

Q1 2021 results

UNAUDITED RESULTS FOR THE THREE MONTHS
ENDED 31ST MARCH 2021



4th May 2021

@dangotecement



www.dangotecement.com



Q1 2021: A Solid Quarter

FINANCIAL

OPERATIONAL

SUSTAINABILITY

SDG
Alignment

Revenue up 33.5%
at **₦332.7B**



Group volume up 18.7%
at **7.5Mt**



20% female Board
representation

Diverse Board with **6**
different nationalities



Group EBITDA up 55.8%
at **₦178.0B**

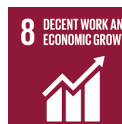


Nigeria volumes up 22.2%
at **4.9Mt**



Accorded the long-term
issuer rating of **AAA** by
GCR

Highest issuer rating
accorded by GCR



Profit after tax up 48.1%
at **₦89.7B**



Full benefit of the new 3Mt
Obajana line



c. ₦350mn spent on
social investments for Q1
2021

Rated **“C”** by CDP on our
carbon disclosure for 2020



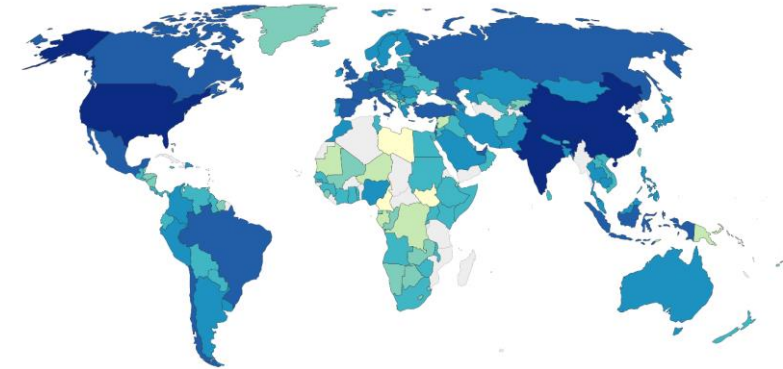
Creating Sustainable Value for Shareholders

Macro-economic environment

- Sub-Saharan Africa (SSA) is experiencing the welcomed economic recovery on the back of the COVID-19 pandemic and commodity market decline in 2020
- According to the IMF, SSA is expected to growth by 3.4% in 2021
- The growth is supported by improved exports and commodity prices, along with a recovery in both private consumption and investment
- All our countries of operation are estimated to return to growth in 2021, with Senegal, Ghana and Cameroon expected to grow at the highest rates
- The start of AfCFTA in January 2021 could support SSA growth through increased productivity and structural transformation of regional supply chains

COVID-19 vaccine doses administered, May 1, 2021

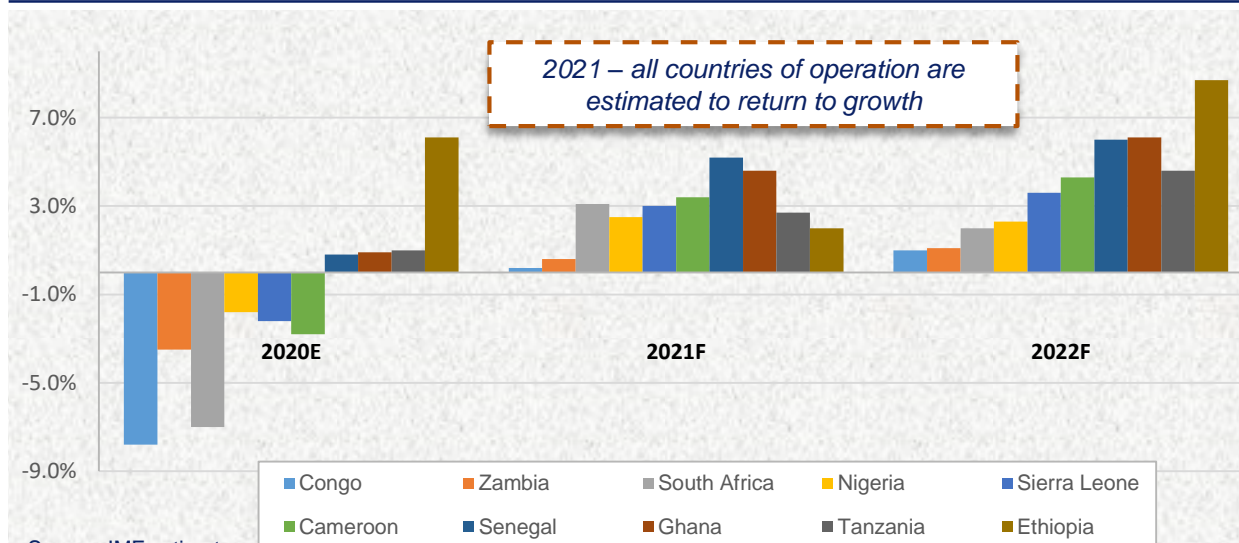
Total number of vaccination doses administered. This is counted as a single dose, and may not equal the total number of people vaccinated, depending on the specific dose regime (e.g. people receive multiple doses).



Source: ourworldindata.org

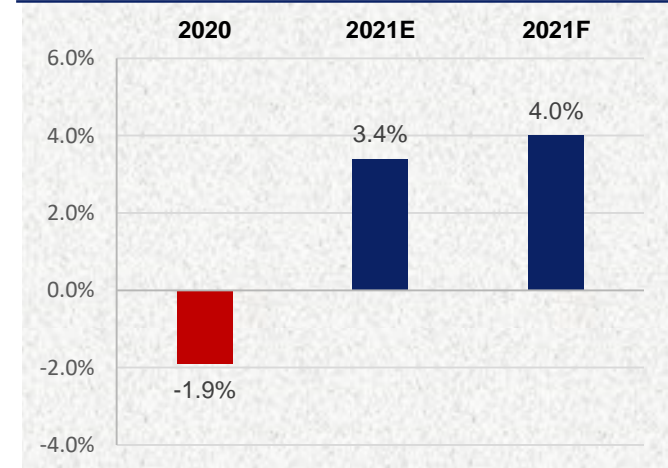


GDP growth across our operating environment



Source: IMF estimates

SSA GDP growth



Source: IMF estimates

Financial and Operational Overview



Q1 2021 – Strong Performance

Double digit volume growth in Nigeria and Pan-Africa

Financial

- Group revenues up 33.5%, supported by strong volume growth and lower discounts/rebates
- Group EBITDA up 55.8%; with EBITDA margin of 53.5%
- Nigeria EBITDA up 52.7% owing to cost control and ramp-up of new and efficient Obajana Line 5
- Pan-Africa EBITDA up 61.9%, with a record high EBITDA margin of 25.5%
- Strong earnings with EPS up 46.9% at ₦5.29

Operational

- Group volumes up 18.7% to 7.5Mt, supported by strong demand across all operations
- Nigeria volumes up 22.2%, supported by increase in housing infrastructure and commercial construction
- Double digit Pan-Africa volume growth
- Ramp up of production at Obajana Line 5 enabled to meet Dangote share of the rapidly growing market demand in the quarter
- Accretive growth and strong cash conversion

Three months ended 31 st March	2021	2020	Change
Sales volumes*	'000t	'000t	%
Nigeria	4,908	4,018	22.2%
Pan-Africa	2,613	2,316	12.8%
Inter-company sales	-	-	-
Total	7,521	6,334	18.7%
Revenues	₦m	₦m	%
Nigeria	239,684	179,336	33.7%
Pan-Africa	92,967	69,846	33.1%
Inter-company sales	-	-	-
Total	332,651	249,182	33.5%
EBITDA	₦m	₦m	%
Nigeria**	157,880	103,365	52.7%
Pan-Africa**	23,682	14,627	61.9%
Inter-company and central costs	(3,591)	(3,769)	(4.7%)
Total	177,971	114,223	55.8%
EBITDA margin**	%		
Nigeria	65.9%	57.6%	8.3pp
Pan-Africa	25.5%	20.9%	4.6pp
Group	53.5%	45.8%	7.7pp
EPS	5.29	3.60	46.9%

- *Sales volumes include cement and clinker
- **Before central costs and eliminations

Group Financial Overview

Income Statement

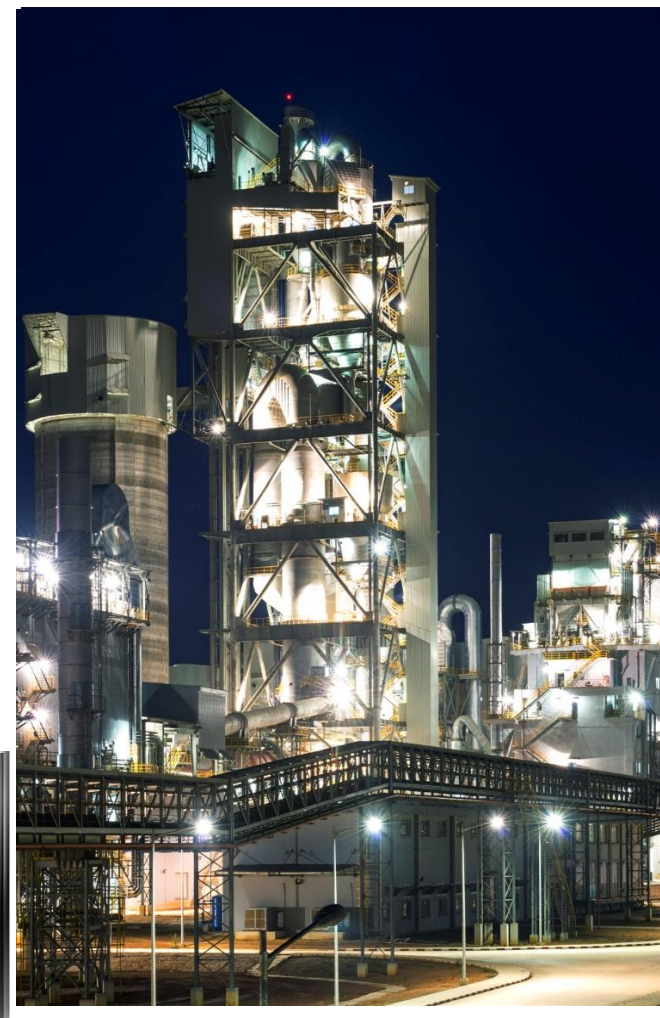
	2021 ₦m	2020 ₦m	% change
Revenue	332,651	249,182	33.5%
Cost of sales	(127,996)	(104,325)	22.7%
Gross profit	204,655	144,867	41.3%
<i>Gross margin</i>	61.5%	58.2%	3.4pp
EBITDA	177,971	114,223	55.8%
<i>EBITDA margin</i>	53.5%	45.8%	7.7pp
EBIT	151,744	91,779	65.3%
<i>EBIT margin</i>	45.6%	36.8%	8.8pp
Finance income	3,654	5,290	(30.9%)
Finance cost	(25,297)	(9,012)	180.7%
Profit before tax	130,101	88,057	47.7%
Income tax (expense)/credit	(40,391)	(27,465)	47.1%
Profit for the period	89,710	60,592	48.1%
Earnings per share	5.29	3.60	46.9%



Group Financial Overview (cont'd)

Movement in debt

	Cash ₦m	Debt ₦m	Net debt ₦m
As at 31st December 2020	145,835	(483,110)	(337,275)
Cash from operations before working capital changes	169,268	-	169,268
Change in working capital	15,163	-	15,163
Additions to fixed assets	(20,782)	-	(20,782)
Loan to related party	(70,000)	-	(70,000)
Change in non-current prepayments and payables	7,327	-	7,327
Net Lease receivables	1,802	-	1,802
Share buyback	(9,833)	-	(9,833)
Net interest payment	(9,081)	-	(9,081)
Net loans obtained (repaid)	(81,090)	81,090	-
Other cash and non-cash movements	(738)	(3,737)	(4,475)
As at 31st March 2021	147,871	(405,757)	(257,886)



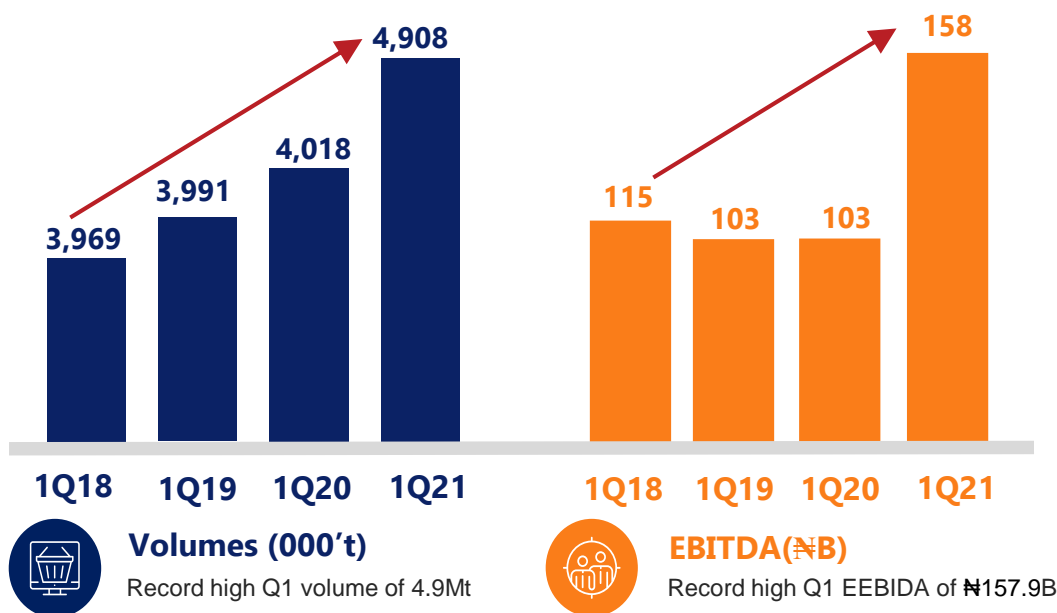
Group Financial Overview (cont'd)

Balance Sheet

	As at 31/3/21 ₦m	As at 31/12/20 ₦m
Property, plant and equipment	1,377,311	1,390,687
Other non-current assets	73,523	77,072
Intangible Assets	4,637	4,554
Current Assets	517,898	404,303
Cash and Cash Equivalents	147,871	145,835
Total Assets	2,121,240	2,022,451
Non-current liabilities	144,029	142,756
Current liabilities	600,294	505,615
Debt	405,757	483,110
Total Liabilities	1,150,080	1,131,481
Net Asset	971,160	890,970



Nigeria – Robust Cement Demand



- Strong sales volumes in Nigeria at 4.9Mt, with growth at 22.2%.
- Highest quarterly volumes sold from Nigerian operations
- H2 2020 continues with a maintained strong demand from housing and infrastructure
- Solid performance with EBITDA of ₦157.9B, up 52.7%; supported by lower discounts, cost control measures and ramp-up in Obajana line 5
- Obajana Line 5: lower production cash costs owing to new, modern and efficient plant
- Prudent cost control supported the optimization of sales, marketing and administrative cost

Financial Summary - Nigeria

Three months ended 31 st March	2021	2020	Change
Total volumes (Kt)	4,908	4,018	22.2%
Revenue (₦m)	239,684	179,336	33.7%
EBITDA** (₦m)	157,880	103,365	52.7%
EBITDA margin**	65.9%	57.6%	8.3pp

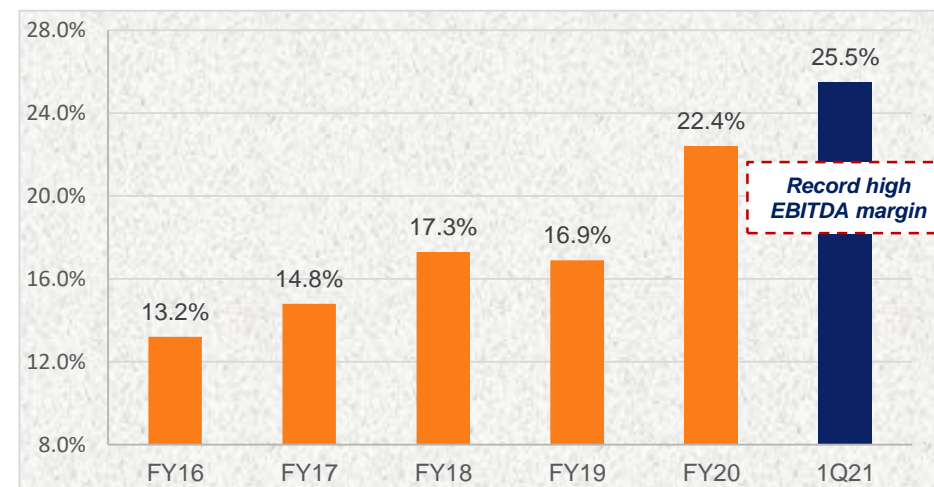
**Before corporate costs and inter-company eliminations



Pan-Africa – double digit volume growth

- Volumes up at 12.8% to 2.6Mt
- Revenues up 33.1% to ₦93.0B, supported by higher realised prices and volume growth
- Strong EBITDA of ₦23.7B, up 61.9%
- EBITDA margin of 25.5%
- Volume growth 8 of our 9 operations
- Strong performance in Senegal, Cameroon, Ethiopia, Zambia and Tanzania

EBITDA trend



Financial Summary – Pan-Africa

Three months ended 31 st March	2021	2020	Change
Cement (Kt)	2,586	2,280	13.4%
Clinker (Kt)	27	36	(26.7%)
Total volumes (Kt)	2,613	2,316	12.8%
Revenue (₦m)	92,967	69,846	33.1%
EBITDA** (₦m)	23,682	14,627	61.9%
EBITDA margin**	25.5%	20.9%	4.6pp

- *Before corporate costs and eliminations



Country updates



CAMEROON

- Estimated 940Kt total market sales for Q1 2021
- Increase in consumption owing to individual construction projects, government housing estate projects and African Nations Championship developments
- DCP sales of over 360Kt for Q1 2021, increased by 16% compared to Q1 2020
- 38% market share for the period



CONGO

- Estimated market sales of 197Kt for Q1 2021
- DCP Congo sold 116Kt of cement, a 57% increase compared to Q1 2020
- 59% market share for the period



ETHIOPIA

- Estimated 1.9Mt total market sales for Q1 2021
- DCP sales of 533Kt for Q1 2021, down 4% compared to Q1 2020 owing to maintenance operations
- 28% market share for the period

Country updates



GHANA

- Estimated 1.8Mt total market sales for Q1 2021
- DCP Ghana sold 147Kt of cement, an 18% increase compared to Q1 2020
- 8.0% market share for the period



SENEGAL

- Estimated 2.0Mt total market sales for Q1 2021
- DCP sales of 432Kt for Q1 2021, up 6% compared to Q1 2020
- 22% market share for the period



SIERRA LEONE

- Estimated market sales of 304Kt for Q1 2021
- DCP sales of 94Kt for Q1 2021, up 39% compared to Q1 2020
- 31% market share for the period

Country updates



SOUTH AFRICA

- High residential housing demand since H2 2020
- Sales at DCP South Africa increased by 6% year on year mainly due to housing and government spending programs



TANZANIA

- Estimated 1.4Mt total market sales for Q1 2021
- DCP sales of 313Kt for Q1 2021, including 26.5Kt of clinker
- Volumes up 29%
- 22% market share for the period
- Continuous increase in plant output leveraging on own power plant commissioning end of 2020



ZAMBIA

- Estimated 549Kt total market sales for Q1 2021
- DCP sales of 197Kt for Q1 2021, up 47% compared to Q1 2020
- Main drivers of volume improvement were cement sales to neighbouring countries
- 36% market share for the period

Debt and Liquidity

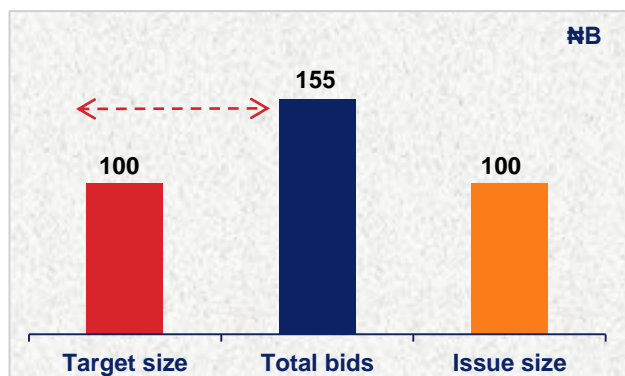
Robust Capital Structure



Track record of accessing Debt Capital Market

Bond Programme

In April 2020, we successfully completed the issuance of ₦100B series 1 fixed rate 5-year bond at a rate of 12.5%



- First bond issuance to be successfully issued under COVID-19
- The bond was oversubscribed
- DCP maintained the original target size of ₦100B

DCP is currently in the market to raise series 1, Tranche A, B and C 3-year, 5-year and 7-year unsecured fixed rate Bonds, under its NGN300 billion Debt Issuance Programme.

Commercial Paper Programme

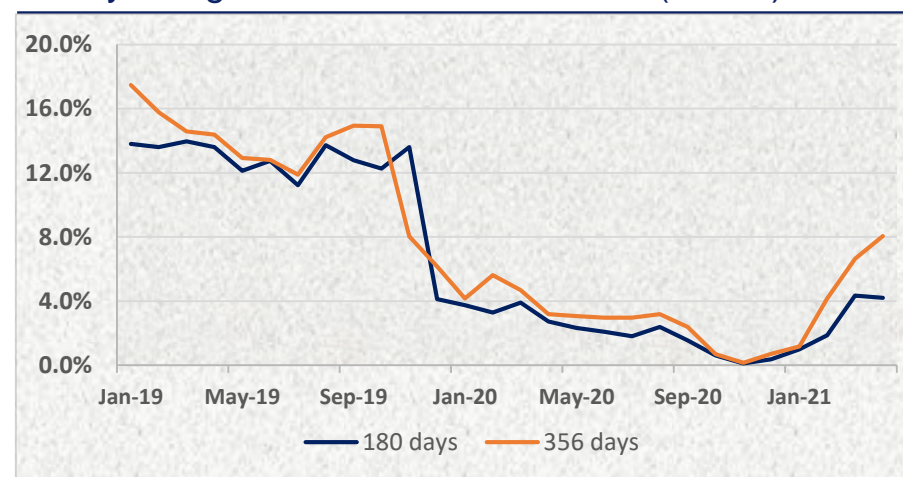
Issued an aggregate NGN450 billion in Commercial Papers since 2018.

Outstanding Commercial Paper as at 31/12/20

Series	Value (₦bn)	Tenor	Discount rate	Due date
Series 18	34.0	268 days	5.0%	03-06-21

- ₦82B Series 16 and 17 have been so far repaid in Q1 without issuing new debt due to strong cash flow generation

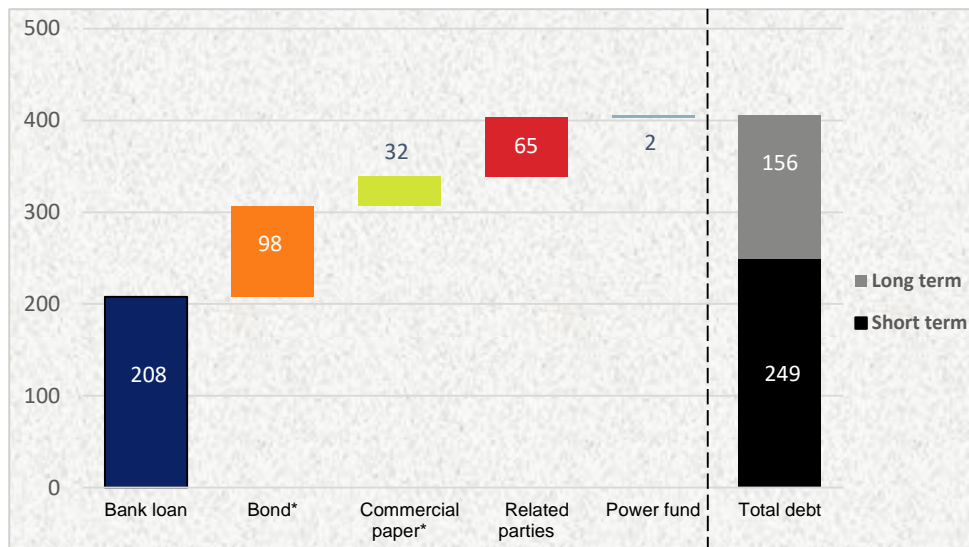
Slowly rising interest rate environment (T-Bills)



Robust Capital Structure

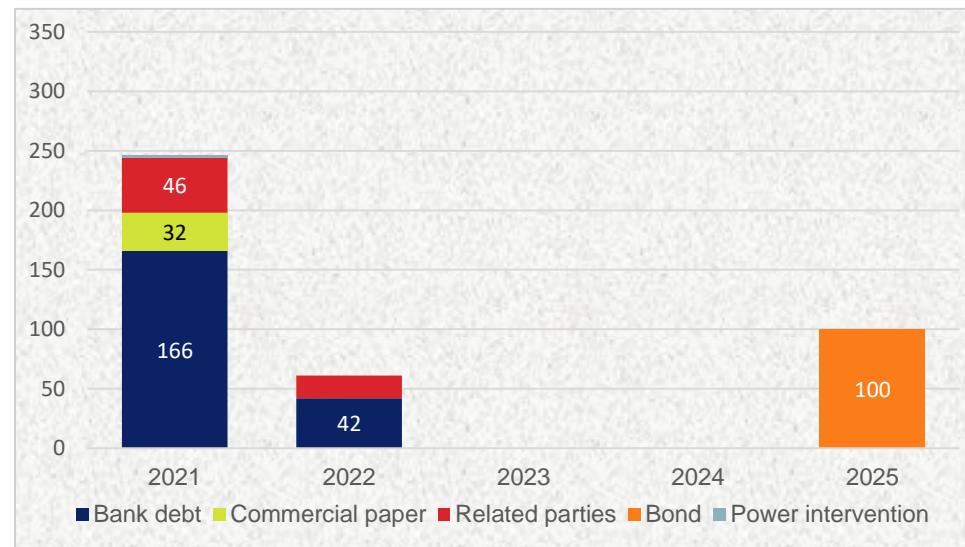
Strong balance sheet with available liquidity

Diverse Capital Structure, ₦B



*CP face value - ₦134B, Bond face value - ₦100B

Debt Maturity Profile, ₦B



- The available liquidity, cash generation and undrawn borrowing capabilities secure DCPs short-term debt coverage
- DCP has limited foreign currency debt exposure
- Strong cash flow generation leading to net cash flow from operating activities of ₦186.1B, up 47.7% year on year

Accorded the Highest Issuer Rating by GCR

LENDING DIVERSIFICATION

Facility	Pricings	Draw down	Tenor
Bond	12.5%	₦100B	2025
₦150B Commercial Paper Programme	4%-6%	₦34B	2020-2021
Bank debt	various	₦208B	2020-2022
Related parties	7%-9%	₦65B	2020-2025
Power intervention fund	7%	₦2B	2021

The only Nigerian corporate to receive the AAA issuer rating by GCR

RATINGS

- On 30 March 2021, **Global Credit Ratings**
 - upgraded the long term Issuer rating to AAA (NG), and affirmed the short term issuer rating of A1+(NG), with outlook as Stable.
 - upgraded the long term Issue rating of AAA (NG) accorded to DCPs existing N100bn Series 1 Fixed Rate Bond, and assigned an indicative rating of AAA (NG) to its proposed Up to N300bn Bond.
- On 25 March 2021, **Moody's**:
 - assigned a (P)B2 local currency rating and Aa3.ng national scale rating (NSR) to the NGN300 billion domestic medium-term programme issued by DCP.
 - assigned a B2 local-currency rating and Aa3.ng NSR to the proposed series 1 notes to be issued under the programme.
 - affirmed DCP's B1 corporate family rating (CFR). The rating outlook is negative, similar to that of the sovereign



Sustainability

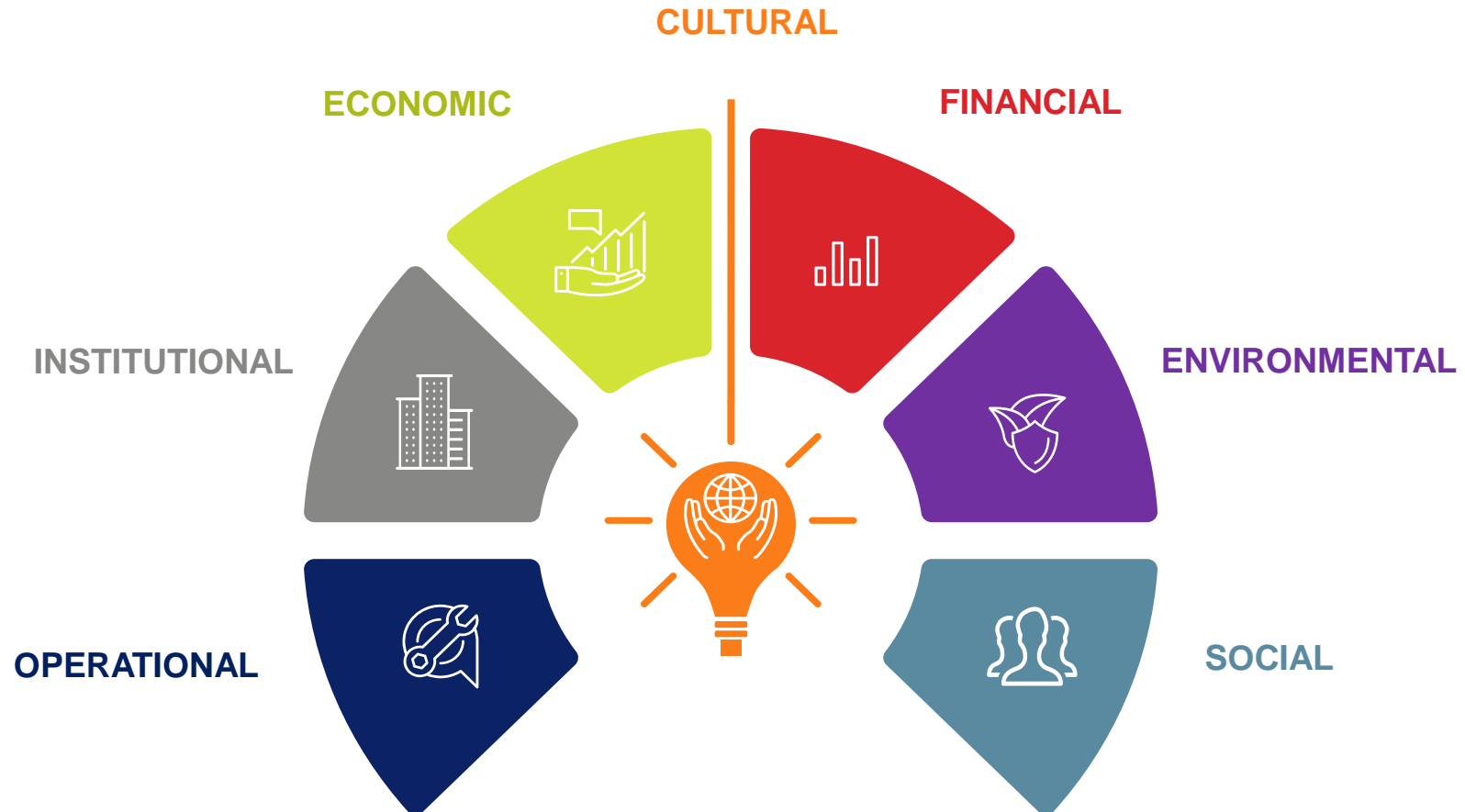


Sustainability & Governance

The Dangote Way

Our 7 Sustainability Pillars support our unique approach to creating a world-class enterprise.

We released our 2019 combined Annual Report and Sustainability Report certified by the Global Reporting Initiative (GRI) and Externally Assured.



Institutional Pillar – Strong Governance Framework

5 GENDER
EQUALITY



10 REDUCED
INEQUALITIES



Board of Directors (includes five Independent Directors)

Aliko Dangote ⁽¹⁾	Ernest Ebi *
Michel Puchercos	Devakumar Edwin
Olakunle Alake	Emmanuel Ikazoboh *
Cherie Blair*	Arvind Pathak
Sani Dangote	Viswanathan Shankar
Abdu Dantata	Dorothy Ufot *
Sir Michael Davis*	Douraid Zaghouni
Berlina Moroole	

Diverse Board

*Gender diversification: **20%** female
Board members*

6 *different nationalities*

5 *Independent Non-Executive Directors*

Finance & Investment Committee

V. Shankar ⁽¹⁾
Olakunle Alake
D.V.G. Edwin
Douraid Zaghouni
Sir Michael Davis

Audit, Compliance & Risk Management Committee

Ernest Ebi ⁽¹⁾
Cherie Blair
Emmanuel Ikazoboh
Dorothy Ufot

Remuneration, Nominations & Governance Committee

Emmanuel Ikazoboh ⁽¹⁾
Ernest Ebi
Sir Michael Davis
Cherie Blair

Sustainability & Technical Committee

Sir Michael Davis ⁽¹⁾
Olakunle Alake
D.V.G. Edwin
Dorothy Ufot
Abdu Dantata
Douraid Zaghouni

Statutory Audit Committee⁽²⁾

Robert Ade-Odiachi⁽¹⁾
Nicholas Nyamali
Sheriff Yussuf
Olakunle Alake
Emmanuel Ikazoboh
Ernest Ebi

Note: * denotes Independent Non-Executive Directors.

1. Chairman of Committee

2. The Statutory Audit Committee is not a Committee of the Board

Environmental Pillar – Focus on Alternative Fuel Project



Alternative Fuel Project

Commenced our Alternative Fuel Project to replace coal with biomass utilised in kiln for cement production

Waste type	Agro wastes, Waste lubricants, Tire derived fuels, Saw dust
Benefits	<ul style="list-style-type: none">• Lower CO2 emission• Alternative energy sourced from environment reduces cost and supports local economies• Sustainable waste management



- Submission to Carbon Disclosure Project (CDP)
- Rated “C” by CDP on our carbon disclosure for 2020
- One of the highest ratings in Sub-Saharan Africa and a good rating for a cement producer

Water Efficiency Campaign

All DCP Plants across Africa, embarked on a water efficiency campaign to encourage staff to take water efficiency actions

Over **3,000** employees from all 10 DCP Plants participated in the sensitization initiatives.



Social Pillar - COVID-19 Interventions

3 GOOD HEALTH AND WELL-BEING



Completed Q1 CSR & donations

- Rehabilitation of IT room at College King Akwa (DCP Cameroon).
- Awards of scholarships for back to school (DCP Cameroon).
- Construction of school laboratory at Lupiya secondary school (DCP Zambia).
- Construction of clinic in Iwaa Community Lokoja, Kogi State
- Construction of water borehole in the village of Fouloum (Montrolland) (DCP Senegal).
- Procurement of environmentally friendly Cookstove distribution in 6 communities in DCP Zambia.
- Construction of laterite road in Pout, Ngomene, Niakhip, Ndeuye and Galane (DCP Senegal).
- Construction of the Ibese-Ilaro-Papalanto road project (DCP Ibese).



Sustainability week

Summary of Sustainability Week Impact:

- 1560 volunteers
- 7,633 hours
- 70 initiatives
- 58 communities
- 33 schools
- 11,833 students and 33 schools
- 26 hand washing stations
- 24,884 facemasks
- 10,180 bottles of hand sanitisers
- 3,675 bottles of hand washing soap
- Other donations/impacts

33 schools and
11,833
students
impacted during
Sustainability
week

Theme: “Staying Safe Together – The Dangote Way”

Focus on schools and students



Dangote Cement women
plant tree



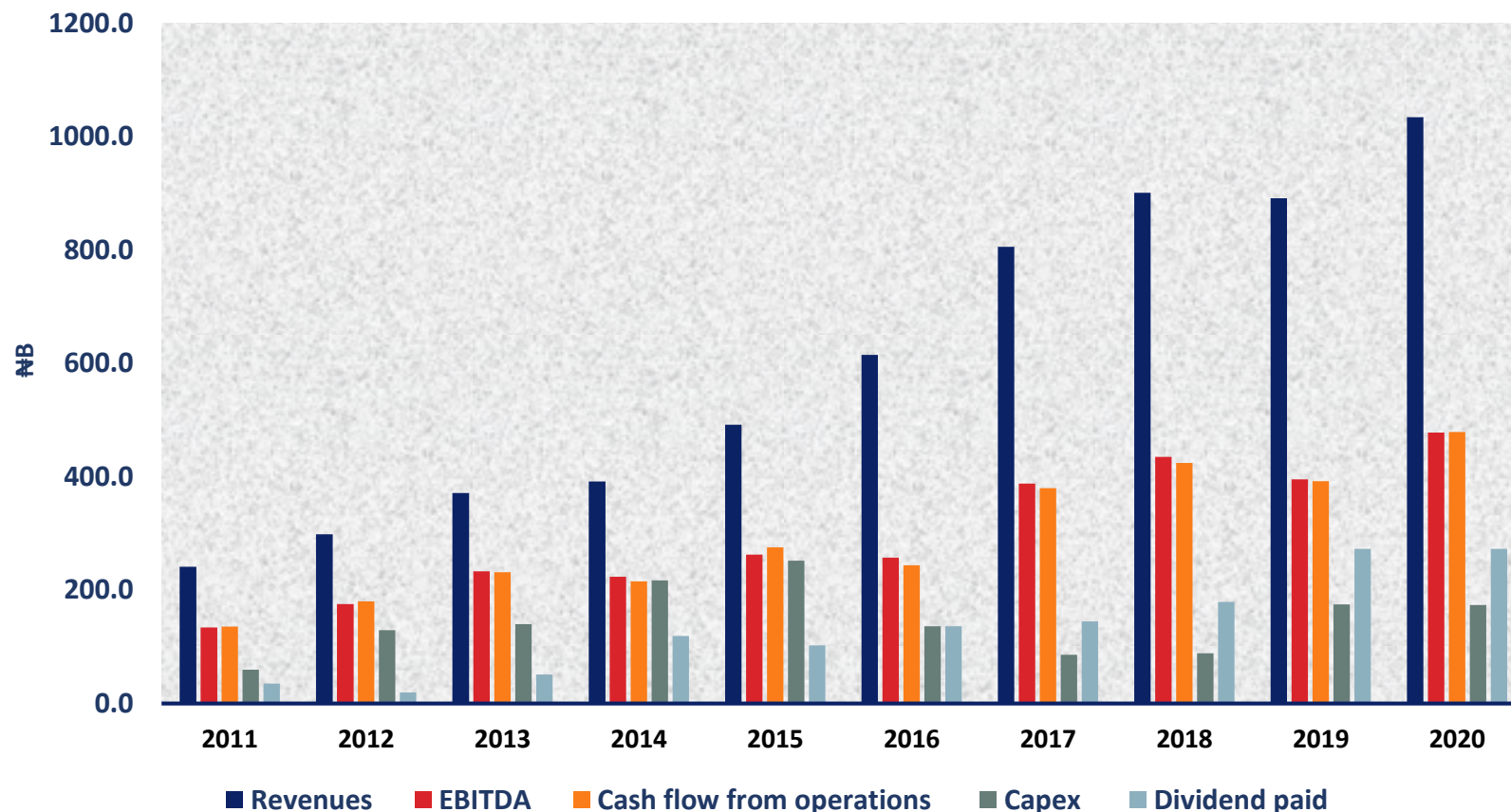
COVID-19 awareness in
schools

Financial Pillar – Creating value for shareholders

8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



18% 10-year CAGR

REVENUE

15% 10-year CAGR

EBITDA

26% 10-year CAGR

DIVIDEND

For further information contact:

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