# Unaudited results for the nine months ended 30th September 2018

**Group revenues up 13.5% to ₦685.3B, EBITDA up 14.6% to ₦337.3B**

**Lagos, 22nd October 2018**: Dangote Cement PLC (DANGCEM-NL), Africa's largest cement producer, announces unaudited results for the nine months ended 30th September 2018.

**Financial highlights**

- Group revenue up 13.5% to ₦685.3B
- Group EBITDA up 14.6% to ₦337.3B, 49.2% margin
- Nigeria EBITDA up 13.2% to ₦306.3B, 65.0% margin
- Pan-African EBITDA up 21.0% to ₦39.1B, 18.3% margin
- Earnings per share up 2.7% to ₦9.25.
- Strong cash generation supports net debt of ₦216.3B after ₦178.9B dividend payment
- ₦50B Commercial paper issued in August

**Operating highlights**

- Group volumes up 7.6% to nearly 17.8Mt
- Total Nigeria sales volumes up 11.7% to nearly 10.8Mt
- Pan-African volumes level at 7.0Mt mainly due to production slowdown in Tanzania, disruption in Ethiopia and lower sales in Ghana
- Gas turbines now installed at Tanzania

**Joe Makoju, Group Chief Executive Officer, said:**

***"Dangote Cement continues to perform strongly in 2018 with Group volumes up 7.6% and revenue up 13.5%, driving a 14.6% increase in EBITDA. Nigerian sales were affected by serious flooding in September and although Pan-African sales were flat, we will see soon increased sales from Tanzania now that its gas turbines are installed, and from Ethiopia as local community issues are resolved. We have launched new products in Nigeria that we believe will help us improve our leadership position in Africa's most exciting market for cement."***

**About Dangote Cement**

Dangote Cement is Africa's leading cement producer with nearly 46Mta capacity across Africa. A fully integrated quarry-to-customer producer, we have a production capacity of 29.25Mta in our home market, Nigeria. Our Obajana plant in Kogi state, Nigeria, is the largest in Africa with 13.25Mta of capacity across four lines; our Ibese plant in Ogun State has four cement lines with a combined installed capacity of 12Mta and our Gboko plant in Benue state has 4Mta. Through our recent investments, Dangote Cement has eliminated Nigeria's dependence on imported cement and has transformed the nation into a net exporter of cement serving neighbouring countries.

In addition, we have invested almost $3B to build manufacturing plants and import/grinding terminals across Africa. Our operations are in Cameroon (1.5Mta clinker grinding), Congo (1.5Mta), Ghana (1.5Mta import), Ethiopia (2.5Mta), Senegal (1.5Mta), Sierra Leone (0.7Mta import), South Africa (2.8Mta), Tanzania (3.0Mta), Zambia (1.5Mta).

**Website:** www.dangotecement.com

**Twitter:** @DangoteCement

**Conference call details – REGISTRATION REQUIRED**

A conference call for analysts and investors will be held on Monday 22 October 2018, at 15.00 Lagos/UK time.

**PLEASE REGISTER IN ADVANCE USING THE LINK BELOW TO OBTAIN DIAL-IN DETAILS**

Dangote Cement Nine Months ended 30th September 2018

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# Operating review

## Summary

| Cement volumes sold | Q1 2018 '000 tonnes | Q2 2018 '000 tonnes | Q3 2018 '000 tonnes | 9M 2018 '000 tonnes | 9M 2017 '000 tonnes | % change |
|---|---|---|---|---|---|---|
| Nigeria | 3,969 | 3,841 | 2,946 | 10,756 | 9,630 | **11.7%** |
| Pan-Africa | 2,239 | 2,326 | 2,461 | 7,026 | 7,022 | **0.1%** |
| Inter-company sales | (13) | 0 | 0 | (13) | (143) | |
| **Total cement sold** | **6,195** | **6,167** | **5,407** | **17,769** | **16,509** | **7.6%** |
| **Regional revenues** | **₦m** | **₦m** | **₦m** | **₦m** | **₦m** | **%** |
| Nigeria | 173,907 | 170,197 | 127,230 | 471,334 | 416,113 | **13.3%** |
| Pan-Africa | 68,559 | 70,126 | 75,621 | 214,306 | 191,853 | **11.7%** |
| Inter-company sales | (350) | 0 | 0 | (350) | (4,391) | |
| **Total revenues** | **242,116** | **240,323** | **202,851** | **685,290** | **603,575** | **13.5%** |
| **EBITDA** | **₦m** | **₦m** | **₦m** | **₦m** | **₦m** | **%** |
| Nigeria | 115,337 | 111,538 | 79,402 | 306,277 | 270,460 | **13.2%** |
| Pan-Africa | 13,064 | 12,830 | 13,234 | 39,128 | 32,330 | **21.0%** |
| Central costs / eliminations | (2,484) | (4,278) | (1,346) | (8,108) | (8,484) | |
| **Total EBITDA** | **125,917** | **120,090** | **91,290** | **337,297** | **294,306** | **14.6%** |
| **EBITDA margins*** | | | | | | |
| Nigeria | 66.3% | 65.5% | 62.4% | 65.0% | 65.0% | |
| Pan-Africa | 19.1% | 18.3% | 17.5% | 18.3% | 16.9% | |
| **Group** | **52.0%** | **50.0%** | **45.0%** | **49.2%** | **48.8%** | |
| **Nigeria per tonne** | **₦** | **₦** | **₦** | **₦** | **₦** | **%** |
| Revenue* | 43,816 | 44,311 | 43,187 | 43,821 | 43,210 | **1.4%** |
| EBITDA* | 29,059 | 29,039 | 26,952 | 28,475 | 28,085 | **1.4%** |
| | **₦m** | **₦m** | **₦m** | **₦m** | **₦m** | **%** |
| **Group net profit** | **72,123** | **41,041** | **45,113** | **158,277** | **154,122** | **2.7%** |
| | **₦** | **₦** | **₦** | **₦** | **₦** | **%** |
| **Earnings per share** | **4.20** | **2.40** | **2.65** | **9.25** | **9.01** | **2.7%** |

* Excluding central costs / eliminations

## Nigerian operations

Nigeria's cement market continues to recover in 2018 and we estimate that in the first nine months of 2018, the total market for cement was 15.55 million tonnes (Mt), nearly 9.6% higher than the estimated 14.8Mt sold in Nigeria in the first nine months of 2017. Third-quarter total market sales of 4.37Mt were up 9.7% from the 3.98Mt sold during the same period in 2017. Strong market growth of 14.3% and 12.0% was recorded in July and August respectively, but September saw only a slight increase of 2.7% because of heavy rain and flooding in key markets.

Dangote Cement's sales for the first nine months were 10.76Mt, which is 11.7% higher than total sales of 9.63Mt in the first nine months of 2017. Sales fell sharply in September because of the flooding and rains.

Factors in our improvement included the introduction of new Falcon and BlocMaster products, new bonus schemes, improved routes to market, better customer support and initiatives including warehousing and the greater availability of delivery trucks, which was helped by our customer trucks empowerment scheme. In addition, we continue to supply branded containers to key retailers to help with stock storage, especially during the rainy season.

As a result of our volume growth, Nigeria increased revenue by 13.3% to ₦471.3B and EBITDA by 13.2% to ₦306.3B at a margin of 65.0%. Increased use of own-mined and other Nigerian coal, as detailed in the table below, has helped to improve margins in Nigeria.

**Fuel mix**

| Nine months to 30th September | **Obajana** | | **Ibese** | |
|---|---|---|---|---|
| | **2018** | **2017** | **2018** | **2017** |
| Gas | 53% | 41% | 69% | 43% |
| Coal | 47% | 57% | 31% | 56% |
| LPFO | 0% | 2% | 0% | 1% |
| | **100%** | **100%** | **100%** | **100%** |

## Pan-African operations

Pan-African operations sold slightly more than 7.03Mt of cement in the first nine months of 2018, level with the 7.02Mt sold in the first nine months of 2017, because of lower sales in Tanzania, disruptions due to civil unrest in Ethiopia and a reduction in exports from Nigeria to Ghana.

Stronger performances were recorded in other Pan-African territories, notably Zambia, and Pan-African volumes benefited from maiden H1 sales from Congo and increased volumes in Sierra Leone.

The total Pan-African volume represents 39.5% of Group sales volumes before inter-company adjustments.

Despite the flat volumes, Pan-African revenues of ₦214.3B were 11.7% higher than the first nine months of 2017 and represented 31.3% of total Group revenues, while the region's EBITDA contribution of ₦39.1B (before central costs and eliminations) represented 11.3% of Group EBITDA, at a regional margin of 18.3%, compared to a margin of 16.9% in the first nine months of 2017. We expect this to improve once gas turbines are powering our factory in Tanzania.

### Cameroon

Cameroon's economy remains strong and is expected to achieve 4.0% growth in 2018, according to the International Monetary Fund. We estimate the total market for cement in Cameroon was nearly 2.3Mt in the first nine months of 2018, up approximately 8.6% on 2017. The market is primarily driven by increased house building enabled by greater access to finance, infrastructure projects such as roads, dams, new sports stadia, hotels and hospitals to support the African Cup of Nations in 2019.

Our 1.5Mta clinker grinding facility in Douala sold approximately 0.9Mt of cement in the first nine months of 2018, which is approximately the same as in the same period of 2017. We estimate our market share to have been 41% during the same period, against competitive pressures including price reductions and extension of credit by competitors. Pricing was $113/tonne in September.

**Congo**

The cement industry is small in the Republic of Congo, largely driven by private infrastructure projects in Pointe Noire including the port extension works, urban development projects, apartment blocks and the parliament building. There is currently a lack of government spending in the Republic of Congo due to the financial crisis.

Our 1.5Mta integrated plant in Mfila, sold approximately 67Kt of cement in the third quarter of 2018, which we estimate to have been 36% of total market sales of about 190Kt. We achieved market leadership in Q3 2018 after the introduction of a new pricing and bonus scheme in June 2018, an increased focus on retail sales and the opening of a new depot in Brazzaville in September. In addition, we were able to maintain premium pricing because of strong brand recognition. Our sales were boosted by increased exports into the Central African Republic. In the nine-month period to 30th September 2018, the plant sold 155Kt. The average ex-factory price of cement was $92 during the third quarter.

**Ethiopia**

Ethiopia's economy is the strongest-growing in Sub-Saharan Africa, with GDP expected to rise by 8.5% in 2018. A number of major infrastructure projects, the privatisation of key government enterprises and a growing population will continue to increase demand for cement.

For the nine-month period to 30th September, our 2.5Mta factory in Mugher sold nearly 1.5Mt of cement, down 11.1% on 2017, mostly as a result of production stoppages and transport problems associated with civil unrest in the region. This unrest has since declined in the more favourable political landscape enabled by the new Prime Minister. Cement was priced at $70 in September.

Operational initiatives included developing a strategic task force for the cement plant and engaging third-party trucks in hauling coal from Djibouti to the plant, resulting in higher stock of coal.

**Ghana**

Ghana's economy is expected to remain strong in the next two years, with the IMF forecasting GDP growth of 6.3% in 2018 and 7.6% in 2019. The outlook for cement demand remains attractive, driven by the strong GDP growth and investment to support the expanding oil and gas industries, as well as new housing projects, improvements to the Tema-Accra motorway and school renovations across the country.

Dangote Cement Ghana sold approximately 610Kt of cement in the first nine months of 2018, down 9.0% on the 670Kt cement sold during the first nine months of 2017, as a result of limited availability of imported cement as we reduced exportation by road from Nigeria. We estimate our market share to have been about 13% in September 2018. Ex-factory pricing was approximately $94 at the end of the period.

**Senegal**

Senegal's economy is expected to achieve 7.0% growth in 2018, according to the IMF, which is comparable to 2017. The local cement market is benefiting from infrastructure projects including the Dakar Airport Railway, the Ilaa Touba highway project and various smaller road and urban infrastructure projects. Housing is the largest market in Senegal, particularly with good demand from the government's low-cost housing schemes.

Our 1.5Mta plant in Pout sold nearly 1.1Mt of cement in the first nine months of 2018, up 6.0% on sales volumes achieved in the first nine months of 2017. The volume sold represents 95% capacity utilisation at the factory, owing to a higher proportion of 32.5-grade cement sold. Third-quarter sales of approximately 320Kt were nearly 20% higher than 2017. We estimate our local market share to have been approximately 24% in the third quarter of 2018. The average price achieved was approximately $72/tonne in Q3 2018. The factory exported 354Kt of cement to countries including Mali in first nine months of 2017.

**Sierra Leone**

Sierra Leone's cement market is picking up after the Ebola crisis, with increased infrastructure spending, more foreign aid being made available and the resumption of previously abandoned building projects in the corporate sector. In addition, the recovery of the mining sector has generated increased demand for cement in Sierra Leone.

Our 0.5Mta import and bagging facility, which began operations in Freetown in January 2017, is now fully capable of bulk loading as well as bagging. We sold nearly 83Kt of cement in the first nine months of 2018, up 22.1% on the previous year. We estimate our market share to have been approximately 24% in the third quarter of 2018. The average price per tonne was $100.

The increase in sales volume was supported by new corporate sales, credit sales backed by bank guarantee, the deployment of more point-of-sales materials to improve brand awareness and an increased focus upon competitive pricing. In addition, we increased our marketing efforts in the upcountry regions, where we have established a permanent sales presence. Our 42.5R grade cement has gained good recognition in the market but continues to compete against lower-priced 32.5-grade products from competitors.

**South Africa**

The South African economy remains relatively subdued and the construction industry under pressure. Inflation forecast of 4.2% is predicted to remain throughout 2018. The economic conditions were reflected in a relatively quiet cement market, with most retailers reporting a decline in sales volumes. Both residential and non-residential construction have seen less growth throughout the year.

The consultancy Econometrix estimates the total cement market to have been approximately 3.5 million tonnes during the third quarter of 2018. It was a challenging quarter as a result of lower than expected clinker production, imports in Kwa-Zulu-Natal region and the impact of the VAT increase on consumer spending. During the same period, Dangote Cement South Africa sold approximately 10% less than in Q3 last year, with 9M 2018 sales approximately 3.5% lower than 2017.

**Tanzania**

Tanzania's economy is expected to remain strong and the government continues to increase infrastructure spending. Major infrastructure projects include the Standard Gauge Railway, the upgrade of the Mtwara and Dar es Salaam ports and the construction of health centres in district councils.

Our 3.0Mta factory sold 207Kt of cement in the third quarter of 2018. This was approximately 35% higher than the 153Kt sold in the third quarter of 2017, owing to continuous improvement in clinker and cement production and logistics, dynamic pricing by region and exporting to Comoros and Zanzibar. In the nine months to September 2018, the factory sold 409Kt of cement, down 24.4% on 2017 because of stoppages. We estimate that our Q3 market share was about 16%, up from 14% last year. Pricing remains stable at $68 per tonne.

In August, Dangote Cement Tanzania signed an agreement with Tanzania Petroleum Development Corporation for the supply of gas and the plant has been running on gas turbines, capable of generating 25 MW, since September.

We continue to improve dispatches by encouraging self-collection for Mtwara customers and competitive pricing.

**Zambia**

Zambia's economy is expected to achieve 4.0% growth in GDP this year, according to the IMF, underpinned by rising copper prices that have increased mining activity in the country.

Cement demand is being driven by lower rainfall and better harvests that helped the country's economy, in addition to the impact of lower interest rates and improved output from mines. Major infrastructure projects include improvements to the Lusaka and Ndola airports, as well as improvements to roads across the country.

Our 1.5Mta factory in Ndola sold nearly 768Kt of cement in the first nine months of 2018, which was 40.9% higher than the first nine months of 2017, helped by improved distribution through the use of additional third-party trucks and rail networks to complement our own direct delivery fleet. Cement prices were about US$78 in September 2018.

The Ndola plant is pursuing the use of waste recycling and alternative energy as a means to reduce costs in the kiln.

# Financial review

## Summary

| Nine months ended 30th September | 2018 '000 tonnes | 2017 '000 tonnes |
|---|---|---|
| **Volume of cement sold** | | |
| Nigeria | 10,756 | 9,630 |
| Pan-Africa | 7,026 | 7,022 |
| Inter-company sales | (13) | (143) |
| **Total cement sold** | **17,769** | **16,509** |
| | | |
| **Revenues** | **2018 ₦m** | **2017 ₦m** |
| Nigeria | 471,334 | 416,113 |
| Pan-Africa | 214,306 | 191,853 |
| Inter-company sales | (350) | (4,391) |
| **Total revenues** | **685,290** | **603,575** |
| | | |
| **EBITDA*** | **337,297** | **294,306** |
| EBITDA margin | 49.2% | 48.8% |
| | | |
| Operating profit | 266,860 | 233,139 |
| Net profit | 158,277 | 154,122 |
| **Earnings per ordinary share (Naira)** | **9.25** | **9.01** |
| | | |
| | **As at 30/9/2018 ₦m** | **As at 31/12/2017 ₦m** |
| Total assets | 1,695,582 | 1,665,883 |
| Net debt | 216,272 | 203,707 |

*Earnings before interest, taxes, depreciation and amortisation

Overall Group revenue increased by 13.5% from ₦603.6 in the first nine months of 2017 to ₦685.3B in the first nine months of 2018, mainly as a result of a 11.7% increase in sales volumes in Nigeria and better per-tonne prices when Pan-African revenue is converted to Naira. The average per-tonne price for Pan-African operations increased from ₦27,322 to ₦30,502 mainly as a result of changes in the exchange rate.

Sales volumes from Nigerian operations increased from 9.6Mt to 10.8Mt, driving revenue growth of 13.3%, to ₦471.3B in first nine months of 2018 (9m 2017: ₦416.1B).

Across our Pan-African operations, sales volumes remained broadly flat at 7.03Mt compared to 7.02Mt sold during the first nine months of 2017. Despite the volumes remaining broadly constant, Pan-African revenue increased by 11.7% to ₦214.3B from ₦191.9B mainly as a result of foreign exchange gains when converting the sales from local currencies into Naira.

**Manufacturing costs**

| Nine months ended 30th September | 2018 ₦m | 2017 ₦m |
|---|---|---|
| Materials consumed | 92,482 | 87,603 |
| Fuel & power consumed | 93,370 | 84,979 |
| Royalties | 839 | 787 |
| Salaries and related staff costs | 24,166 | 18,802 |
| Depreciation & amortisation | 47,953 | 42,495 |
| Plant maintenance costs | 23,763 | 19,840 |
| Other production expenses | 9,625 | 9,918 |
| Increase/(decrease) in finished goods and work in progress | (4,516) | (4,570) |
| **Total manufacturing costs** | **287,682** | **259,854** |

Manufacturing costs increased by 10.7% as a result of increased production volumes in Nigeria as well as the foreign exchange impact when converting Pan-African costs from local currencies to Naira. The total increase from Pan-African operations amounted to ₦20.3B representing a 14.7% increase on the first nine months of 2017. The average exchange rate during the first nine months of 2018 was ₦344/$1, compared to an average of ₦314/$1 during the first nine months of 2017.

In Nigeria, manufacturing costs increased by 6.1% from ₦121.8B in the first nine months of 2017 to ₦129.3B in the first nine months of 2018. This is in line with the increase in volumes sold from 9.6Mt to 10.8Mt

**Administration and selling expenses**

| Nine months ended 30th September | 2018 ₦m | 2017 ₦m |
|---|---|---|
| **Administration and selling costs** | 135,264 | 113,497 |

Total selling and administration expenses rose by 19.2% to ₦135.3B, mostly as a result of the exchange impact in converting Pan-African costs and the increased volumes in Nigeria, which drove up the associated selling & distribution costs by 25.2% from ₦50.6B in 2017 to ₦63.4B for the first nine months of 2018. Pan-African selling and distribution costs increased by 11.8% from ₦30.2B to ₦33.7B, mainly due to the exchange rate, which averaged ₦314/$1 during the first nine months of 2017 as compared to ₦344/$1 during the first nine months of 2018.

**Profitability**

| Nine months ended 30th September | 2018 ₦m | 2017 ₦m |
|---|---|---|
| EBITDA | 337,297 | 294,306 |
| Depreciation and amortisation | (70,437) | (61,167) |
| **Operating profit** | **266,860** | **233,139** |
| | | |
| EBTIDA by operating region | | |
| Nigeria | 306,277 | 270,460 |
| Pan-Africa | 39,128 | 32,330 |
| Central administrations costs and inter-company sales | (8,108) | (8,484) |
| **Total EBITDA** | **337,297** | **294,306** |

As a result of the higher volumes in Nigeria, improved average prices on converting Pan-African sales as detailed above, Group earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 14.6% to ₦337.3B at a margin of 49.2% (2017: ₦294.3B, 48.8%).

Excluding eliminations and central costs, EBITDA increased by 13.2% in Nigeria, to ₦306.3B at a margin similar to last year of 65.0% (2017: ₦270.5B, 65.0%). Pan-African EBITDA rose by 21.0% to ₦39.1B (2017: ₦32.3B) at a higher margin of 18.3% (2017: 16.9%).

Operating profit of ₦266.9B was 14.5% higher than last year, with margins increasing slightly from 38.6% to 38.9%.

**Interest and similar income/expense**

| Nine months ended 30th September | **2018 ₦m** | **2017 ₦m** |
|---|---|---|
| Interest income | 8,550 | 6,092 |
| Net exchange gain | 2,069 | 20,868 |
| **Finance income** | **10,619** | **26,960** |
| Finance costs | (30,115) | (39,917) |
| **Net finance cost** | **(19,496)** | **(12,957)** |

During the first nine months of 2018, the Naira depreciated from ₦331/US$ to ₦361/US$ giving rise to an exchange gain in the Nigerian operations. These exchange gains were partially offset by the exchange losses in our Pan-African operations that use the CFA as the functional currency, resulting in a net exchange gain of ₦2.1B.

During the first nine months of 2017 the Naira depreciated from ₦304/US$ to close at ₦329/US$, resulting in exchange gains of ₦20.9B driven mainly by our Nigeria operations.

**Taxation**

| Nine months ended 30th September | **2018 ₦m** | **2017 ₦m** |
|---|---|---|
| **Tax charge** | **89,087** | **66,060** |

In prior years, we determined our tax charge on profits earned from Ibese production lines 3 & 4 and Obajana production line 4 on the basis that they were entitled to a tax holiday under the Pioneer Status Incentive. With reference to disclosures in the annual financial statement for the year ended 31st December 2017, where it is stated that the Directors decided to provide for tax on new lines awaiting Pioneer approval, the tax charge for the first nine months of 2017 increased by ₦39B.

The effective tax rate for Nigerian operations was 28.4% during the first nine months of 2018. The Group's effective tax rate was higher at 36.0% mainly because of start-up subsidiaries making losses that reduced the Group's profit without any tax benefits for those losses.

The Group's profit for the period was ₦158.3B (2017: ₦154.1B). As a result, earnings per share increased by 2.7% to ₦9.25 (2017: ₦9.01).

**Financial position**

| | 30th September 2018 ₦m | 31st December 2017 ₦m |
|---|---|---|
| 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 bank balances | 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** |

The balance sheet remains strong with non-current assets increasing marginally by 0.7% from ₦1,255.6B at 31st December 2017 to ₦1,264.5B at 30th September 2018. This was mainly driven by the increase in prepayments for fixed assets.

Non-current liabilities increased significantly from ₦121.2B to ₦198.3B mainly as a result of the of deferred tax provision calculated on the lines awaiting pioneer approval and those lines whose tax exemptions has expired.

**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 working capital changes | 337,085 | | 337,085 |
| Change in working capital and lease receivables | (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 and payables | (34,698) | | (34,698) |
| Net interest payments | (31,706) | | (31,706) |
| Net loans obtained (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)** |

The Group generated cash of ₦337.1B before changes in working capital. After net spending of ₦55.3B on working capital and tax payments of ₦12.0B, the net cash flow from operations was ₦269.8B. The net expenditure on working capital was mainly driven by the clearance of a backlog foreign currency denominated liabilities and replenishment of spare parts which are also imported using foreign currency.

Excluding overdrafts, financing outflows of ₦233.6B (2017: ₦173.8B) reflected loans taken of ₦211.9B, loans repaid of ₦227.6B, interest paid of ₦39.0B and dividend paid of ₦178.9B. Including overdrafts the net loans repaid amount to ₦2.4B.

In August, the Group issued a second ₦50B Commercial paper, following on from the ₦50B already issued in June.

**Capital Expenditure by Region**

| Nine months ended 30th September 2018 | **Nigeria ₦m** | **Pan-Africa ₦m** | **Total ₦m** |
|---|---|---|---|
| Nigeria | 30,047 | - | 30,047 |
| Senegal | - | 331 | 331 |
| Cameroon | - | 706 | 706 |
| Cote d'Ivoire | - | 6,683 | 6,683 |
| Ethiopia | - | 765 | 765 |
| Tanzania | - | 7,389 | 7,389 |
| Ghana | - | 334 | 334 |
| Niger | - | 333 | 333 |
| Zambia | - | 571 | 571 |
| Other | - | 222 | 222 |
| **Total** | **30,047** | **17,334** | **47,381** |

Capital expenditure was mainly on trucks to improve our distribution network in Nigeria as well as improving the energy efficiency in Tanzania and expenditure on the plant under construction in Cote d'Ivoire.