

Q1 2019 results

UNAUDITED RESULTS FOR THE THREE MONTHS ENDED 31ST MARCH 2019

29TH APRIL 2019

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Q1 2019 Highlights



FINANCIAL

- Group revenue down 0.8%
 - Election delays, discounting
- Group EBITDA down 11.2%
 - 46.5% margin
- Earnings per share down 15.7% to ₦3.54

OPERATIONAL

- Group volumes up 2.3%
 - Nigeria volumes actually third-highest quarter despite impact of election
- Pan-African volumes up 4.8%

Three months to 31 st March	2019	2018	Change
Sales volumes	'000t	'000t	%
Nigeria	3,991	3,969	0.6%
Pan-Africa	2,347	2,239	4.8%
Inter-company sales	(00)	(13)	
Total	6,338	6,195	2.3%
Revenues			
Nigeria	169,885	173,907	(2.3%)
Pan-Africa	70,272	68,559	2.5%
Inter-company sales	-	(350)	
Total	240,157	242,116	(0.8%)
EBITDA			
Nigeria	103,380	115,337	(10.4%)
Pan-Africa	11,854	13,064	(9.3%)
Inter-company and central costs	(3,473)	(2,484)	
Total	111,761	125,917	(11.2%)
EBITDA margin*			
Nigeria	60.9%	66.3%	(5.4pp)
Pan-Africa	16.9%	19.1%	(2.2pp)
Group	46.5%	52.0%	(5.5pp)

* Before central costs and eliminations

Group Financial Overview

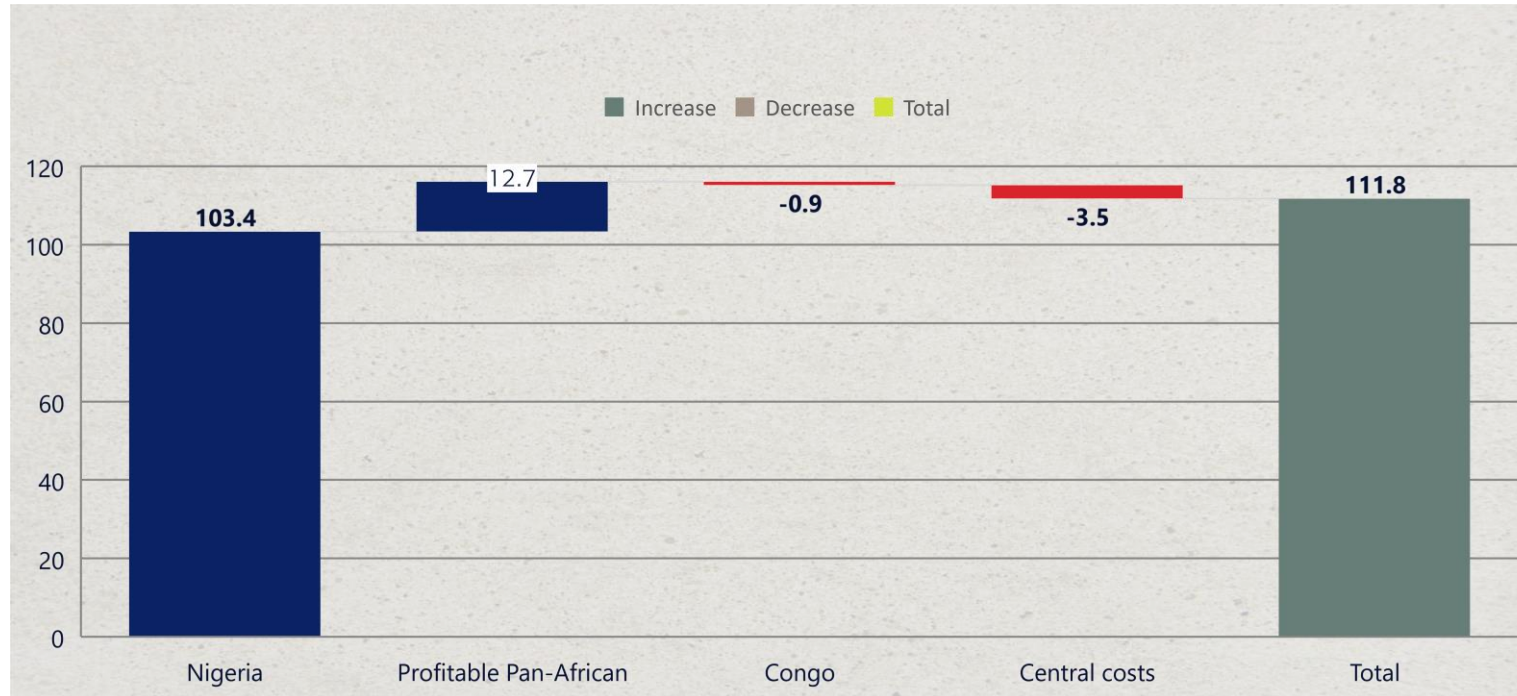
Income Statement

Three months to 31 st March	2019 ₦m	2018 ₦m	% change
Revenue	240,157	242,116	(0.8%)
Cost of sales	(99,478)	(97,352)	2.2%
Gross profit	140,679	144,764	(2.8%)
<i>Gross margin</i>	58.6%	59.8%	(1.2pp)
EBITDA	111,761	125,917	(11.2%)
<i>EBITDA margin</i>	46.5%	52.0%	(5.5pp)
EBIT	88,382	103,787	14.8%
<i>EBIT margin</i>	36.8%	42.9%	(6.1pp)
Finance income	2,286	15,098	(84.9%)
Finance cost	(11,708)	(10,482)	11.7%
Profit before tax	78,960	108,403	(27.2%)
Income tax (expense)/credit	(18,706)	(36,280)	(48.4%)
Profit for the period	60,254	72,123	(16.5%)
Earnings per share	3.54	4.20	(15.7%)



EBITDA Development

Profitability

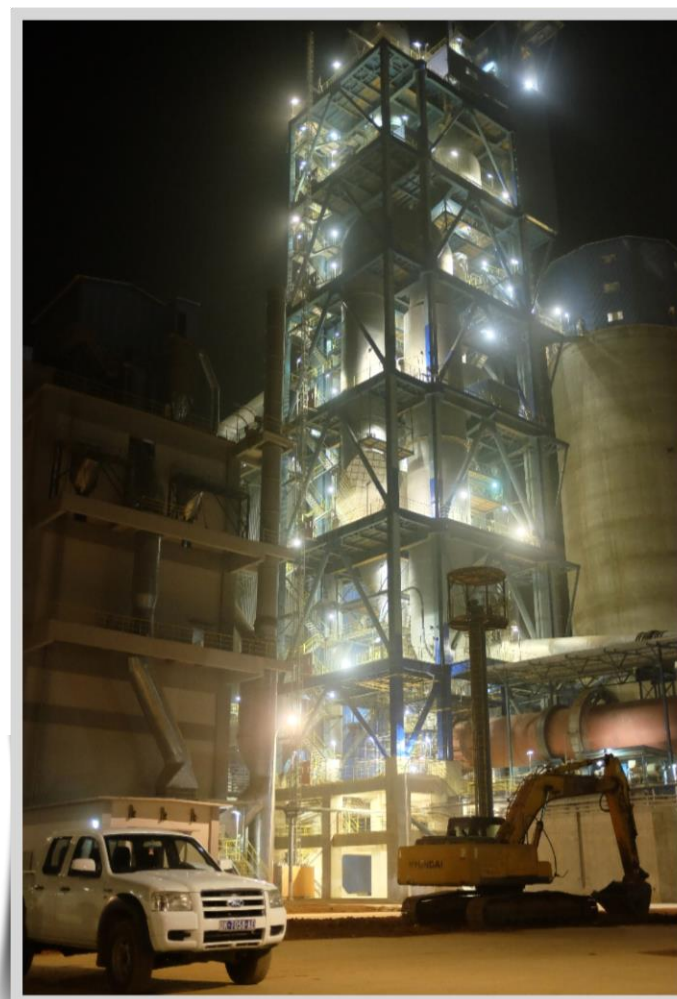


- Discounting and higher input costs weighed on EBITDA
- Only Congo delivered a negative EBITDA in Q1 2019

Group Financial Overview (cont'd)

Movement in Net Debt

	Cash ₦m	Debt ₦m	Net debt ₦m
As at 31st December 2018	166,896	(335,301)	(168,405)
Cash generated from operations before changes in working capital	111,781		111,781
Changes in working capital	42,415		42,415
Income tax paid	(611)		(611)
Additions to fixed assets	(41,591)		(41,591)
Other investing activities	(26)		(26)
Change in non-current prepayments	7,495		7,495
Net interest payments	(5,702)		(5,702)
Net loans repaid	(106,945)	106,945	-
Dividend paid	-	-	-
Other cash and non-cash movements	(33)	1,170	1,137
As at 31st March 2019	173,679	(227,186)	(53,507)



Group Financial Overview (cont'd)

Balance Sheet

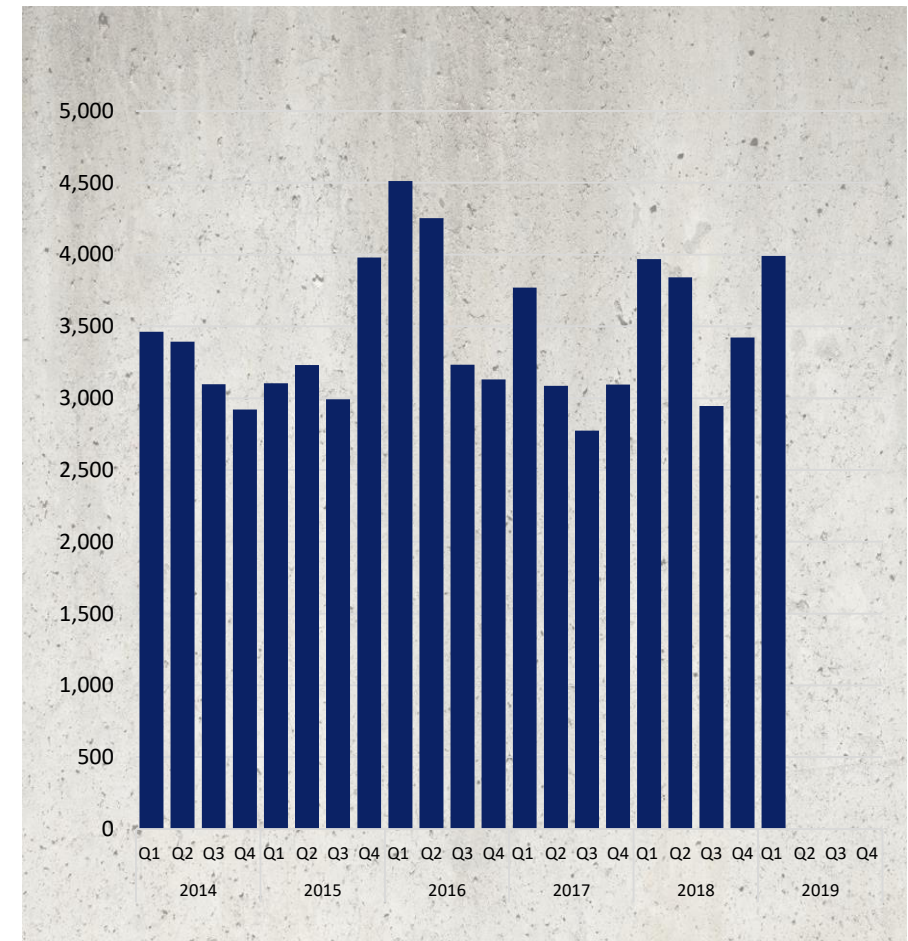
	As at 31/3/19 N/m	As at 31/12/18 N/m
Property, plant and equipment	1,188,079	1,171,864
Other non-current assets	86,659	87,792
Intangible Assets	5,805	5,969
Current Assets	287,835	261,942
Cash and Cash Equivalents	173,679	166,896
Total Assets	1,742,057	1,694,463
Non-current liabilities	98,112	86,619
Current liabilities	370,050	285,930
Debt	227,186	335,301
Total Liabilities	695,348	707,850
Net Assets	1,046,709	986,613



Nigeria sales performance

- Market estimated 6% ahead of Q1 2018
 - February sales affected by delays in national and local elections
- Third-best quarter from Nigeria despite significant loss of sales during election weekends
 - Estimated 64% market share
- Revenues down 2.3% to ₦169.9B
- EBITDA down 10.4%
- 200Kt of exports

Quarterly sales ('000 tonnes)

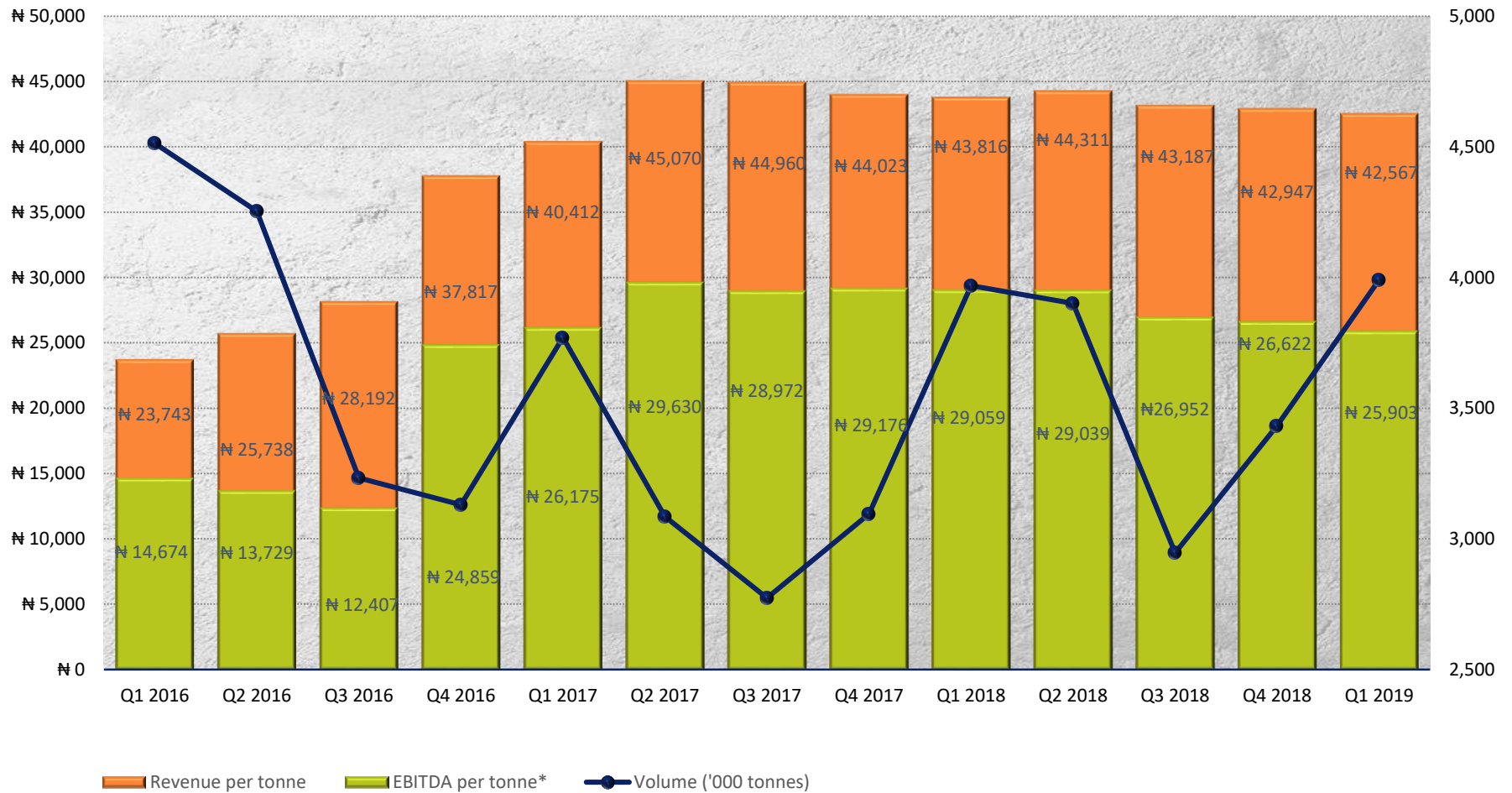


Nigeria performance

Three months to 31 st March	2019	2018	Change
Volumes* (Kt)	3,991	3,969	0.6%
Revenue* (₦m)	169,885	173,907	(2.3%)
EBITDA* (₦m)	103,380	115,337	(10.4%)
EBITDA margin*	60.9%	66.3%	(5.4pp)

* Before corporate costs and inter-company eliminations

Development of EBITDA / Tonne

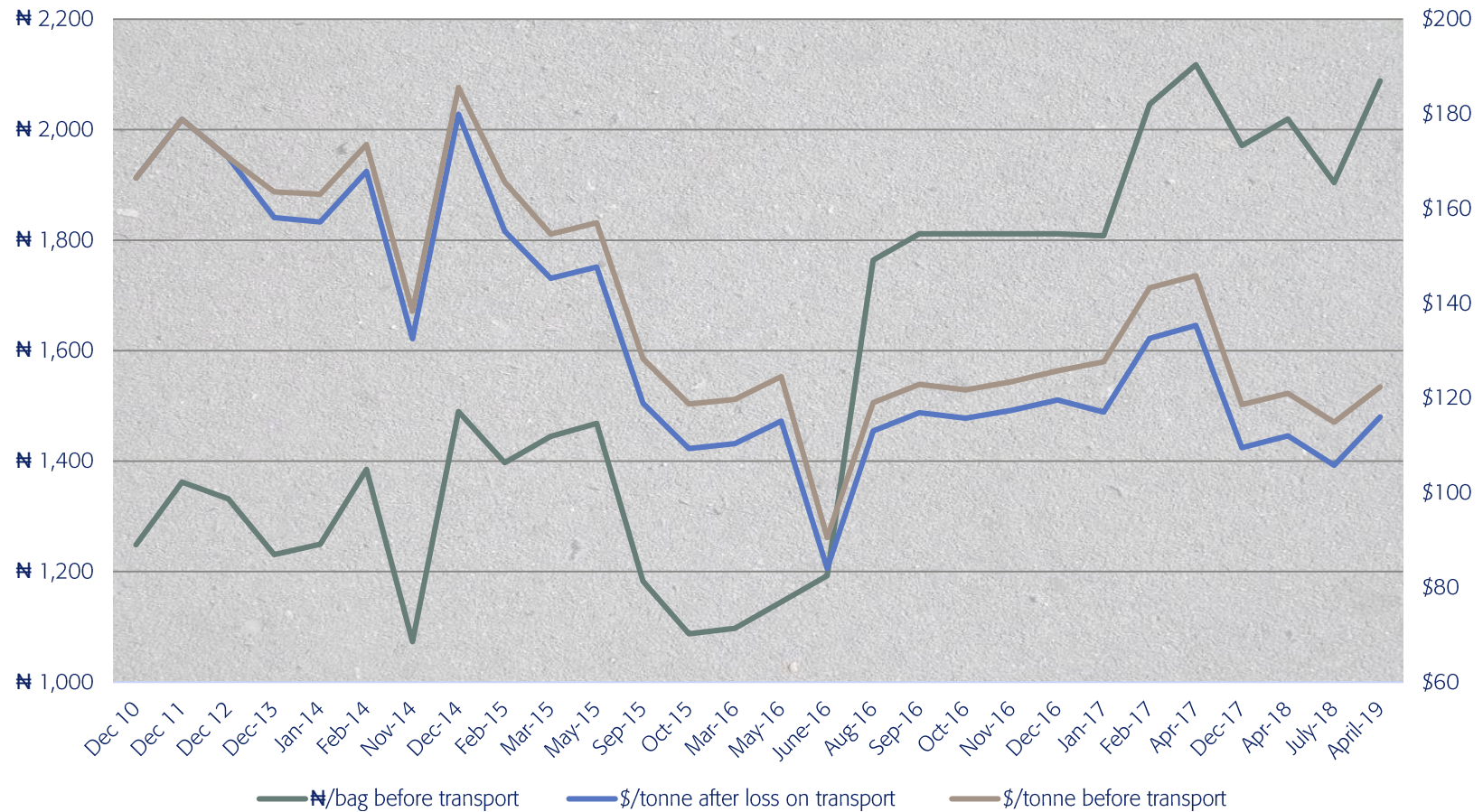


*excluding central costs

Nigeria Price Development



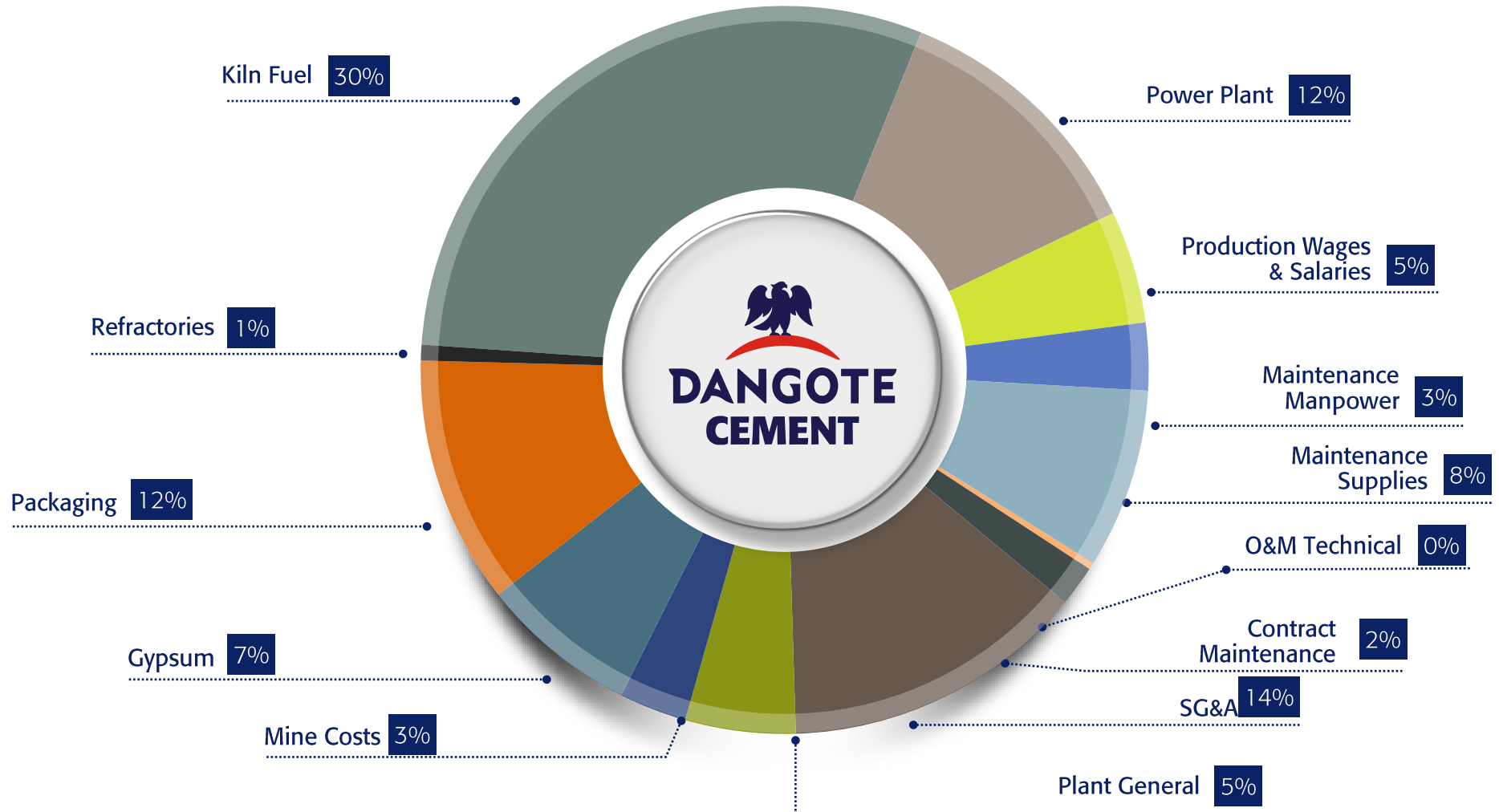
Ex-factory price after discounts and other rebates



Conversion from Naira to US\$ is at spot rate

Nigeria Cash Cost Analysis

% of average cash costs per tonne, Q1 2019

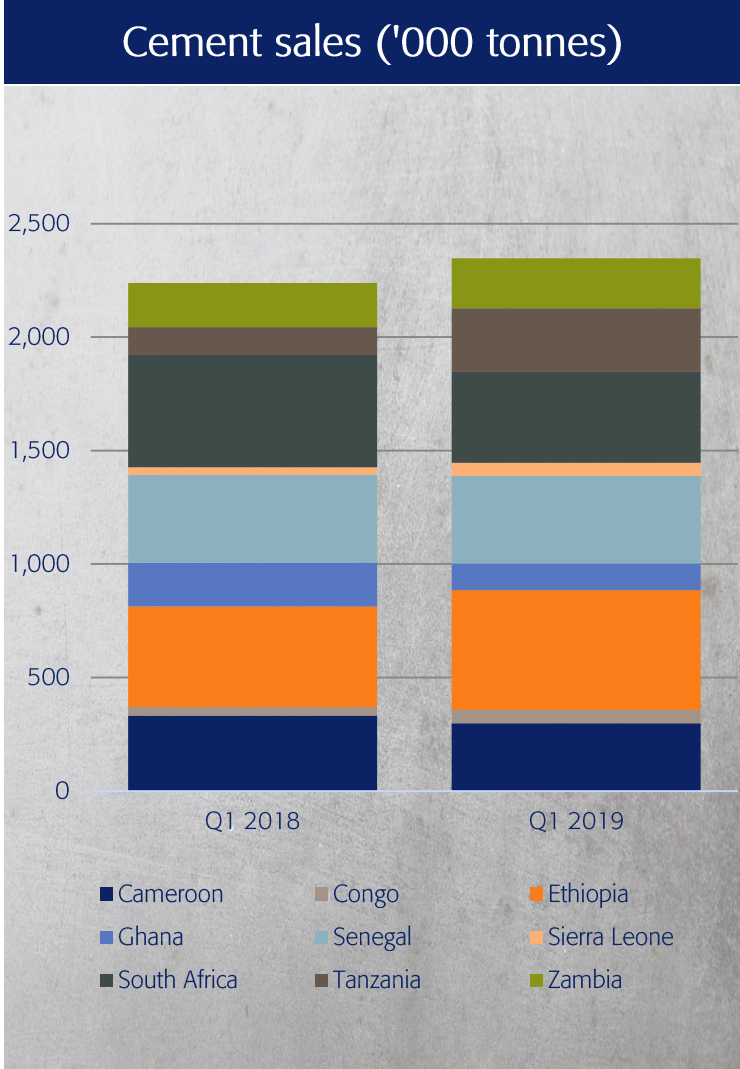


Cash cost was approximately **\$35/tonne** in Q1 2019

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

Pan-Africa Revenues Up

- Sales volumes up 4.8% to 2.3Mt
- Revenues up 2.5% to ₦70.3B
- EBITDA down 9.3% to ₦ 11.9B
- Good Q1 performances
 - Zambia volumes up 15.0%
 - Tanzania volumes up 127.0%
 - Congo volumes up 49.0%
 - Sierra Leone volumes up 78.0%



Pan-Africa performance

Three months to 31 st March	2019	2018	Change
Volumes sold (Kt)	2,347	2,239	4.8%
Revenue (₦m)	70,272	68,559	2.5%
EBITDA* (₦m)	11,854	13,064	(9.3%)
EBITDA margin	16.9%	19.1%	(2.2pp)

* Before corporate costs and eliminations

Country Updates



Cameroon

Estimated 750Kt total Q1 market

Housing and infrastructure driving sales

Volumes down 10.0% to 299Kt

40% market share



Congo

58Kt sold in Q1, up 49.0% on the 39Kt sold last year

32% market share achieved

Introduction of new 32.5R

Opening of cement sales depots in Brazzaville and Pointe Noire

Central African Republic a target for export sales



Ethiopia

Political landscape improved

Sales up 19.2% to 527Kt from 443Kt last year

Market share 24.2%

Sales driven by retail sector

Downtime used for maintenance

Increased use of local coal

Country Updates



Ghana

GDP accelerating with attractive outlook for cement demand

Increased government infrastructure spending ahead of 2020 elections

Market drivers include Tema-Accra highway, the airport in Kumasi, the extension of the BUIPE dam and the port in Takoradi

Volumes down to 117Kt owing to lack of stock



Senegal

6%-7% GDP growth expected in 2019

Infrastructure projects include Ilaa Touba Highway, Dakar Airport Railway and road/urban projects

Volumes flat at 386Kt owing to operational challenges posed by Presidential elections



Sierra Leone

GDP Picking up after Ebola crisis, with expectation of 6% growth in 2019

Building projects resuming, infrastructure investment and foreign aid

Volumes up 78.0% to 58Kt

Increased focus on corporate sales, PoS materials and competitive pricing

Country Updates



South Africa

Cement market remains depressed

Government seeking large funding for infrastructure

2.7Mt total Q1 market (all manufacturers)

DCSA volumes down 19.0% in Q1



Tanzania

GDP growth remains strong at about 7%

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

Increase in government infrastructure spending

Volumes up 127% to 281Kt



Zambia

GDP growth of 4%-5% expected in 2019

Market drivers include lower rainfall, improved harvest, infrastructure projects

Volumes up 15% to over 223Kt

Improved distribution through use of additional 3rd-party trucks

Estimated share of 37%