of COVID-19 vaccination programme imminent



## TANZANIA

- Estimated 5.6Mt total market sales for FY 2020
- DCP sales of 1.1Mt for FY 2020, including 81Kt of clinker
- 18% market share for the period
- Power plant commissioning occurred in November following the lifting of air travel restriction



## ZAMBIA

- Estimated 2.7Mt total market sales for FY 2020
- DCP sales of 773Kt for FY 2020, down 21% compared to FY 2019
- 29% market share for the period
- Zambia's cement market is down due to a depressed economy and cash constraints

# Debt and Liquidity

Robust Capital Structure



# Strong track record of accessing the local debt market

## Bond Programme

*In April, we successfully completed the issuance of ₦100B series 1 fixed rate 5-year bond at a rate of 12.5%*



- First bond issuance to be successfully issued under COVID-19
- The bond was oversubscribed
- DCP maintained the original target size of ₦100B

## Commercial Paper Programme

*Successfully issued ₦100B series 15 and 16 in May  
Successfully issued 50B series 17 and 18 in September*



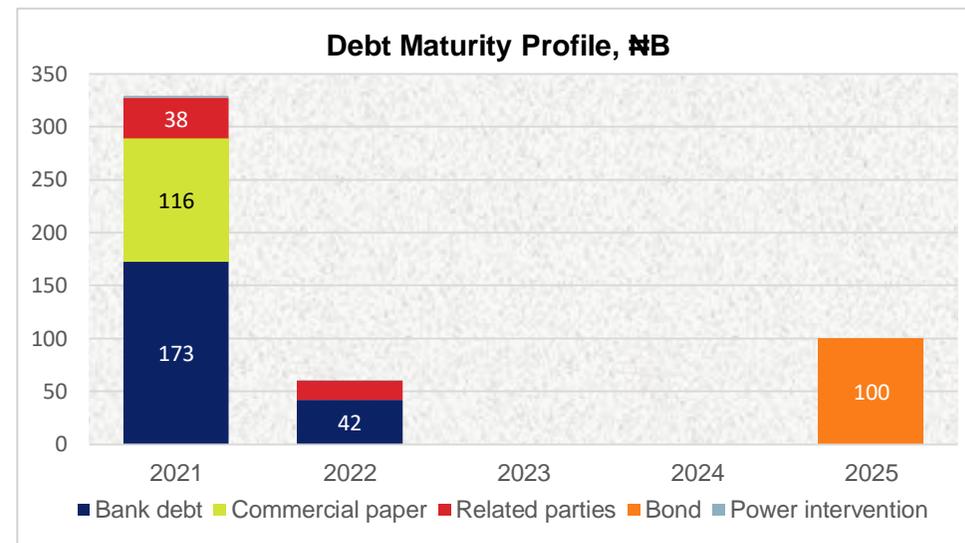
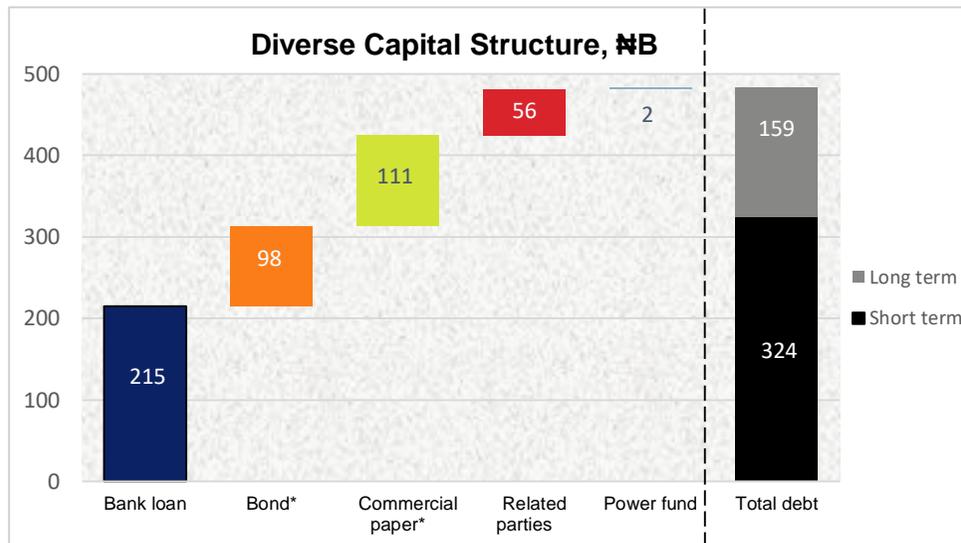
### Outstanding Commercial Paper as at 31/12/20

Series	Value (₦bn)	Tenor	Discount rate	Due date
Series 16	66.0	266 days	6.0%	11-02-21
Series 17	16.0	177 days	4.0%	04-03-21
Series 18	34.0	268 days	5.0%	03-06-21

- Largest commercial paper issuance in Nigeria's debt capital market
- Commercial paper was over oversubscribed
- Attractive short-term rates
- ₦116B series 15,16 and 17 have been so far repaid without issuing new debt due to strong cash flow generation

# Robust Capital Structure

*Strong balance sheet with available liquidity*



\*CP face value - ₦116B, Bond face value - ₦100B

- The available liquidity, cash generation and undrawn borrowing capabilities secure DCPs short-term debt coverage
- DCP has limited foreign currency debt exposure
- Strong cash flow generation leading to net cash flow from operating activities of ₦521.7B, up 22.4% YoY

# Strong Credit Ratings

## LENDING DIVERSIFICATION

Facility	Pricings	Draw down	Tenor
Bond	12.5%	₦100B	2025
₦150B Commercial Paper Programme	4%-6%	₦116B	2020-2021
Bank debt	various	₦215B	2020-2022
Related parties	7%-9%	₦56B	2020-2025
Power intervention fund	7%	₦2B	2021

## RATINGS

- On 23 January 2020, Global Credit Ratings affirmed the long term and short-term national scale issuer ratings of AA+(NG) and A1+(NG) respectively, assigned to DCP, with the outlook accorded as stable
- On 24 March 2020, Moody's:
  - assigned a (P)B2 local currency rating and Aa3.ng national scale rating (NSR) to the NGN300 billion domestic medium-term series 1 issued by DCP
  - affirmed DCP's B1 corporate family rating (CFR) and Aa2.ng NSR. The rating outlook is negative, similar to that of the sovereign



# Successful Share buyback Programme

*At the end of December, DCP repurchased 0.24% of its shares at an average price of ₦243 per share.*

## TRADES EXECUTED

Daily Trade Date	Day 1	Day 2	Total
Shares repurchased (million shares)	32.00	8.20	40.20
Average price (NGN per share)	242.7	244.1	-
Vale of shares repurchased (NGN million)	7,767.6	2,001.9	9,769.5

## BUYBACK IMPACT

	Before Buyback	After Buyback
Number of shares outstanding, mn	17,040,507,404	17,000,307,404
Earnings per share (2019 earnings)	11.79	11.88
Market value of DCP, mn	3,408,100	4,165,074

- DCP completed tranche 1 of its buyback programme on the 31st of December 2020, over a period of two days
- **DCP repurchased 0.24% of its shares outstanding.**
- DCP repurchased **40,200,000** shares at an average price of **₦243.02 per share**
- Cost impact to DCP was **₦9.769 B**
- DCPs shares outstanding is now **17,000,307,404**

# Sustainability

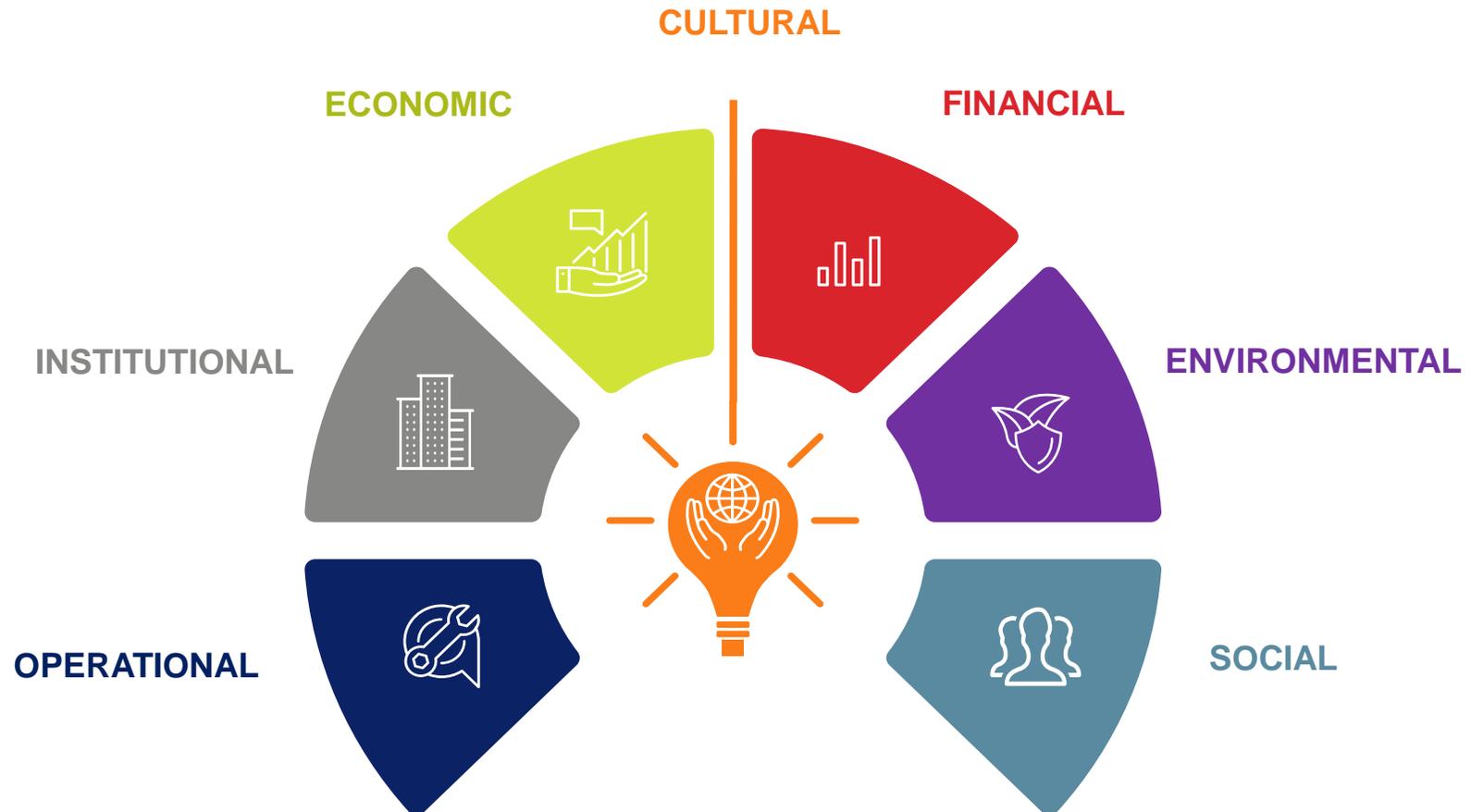


# Sustainability & Governance

## The Dangote Way

Our 7 Sustainability Pillars support our unique approach to creating a world-class enterprise.

*We released our 2019 combined Annual Report and Sustainability Report certified by the Global Reporting Initiative (GRI) and Externally Assured.*



# Institutional Pillar – Strong Governance Framework

5 GENDER EQUALITY



10 REDUCED INEQUALITIES



## Board of Directors (includes five Independent Directors)

Aliko Dangote <sup>(1)</sup>	Ernest Ebi *
Michel Puchercos	Devakumar Edwin
Olakunle Alake	Emmanuel Ikazoboh *
Cherie Blair *	Arvind Pathak
Sani Dangote	Viswanathan Shankar
Abdu Dantata	Dorothy Ufot *
Sir Michael Davis *	Douraid Zaghouani
Berlina Moroole	

## Diverse Board

Gender diversification: **20%** female Board members

**6** different nationalities

**5** Independent Non-Executive Directors

### Finance & Investment Committee

V. Shankar <sup>(1)</sup>  
Olakunle Alake  
D.V.G. Edwin  
Douraid Zaghouani  
Sir Michael Davis

### Audit, Compliance & Risk Management Committee

Ernest Ebi <sup>(1)</sup>  
Cherie Blair  
Emmanuel Ikazoboh  
Dorothy Ufot

### Remuneration, Nominations & Governance Committee

Emmanuel Ikazoboh <sup>(1)</sup>  
Ernest Ebi  
Sir Michael Davis  
Cherie Blair

### Sustainability & Technical Committee

Sir Michael Davis <sup>(1)</sup>  
Olakunle Alake  
D.V.G. Edwin  
Dorothy Ufot  
Abdu Dantata  
Douraid Zaghouani

### Statutory Audit Committee<sup>(2)</sup>

Robert Ade-Odiachi<sup>(1)</sup>  
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



## Alternative Fuel Project

*Commenced our Alternative Fuel Project to replace coal with biomass utilised in kiln for cement production*

Waste type	Agro wastes, Waste lubricants, Tire derived fuels, Saw dust
Benefits	<ul style="list-style-type: none"> <li>• Lower CO2 emission</li> <li>• Alternative energy sourced from environment reduces cost and supports local economies</li> <li>• Sustainable waste management</li> </ul>



- Submission to Carbon Disclosure Project (CDP)
- Rated “C” by CDP on our carbon disclosure for 2020
- One of the highest ratings in Sub-Saharan Africa and a good rating for a cement producer

## Water Efficiency Campaign

*All DCP Plants across Africa, embarked on a water efficiency campaign to encourage staff to take water efficiency actions*



### Water consumption (m3)

2019	2020
6,878,752	6,789,816

*Total water consumption reduced by 88,936 cubic metre*

Over **3,000** employees from all 10 DCP Plants participated in the sensitization initiatives.

# Social Pillar - COVID-19 Interventions

**3 GOOD HEALTH AND WELL-BEING**



## Protecting our communities (CACOVID)

- ₦30bn raised so far by CACOVID, an intervention initiative set up by Alhaji Aliko Dangote;
- ₦2.5bn contributed by Aliko Dangote Foundation (ADF);
- 16 Ambulances and Rapid Response vehicles donated by ADF across states;
- 1.7 million households and 10 million people fed in 774 LGAs



Lagos State Isolation Centre donated by CACOVID

**4 QUALITY EDUCATION**



## Sustainability week

- Summary of Sustainability Week Impact:
- 1560 volunteers
  - 7,633 hours
  - 70 initiatives
  - 58 communities
  - 33 schools
  - 11,833 students and 33 schools
  - 26 hand washing stations
  - 24,884 facemasks
  - 10,180 bottles of hand sanitisers
  - 3,675 bottles of hand washing soap
  - Other donations/impacts

**33** schools and **11,833** students impacted during Sustainability week

*Theme: "Staying Safe Together – The Dangote Way"*  
*Focus on schools and students*

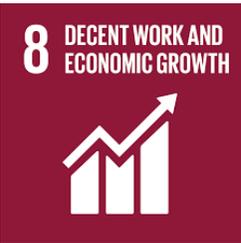


Dangote Cement women plant tree



COVID-19 awareness in schools

# Economic Pillar - National Consumer Promo



National Consumer Promo Press Launch in July

## BAG OF GOODIES SEASON 2

National Consumer Promo has made **471 millionaires** across all states in Nigeria in 2020

*The promo is well received by consumers and driving stronger demand for Dangote Cement*

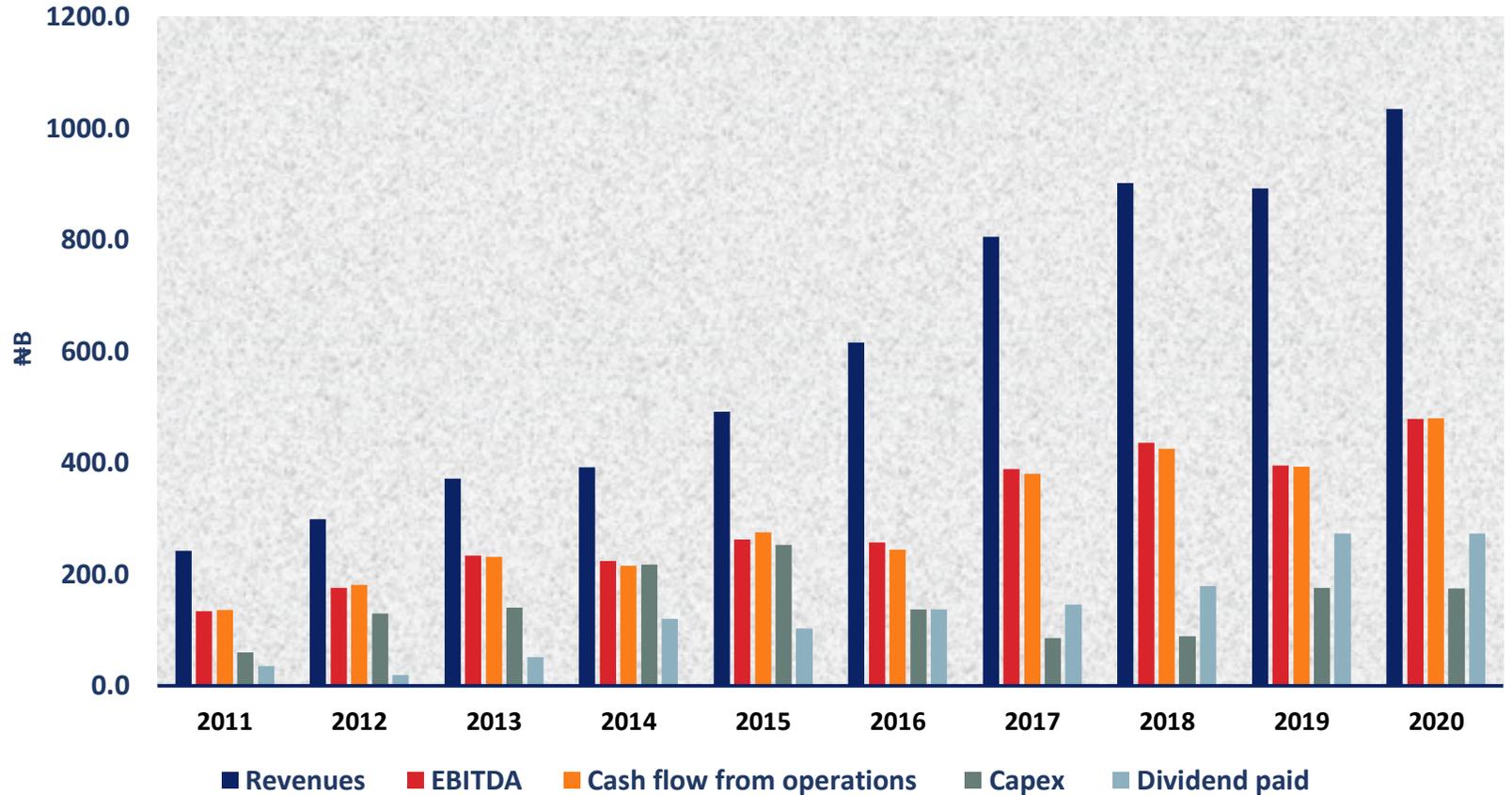
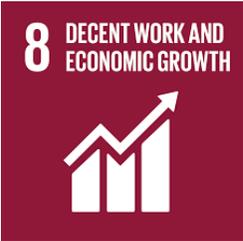
## PULL EFFECT



Cross section of winners receiving the star prize -1 million Naira



# Financial Pillar – Creating value for shareholders



**18%** 10-year CAGR

**REVENUE**

**15%** 10-year CAGR

**EBITDA**

**26%** 10-year CAGR

**DIVIDEND**

For further information contact:

**Temi Aduroja**

Head of Investor Relations

Dangote Cement Plc

+44 207 399 3070

InvestorRelationsDangoteCement@dangote.com



**PREMIUM  
BOARD**

**LISTED**



@dangotecement



www.dangotecement.com

