

Operational Pillar: Modern, efficient factories producing the highest quality cement

The operational pillar deploys cost-effective, state-of-the-art production and distribution facilities which produce high-quality products that satisfy the needs of local markets.



“Group volumes up 8.6%; Nigerian volumes up 12.9%”

Operational standards

Our Operational Sustainability Pillar defines how we serve and satisfy our markets by working together with partners to deliver the best quality products and services to our valued customers. We also achieve this by leveraging continuous product improvement and innovation, new business development, and employment of state-of-the-art technologies to optimise cost-efficiencies and competitiveness.

For us, driving operational efficiency means maintaining the highest standards in product responsibility, product quality, product information dissemination and labelling, efficient production processes, and service delivery that exceeds our esteemed customers' expectations. We maintain operational standards that align with global best practices in occupational health and safety, making our work environment and project sites safe for all internal and external stakeholders.

To foster operational sustainability, we continuously invest in innovative technologies and processes that promote our goal of utilising available production capital optimally and resourcefully. We are committed to adopting the circular economy business model to ensure operational and cost efficiency, resource consumption minimisation and environmental responsibility. We implement the policy of continuous improvement in our production processes and invest in state-of-the-art production facilities that minimise the negative ecological and social impacts that could result from our business operations.

Our focus on operational sustainability demands that we maximise value to raw materials and local resources, whilst being mindful of health and safety and our impact on the physical environment. We strive to improve efficiency at every stage of the production process, from mining to distribution, and have demonstrated our commitment to innovation by launching new products in our key market, Nigeria. We are exploring ways to improve our use of alternative fuels in our kilns and researching how we can recycle by-products such as fly ash for use as extenders when we grind clinker into cement.

Regional review

Group volumes

+8.6%

2020	25.7Mt
2019	23.7Mt
2018	23.5Mt

Group volumes up 8.6% to 25.7Mta despite significant impact of COVID-19.

Nigerian volumes

+12.9%

2020	15.9Mt
2019	14.1Mt
2018	14.2Mt

Nigeria volumes up 12.9%, supported by robust domestic demand.

Pan-African volumes

+4.4%

2020	10.0Mt
2019	9.6Mt
2018	9.4Mt

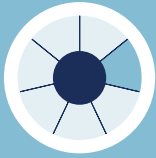
Volumes up at 10.0Mt, despite lockdowns and restrictions in 2020. Strong volume growth in Ethiopia, Congo and Cameroon.

Supply chain management

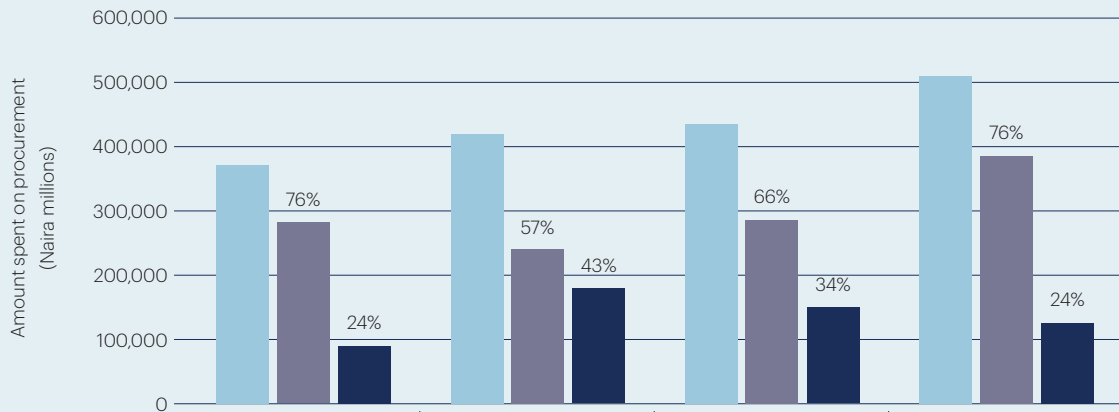
Dangote Cement is a vertically integrated cement company with complete haulage needs that are sourced within the Group to ensure an efficient supply and distribution chain.

We have also nurtured extensive dealers' network in all our markets. In Nigeria for example, the Company maintains excellent relations with all dealers, offering attractive returns on cement sales and ensuring shared prosperity across the chain.

We do not just make cement; we support our supply chain partners to thrive and build their own businesses. In 2020, a total of ₦509.96 billion was spent for local and imported procurements across all operations. In our Nigerian market, procurement spending was ₦295.57 billion, out of which ₦221.23 billion (74.8%) was spent on local products and services. Our distributorship network also grew significantly. The number of retailers and distributors in our Nigerian distribution chain grew year on year by 31% and 43% for each category.



2017-2020 total procurement spending



Procurement per year	2017	2018	2019	2020
Total (Million Naira)	370,521	418,690	434,065	509,964
Local (Million Naira)	281,461	239,859	284,845	385,453
Imported (Million Naira)	89,060	178,831	149,220	124,511

Procurement practices

Our value chain is perhaps the largest in the African cement market. We are constantly improving best procurement practices to build a supply chain that provides win-win opportunities for all stakeholders. We support our SME distributors by investing in their business growth. We enforce transparency in our procurement activities and deliberately prioritise patronage of local businesses. Our procurement practices reflect our operating philosophy and core value of integrity in business operations.

We ensure equal opportunities for all bidders while also encouraging and supporting the best environmental, social and governance standards within our sphere of influence.

Building a sustainable supply chain

As a responsible corporate citizen, Dangote Cement Plc is committed to building a sustainable supply chain to ensure that our procurement activities and engagements with supply chain partners are carried out in an environmentally, socially and economically responsible manner.

We have set the stage for entrenching excellent corporate governance, anti-corruption, healthy competition, human rights protection, environmental responsibility, transparency and accountability, and best health and safety standards across our supply chain for the wellbeing of stakeholders and the larger society. Our supply chain partners will be held accountable for practices contrary to laid down environmental, social and governance laws, regulations and standards. Vendors and contractors that wish to establish or continue a business relationship with Dangote Cement should ensure best sustainability practices and records.

We expect our supply chain partners and their affiliates, employees, subcontractors, agents and other representatives to observe the highest standard of ethics in all activities and operations regarding the supply of goods and services to Dangote Cement Plc. Compliance with environmental, social and governance regulations and best practices will be assessed from

time to time. The outcome of such evaluations would determine the vendors and contractors that we choose to continue business relationships with.

Prioritising local content

As part of our corporate responsibility to our countries of operation, we source much of our procurement needs from local markets. It is only in cases where vendors for specific goods and services could not be sourced locally that we resort to importation.

In all operations, total procurement spending has consistently grown in the last four years, from over ₦370 billion in 2017 to ₦418 billion in 2018; and ₦434 billion in 2019. In 2020, our procurement spending stood at ₦509.96 billion. Of this figure, ₦124.51 billion (or 24%) was spent on imported goods and services, while ₦385.45 billion (or 76%) was spent on locally sourced procurements. With this, our local procurement spending in the last three years has consistently grown, from 57% in 2018 and 66% in 2019 to 76% in 2020. Year on year, total procurement spending is up 17.5% relative to 2019, while local procurement spending is up astronomically by 35.3%, from ₦284.8 billion in 2019 to ₦385.4 billion in 2020.

Our local suppliers range from Small and Medium-Scale Enterprises (SMEs) to large multinational companies. Patronising local products and services is our way of boosting local industries and entrepreneurship, supporting a stable local economy, and propelling sustainable growth and development in the African continent.

Interestingly, according to our 2020 vendors and contractors' survey, about 65.2% of the respondents affirmed that Dangote Cement's patronage of their products and services accounts for 81-100% of their total annual financial turnover. This underscores the huge economic impact that Dangote Cement operations and supply chain have on the SME sector and the larger economy in the different markets where it plays. Also, over 81% of the respondents associated the Dangote Cement brand with "positive economic impact," while 55% associated it with "job creation."

Penetrating markets and empowering consumers

With domineering market share in several industries where we do business, we do not take our size and market penetration for granted. We continue to drive the highest standards in product and service offering and endeavour to continually surpass our valued customers' expectations.

Product quality and market competitiveness

We believe in continuous product improvement and innovation. This is one of our most vital edges in all the markets where we operate. Our research and technology initiatives support our plant operations to ensure robust production processes. We remain focused on product efficiency and market competitiveness. We have an extended value chain – beginning at mining and running through raw materials preparation, clinker burning, cement grinding and production, packaging, and finally delivering to the esteemed customers. While this makes it a seemingly complex business chain, it also offers opportunities for sustainable improvements along the value chain's length. Our key focus areas include higher efficiency in the use of limestone, laterite, and other minerals beneficiation; pollution reduction (dust, noise and other forms of pollutants that come with cement production); optimised limestone and material mix; efficiency in lowering CO₂ generation; efficiency in cement bag loading systems; improving profitability; while producing a higher-quality, stronger brand of cement at a lower cost. Our plants are equipped with cutting-edge technology like Prompt Gamma Neutron Activation Analysis (PGNAA) for online analysis, robotic laboratory, and fully automated central control room system equipped with Human Machine Interface technology (HMI). We have constantly deployed the most advanced machinery at our new plants that improve overall efficiency in cement production.

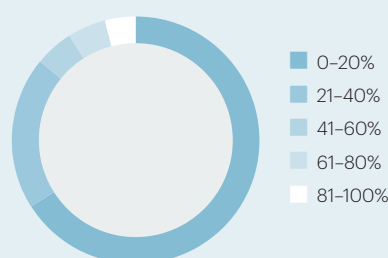


In many countries where we operate, we significantly support the local economies towards self-sufficiency in cement production. We accompany this with product quality guarantee. We ensure that all our products and services are consistently tested for quality assurance and safety. To drive consistency around product quality and mitigate failures, a "Quality Contract" initiative was introduced between our Sales & Marketing team and the Plants, aimed at routine evaluation and test of cement produced before bagging. This approach guarantees product quality for our valued customers at all times.

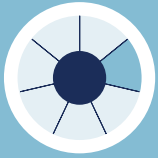
The quality and innovativeness that goes into our production and the value that our products create for consumers are the reasons we enjoy strong market share and are the clear market leader in most countries where we play. In our Nigerian operations, we enjoyed over 60% market share in 2020.



2020 Vendors & Contractors' Survey Responses: "Estimated percentage of your annual turnover that is gotten due to your transactions with Dangote Cement Plc"



“The Dangote Way” Operational Pillar continued



Marketing and labelling practices

Because growth is essential for business sustainability, we continually plan towards and invest in strategies for becoming one of the world's leading cement companies and retaining our prime position in Africa, which, fortunately, is the next big growth market for cement. Because of this, we will remain focused on approaches for improving our route to market and promotional campaigns that support growth in sales volume. Some of our strategic campaigns in 2020 include the Dangote “Bag of Goodies 2” Consumer Promo, as detailed in the next section.

Product responsibility

We ensure that our products meet the best specifications and standards and add value to our esteemed consumers. We also ensure that our cement is produced following the best manufacturing guidelines and under strict quality control.

Due to its properties, such as high pH value, cement users need to understand the health and safety measures required when using the commodity. We therefore ensure that we comply strictly with requisite marketing, product safety, and labelling regulations.

We adopt practical product information and labelling as part of our “product responsibility” obligations to ensure compliance with regulatory standards and best practices. Our product information and labelling practices go beyond mere aesthetics. It ensures the disclosure of vital information about our product material contents and their portion sizes. We also provide clear instructions on usage, leveraging the CEMBUREAU guidelines on the use of wet cement. These practices allow our customers to make informed choices about the cement they buy and the peace of mind to use our products efficiently.

All relevant safety and disposal information, including local and international standards that govern the labelling and information contained on the packaging of our products, are displayed on the product bags. Endorsed by the Standards Organisation of Nigeria (SON) and fulfilling all regulatory requirements, our labelling strategy is executed with simple marking, using machine-readable symbols (batch code), linking back to actual production details, content, product pack sizes or formatting and easy user application instructions, to achieve best quality results.

As part of our consumer communications practices, labels are directly printed on our cement bags, which are mostly made of polypropylene or paper materials, both of which are easily recycled and reused by end-users.

In all operations, there were no reported incidents of non-compliance with regulations and voluntary codes concerning products and service information and labelling, provision and use, and marketing communications (including advertising, promotion, and sponsorships) during the year under review. In our Nigerian operations, there were also no fines from any of our major regulators, such as the Nigerian Stock Exchange, Securities and Exchange Commission, the Financial Reporting Council of Nigeria, and the Standards Organisation of Nigeria, as at year-end 31st December 2020.

However, there were fines from litigations and court cases brought against our business in the year under review, which we are handling in compliance with applicable laws and regulations. We also incurred fines and penalties of ₦410 million across our Nigeria, Cameroon, Zambia, Ethiopia, Tanzania and Senegal operations, and these were mainly a result of conclusion of various tax assessments carried out by regulators relating to previous years. Our South Africa, Sierra Leone and Ghana operations recorded no penalties and fines.



Dangote Cement Product Offerings



Customer privacy

Our marketing practices conform to the highest ethical standards, based on transparency, honesty and full disclosure. We respect the privacy rights of our customers who disclose Sensitive Personal Information to the Company as part of business transaction requirements; and we ensure that their information is kept confidential. In all the markets where we operate, we are obliged to comply with and adhere to data protection laws (such as the Nigerian Data Protection Regulation, 2019; South Africa's Protection of Personal Information Act, 2013; Senegal's Cybersecurity and Personal Data Protection Act, 2016; and so on). We ensure compliance with these regulations. We care about how customer data is used and shared, and we place a premium on the trust afforded us by our customers. We utilise the highest standards of data privacy in storing information sourced from our value chain and communicate clearly to our customers the type of data we collect, what they are used for and additional analysis performed on the data if any. No complaints were received regarding any breaches of customer privacy or misuse of personal data in the reporting year. Further details about our privacy and data protection policy can be gotten on our websites:

➤ <https://www.dangote.com/privacy-policy/>



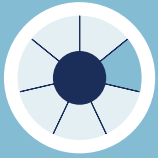
Customer Service Week

In 2020, we participated in Customer Service Week's global celebration to raise awareness on the need for consistently excellent customer service. We also leverage this Week to appreciate customers for their loyalty to the Dangote Cement brand; and our staff for the unique role they play in ensuring that we keep our promise of excellent service to our dear customers.

The 2020 Customer Service Week with the theme "Dream Team" reflected the importance of teamwork in providing outstanding service to all customers and enabled our staff to reflect on what needs to be done to improve teamwork and quality service delivery.

In 2020, Dangote Cement conducted customer satisfaction survey twice to measure how satisfied our customers are with different aspects of your products and services. The feedback on customers' insights helps us identify unhappy customers, practices and developments that require corrective actions. As a brand committed to consistently exceeding customers' expectations, we take such feedback from our consumers very seriously and act promptly on them as required.





National Consumer Promotion case study

**Dangote “Bag of Goodies 2”
Consumer Promo 2020
BAG OF GOODIES SEASON 2**

**“National Consumer
Promo has made over
471 millionaires across
all states in Nigeria.”**



On 15th July 2020, Dangote Cement Plc launched the Spell and Win “Bag of Goodies 2” Consumer Promo, a National Consumer Promotion (NCP) approved initiative that was designed to produce nine millionaires daily as a way of rewarding consumers and improving the livelihood of our consumers around Nigeria. The mega promo produced over 14,079,144 beneficiaries (winners); 471 star-prize winners with cash of ₦1,000,000.00 each; and impacted positively on the livelihood of loyal customers across the country. The 2020 consumer promo has been well-timed, empowering our loyal customers financially and helping to mitigate the economic effect of the COVID-19 pandemic.

In addition to supporting sales growth, this promo, served as a palliative for the tough economy and ameliorate challenges through direct appreciation of loyal Dangote Cement customers. The DBOG was unique and the larger Nigerian economy, in a year of unprecedented in economic pressure owing to the COVID-19 outbreak. The Dangote Bag of Goodies promo has been unmatched in the local cement industry both in scale, impact, and reach.



“A block moulder and cement dealer, who was one of the lucky winners of the just concluded Dangote Cement Promo, Mr. Obinna Udebi said the ₦1 million star prize won during the promo has been used to expand his cement and block-moulding business. According to Udebi, his business was only struggling to survive due to the impact of the global COVID-19, but it was rescued by Dangote Cement through the just concluded Mega Promo. He disclosed that, prior to the promo, he was only able to buy 300 bags of cement, “but with ₦1 million, I have been able to increase the numbers of my cement stock from 300 to 600 bags.” He said Dangote Cement has helped improve his revenue, as he is now able to deliver cement and blocks to customers within few days as a result of the available funds.”

BusinessDay Newspaper 21st December 2020.

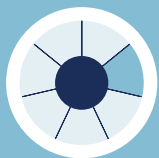


The promo produced 471 millionaires plus over 13 million beneficiaries of other prizes including cars, motorcycles, 43" LED TVs, specially created Dangote food packs and millions of cash and telephone airtime. The initiative was also designed to serve as a palliative for the tough economy and ameliorate challenges through direct appreciation of loyal customers. The DBOG was unique and unprecedented in the cement industry both in scale and reach.

Redemption Management:

- Well trained redemption clerks at 200 redemption centres nationally
- Availability of promo items across the redemption centres and prompt payment of star winners





Ravi Sood
Director of Operations, Nigeria



Rajesh Kumar Kothari
Director of Operations, Pan-Africa

“In 2020, Dangote Cement commenced exporting clinker via shipping from Nigeria to feed grinding plants in West and Central Africa.”

Operating review

Strong performance sustained by robust volume growth coupled with cost saving measures.

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 2.5% in 2021.

A full lockdown in Lagos state, Abuja (FCT) and Ogun state was enforced from 31st March 2020 to 4th 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.

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.

The fuel mix in our Nigerian plants include coal, gas and PET coke. We do not import coal in our Nigerian operations but use local coal. In Obajana, we currently use approximately 50% local coal and 50% gas. Local coal usage in our plant in Ibese is approximately 30%, while PET coke is about 10% of our fuel mix. Although Nigeria still relies on high carbon fuel sources, in 2020, we increased corporate focus and strategies for reducing our footprints by committing to the use of alternative fuel sources in our energy mix. We made progress in using alternative fuels in kilns through effective and fit-for-purpose reutilisation of wastes produced in our sites, such as old tyres and packaging materials.

Exports

In 2020, we commissioned both our export terminals in Apapa and Onne. We shipped 197Kt of clinker from Nigeria to West and Central Africa via our Apapa terminal, with our maiden shipment in June. Our Nigerian business has recommenced road exports and in 2020 we exported 149Kt of cement by road.

Our vision is for West and Central Africa to become cement and clinker self-sufficient, with Nigeria being the main export hub. This will notably contribute to the improvement of regional trade within the ECOWAS region and beyond with the African Continental Free Trade Area.

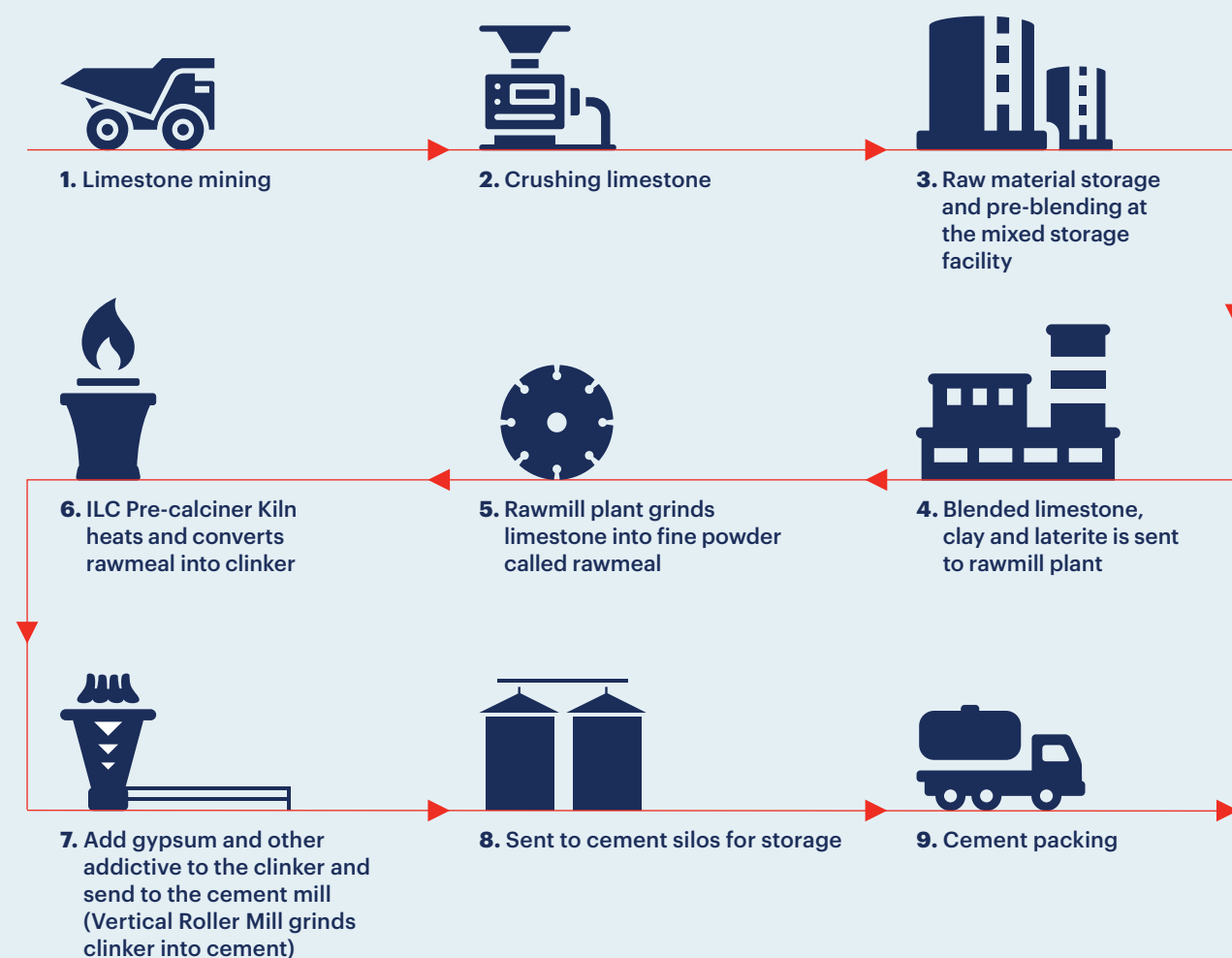
Pan-African operations

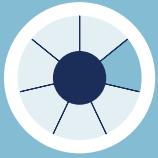
In Pan-Africa, most COVID-19 lockdown measures started at the end of March and peaked in April. The response by the authorities varied in nature from specific temporary restrictions in some countries to a complete temporary lockdown for non-essential businesses. Our operations in South Africa, Congo 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 ₦318.7 billion were 12.7% higher than 2019 and represented 30.8% of total Group revenue. The region achieved a record high EBITDA of ₦71.3 billion (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 seven of our nine Pan-African operations.

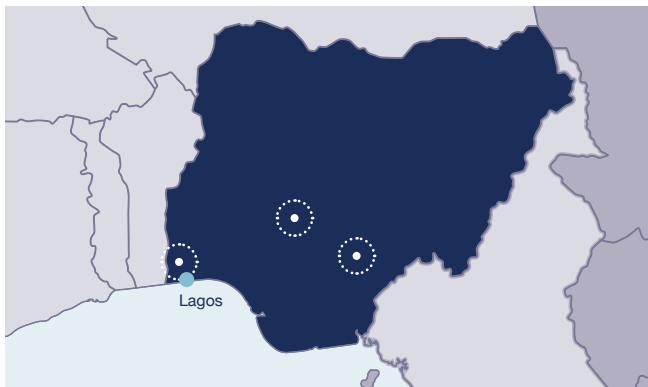
Cement value chain





Nigeria

Nigeria is where we began operations more than a decade ago and where we now have three of the largest and most efficient cement plants in Sub-Saharan Africa.



Sales volumes

15.9Mt

2019: 14.1Mt +12.9%

Revenue

₦719.9bn

2019: ₦610.2bn +18.0%

Key statistics

Demographics

Population	206.1m
Urbanisation	52%
2020 GDP growth	-1.8%

Market

Total capacity	50.8Mta
Cement consumption	125kg/person
Total market	25.8Mt

Dangote presence

Location	Obajana, Ibese, Gboko
Capacity	32.3Mta
Type	Integrated
Kiln fuel	Gas, coal
Power	Gas, diesel

Market

Nigeria is the largest market for cement in Sub-Saharan Africa and a highly attractive production centre, having significant deposits of limestone close to large demand centres and good economic prospects that will enable its population of over 200 million to increase their consumption of cement in the coming decades. Furthermore, Nigeria has local sources of standard and alternative fuel sources, prohibits importation of cement and incentivises exports into neighbouring countries, many of which lack limestone. Therefore, as the largest producer in Nigeria, the whole of the West and Central Africa trading region, which represents over a third of Africa by countries, population and GDP can be considered as our home market.

Performance

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 operation 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 ₦719.9 billion, owing to robust demand in the domestic market. This strong volume growth was enhanced by an increase in real estate investment, 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 ₦421.4 billion at a margin of 58.5%, excluding central costs and eliminations (2019: ₦361.2 billion; 59.2%).



Tanzania

The captive power plant was commissioned in November to power our factory in Mtwara.



Sales volumes

1.1Mt

2019: 1.2Mt -9.25%

Revenue

₦37.9bn

2019: ₦38.5bn -1.6%

Key statistics

Demographics

Population	58m
Urbanisation	35.2%
2020 GDP growth	1.0%

Market

Total capacity	11.3Mta
Cement consumption	97kg/person
Total market	5.6Mt

Dangote presence

Location	Mtwara
Capacity	3.0Mta
Type	Integrated
Kiln fuel	Coal, gas
Power	Gas

Market

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.

At 3.0Mta, our integrated plant at Mtwara is the largest of Tanzania's 13 cement plants, most of which are located near the coast.

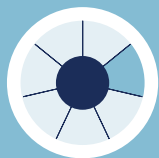
Performance

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.



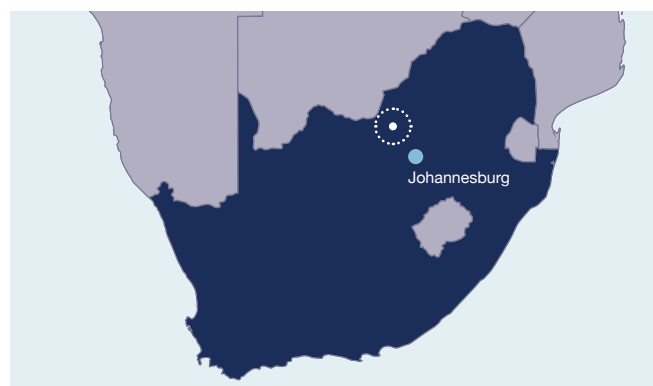
Living "The Dangote Way"

We are part of the grand infrastructural transformation taking place in Tanzania. We touch millions of lives by providing cement used for construction of housing, railways, roads, airports and other infrastructure critical for Tanzania's continuing economic development. We are committed to the long-term development of the country and will continue to develop and provide quality products that will support rapid urbanisation and infrastructure development.



South Africa

South Africa remains one of Africa’s largest markets for cement. Our facilities at Aganang and Delmas can produce up to 2.8Mt per year.



Sales volumes

Cannot be published due to local competition laws

Revenue

₦52.7bn

2019: ₦46.4bn 13%

Key statistics

Demographics

Population	59.8m
Urbanisation	67.4%
2020 GDP growth	-7.0%

Market

Total capacity	22.5Mta
Cement consumption	184kg/person
Total market	11.0Mt

Dangote presence

Location	Aganang, Delmas
Capacity	2.8Mta
Type	Integrated
Kiln fuel	Coal
Power	Grid

Market

Total national lockdown in South Africa was imposed from 27th March 2020 all through to 3rd 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.

Performance

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 FY2020 increased by 9.1% year on year, mainly due to a surge in home improvements post-lockdown.



Living “The Dangote Way”

Operating in one of the largest cement markets in Africa, with 66% urbanisation, Dangote Cement South Africa strives to contribute towards industrial growth and economic development of South Africa and making cement accessible and affordable for its population of 57 million. While serving the urban centres, we also aim to ensure inclusiveness by making concerted efforts to serve markets in both suburban and rural areas of the country.

Ethiopia

Ethiopia is an attractive market for cement, with high demand for infrastructure projects, housing and industrial parks.



Sales volumes

2.1Mt

2019: 2.0Mt +8.7%

Revenue

₦58.1bn

2019: ₦53.9bn 7.8%

Key statistics

Demographics

Population	98.1m
Urbanisation	21.7%
2020 GDP growth	6.1%

Market

Total capacity	19.5Mta
Cement consumption	77kg/person
Total market	7.6Mt

Dangote presence

Location	Mugher
Capacity	2.5Mta
Type	Integrated
Kiln fuel	Coal
Power	Grid

Market

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. This was mainly due to a slowdown in the economic activities arising from the overall impacts of COVID-19, lower infrastructure spending, continued challenges around foreign currencies availability and security concerns.

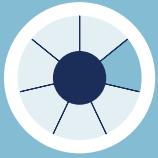
Per-capita consumption in Ethiopia lags behind many African countries at about 77kg per person, suggesting considerable growth potential. While the country seems overserved with 19.5Mta capacity, much of it is ageing, small scale and unable to compete with modern cement production facilities like our 2.5Mta plant at Mugher, particularly given our additional strength and know-how in distribution.

Performance

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 compared to last year. 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.





Cameroon

Cameroon lacks sufficient limestone for large-scale cement manufacturing, so we import clinker for grinding. We supplied clinker to Cameroon from Nigeria in 2020.



Sales volumes

1.3Mt

2019: 1.1Mt +17.2%

Revenue

₦57.3bn

2019: ₦45.7bn +25.4%

Key statistics

Demographics

Population	26.14m
Urbanisation	57.6%
2020 GDP growth	-2.8%

Market

Total capacity	6.2Mta
Cement consumption	134kg/person
Total market	3.5Mta

Dangote presence

Location	Douala
Capacity	1.5Mta
Type	Grinding
Kiln fuel	n/a
Power	Grid

Market

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, notably in preparation for the African Nations Championship.

Performance

Despite the drop in oil prices and the impact of COVID-19, fortunately the pandemic did not have a significant impact on the cement industry. However, we have adjusted the way we work in line with government recommendations. 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.



Living “The Dangote Way”

We are actively working to help and empower our local communities.

We reclaimed land for the Douala community to celebrate its culture, built a pharmacy for the Batkoe mining community and a town hall for the Tombel mining community, and provided scholarships to help students of the Deido and Batoke communities.

Congo

Our 1.5Mta factory in Mfila can supply almost all the country's needs, reducing its dependence on imported cement and enable it to become an exporter.



Sales volumes

0.4Mt

2019: 0.2Mt

Revenue

₦12.4bn

2019: ₦7.7bn +61%

Key statistics

Demographics

Population	4.7m
Urbanisation	67.8%
2020 GDP growth	-7.8%

Market

Total capacity	3.2Mta
Cement consumption	192kg/person
Total market	0.9Mta

Dangote presence

Location	Mfila
Capacity	1.5Mta
Type	Integrated
Kiln fuel	Coal
Power	Grid

Market

Opened in September 2017, our 1.5Mta Mfila plant is the largest of five plants in the country. It is ideally located to supply the capital, Brazzaville, as well as export markets in the Democratic Republic of Congo and Central African Republic.

The Republic of Congo has a well developed economy that is reflected in its relatively high per-capita consumption of cement, at an estimated 192kg per person. The cement market 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 935Kt during the period.

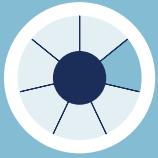
Performance

Our 1.5Mta integrated plant in Mfila sold 388Kt of cement, up 59% compared to FY2019. Our domestic volume was 341Kt, up 70% compared to FY2019. In addition, exports were 47Kt for FY 2020. This increased our market share from 28% in FY2019 to 42% in FY2020.



Living "The Dangote Way"

As the country's largest producer, we provide market leadership through innovative pricing and retail strategies as we contribute towards meeting the cement demands of Congo. Not only are we helping the country become self-sufficient in cement, we also plan to increase its exports, benefitting its economy.



Ghana

An important market for cement in West Africa, Ghana lacks sufficient limestone and is obliged to import clinker or bulk cement, which we plan to supply from Nigeria.



Sales volumes

0.4Mt

2019: 0.5Mt -15.8%

Revenue

₹16.9bn

2019: ₹18.3bn -7.7%

Key statistics

Demographics

Population	30.8m
Urbanisation	57.3%
2020 GDP growth	0.9%

Market

Total capacity	9.35Mta
Cement consumption	218kg/person
Total market	6.7Mt

Dangote presence

Location	Tema
Capacity	1.5Mta
Type	Import
Kiln fuel	n/a
Power	Grid

Market

With per-capita consumption of about 218kg per person and total demand of 6.7Mt in 2020, Ghana is an attractive market for cement in West Africa. 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 ahead of the election. Private domestic consumption also continues to grow.

Performance

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 out all 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%.

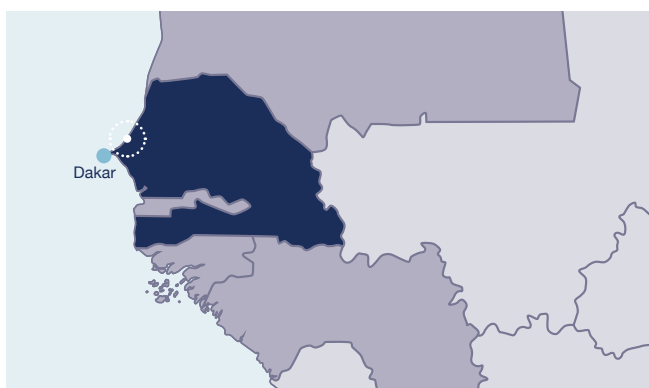


Living “The Dangote Way”

We are enhancing our customer handling efficiency by reducing customer waiting and supply time. We will continue on this path to ensure that we create satisfied customers who in turn create other customers for us, through word-of-mouth referrals. Our goal is to increase our market share and reduce the country's reliance on cement and clinker manufactured outside of Africa.

Senegal

Senegal continues to be one of Dangote Cement's best performing markets, where we sell everything we produce.



Sales volumes

1.59Mt

2019: 1.48Mt +7.5%

Revenue

₦46.9bn

2019: ₦38.3bn +22.5%

Key statistics

Demographics

Population	16.8m
Urbanisation	48.1%
2020 GDP growth	-0.8%

Market

Total capacity	7.8Mta
Cement consumption	417kg/person
Total market	7.0Mt

Dangote presence

Location	Pout
Capacity	1.5Mta
Type	Integrated
Kiln fuel	Coal
Power	Coal

Market

Senegal's strong economy makes it an excellent market for cement, with per-capita consumption of about 417kg per person. The 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.

Unlike many countries along the coast of West Africa, Senegal has large reserves of limestone that make it an ideal place from which to export both inland to Mali and to coastal neighbours. Although the market was oversupplied when we entered in 2014, we quickly took significant market share by selling higher quality cement at competitive prices from our 1.5Mta factory in Pout.

We estimate total market sales in Senegal to have been nearly 7.0Mt, including exports, for the full year of 2020.

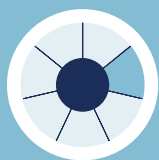
Performance

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 additives, de-bottlenecking and clinker imports from Nigeria. Fortunately, our sales volumes were not materially affected by COVID-19 and we have been focusing on better customer service and logistic optimisation. Our market share was estimated at 23% during the period.



Living "The Dangote Way"

Senegalese culture is important to us. We have supported and actively participated in the cultural days of host communities such as Pout, Keur, Moussa, Montrolland and Diass. In addition, we work to help local communities build schools, healthcare centres and roads, and encourage women's empowerment through education. We do these because of our firm belief that a thriving socioeconomic environment is necessary for the country to flourish and for our business to remain sustainable.



Zambia

Our 1.5Mta factory at Ndola sits in the heart of the Copperbelt mining area, with good access to Zambia’s major cities and neighbouring countries.



Sales volumes

0.8Mt

2019: 1.0Mt -21%

Revenue

₦26.1bn

2019: ₦24.7bn +5.7%

Key statistics

Demographics

Population	18.9m
Urbanisation	44.6%
2020 GDP growth	-3.5%

Market

Total capacity	4.63Mta
Cement consumption	143kg/person
Total market	2.7Mt

Dangote presence

Location	Ndola
Capacity	1.5Mta
Type	Integrated
Kiln fuel	Coal
Power	Coal

Market

The subdued state of the cement market in Zambia reflects the country’s challenged macro-economic environment.

Our 1.5Mta factory at Ndola is the largest of five plants in the country, able to serve its major demand centres and even export to the DRC. Cement production is centred around two areas, near the capital Lusaka and around Ndola, in the Copperbelt region.

Performance

We estimate the total cement market to have been 2.7Mt for the full year 2020, down approximately 10–15% from 2019. Cement sales at our Ndola factory were down from 981Kt in 2019 to 773Kt in 2020. Our market share came in at 29%.



Living “The Dangote Way”

We continue to maximise the competitive advantage of our business size to lead the industry in environmentally friendly, safe and sustainable cement production practices and operational innovations, such as the conversion of waste materials to fuel in the operation of our kiln. This will help to reduce the plant’s carbon footprint.

Sierra Leone

The cement market continues to improve with increased infrastructure spending, more foreign aid being made available and the resumption of building projects in the corporate sector.



Sales volumes

0.3Mt

2019: 0.2Mt +14.6%

Revenue

₦10.3bn

2019: ₦7.9bn +30%

Key statistics

Demographics

Population	8m
Urbanisation	42.9%
2020 GDP growth	-2.2%

Market

Total capacity	1.6Mta
Cement consumption	113kg/person
Total market	0.9Mt

Dangote presence

Location	Freetown
Capacity	0.5Mta
Type	Import
Kiln fuel	n/a
Power	Grid

Market

Sierra Leone consumed about 0.9Mt of cement in 2020. Lacking limestone, Sierra Leone imports cement, with two international grade suppliers including our 0.5Mta import and distribution facility in Freetown.

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.

Performance

The cement market continued to improve with increased infrastructure spending, residential construction, increasing foreign aid and the resumption of corporate sector building projects. 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. Our market share was 31% during the period.



Living "The Dangote Way"

We are working to increase our brand visibility by increasing our points of sale, expanding our markets and establishing our presence in the upper regions of the country, to make our cement more widely available in Sierra Leone's recovering economy.