FULL YEAR 2020 AUDITED RESULTS

Dangote Cement PLC

23rd March 2021

Audited results for the year ended 31st December 2020

Performance sustained by strong demand coupled with cost saving measures

Robust profit after tax up 37.7% at ₦276.1B

Proposed dividend of ₦16.00 per share

Lagos, 23rd March 2021: Dangote Cement PLC (DANGCEM-NL), Africa's largest cement producer, announces audited results for the financial year ended 31st December 2020.

Financial highlights

- Group revenue up 16.0% to ₦1,034.2B
- Group EBITDA up 20.9% to ₦478.1; 46.2% margin
- Record high Pan-Africa EBITDA of ₦71.3B, up 49.0%; 22.4% margin
- Earnings per share up 36.9% to ₦16.14
- Proposed dividend maintained at ₦16.00 per share
- Net debt of ₦337.3B; net debt/EBITDA of 0.71x

Operating highlights

- Group sales volumes up by 8.6% to 25.7 million tonnes
- Total Nigerian volumes up 12.9% to 15.9Mt; domestic volumes up 14.3% at 15.6Mt
- Pan-African volumes up 4.4% at 10.0 million tonnes
- Clinker shipment from Nigeria via the Apapa Export Terminal
- Commissioned Onne Export Terminal in Port Harcourt
- Commissioned gas power plant in Tanzania

Share buyback

- Completed a successful share buyback programme; repurchased 0.24% of shares outstanding

Michel Puchercos, Chief Executive Officer, said:

"Despite the impact of the COVID-19 pandemic, 2020 was a record year for Dangote Cement across board. Several firsts made 2020 a productive year such as our maiden clinker shipment, maiden bond issuance and successful buyback programme. We increased our capacity by 3Mt in Nigeria, commissioned our two export terminals and commissioned our gas power plant in Tanzania. All this was achieved whilst we focused on protecting our people, customers, and communities from the impact of the pandemic.

Dangote Cement recorded strong top-line growth supported by strong cement demand. Profitability was further bolstered by our disciplined cost control measures in what we believed to have been a highly inflationary and volatile year. These measures resulted in a 37.7% increase in profit after tax to ₦276.1B.

I am delighted to report that Dangote Cement experienced its strongest year in terms of EBITDA and strongest year in terms of volumes. Despite a challenging environment, Group volumes for the year were up 8.6% and Group EBITDA was up 20.9%, at a 46.2% margin.

Looking ahead, we have strengthened our alternative fuel initiative which focuses on leveraging the circular economy business model and reducing exposure of our cost base to

foreign currency fluctuations. We continue to embed Dangote Cement's 7 sustainability pillars into every aspect of our operation and culture.

We remain committed to keeping our staff and communities safe by being fully compliant with health and safety measures in all our territories of operation. We are focused on adapting to the rapidly evolving markets in which we operate."

About Dangote Cement

Dangote Cement is Africa's leading cement producer with 48.6Mta capacity across Africa. A fully integrated quarry-to-customer producer, we have a production capacity of 32.25Mta in our home market, Nigeria. Our Obajana plant in Kogi state, Nigeria, is the largest in Africa with 16.25Mta 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 an exporter of cement serving neighbouring countries.

In addition, we have operations in Cameroon (1.5Mta clinker grinding), Congo (1.5Mta), Ghana (1.5Mta import), Ethiopia (2.5Mta), Senegal (1.5Mta), Sierra Leone (0.5Mta import), South Africa (2.8Mta), Tanzania (3.0Mta), Zambia (1.5Mta).

Website: www.dangotecement.com

Twitter: @DangoteCement

Conference call details

A conference call for analysts and investors will be held on Tuesday 23rd March 2021 at 15.00 Lagos/14.00 UK time. Please register using the link below.

Dangote Cement FY 2020 Results Conference Call

To join the live webcast please click on the link below.

Live webcast

A copy of the presentation will be available on the Company's website on the day of the call. The presentation will also be available remotely via the live webcast link.

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SUMMARY OPERATING REVIEW

Sales volumes	FY 2020 '000 tonnes	FY 2019 '000 tonnes	%
Nigeria			
Cement	15,739	14,119	11.5%
Clinker	197	-	-
Nigerian volumes	**15,936**	**14,119**	**12.9%**
Pan-Africa			
Cement	9,901	9,447	4.8%
Clinker	82	116	
Pan-African volumes	**9,982**	**9,564**	**4.4%**
Inter-company sales	(197)	-	-
Group volumes**	**25,721**	**23,683**	**8.6%**
Revenue			
Nigeria	719,945	610,247	18.0%
Pan-Africa	318,681	282,710	12.7%
Inter-company sales	(4,430)	(1,286)	
Total revenue	**1,034,196**	**891,671**	**16.0%**
EBITDA			
Nigeria*	421,417	361,204	16.7%
Pan-Africa*	71,313	47,858	49.0%
Central costs & eliminations	(14,608)	(13,635)	
Total EBITDA	**478,122**	**395,427**	**20.9%**
EBITDA margins			
Nigeria*	58.5%	59.2%	(0.7pp)
Pan-Africa*	22.4%	16.9%	5.5pp
Group EBITDA margins	**46.2%**	**44.3%**	**1.9pp**
Profit before tax	373,310	250,479	49.0%
Tax charge	(97,242)	(49,958)	94.6%
Group net profit	**276,068**	**200,521**	**37.7%**
Earnings per share	**16.14**	**11.79**	**36.9%**

* Excluding central costs / eliminations
** Volumes include cement and clinker

Sub-Saharan Africa was hit by the double effect of the COVID-19 pandemic and the commodity market decline in 2020. This coupled with foreign exchange volatility resulted in a challenging year. According to the International Monetary Fund (IMF), SSA's GDP is estimated to have contracted by 2.6% in 2020. South Africa and Zambia were hit the hardest; growth is estimated to have declined by 7.5% and 4.8%, respectively in 2020. Nevertheless, some of Dangote Cement countries of operation such as Ghana, Ethiopia, and Tanzania remained positive in 2020 from a GDP growth standpoint.

While delays in the vaccine roll out programme may impact SSA's economic recovery, the IMF predicts growth of 3.2% in 2021. Dangote Cement is well positioned to capture demand driven by this economic recovery, as the region recovers from the impact of the pandemic and all our countries of operation return to growth. We have already seen a strong recovery across our operations in the second half of 2020 and expect this to continue in 2021.

Keeping our employees, customers, suppliers, and communities' safe is a core value of Dangote Cement. As such, in 2020 we deployed measures to protect our communities and help them overcome their hardships during this very difficult time. In response to COVID-19 Dangote Cement spent approximately US Dollars 5.8 million to ensure the safety and protection of its people, customers, and communities.

Nigerian operations

Nigeria's economy, like most other economies of the world, was significantly affected by the outbreak of COVID-19 in 2020, with a GDP decline of 1.9%. However, the IMF estimates that the Nigerian economy could grow by 1.5% in 2021.

A full lockdown in Lagos state, Abuja (FCT) and Ogun state was enforced from 31 March 2020 to 4 May 2020 to reduce the spread of COVID-19. As a result, April volumes were heavily impacted and lower than the volumes realised in the same period last year. Other states joined with complete or partial lockdown during April. In May, lockdown eased, and cement demand picked up significantly in the second half of the year.

Nigeria's cement market remained very strong and resilient, following its recovery from the lockdown and restrictions that were place in the second quarter of 2020. The low interest rate environment boosted appetite for real estate investment, leading to increased activity in the construction industry.

Despite the impact of COVID-19, Dangote Cement's Nigerian operations sold 15.9Mt for the full year 2020 compared to 14.1Mt in 2019. This includes both cement and clinker sales and implies a 12.9% growth for the full year 2020. When looking at the domestic sales alone, our Nigerian operations sold 15.6Mt, up 14.3% year on year and resulting in an increase in market share.

Revenues for the Nigerian operations increased by 18.0% to ₦719.9B, owing to robust demand in the domestic market. This strong volume growth was enhanced by our successful innovative national consumer promotion "Bag of Goodies - Season 2" and lower rains in the third quarter compared to the previous year. We recorded a strong EBITDA of ₦421.4B at a margin of 58.5%, excluding central costs and eliminations (2019: ₦361.2B; 59.2%).

Dangote Cement recorded strong performance not only at the top line but also at the bottom line, owing to our cost saving measures. Despite inflationary pressures and foreign exchange volatility, our disciplined cost control measures enabled us to maintain a relatively flat cash cost per tonne. Our cost control measures include improved plant efficiency, better fuel mix and general overhead optimisation.

Pan-African operations

In Pan-Africa, most COVID-19 lockdown measures started at the end of March and peaked in April. The response by the authorities varied in nature from specific temporary restrictions in some countries to a complete temporary lockdown for non-essential businesses. Our operations in South Africa, Congo and Ghana were shut down due to full or partial lockdowns in most of April. By early May, lockdown measures had eased, and all our businesses were operational.

The total Pan-African volume represents 38.8% of Group volumes. Sales volumes in Pan-Africa were 10.0Mt in 2020, up 4.4% from 2019, despite the lockdowns and restrictions that were put in place across our operations in the first half of the year.

Pan-African revenues of ₦318.7B were 12.7% higher than 2019 and represented 30.8% of total Group revenue. The region achieved a record high EBITDA of ₦71.3B (before central costs and eliminations), up 49.0%, supported by strong performance in Ethiopia and Senegal. This represents an EBITDA margin of 22.4% for the full year 2020 versus 16.9% in 2019. The higher profitability was mainly attributable to volume growth and cash cost improvement in 7 of our 9 Pan-African operations.

Cameroon

We estimate the total market for cement in Cameroon to have been just under 3.5Mt in 2020. The main drivers for cement demand during the period were an increase in investment in construction projects, including roads, stadiums, and hotels in preparation for the African Nations Championship.

Despite the drop in oil prices and the impact of COVID-19, the pandemic did not have a significant impact on the cement market. The company has adjusted the way it operates in line with the regulatory requirements. Our 1.5Mta clinker grinding facility in Douala sold approximately 1.3Mt of cement in FY 2020, a 17.2% increase compared to FY 2019. We estimate our market share to have been 38% during the period.

Congo

The cement market in Congo grew in 2020 due to a surge in the consumer market and the revival of government infrastructure projects and public construction work. We estimate total market sales to have been just under 900Kt during the period.

Our 1.5Mta integrated plant in Mfila sold 388Kt of cement, up 59% compared to FY 2019. Our domestic volume was 340Kt, up 70% compared to FY 2019. In addition, exports were 47Kt for FY 2020. This increased our market share from 28% in FY 2019 to 42% in FY 2020. Significant cash cost improvement from lower contract maintenance supported higher profitability.

Ethiopia

We estimate the cement market in Ethiopia to have been 7.6Mt for the full year of 2020, down 3.8% from the same period last year. A slowdown in the economic activities arising from the continued challenges in accessing foreign exchange, lower government expenditure, security concerns and of course, the impact of COVID-19 impacted 2020 demand. The market remains predominately retail as the government has reduced infrastructure spending as part of its austerity measures due to the pandemic.

Sales at our 2.5Mta factory in Mugher were over 2.1Mt in the full year of 2020, up 8.7% year on year. The key driver for the increase in sales is the improved plant performance which resulted in more product being available for the market, owing to less breakdowns and continuous availability of power. In addition, our market share increased from 25% to 28%.

We continue to improve our efficiency with a focus on the increased use of local coal and other cheaper alternative fuels. Our production was not affected by the partial lockdown earlier in 2020 due to COVID-19.

Ghana

During the year of 2020, the construction industry and the cement market in Ghana witnessed an increase in demand owing to a rise in government infrastructure projects. Private domestic consumption also continues to grow. We estimate the total market for cement to have been over 6.7Mt for the full year.

Dangote Cement Ghana sold 422Kt of cement during the period, down 15.8% from the same period last year, owing to strategic intent to focus on profitable markets. Nevertheless, we were able to sell all our stock available due to high demand before and after the country's lockdown and maintained a regional focus and an attractive pricing scheme. Our market share for the year came in at 6%.

Senegal

We estimate total market sales in Senegal to have been nearly 7.0Mt, including exports, for the full year of 2020. Senegal's cement market remains robust and continues to grow, supported by an expanding middle class, growth in the construction sector and infrastructure projects across the country.

Sales from our 1.5Mta plant in Pout increased by 7.5% to 1.59Mt for the full year 2020. We produced slightly more than capacity due to higher addictive, de-bottlenecking, and clinker imports from Nigeria. Fortunately, our sales volumes were not materially affected by the impact of COVID-19 and we have been focusing on better customer service and logistic optimisation. Our market share was estimated at 23% during the period.

Sierra Leone

The COVID-19 pandemic had limited impact on Sierra Leone's cement demand in 2020. Dangote Cement Sierra Leone was able to operate during the country's partial lockdown earlier in the year.

The cement market continued to improve with increased infrastructure spending, more foreign aid being made available, the resumption of building projects in the corporate sector and housing increasing requirements. The Sierra Leonean cement market consumed about 870Kt of cement in the year of 2020. Sales at Dangote Cement's plant increased by 14.6% to 270Kt, driven by brand marketing and competitive pricing. Our market share was 31% during the period.

South Africa

Total national lockdown in South Africa was imposed from 27 March 2020 all through to 3 May 2020 to mitigate against the rapid spread of COVID-19 infections. The lockdown resulted in zero sales for our South African operations in April.

A series of rescue packages of R50 billion were put in place earlier in 2020 year to support businesses and individuals following the impact of the social distancing measures and lockdown enforced to fight the COVID-19 virus.

As part of the reconstruction and recovery of the South African economy, the government plans to expedite the implementation of at least 50 infrastructure projects with a total investment value of more than R340 billion.

Dangote Cement South Africa's sales in the first half of the year were down due to the lockdown but we saw a recovery in the second half of the year as restrictions gradually eased. Sales for FY 2020 increased by 9.1% year on year, mainly due to a surge in home improvements post lockdown.

Tanzania

Due to its diversified economy, Tanzania's GDP is robust and growing, which is resulting in an increase in major government infrastructure spending and construction projects including roads, railways and airports. We estimate the total market for cement in Tanzania to have been about 5.6Mt in the full year of 2020.

Sales volumes at our 3.0Mta factory at Mtwara were 9% lower than last year at 1.1Mt tonnes, including 81Kt of clinker. We estimate our market share to have been 18% during the period. Production challenges and dispatch limitations reduced daily volumes in the first quarter. The commissioning of the gas power plant occurred in November following the lifting of air travel restrictions.

Zambia

The subdued sate of the cement market in Zambia reflects the country's depressed macro-economic environment amidst a high foreign debt burden and high inflation rates.

We estimate the total cement market to have been 2.7Mt for the full year 2020, down approximately 10-15% from 2019. Activity in the construction activity has reduced following a suspension of major government infrastructure projects and cash constraints. As a result, cement sales at our Ndola factory were down 21% from 981Kt in 2019 to 773Kt in 2020. Our market share came in at 29%.

Share buyback

Dangote Cement completed tranche 1 of its buyback programme on the 31st of December 2020, buying back 0.24% of its shares outstanding (40,200,000 shares) at an average price of ₦243.02 per share.

Organisational changes

The Board of Directors of Dangote Cement Plc is pleased to announce the confirmation of the appointment of Mr. Guillaume Moyen as the substantive Group Chief Financial Officer, with effect from 18 March 2021.

Effective 25 February 2021, Mr. Arvind Pathak stepped down as Director of Dangote Cement Plc.

DANGOTE CEMENT

FINANCIAL REVIEW

Summary

Volume sold**	FY 2020 '000 tonnes	FY 2019 '000 tonnes
Nigeria	15,936	14,119
Pan-Africa	9,982	9,564
Inter-company sales	(197)	-
Total volume sold	**25,721**	**23,683**
Revenues	**₦m**	**₦m**
Nigeria	719,945	610,247
Pan-Africa	318,681	282,710
Inter-company sales	(4,430)	(1,286)
Total revenues	**1,034,196**	**891,671**
Group EBITDA*	**478,122**	**395,427**
EBITDA margin	**46.2%**	**44.3%**
Operating profit	386,734	299,893
Profit before tax	373,310	250,479
Earnings per ordinary share (Naira)	**16.14**	**11.79**

As at 31st December	FY 2020	FY 2019
Total assets	2,022,451	1,742,443
Net debt	337,275	227,531

*Earnings before interest, taxes, depreciation and amortisation
** Volumes include cement and clinker

Revenue increased by 16.0% from ₦891.7B to ₦1,034.2B, driven by higher volumes in Nigeria and Pan-Africa. Net revenue per tonne in Nigeria amounted to ₦45,179 in 2020 as compared to ₦43,222 in 2019 representing an increase of 4.5%%, due to lower discounts and rebates.

Volumes sold by our core Nigerian operations was up by 12.9% (2019: 14.12Mt) with increased local sales due to promotion activities, increased real estate demand and lower rains. Sales to domestic customers in Nigeria increased by 14.3% from 13.6Mt to 15.6Mt with the remaining 0.35Mt being exported volumes.

Full year Pan-African volumes increased by 4.4% from 9.6Mt to 10.0Mt.

Manufacturing and operating costs

Year ended 31st December	2020 ₦m	2019 ₦m
Materials consumed	134,910	117,239
Fuel & power consumed	146,342	122,851
Royalties	1,270	1,817
Salaries and related staff costs	37,020	32,955
Depreciation & amortization	64,946	65,254
Plant maintenance costs	30,706	28,766
Other production expenses	15,670	7,750
(Increase)/decrease in finished goods and work in progress	7,106	3,357
Total manufacturing costs	**437,970**	**379,989**

In general, manufacturing costs increased as a result of higher volumes in Nigeria and Pan-Africa. Nigeria manufacturing costs increased from ₦181.0B to ₦225.7B (also due to general inflation and foreign exchange impacts on USD denominated expenses). Pan-Africa manufacturing costs increased by 6.7% from ₦199.0B to ₦212.2B, mainly from strong volume increase in Ethiopia, Congo and Cameroon.

Consequently, the total Group manufacturing costs increased by 15.2%.

Administration and selling expenses

Year ended 31st December	2020 ₦m	2019 ₦m
Administration and selling costs	214,246	214,769

Total selling and administration expenses decreased slightly by 0.2% to ₦214.2B, Although the total volumes sold in Nigeria increased, improvement in efficiency and turnaround time led to a slight decrease in haulage costs from ₦70.7B to ₦69.8B.

The trend was the same in Pan-Africa as haulage costs decreased by 19.9% from ₦36.5B to ₦29.2B, due to reduction in the use of third-party trucks.

In addition, various promotion schemes were deployed in Nigeria which drove the increase in advertising and promotion costs.

Profitability

Year ended 31st December	2020 ₦m	2019 ₦m
EBITDA	478,122	395,427
Depreciation, amortization & impairment	91,388	95,534
Operating profit	**386,734**	**299,893**
EBITDA by operating region		
Nigeria	421,417	361,204
Pan-Africa	71,313	47,858
Central administrations costs and inter-company sales	(14,608)	(13,635)
Total EBITDA	**478,122**	**395,427**

Group earnings before interest, tax, depreciation and amortisation (EBITDA) for the year increased by 20.9% to ₦478.1B at a margin of 46.2% (2019: ₦395.4B, 44.3%) as a result of the increased volumes in both Nigeria and Pan-Africa and the reduction in selling and distribution costs in the Group.

Excluding eliminations and central costs, Nigerian EBITDA increased by 16.7% in Nigeria, to ₦421.4B at a margin of 58.5% (2019: ₦361.2B, 59.2%).

Pan-African EBITDA increased by 49.0% to ₦71.3B, at 22.4% margin (2019: 16.9%), driven by higher EBITDA margin and stronger profitability in all 10 operations.

Operating profit of ₦386.7B was 29.0% higher than the ₦299.9B for 2019 at a margin of 37.4% (2019: 33.6%).

Interest and similar income/expense

Year ended 31st December	2020 ₦m	2019 ₦m
Interest income	13,183	7,610
Exchange loss	16,631	(13,481)
Interest expense	(43,988)	(44,192)
Net finance income / (cost)	**(14,174)**	**(50,063)**

Interest income increased mainly due to increased interest earning cash balances.

During the year to December 2020, the Nigerian Naira value against the US Dollar decreased from about ₦365/1US$ to ₦400/1US$. This resulted in net exchange gains from inter-Group assets and liabilities that do not eliminate in full on consolidation in the Nigerian operations.

The effective interest rate on borrowings was 9.67% compared to 10.87% in 2019.

Taxation

Year ended 31st December	2020 ₦m	2019 ₦m
Tax (charge)/credit	(97,242)	(49,958)

In 2020 the effective tax rate for Nigerian operations was 18.1% representing a mix of non-taxable income for productions lines still under the Pioneer tax holiday and taxable income for production lines out of Pioneer tax exemption. The Group's effective tax rate was higher at 26.0%, mainly because of Pan-African subsidiaries making losses that reduced the Group's profit without direct tax benefits for those losses.

The Group's profit for the year was up 37.7% to ₦276.1B (2019: ₦200.5B). As a result, earnings per share increased by 36.9% to ₦16.14 (2019 ₦11.79).

Financial position

	31st December 2020 ₦m	31st December 2019 ₦m
Property, plant and equipment	1,390,687	1,206,749
Other non-current assets	77,072	124,203
Intangible assets	4,554	3,663
Total non-current assets	**1,472,313**	**1,334,615**
Current assets	404,303	283,925
Cash and bank balances	145,835	123,903
Total assets	**2,022,451**	**1,742,443**
Non-current liabilities	142,756	105,341
Current liabilities	505,615	387,731
Debt	483,110	351,434
Total liabilities	**1,131,481**	**844,506**

Non-current assets increased from ₦1,334.6B at the end of 2019 to ₦1,472.3B at 31st December 2020. This was mainly as a result of additions to Property, Plant & Equipment which were partially offset by depreciation.

Additions to property, plant and equipment were ₦224.0B, of which ₦184.3B was spent in Nigeria and ₦39.7B in Pan Africa operations.

There was an increase in advances from customers in Nigeria which resulted in the significant increase in the current liabilities. In addition, payables to contractors also increased.

Movement in net debt

	Cash ₦m	Debt ₦m	Net debt ₦m
As at 31st December 2019	123,903	(351,434)	(227,531)
Cash from operations before working capital changes	483,531	-	483,531
Change in working capital	41,958	-	41,958
Income tax paid	(20,997)	-	(20,997)
Additions to fixed assets	(224,005)	-	(224,005)
Loan to related party	(70,000)		(70,000)
Other investing activities	(551)	-	(551)
Change in non-current prepayments and payables	13,635	-	13,635
Net lease payment	6,191		6,191
Net interest payment	(39,850)	-	(39,850)
Net loans obtained (repaid)	122,925	(122,925)	-
Dividend paid	(272,693)	-	(272,693)
Other cash and non-cash movements	(18,212)	(8,751)	(26,963)
As at 31st December 2020	145,835	(483,110)	(337,275)

Cash of ₦483.5B was generated from operations before changes in working capital. After net movement of ₦42.0B in working capital and tax payments of ₦21.0B, the net cash flow from operations was ₦511.9B.

Financing outflows excluding overdrafts of ₦199.3B (2019: ₦295.1B) reflected net loans received of ₦122.9B, interest paid of ₦48.3B and a dividend payment of ₦272.7B.

Cash and cash equivalents (net of bank overdrafts used for cash management purposes) increased from ₦112.0B at the end of 2019 to ₦141.0B at 31st December 2020. With net loans received at ₦122.9B and increase in cash balances of ₦21.9B, net debt increased by ₦109.7B from ₦227.5 at the end of 2019 to ₦337.3B at the end of 2020, giving a net debt to EBITDA ratio of 0.71x, reflecting the continuing strong cash generation achieved by the Group.

Capital Expenditure by region

	Nigeria ₦m	Pan-Africa ₦m	Total ₦m
Capital Expenditure	**184,286**	**39,719**	**224,005**

Capital expenditure was mainly comprised of the construction of new plants in Nigeria and Pan-Africa, the acquisition of distribution trucks in Nigeria as well as improvements in our energy efficiency in Tanzania.

Recommended dividend

On 18th March 2021, the Directors recommended to maintain a dividend of ₦16.00 per share for approval at the Annual General Meeting.

Going Concern

The Directors continue to apply the Going Concern principle in the preparation of the Financial Statements. After considering the liquidity position and the availability of resources, the Directors concluded that there are no significant threats to the Group's Going Concern capabilities.

The Directors believe that the current working capital is sufficient for the operations and the Group generates sufficient cash flows to fund its operations. Borrowings are mainly to fund the expansion projects in various African countries.