

INVESTOR PRESENTATION

Building Prosperity in Africa



UNAUDITED RESULTS FOR THE NINE MONTHS
TO 30TH SEPTEMBER 2018

22ND OCTOBER 2018

@dangotecement



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9M 2018 Highlights

FINANCIAL

- Group revenue up 13.5%
- Group EBITDA up 14.6%
 - Margin of 49.2%
- Earnings per share up 2.7% to ~~N~~9.25
- Second ~~N~~50B Commercial Paper issued
 - Largest-ever issuances by Nigerian company

OPERATIONAL

- Group volumes up 7.6%
- Nigeria volumes up 11.7%
 - Strong market growth to August
 - Heavy rains, flooding in September
- Pan-African volumes flat at 7.0Mt
 - Mainly due to production shutdown in Tanzania, disruption in Ethiopia

Nine months to 30 th September	2018	2017	Change
Sales volumes	'000t	'000t	%
Nigeria	10,756	9,630	11.7%
Pan-Africa	7,026	7,022	0.1%
Inter-company sales	(13)	(143)	
Total	17,769	16,509	7.6%
Revenues			
Nigeria	471,334	416,113	13.3%
Pan-Africa	214,306	191,853	11.7%
Inter-company sales	(350)	(4,391)	
Total	685,290	603,575	13.5%
EBITDA			
Nigeria	306,277	270,460	13.2%
Pan-Africa	39,128	32,330	21.0%
Inter-company and central costs	(8,108)	(8,484)	
Total	337,297	294,306	14.6%
EBITDA margin*			
Nigeria	65.0%	65.0%	-
Pan-Africa	18.3%	16.9%	1.4pp
Group	49.2%	48.8%	0.4pp

* Before central costs and eliminations

Group Financial Overview

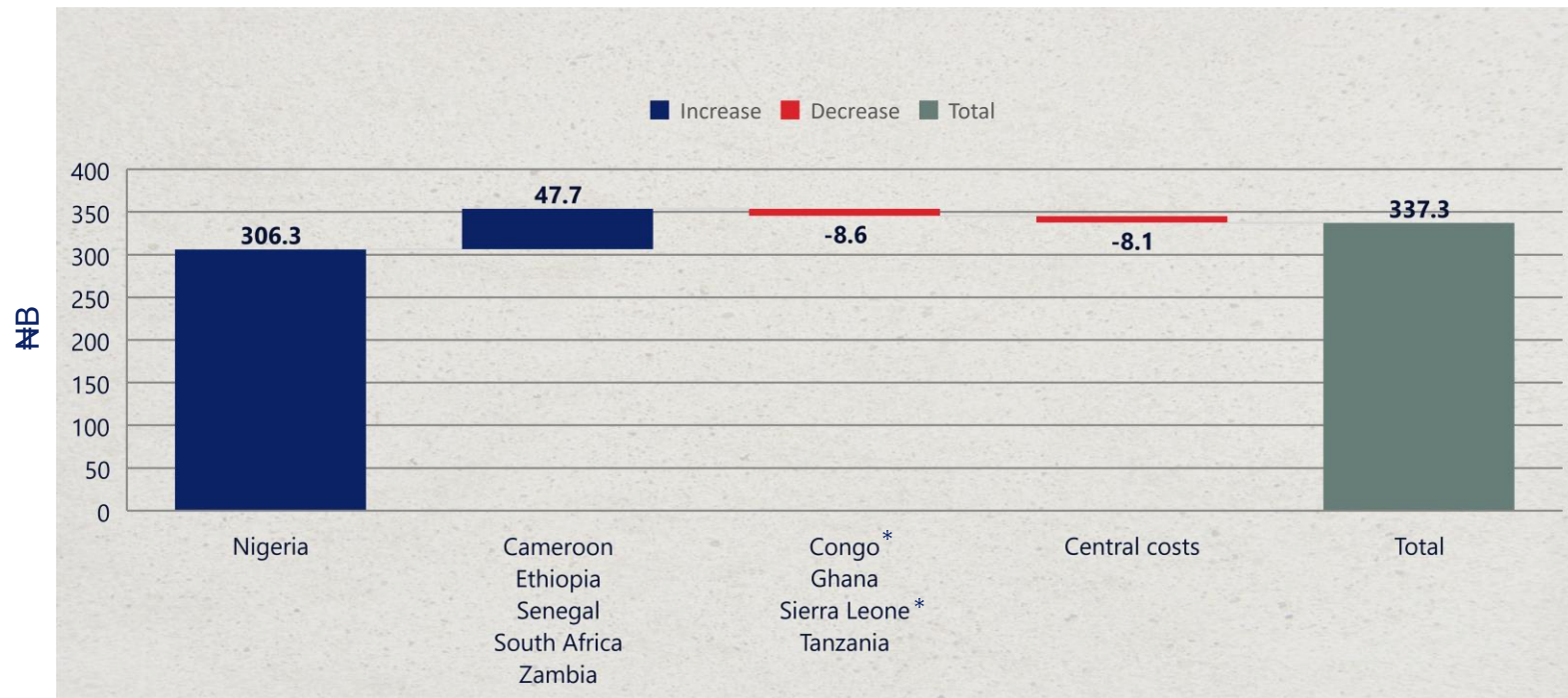
Income Statement

Nine months to 30 th September	2018 ₦m	2017 ₦m	% change
Revenue	685,290	603,575	13.5%
Cost of sales	(287,682)	(259,854)	10.7%
Gross profit	397,608	343,721	15.7%
<i>Gross margin</i>	<i>58.0%</i>	<i>56.9%</i>	<i>1.1pp</i>
EBITDA	337,297	294,306	14.6%
<i>EBITDA margin</i>	<i>49.2%</i>	<i>48.8%</i>	<i>0.4pp</i>
EBIT	266,860	233,139	14.5%
<i>EBIT margin</i>	<i>38.9%</i>	<i>38.6%</i>	<i>0.3pp</i>
Finance income	10,619	26,960	(60.6%)
Finance cost	(30,115)	(39,917)	(24.6%)
Profit before tax	247,364	220,182	12.3%
Income tax (expense)/credit	(89,087)	(66,060)	34.9%
Profit for the period	158,277	154,122	2.7%
Earnings per share	9.25	9.01	2.7%



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

* start-ups

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	337,085		337,085
Changes in working capital	(55,308)		(55,308)
Income tax paid	(11,967)		(11,967)
Additions to fixed assets	(47,381)		(47,381)
Other investing activities	(1,233)		(1,233)
Change in non-current prepayments	(34,698)		(34,698)
Net interest payments	(31,706)		(31,706)
Net loans repaid	(2,430)	2,430	-
Dividend paid	(178,925)		(178,925)
Other cash and non-cash movements	16,149	(4,581)	11,568
As at 30th September 2018	157,973	(374,245)	(216,272)

Loans by currency	Short-term ₦B	Long-term ₦B	Total ₦B
US\$	52	44	96
Naira	93	76	169
Rand	3	40	44
GHC	15	-	15
XAF	17	34	51
Total	179	194	374

Group Financial Overview (cont'd)

Balance Sheet

	As at 30/9/18 Nm	As at 31/12/17 Nm
Property, plant and equipment	1,175,487	1,192,140
Other non-current assets	81,766	57,089
Intangible Assets	7,221	6,355
Total non-current assets	1,264,474	1,255,584
Current Assets	273,135	241,912
Cash and Cash Equivalents	157,973	168,387
Total Assets	1,695,582	1,665,883
Non-current liabilities	198,260	121,153
Current liabilities	340,800	391,276
Debt	374,245	372,094
Total Liabilities	913,305	884,523
Net Assets	782,277	781,360



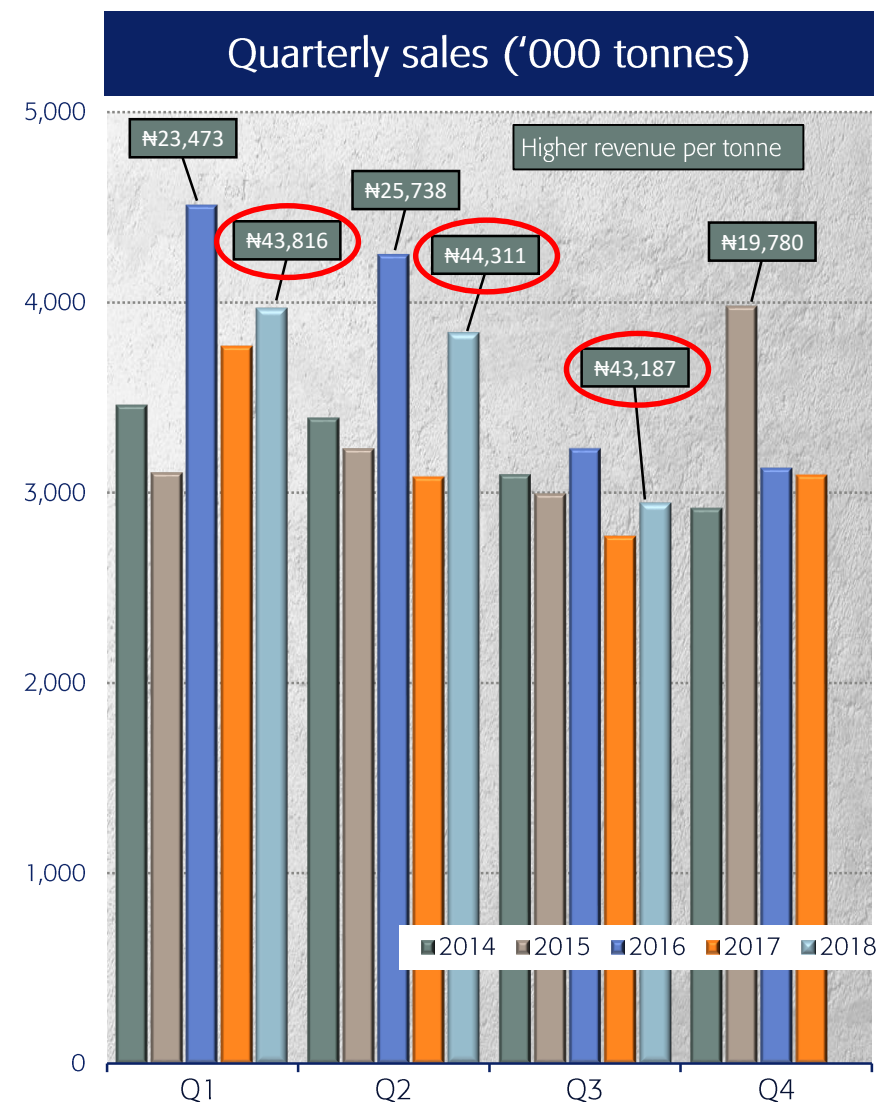
Solid 9M Nigeria Performance

- Overall Nigerian market growth remains good
 - Estimated 9.6% growth to 15.6Mt across market
 - Q3 affected by heavy rain, flooding, especially September
- Volumes up 11.7% to 10.76Mt (including exports)
 - Q3 sales of 2.95Mt, 6.2% higher
 - Bulk now makes up 9% of sales
- Q3 revenues up 2.0% to ₦127.2B*
- Q3 EBITDA down 1.2% to ₦79.4B*
 - Higher distribution costs
- Kilns running solely on Nigerian gas and coal

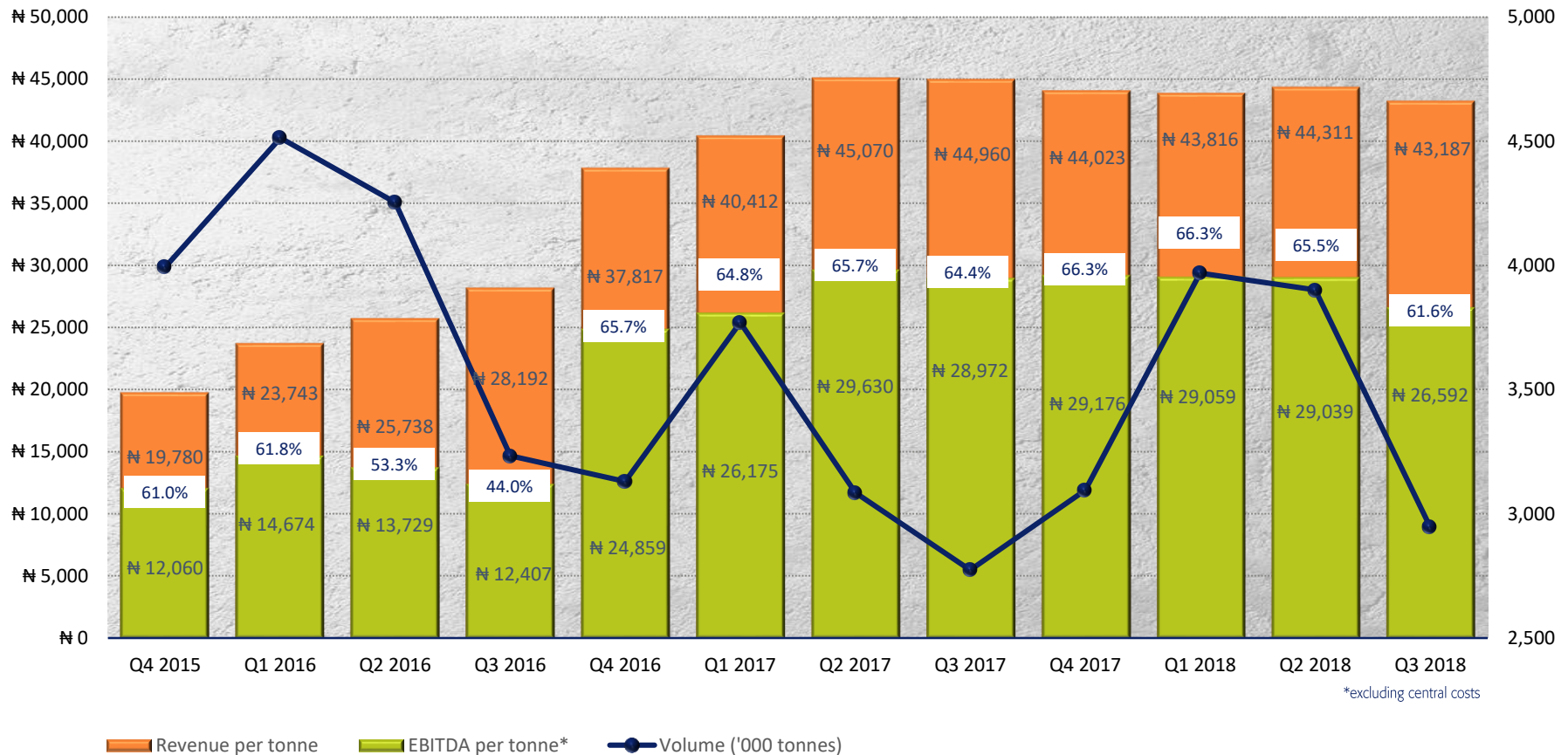
Nigeria performance

Nine months to 30 th September	2018	2017	Change
Volumes* (Kt)	10,756	9,630	11.7%
Revenue* (₦m)	471,334	416,113	13.3%
EBITDA* (₦m)	306,277	270,460	13.2%
EBITDA margin*	65.0%	65.0%	-

* Before corporate costs and inter-company eliminations

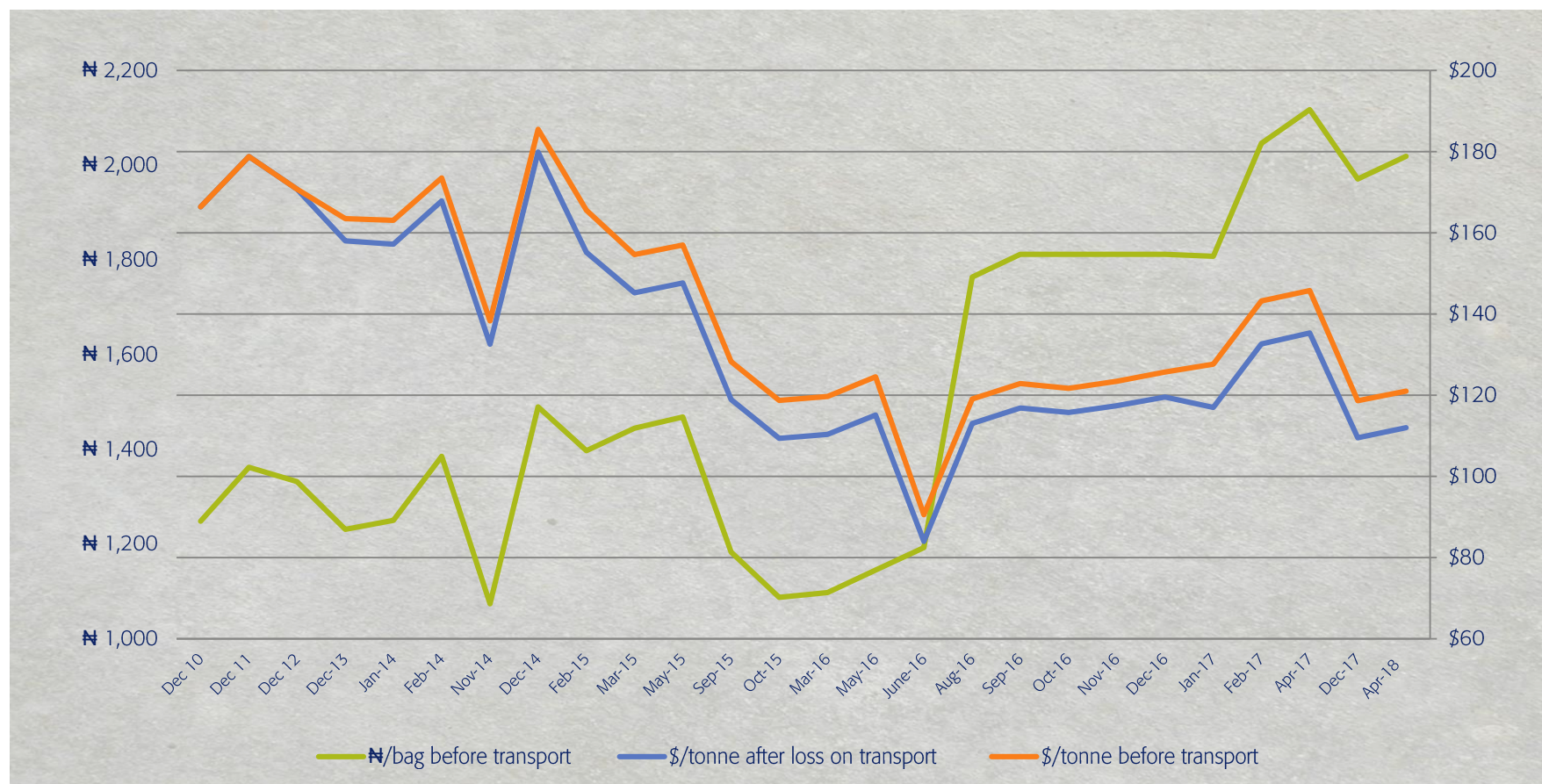


Nigeria Maintains Strong EBITDA / Tonne



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

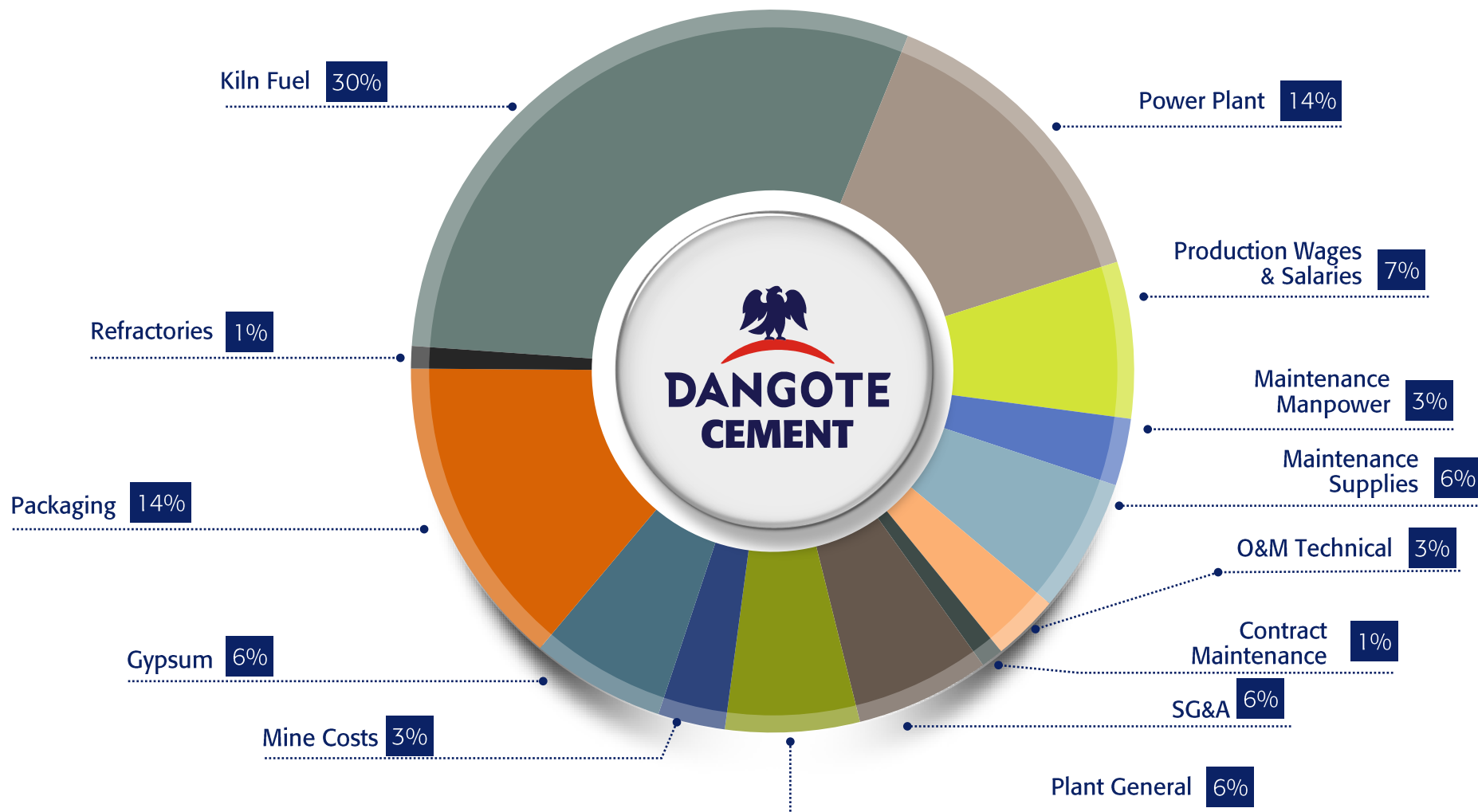
Nine months to 30 th September	Obajana		Ibese	
	2018	2017	2018	2017
Gas	53%	41%	69%	43%
Coal	47%	57%	31%	56%
LPFO	-	2%	-	1%
TOTAL	100%	100%	100%	100%

Relative cost of fuels vs gas per tonne of clinker

As at 30 th September 2018	Obajana	Ibese
Own-mined coal	0.74x	0.83x
Imported coal	1.49x	1.14x
Gas	1.00x	1.00x
LPFO (Not used)	2.79x	2.09x

Nigeria Cash Cost Analysis

% of average cash costs per tonne, 9M 2018



Cash cost was approximately **\$33.10/tonne** in 9M 2018

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

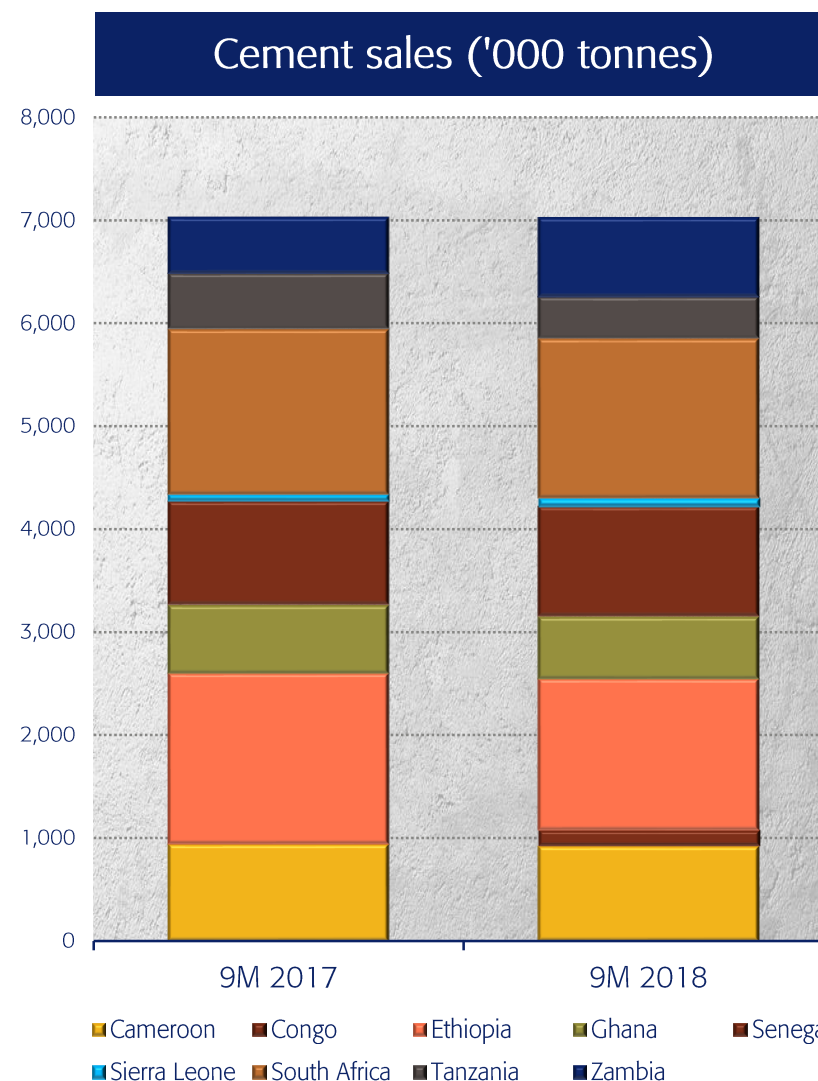
Pan-Africa Revenues Up

- Revenues up 11.7% to ~~N~~214.3B
 - Q3 2018 revenues ~~N~~75.6B; highest quarter in 2018
- Sales volumes flat at 7.03Mt
- EBITDA up 21.0% to ~~N~~39.1B
 - 18.3% margin
 - Q3 EBITDA ~~N~~13.2B
- Zambia volumes up 40.9%
- Senegal volumes up 6.0%

Pan-Africa performance

Nine months to 30 st September	2018	2017	Change
Volumes sold (Kt)	7,026	7,022	0.1%
Revenue (N m)	214,306	191,853	11.7%
EBITDA* (N m)	39,128	32,330	21.0%
EBITDA margin	18.3%	16.9%	1.4pp

* Before corporate costs and eliminations



Country Updates



Cameroon

Economy remains strong; 4.0% growth expected in 2018

Estimate total market for cement was 2.3Mt, up 8.6% on 2017

Dangote Cement sales of 0.9Mt, approximately the same as 2017

Market share of 41%

Increase in housing building and infrastructure projects



Congo

Average ex-factory price of \$92
155Kt cement sold

Achieved market leadership in Q3 2018

Increased focus on retail sales

Introduction of a new pricing and bonus scheme

Opening of depot in Brazzaville

Strong brand recognition



Ethiopia

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

Sales down 11.1% to 1.5Mt

Pricing around \$70/tonne ex-factory

Higher stock of coal

Major infrastructure projects

New Prime Minister; more favourable political landscape

Country Updates



Ghana

Economy expected to remain strong in the next two years

Strong cement demand

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

Dangote Cement sales of 610Kt, down 9% from 2017

Market share of 13%

Ex-factory pricing of \$94



Senegal

7% GDP growth expected in 2018, comparable to 2017

Cement market benefitting from infrastructure projects

Volumes up 6.0% to 1.1Mt

24% market share in Q3

Capacity utilisation of c95% owing to higher proportion of 32.5-grade cement sold

354Kt exported to countries including Mali



Sierra Leone

Cement market picking up after Ebola crisis

Increased infrastructure spending, more foreign aid, recovery of mining sector

Volumes up 22.1% to 83Kt

0.5Mta facility now capable of bulk loading as well as bagging

Increased focus on corporate sales, credit sales, brand awareness, competitive pricing

Ex-factory price approximately \$100

Country Updates



South Africa

Economy remains subdued;
inflation forecast of 4.2% in 2018

Quiet cement market

Total cement market of 3.5Mt in
Q3

Q3 2018 volumes down 10%
from Q3 2017 and down 3.5%
from 9M 2018



Tanzania

Economy remains strong

Government continues to
increase infrastructure spending

Agreement signed with Tanzania
Petroleum Development Corp.

Gas turbines in place, capable of
generating 25 MW

Q3 volumes up 35% to 207Kt

9M volumes down 24.4% to
409Kt owing to stoppages

Pricing stable at \$68 per tonne



Zambia

Market drivers include lower
rainfall, improved harvest, lower
interest rates and improved
output from mines

Volumes up 40.9% to nearly
768Kt tonnes of cement

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

Ex-factory pricing at about \$78

Ndola plant pursuing use of
waste recycling to reduce costs
in kiln

Investor Presentation

APPENDIX



Building Prosperity in Africa





PREMIUM
BOARD

LISTED

INVESTOR RELATIONS CONTACTS

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