

Q1 2018 Results



Building Prosperity in Africa



24th April 2018

Investor Presentation

Q1 2018 Highlights



FINANCIAL

- Group revenue up 16.3%
- Group EBITDA up 22.2% at margin of 52.0%
- Earnings per share up 23.9% to ₦4.20

OPERATIONAL

- Group volumes up 2.8%
 - Nigeria volumes up 5.3% after strong March

MANAGEMENT AND BOARD

- Joe Makoju appointed Group Chief Executive Officer
- Cherie Blair and Mick Davis join Board as Independent Non-Executive Directors (20th April 2018)

Three months to 31 st March	2018	2017	Change
Sales volumes	'000t	'000t	%
Nigeria	3,969	3,770	5.3%
Pan-Africa	2,239	2,342	(4.4%)
Inter-company sales	(13)	(87)	
Total	6,195	6,025	2.8%
Revenues			
Nigeria	173,907	152,355	14.1%
Pan-Africa	68,559	58,715	16.8%
Inter-company sales	(350)	(2,904)	
Total	242,116	208,166	16.3%
EBITDA			
Nigeria	115,337	98,539	17.0%
Pan-Africa	13,064	7,368	77.3%
Inter-company and central costs	(2,484)	(2,904)	
Total	125,917	103,003	22.2%
EBITDA margin*			
Nigeria	66.3%	64.7%	1.6pp
Pan-Africa	19.1%	12.5%	6.6pp
Group	52.0%	49.5%	2.5pp

* Before central costs and eliminations

Group Financial Overview

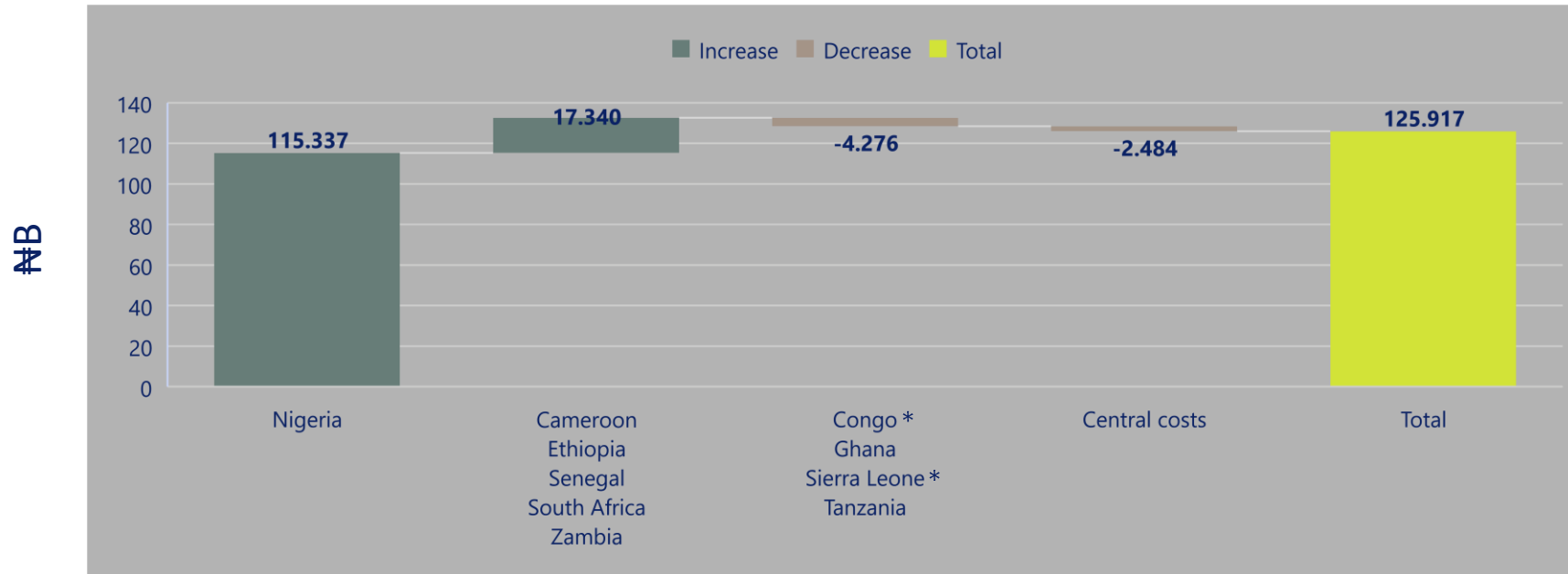
Income Statement

Three months to 31 st March	2018 ₦m	2017 ₦m	% change
Revenue	242,116	208,166	16.3%
Cost of sales	(97,352)	(87,802)	13.8%
Gross profit	144,764	120,364	20.3%
<i>Gross margin</i>	59.8%	57.8%	2.0pp
EBITDA	125,917	103,003	22.2%
<i>EBITDA margin</i>	52.0%	49.5%	2.5pp
EBIT	103,787	83,248	24.7%
<i>EBIT margin</i>	42.9%	40.0%	2.9pp
Finance income	15,098	5,641	167.6%
Finance cost	(10,482)	(11,572)	(9.4%)
Profit before tax	108,403	77,317	40.2%
Income tax (expense)/credit	(36,280)	(21,451)	69.1%
Profit for the period	72,123	55,866	29.1%
Earnings per share	4.20	3.39	23.9%



EBITDA Development

Profitability



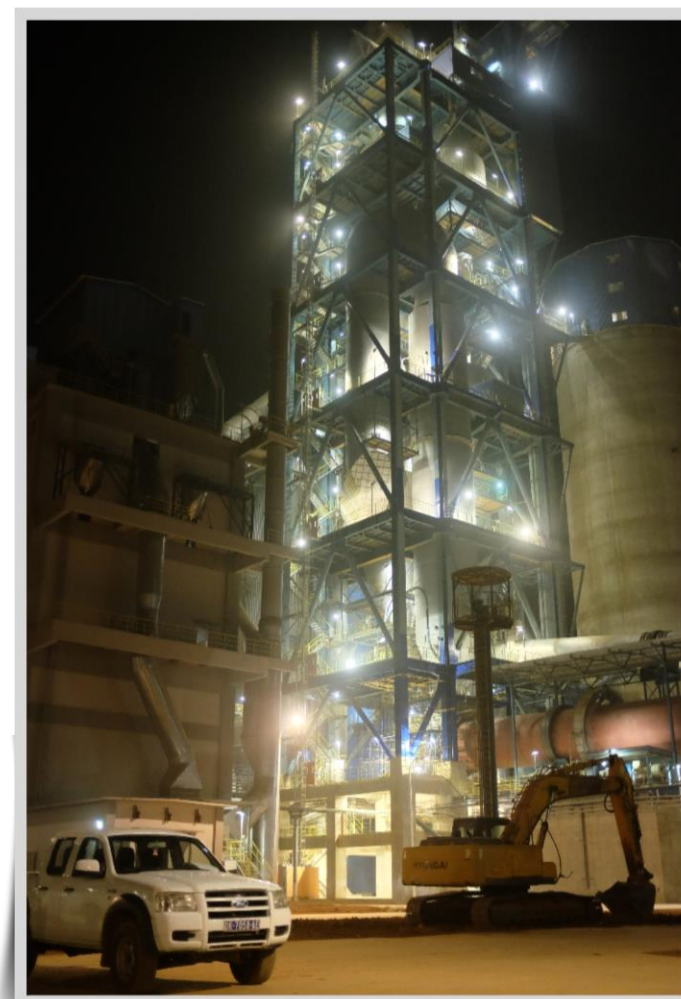
- Impact of loss-making operations breaking even would increase Pan-African margin to 25.3% (excl. central costs)
- Levers of EBITDA improvement in 2018:
 - Higher volumes
 - Tanzania fuel switch to gas
 - Sierra Leone, Congo progressing to profitability
 - Improved cost/pricing in Ghana

* start-ups

Group Financial Overview (cont'd)

Movement in Net Debt

	Cash ₦m	Debt ₦m	Net debt ₦m
As at 1st January 2018	168,387	(372,094)	(203,707)
Cash generated from operations before changes in working capital	132,727		132,727
Changes in working capital	4,167		4,167
Income tax paid	(30)		(30)
Additions to fixed assets	(4,540)		(4,540)
Other investing activities	(901)		(901)
Change in non-current prepayments	(577)		(577)
Net interest payments	(3,468)		(3,468)
Net loans repaid	(81,392)	81,392	-
Dividend paid	-	-	-
Other cash and non-cash movements	879	(9,224)	(8,345)
As at 31st March 2018	215,252	(299,926)	(84,674)



Group Financial Overview (cont'd)

Balance Sheet

	As at 31/3/18 N/m	As at 1/1/18 N/m
Property, plant and equipment	1,195,138	1,192,140
Other non-current assets	59,353	57,089
Intangible Assets	7,412	6,355
Current Assets	241,822	241,912
Cash and Cash Equivalents	215,252	168,387
Total Assets	1,718,977	1,665,883
Non-current liabilities	144,789	121,153
Current liabilities	410,029	391,276
Debt	299,926	372,094
Total Liabilities	854,744	884,523
Net Assets	864,233	781,360



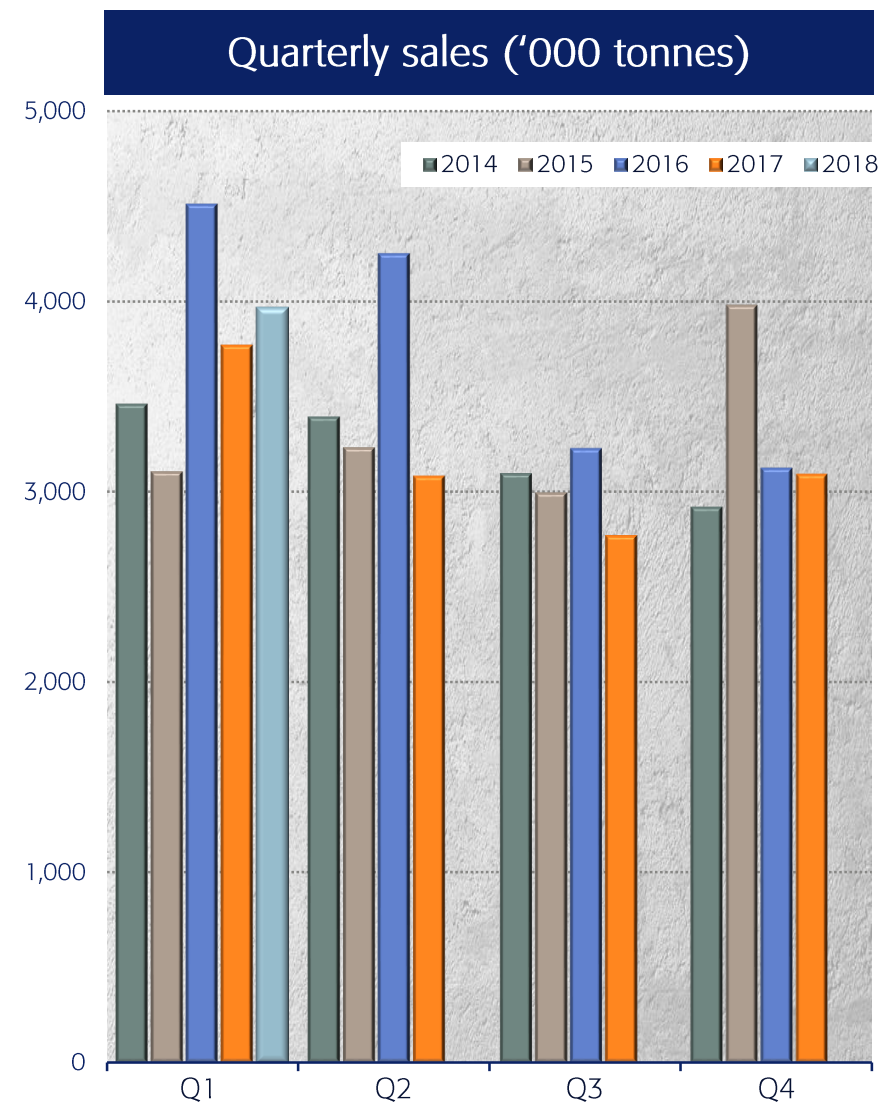
Strong Nigeria Performance

- Volumes up 5.3% to nearly 4.0Mt
 - Fourth-highest quarter since 2014
 - Strong March creates good momentum for 2018
- Revenues up 14.1%
 - Estimated 66% market share
- EBITDA up 17.0%
- LPFO and imported coal not used
- 211Kt of exports
 - Ghana: 12Kt
 - Niger: 86Kt
 - Togo: 112Kt

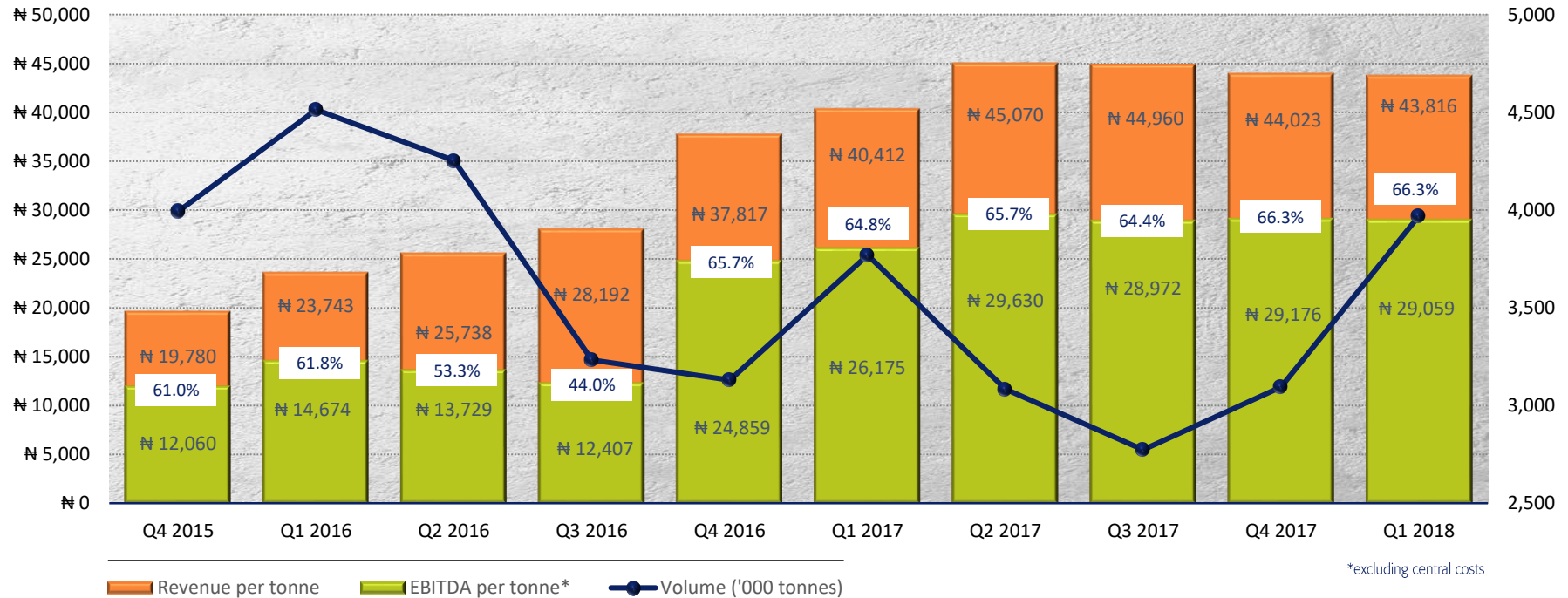
Nigeria performance

Three months to 31 st March	2018	2017	Change
Volumes* (Kt)	3,969	3,770	5.3%
Revenue* (₦m)	173,907	152,355	14.1%
EBITDA* (₦m)	115,337	98,539	17.0%
EBITDA margin*	66.3%	64.7%	1.6pp

* Before corporate costs and inter-company eliminations



Nigeria Maintains Strong EBITDA / Tonne



EBITDA momentum maintained in Q4 2017

- Strong per-tonne EBITDA maintained despite lower volumes, price cut in August
- Improved fuel mix with decreased use of imported coal and LPFO

Nigeria Price Development



Ex-factory price after discounts and other rebates



Conversion from Naira to US\$ is at spot rate

Use of LPFO and Imported Coal Eliminated

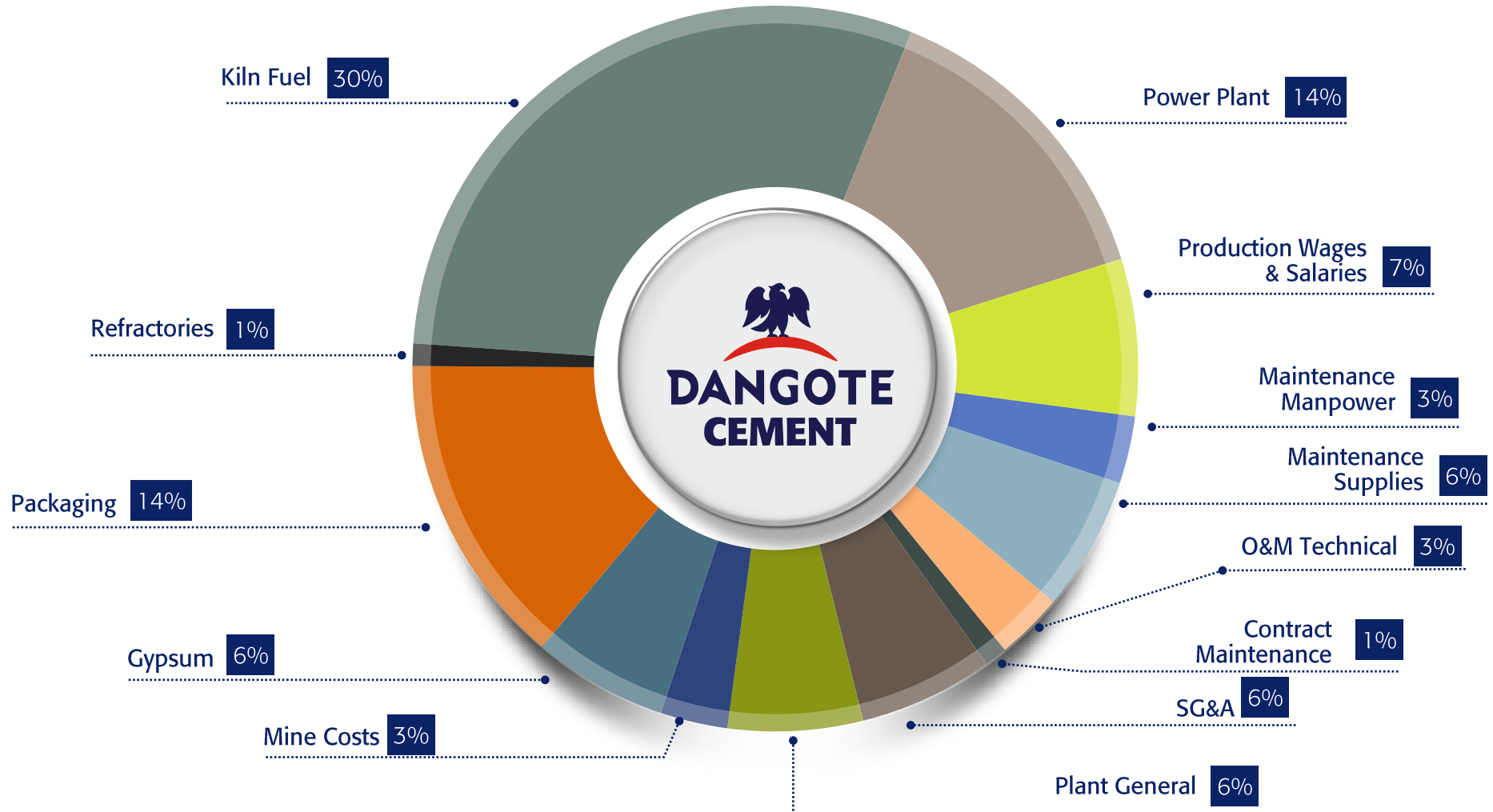


Fuel mix				
Three months to 31 st March	Obajana		Ibese	
	2018	2017	2018	2017
Gas	57%	48%	62%	54%
Coal	43%	46%	38%	43%
LPFO	-	6%	-	3%
TOTAL	100%	100%	100%	100%

Relative cost of fuels vs gas per tonne of clinker		
As at 31 st March 2018	Obajana	Ibese
Own-mined coal	0.67x	0.76x
Imported coal (Not used)	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, Q1 2018



Cash cost was approximately **\$33/tonne** in Q1 2018

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

Pan-Africa Revenues Up

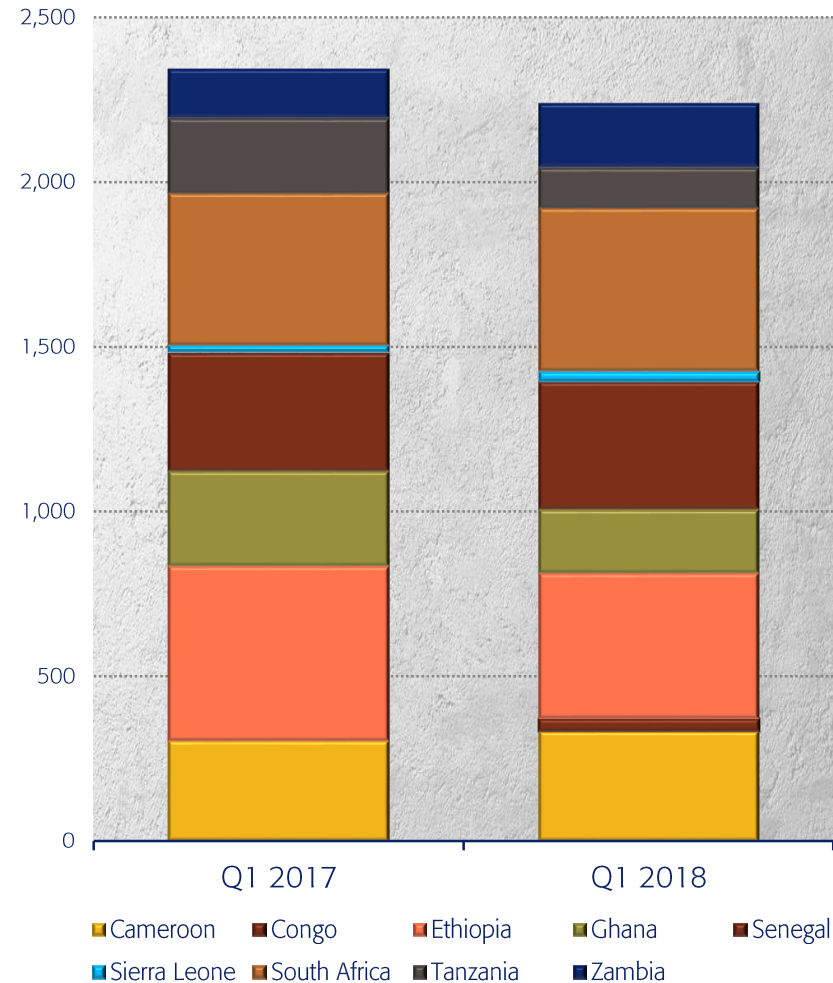
- Sales volumes down 4.4% to 2.2Mt
- Revenues up 16.8% to ₦68.6B
- EBITDA up 77.3%
 - Higher per-tonne pricing on FX translation
- Good Q1 performances
 - Zambia volumes up 29.9%
 - Cameroon volumes up 9.6%
 - Senegal volumes up 7.7%

Pan-Africa performance

Three months to 31 st March	2018	2017	Change
Volumes sold (Kt)	2,239	2,342	(4.4%)
Revenue (₦m)	68,559	58,715	16.8%
EBITDA* (₦m)	13,064	7,368	77.3%
EBITDA margin	19.1%	12.5%	6.6pp

* Before corporate costs and eliminations

Cement sales ('000 tonnes)



Country Updates



Cameroon

Estimates 760Kt total Q1 market

Housing and infrastructure driving sales

Volumes up 9.6% to 332Kt

Stronger brand recognition achieved

Pricing around \$119/tonne

44% market share



Congo

Commenced operations September 2017

Slow start, 39Kt sold in Q1

DRC borders now open for cement imports

Central African Republic also a target for export sales

Ex-factory pricing \$92 in March



Ethiopia

Civil disruption causes 16.7% fall in sales volumes, but issues now resolved and deliveries reaching customers

Market share 22%

Downtime used for kiln and other maintenance

Focus on improving reach in remote areas

Pricing around \$67/tonne ex-factory

Country Updates



Ghana

GDP accelerating with attractive outlook for cement demand

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

Volumes down to 193Kt owing to reallocation of vehicles to serve Nigerian demand and lead time of increasing seaborne imports

Ex-factory pricing of \$98 at end of Q1



Senegal

6%-7% GDP growth expected in 2018

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

Volumes up 7.7% to 388Kt

Capacity utilisation slightly higher than 100% owing to increased sales of 32.5-grade with lower clinker content

Pricing at \$74/tonne ex-factory



Sierra Leone

GDP Picking up after Ebola crisis, with expectation of 6% growth in 2018

Building projects resuming, infrastructure investment and foreign aid

Volumes up 44% to 33Kt

Increased focus on corporate sales, PoS materials and competitive pricing

Ex-factory price approximately \$97 in Q1 2018

Country Updates



South Africa

GDP remains muted

Government seeking large funding for infrastructure

2.7Mt total Q1 market (all manufacturers)

DCSA volumes up 7.3% in Q1

Price increase of 5% across SA market in February 2018



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

Volumes down 46% as plant closed to stem losses and enable maintenance

Gas turbines delayed but expected late May/Early June, with immediate uplift on EBITDA



Zambia

GDP growth of 4%-5% expected in 2018

Market drivers include lower rainfall, improved harvest, infrastructure projects

Volumes up 29.9% to nearly 200Kt

Improved distribution through use of additional 3rd-party trucks

Ex-factory pricing at approximately \$87 in March

Estimated share of 43%

Investor Presentation

APPENDIX



Building Prosperity in Africa



Change in Pioneer Tax Treatment

- Company remains confident that Pioneer applications will soon be approved by NIPC
- Pioneer tax relief taken for the two-year extension on Lines 1&2 Ibese and Line 3 Obajana.
 - Original three-year application was approved by NIPC and extension should be granted as the Company has complied with the Pioneer requirements.
 - Credit taken in 2017 of ₦8.3B (2016: ₦24.0B, 2015: ₦27.8B)
- Pioneer tax relief not taken for the original three-year application on Lines 3&4 Ibese and Line 4 Obajana.
 - Have complied with the PSI requirements and applications await NIPC approval.
 - Provision taken in 2017 of ₦62.2B (2016: ₦43.8B, 2015: ₦28.1B)
 - Provision will be reversed on receipt of NIPC approval
- Tax charge of 25.6% in Nigeria for 2017

Previous treatment

Obajana	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line 1											
Line 2											
Line 3											
Line 4											
Ibese	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line 1											
Line 2											
Line 3											
Line 4											

New treatment, pending NIPC approval

Obajana	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line 1											
Line 2											
Line 3											
Line 4											
Ibese	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line 1											
Line 2											
Line 3											
Line 4											

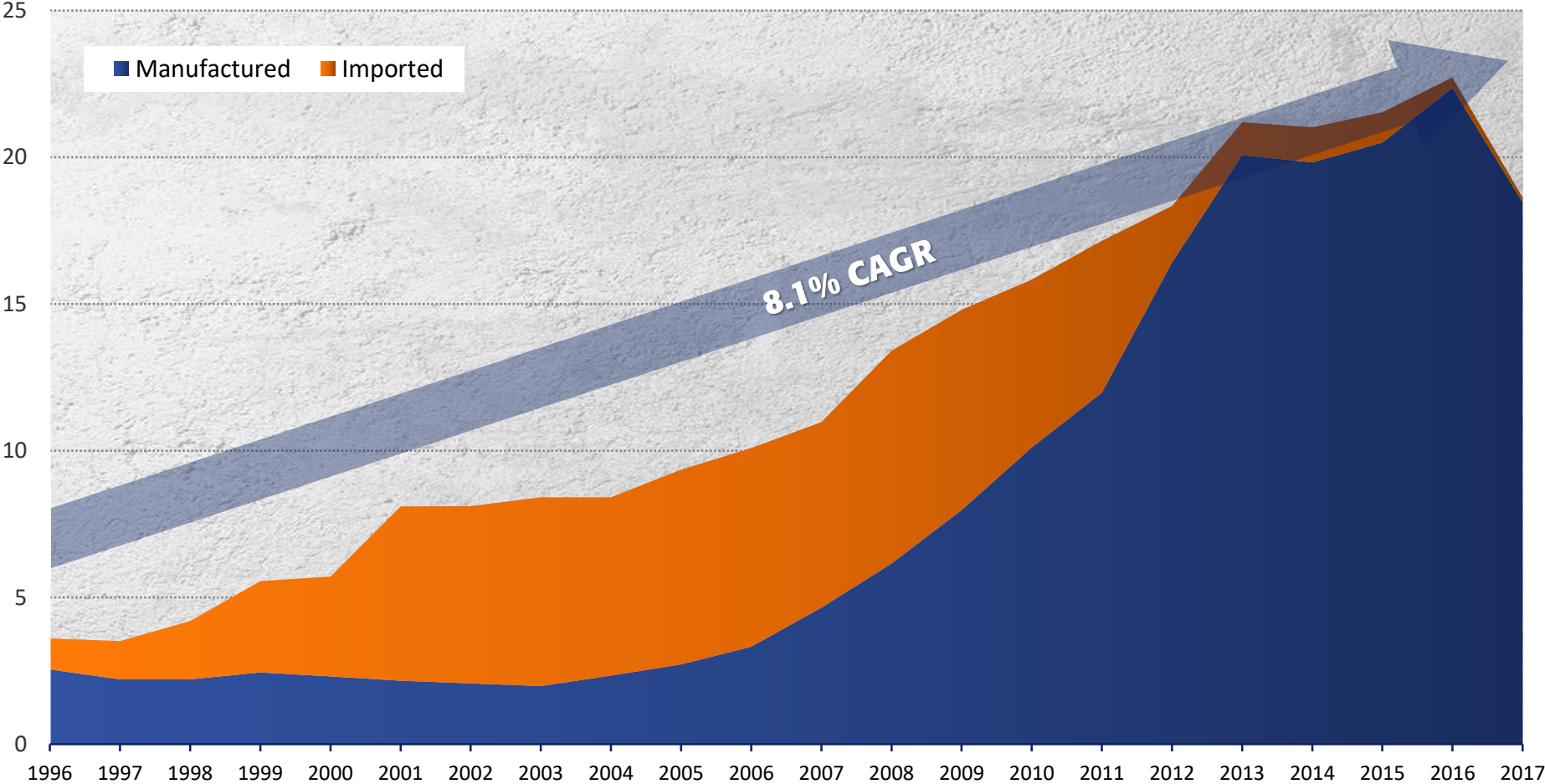
Tax exempt status taken in accounts	Tax exempt status taken in accounts, on two-year Pioneer extensions, awaiting NIPC approval	Tax-exempt status not taken in accounts, awaiting NIPC approval
-------------------------------------	---	---

Sustainability



- First Sustainability Report published in 2017 Annual Report
- Reporting guided by:
 - Nigerian Stock Exchange requirements on sustainability reporting
 - Cement Sustainability Initiative
 - Global Reporting Initiative G4 Sustainability Reporting Guidelines
- Focus upon:
 - Carbon disclosure
 - Emissions monitoring
 - Responsible use of fuel and raw materials
 - Employee health and safety
- Work in progress
 - 2016: Benchmark industry standard reporting, identify relevant reporting standards, develop pilot monitoring studies
 - 2017: Review pilot studies, develop policies and finalise KPIs, staff training
 - 2018: Roll out monitoring and reporting system across entire business, data assurance, regular management reviews
 - 2018: Produce first Sustainability Report

Nigerian Cement Consumption, 1996-2017



Regional Cement Consumption Trends



	2010	2011	2012	2013	2014	2015	2016A	2017E	2018F	CAGR 2010-18F
	Mt	Mt	Mt	Mt	Mt	Mt	Mt	Mt	Mt	%
Australasia	13.1	13.2	11.9	10.5	11.2	11.3	11.4	11.8	12.0	-1.1%
Central America	50.3	51.7	53.4	52.9	55.0	58.1	59.1	60.6	61.3	2.5%
Central Europe	43.1	46.5	42.5	41.3	42.8	44.7	45.1	45.8	46.1	0.8%
Eastern Europe	131.7	148.9	160.0	175.0	177.8	170.9	164.7	168.8	169.6	3.2%
Indian Sub-continent	273.9	293.5	303.4	318.1	340.6	351.4	372.0	387.2	397.4	4.8%
Middle East	167.1	176.7	180.6	185.0	184.0	182.3	179.6	179.3	183.0	1.1%
North Africa	102.3	96.3	105.1	106.5	112.0	112.6	117.6	127.5	127.5	2.8%
North America	80.0	81.0	87.4	90.8	98.2	101.7	103.0	106.9	109.4	4.0%
North Asia	1,959.7	2,161.2	2,283.4	2,517.9	2,582.3	2,458.4	2,517.1	2,469.7	2,402.3	2.6%
South America	109.1	118.7	125.4	130.8	131.7	127.0	116.4	113.4	114.6	0.6%
South Asia	156.5	165.9	176.2	187.1	196.9	209.0	208.6	217.4	225.5	4.7%
Sub-Saharan Africa	68.6	75.6	82.1	91.7	98.3	103.6	108.5	115.4	119.7	7.2%
Western Europe	156.4	156.0	134.6	125.8	124.3	125.3	126.1	129.3	131.6	-2.1%
Total	3,311.7	3,585.2	3,745.7	4,033.5	4,155.1	4,056.1	4,129.3	4,133.1	4,099.9	2.7%

Source: International Cement Review / www.CemNet.com



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

