

INVESTOR PRESENTATION

Building Prosperity in Africa



UNAUDITED RESULTS
FOR THE SIX MONTHS TO 30th JUNE 2018
20th July 2018

@dangotecement



www.dangotecement.com



H1 2018 Highlights

FINANCIAL

- Group revenue up 16.9%
- Group EBITDA up 20.8%
 - Margins improved to 51.0%
- Earnings per share up 3.0% to ~~N~~6.60
- ~~N~~50B Commercial Paper issued
 - Largest-ever issuance by Nigerian company
 - Part of ~~N~~150B programme
 - Listed on FMDQ

OPERATIONAL

- Group volumes up 7.4%
- Nigeria volumes up 13.9%
 - Strong market recovery
- Pan-African volumes down 3.9%
 - Mainly due to production shutdown in Tanzania

Six months to 30 th June	2018	2017	Change
Sales volumes	'000t	'000t	%
Nigeria	7,810	6,855	13.9%
Pan-Africa	4,565	4,748	(3.9%)
Inter-company sales	(13)	(94)	
Total	12,362	11,509	7.4%
Revenues			
Nigeria	344,104	291,395	18.1%
Pan-Africa	138,685	124,447	11.4%
Inter-company sales	(350)	(3,166)	(88.9%)
Total	482,439	412,676	16.9%
EBITDA			
Nigeria	226,875	190,093	19.3%
Pan-Africa	25,894	19,632	31.9%
Inter-company and central costs	(6,762)	(6,050)	11.8%
Total	246,007	203,675	20.8%
EBITDA margin*			
Nigeria	65.9%	65.2%	0.7pp
Pan-Africa	18.7%	15.8%	2.9pp
Group	51.0%	49.4%	1.6pp

* Before central costs and eliminations

Group Financial Overview

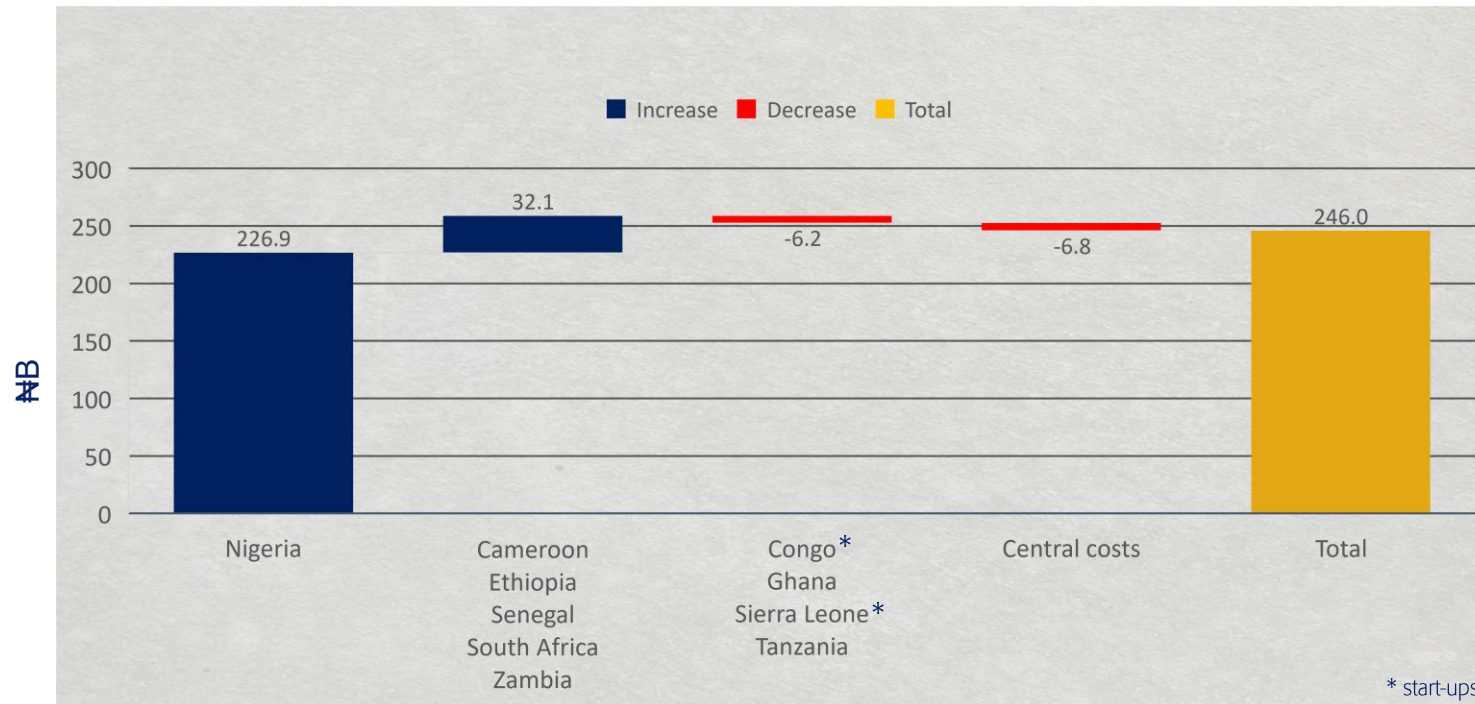
Income Statement

Six months to 30 th June	2018 ₦m	2017 ₦m	% change
Revenue	482,439	412,676	16.9%
Cost of sales	(197,595)	(177,549)	11.3%
Gross profit	284,844	235,127	21.1%
Gross margin	59.0%	57.0%	2.0pp
EBITDA	246,007	203,675	20.8%
EBITDA margin	51.0%	49.4%	1.6pp
EBIT	200,517	163,498	22.6%
EBIT margin	41.6%	39.6%	2.0pp
Finance income	3,586	16,487	(78.2%)
Finance cost	(18,565)	(24,404)	(23.9%)
Profit before tax	185,538	155,581	19.3%
Income tax (expense)/credit	(72,374)	(45,868)	57.8%
Profit for the period	113,164	109,713	3.1%
Earnings per share	6.60	6.41	3.0%



EBITDA Development

Profitability



- Levers of EBITDA improvement in 2018:
 - Higher volumes
 - Tanzania fuel switch to gas
 - Sierra Leone, Congo progressing to profitability
 - Improved cost/pricing in Ghana

Group Financial Overview (cont'd)

Movement in Net Debt

	Cash ₦m	Debt ₦m	Net debt ₦m
As at 31st December 2017	168,387	(372,094)	(203,707)
Cash generated from operations before changes in working capital	243,184		243,184
Changes in working capital	(35,505)		(35,505)
Income tax paid	(11,498)		(11,498)
Additions to fixed assets	(23,437)		(23,437)
Other investing activities	(1,042)		(1,042)
Change in non-current prepayments	(1,430)		(1,430)
Net interest payments	(23,273)		(23,273)
Net loans repaid	60,914	(60,914)	-
Dividend paid	(178,925)	-	(178,925)
Other cash and non-cash movements	1,883	985	2,868
As at 30th June 2018	199,258	(432,023)	(232,765)



Group Financial Overview (cont'd)

Balance Sheet

	As at 30/6/18 Nm	As at 31/12/17 Nm
Property, plant and equipment	1,175,962	1,192,140
Other non-current assets	60,304	57,089
Intangible Assets	6,988	6,355
Current Assets	286,763	241,912
Cash and Cash Equivalents	199,258	168,387
Total Assets	1,729,275	1,665,883
Non-current liabilities	186,016	121,153
Current liabilities	383,363	391,276
Debt	432,023	372,094
Total Liabilities	1,001,402	884,523
Net Assets	727,873	781,360

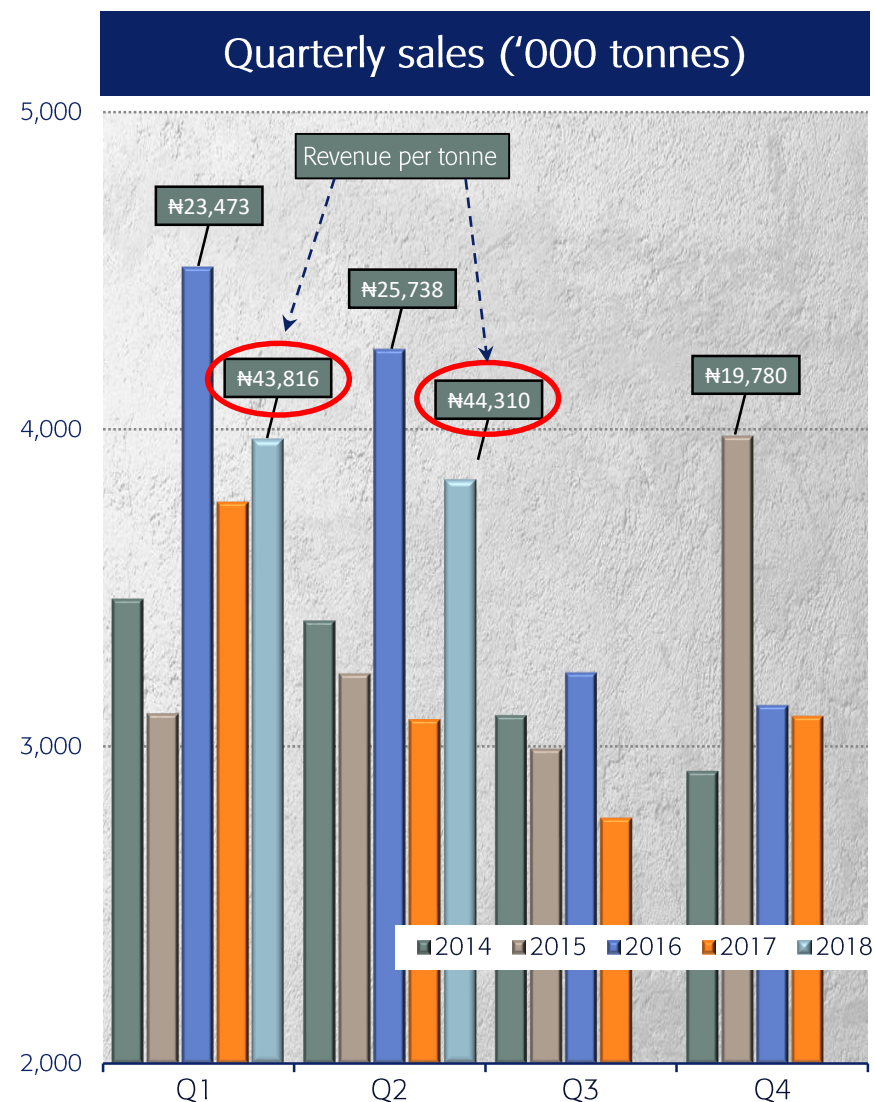


Strong H1 Nigeria Performance

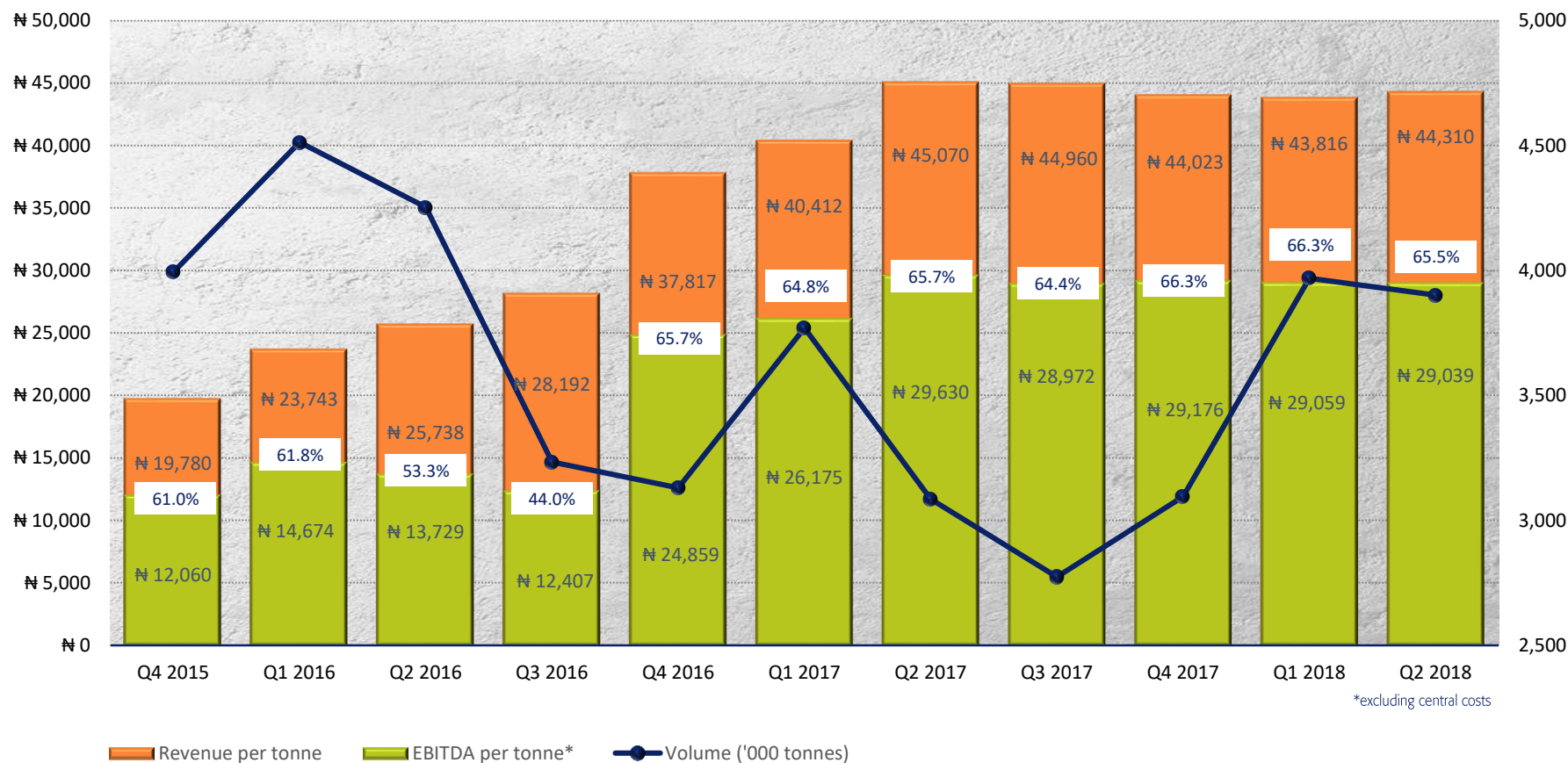
- Volumes up 13.9% to 7.8Mt
- Fourth and fifth best quarters since 2014
 - Very strong second quarter sales, volumes up 24.5% on Q2 2017
- Revenues up 18.1%
 - Estimated 66% market share
- EBITDA up 19.3%
- LPFO and imported coal not used in 2018

Nigeria performance			
Six months to 30 th June	2018	2017	Change
Volumes* (Kt)	7,810	6,855	13.9%
Revenue* (₦m)	344,104	291,395	18.1%
EBITDA* (₦m)	226,875	190,093	19.3%
EBITDA margin*	65.9%	65.2%	0.7pp

* Before corporate costs and inter-company eliminations



Nigeria Maintains Strong EBITDA / Tonne



Nigeria Price Development

Ex-factory price after discounts and other rebates



Conversion from Naira to US\$ is at spot rate

Kilns Running on Nigerian Gas and Coal

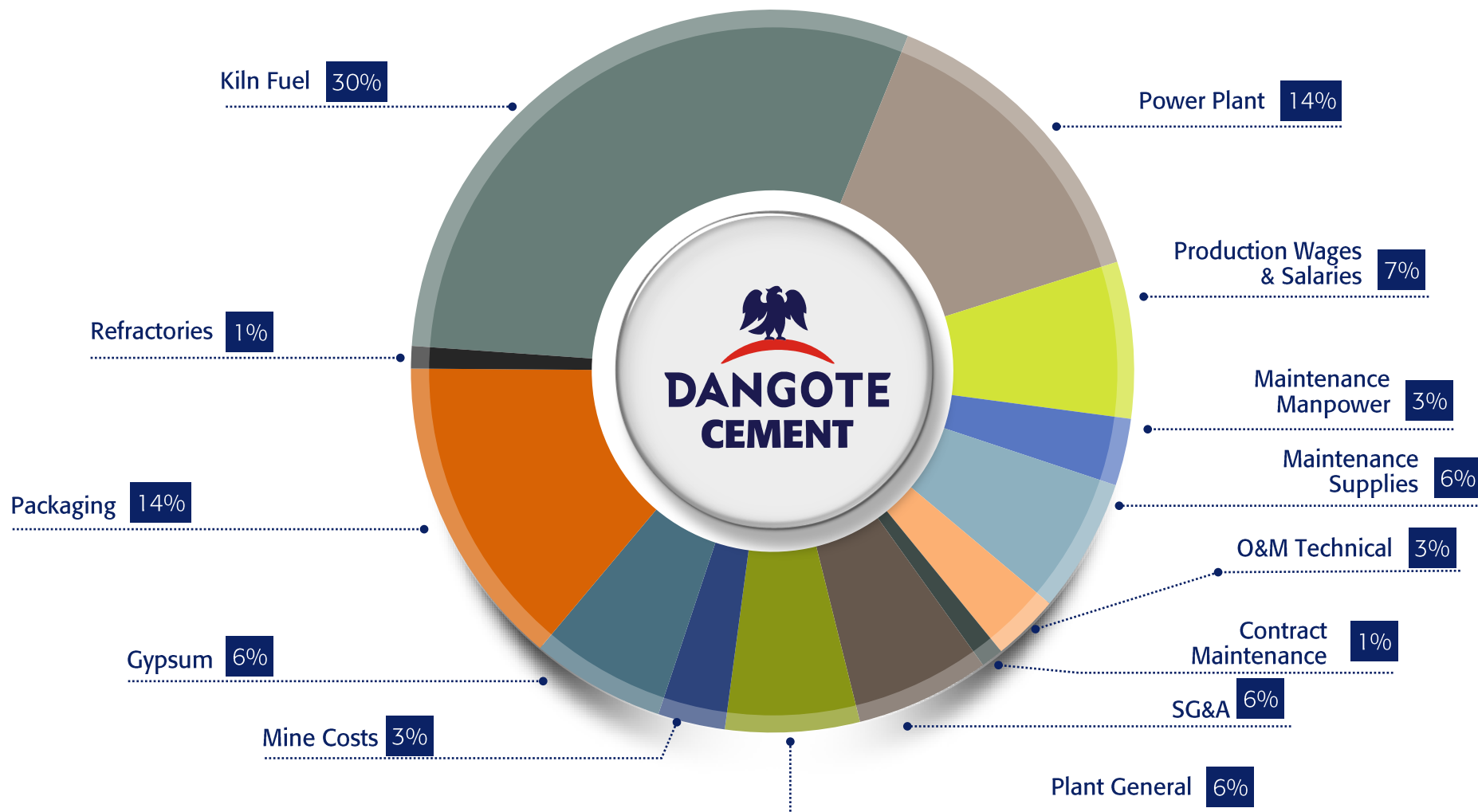


Fuel mix				
Six months to 30 th June	Obajana		Ibese	
	2018	2017	2018	2017
Gas	53%	58%	66%	55%
Coal	47%	38%	34%	43%
LPFO	-	4%	-	2%
TOTAL	100%	100%	100%	100%

Relative cost of fuels vs gas per tonne of clinker		
As at 30 th June 2018	Obajana	Ibese
Own-mined coal	0.67x	0.76x
Imported coal	1.12x	0.88x
Gas	1.00x	1.00x
LPFO (Not used)	2.53x	1.90x

Nigeria Cash Cost Analysis

% of average cash costs per tonne, H1 2018



Cash cost was approximately **\$33/tonne** in H1 2018

65% of cash costs are US Dollar based, though less than 20% paid in Dollars

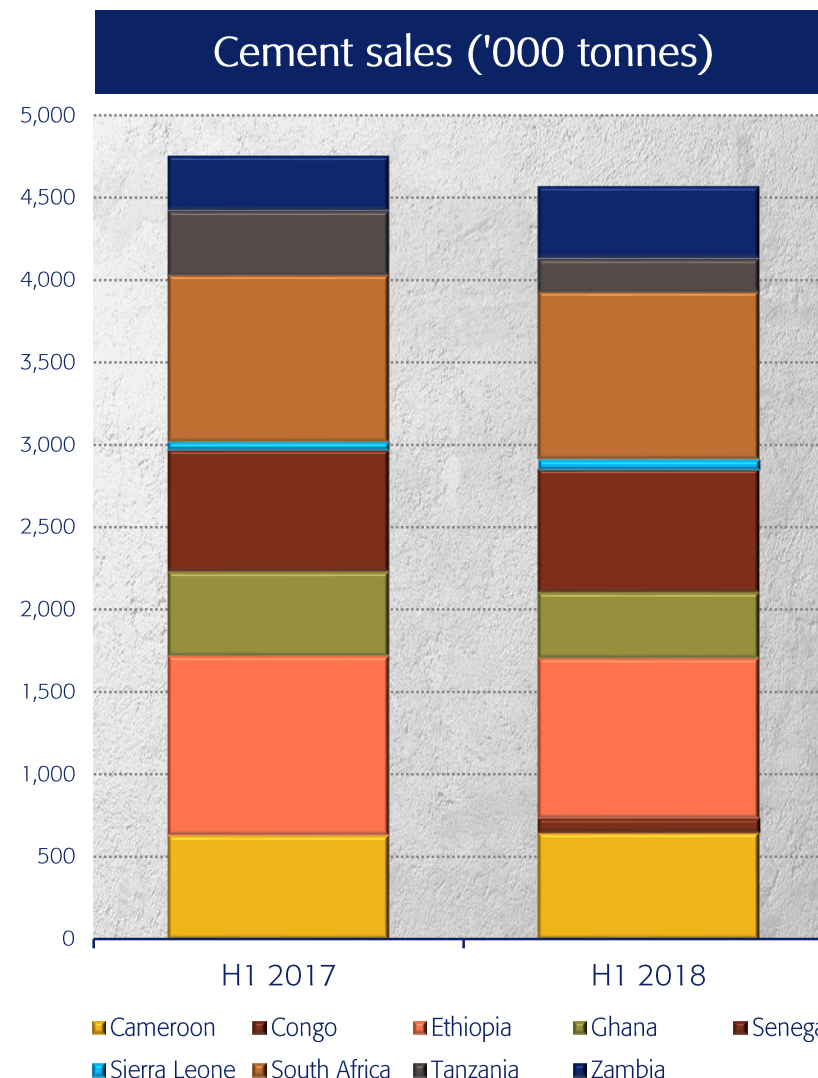
Pan-Africa Revenues Up

- Revenues up 11.4% to ₦138.7B
- Sales volumes down 3.9% to 4.57Mt
- EBITDA up 31.9% to ₦25.9B
- Margins improving to 18.7%
 - Higher per-tonne pricing
- Zambia volumes up 31.2%
- Cameroon volumes up 2.6%
- Senegal volumes up 1.1%

Pan-Africa performance

Six months to 30 st June	2018	2017	Change
Volumes sold (Kt)	4,565	4,748	(3.9%)
Revenue (₦m)	138,685	124,447	11.4%
EBITDA* (₦m)	25,894	19,632	31.9%
EBITDA margin	18.7%	15.8%	2.9pp

* Before corporate costs and eliminations



Country Updates



Cameroon

Estimate total market for cement was 1.5Mt in H1 2018

Housing and infrastructure projects driving sales

Dangote Cement volumes up 2.6% to 0.64Mt

Stronger brand recognition achieved

Improvement in sales and marketing strategies

41% market share



Congo

88Kt of cement sold

32% market share

Introduced new 42.5N product

Began exports to Central African Republic at end of May

DRC borders now open for cement imports

Major infrastructure projects

Ex-factory pricing \$96



Ethiopia

Strongest-growing economy in Sub-Saharan Africa; 8.5% GDP growth expected in 2018

Sales down 10.8% to 0.97Mt

Market share 27%

Increased use of local Ethiopian coal

Reduction of power consumption in grinding operations

Pricing around \$69/tonne ex-factory

Country Updates



Ghana

GDP growth expected to remain strong in the next two years

Strong cement demand

Market drivers include Tema-Accra highway, school building and infrastructure for oil and gas

Volumes down 21.7% to 0.40Mt owing to limited availability of imported cement

Market share of 11%

Ex-factory pricing of \$94 at end of Q2



Senegal

7% GDP growth expected in 2018

Volumes up 1.1% to 0.75Mt

21% market share

Capacity utilisation of c100% owing to increased sales of 32.5-grade with lower clinker content

Pricing at \$70/tonne ex-factory for 32.5-grade and \$79/tonne for 42.5-grade

145Kt sold to Mali



Sierra Leone

Cement market picking up after Ebola crisis

Building projects resuming, infrastructure investment and foreign aid

Volumes up 19.0% to 63Kt

Increased focus on corporate sales, PoS materials and competitive pricing

Ex-factory price approximately \$100 in Q2 2018

Country Updates



South Africa

Economy remains muted; 1.5% GDP growth forecast for 2018

Improved political landscape to help economy

Inflation expected to remain low at about 4.2% this year

Total cement market of 5.7Mt in H1, same as H1 2017

DCSA volumes up 0.5% despite 5% price increase

Price increase of 5% across SA market in February 2018



Tanzania

GDP growth remains strong at about 6.4%

Market drivers include Dar es Salaam to Morogoro Railway, Kenya-Tanzania Railway, road/bridge building and major housing projects

Volumes down 48.0% owing to plant maintenance and shut downs

Gas turbines delayed but expected August, with immediate uplift on EBITDA



Zambia

GDP growth of 4% expected in 2018

Market drivers include lower rainfall, improved harvest, infrastructure projects

Volumes up 31.2% to nearly 434Kt tonnes of cement

Improved distribution through use of additional 3rd-party trucks and rail networks

Ex-factory pricing at approximately \$83 in June

Estimated share of 39%



PREMIUM
BOARD

LISTED

INVESTOR RELATIONS CONTACTS

For further information contact:

Carl Franklin

Head of Investor Relations

Dangote Cement Plc

+44 207 399 3070

carl.franklin@dangote.com

www.dangotecement.com

@dangotecement



Building Prosperity in Africa

