

H1 2021 results

UNAUDITED RESULTS FOR THE SIX MONTHS
ENDED 30TH JUNE 2021



2nd August 2021

@dangotecement



www.dangotecement.com



H1 2021: A Solid First Half

FINANCIAL

OPERATIONAL

SUSTAINABILITY

SDG
Alignment

Revenue up 44.8%
at **₦690.5B**



Group volume up 26.1%
at **15.3Mt**



21% female Board
representation

Diverse Board with **6**
different nationalities



Group EBITDA up 61.0%
at **₦351.1B**

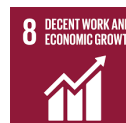


Nigeria volumes up 33.2%
at **9.9Mt**



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

Highest issuer rating
accorded by GCR



Profit after tax up 51.9%
at **₦191.6B**



Full benefit of the new
3Mt Obajana line



Recommended clinker
exports

2.0% alternative fuel
thermal substitution rate
for H1 2021

Rated **"C"** by CDP on our
carbon disclosure for 2020



Creating Sustainable Value for Shareholders

The year so far.....



March

AAA rating accorded by GCR

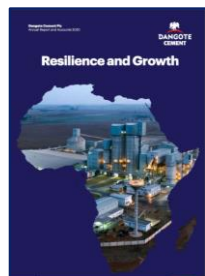
GCR upgraded DCPs long-term Issuer rating to AAA



June

Financial results released in XBRL format

The first Nigerian listed company to report its financial results in XBRL format using IFRS taxonomy



May

Virtual AGM

Released our 2020 combined Annual and Sustainability Report



June

Tanzania Power Plant Commissioning

Commissioning of second gas fired power plant in Tanzania



May

Bond Issuance

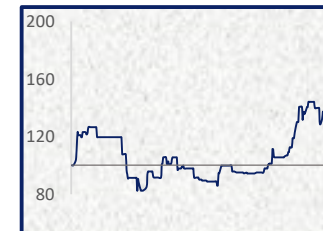
Successful issuance of Series 1 Fixed Rate Bonds under new ₦300 billion Multi-Instrument Issuance Programme



May

Resumed Clinker Shipments

Recommended clinker shipments from Nigeria



June

Share buy-back renewal

Buy-back programme renewal approved by the Securities and Exchange Commission

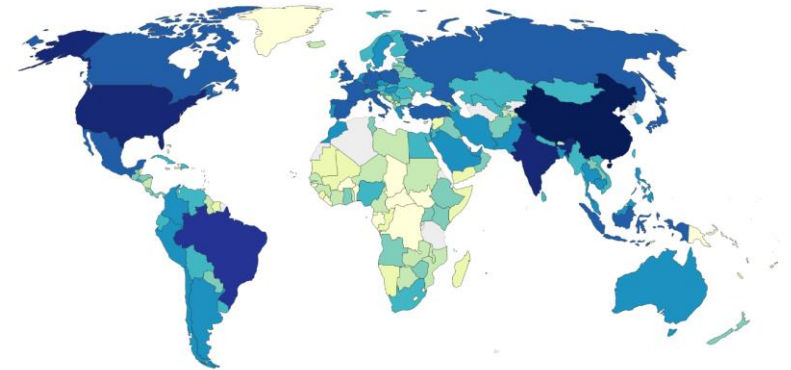
Macro-economic environment

- 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

For vaccines that require multiple doses, each individual dose is counted. As the same person may receive more than one dose, the number of doses can be higher than the number of people in the population.

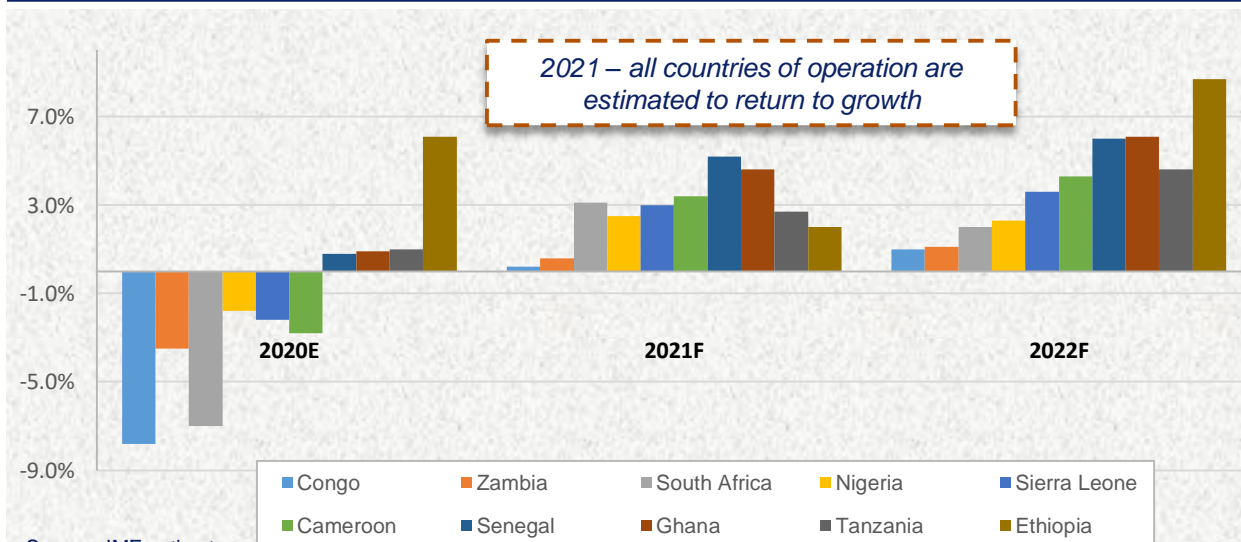
Our World
in Data



Source: ourworldindata.org

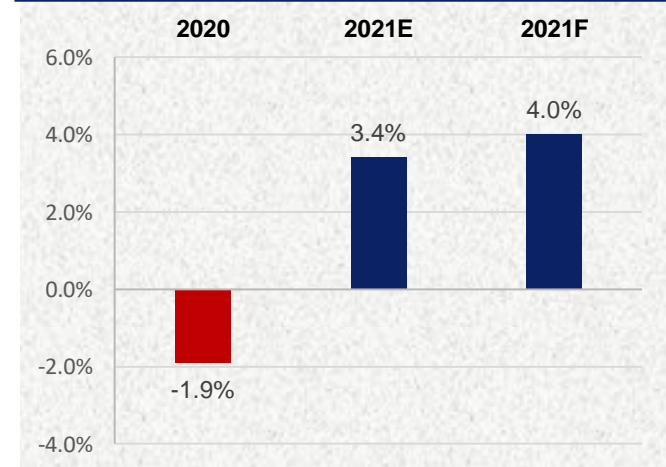


GDP growth across our operating environment



Source: IMF estimates

SSA GDP growth



Source: IMF estimates

Financial and Operational Overview



H1 2021 – Strong Performance

Double digit volume growth in Nigeria and Pan-Africa

Financial

- Group revenues up 44.8%, supported by strong volume growth, lower discounts/rebates
- Group EBITDA up 61.0%; with EBITDA margin of 50.8%
- Nigeria EBITDA up 60.1% owing to cost control and ramp-up of new and efficient Obajana line 5
- Pan-Africa EBITDA up 49.8%, with an EBITDA margin of 23.8%
- Strong earnings with EPS up 50.5% at ₦11.21
- Dividend of ₦16 per share was paid in May 2021 - cash payment of ₦272 billion.

Operational

- Group volumes up 26.1% to 15.3Mt, supported by strong demand across all operations
- Nigeria volumes up 33.2%, supported by increase in housing infrastructure and commercial construction
- Double digit Pan-Africa volume growth
- Strong volume growth was magnified by the lower volume in Q2 2020, due to impact of COVID-19
- Strong growth trend which started in H2 2020, has continued into 2021
- Recommended clinker exports from Nigeria in Q2, from both Apapa and Onne terminals

Six months ended 30 th June	2021	2020	Change
Sales volumes*	'000t	'000t	%
Nigeria	9,869	7,410	33.2%
Pan-Africa	5,465	4,732	15.5%
Inter-company sales	(57)	(28)	
Total	15,277	12,114	26.1%
Revenues	₦m	₦m	%
Nigeria	494,139	332,377	48.7%
Pan-Africa	198,497	145,025	36.9%
Inter-company sales	(2,091)	(550)	
Total	690,545	476,852	44.8%
EBITDA	₦m	₦m	%
Nigeria**	311,178	194,423	60.1%
Pan-Africa**	47,184	31,507	49.8%
Inter-company and central costs	(7,297)	(7,859)	
Total	351,065	218,071	61.0%
EBITDA margin**	%	%	
Nigeria	63.0%	58.5%	4.5pp
Pan-Africa	23.8%	21.7%	2.1%
Group	50.8%	45.7%	5.1pp
EPS	11.21	7.45	50.5%

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

Group Financial Overview

Income Statement

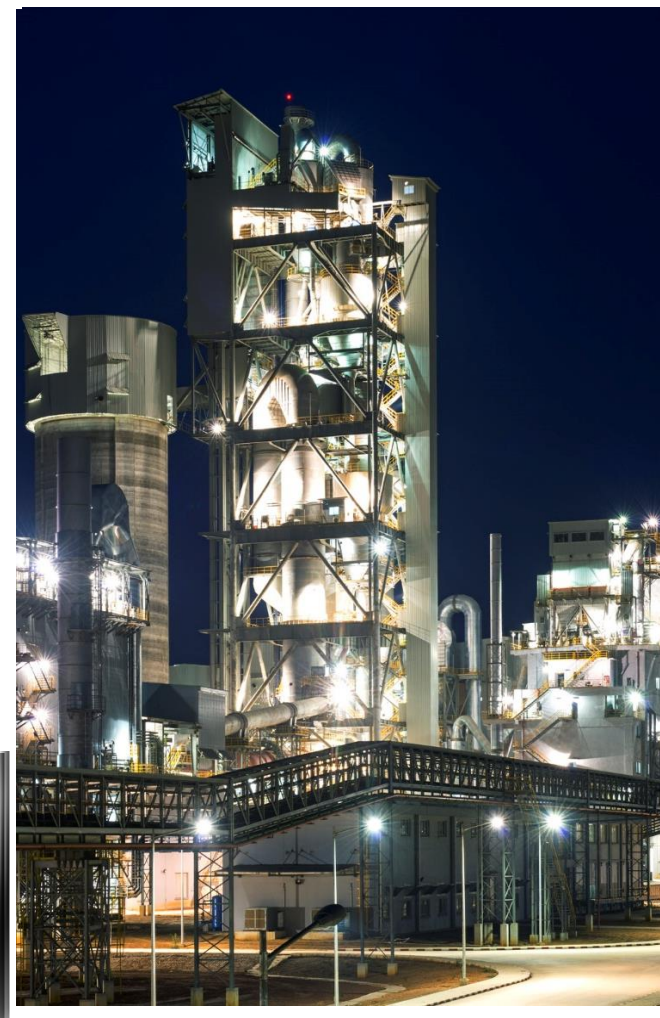
	2021 ₦m	2020 ₦m	% change
Revenue	690,545	476,852	44.8%
Cost of sales	(276,115)	(202,420)	36.4%
Gross profit	414,430	274,432	51.0%
<i>Gross margin</i>	60.0%	57.6%	2.4pp
EBITDA	351,065	218,071	61.0%
<i>EBITDA margin</i>	50.8%	45.7%	5.1pp
EBIT	302,197	173,479	74.2%
<i>EBIT margin</i>	43.8%	36.4%	7.4pp
Finance income	9,408	10,226	(8.0)%
Finance cost	(30,351)	(20,854)	45.5%
Profit before tax	281,254	162,851	72.7%
Income tax (expense)/credit	(89,624)	(36,708)	144.2%
Profit for the period	191,630	126,143	51.9%
Earnings per share	11.21	7.45	50.5%



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	346,980	-	346,980
Change in working capital	(35,011)	-	(35,011)
Income tax paid	(14,879)	-	(14,879)
Additions to fixed assets	(56,606)	-	(56,606)
Loan to related party	(6,600)	-	(6,600)
Change in non-current prepayments and payables	10,131	-	10,131
Other investing activities	(280)	-	(280)
Net Lease receivables	3,523	-	3,523
Share buyback	(9,833)	-	(9,833)
Dividend paid	(272,005)	-	(272,005)
Net interest payment	(18,173)	-	(18,173)
Net loans obtained (repaid)	9,134	(9,134)	-
Overdraft	58,397	(58,397)	-
Other cash and non-cash movements	(8,908)	(1,968)	(10,876)
As at 30th June 2021	151,705	(552,609)	(400,904)



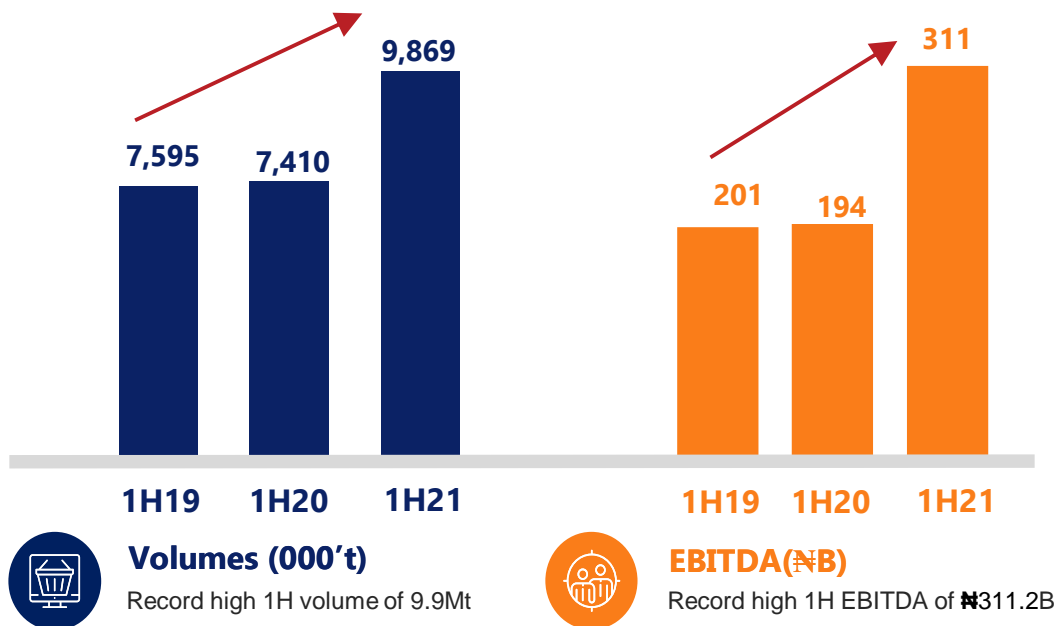
Group Financial Overview (cont'd)

Balance Sheet

	As at 30/6/21 ₦m	As at 31/12/20 ₦m
Property, plant and equipment	1,396,538	1,390,687
Other non-current assets	57,341	77,072
Intangible Assets	4,976	4,554
Current Assets	464,119	404,303
Cash and Cash Equivalents	151,705	145,835
Total Assets	2,074,679	2,022,451
Non-current liabilities	148,382	142,756
Current liabilities	568,654	505,615
Debt	552,609	483,110
Total Liabilities	1,269,645	1,131,481
Net Asset	805,034	890,970



Nigeria – Robust Cement Demand



- Record high H1 sales volumes in Nigeria of 9.9Mt, with growth at 33.2%
- Robust growth trend continues with strong demand from housing and infrastructure
- Solid performance with record high H1 EBITDA of N311.2B, up 60.1%; supported by lower discounts and cost control; magnified by lower Q2 2020 due to COVID-19
- Recommended clinker exports to Cameroon from both our Onne and Apapa terminals; exported 2 ships with a total volume of 57Kt
- 3mta Okpella plant on track to be commissioned in Q3

Financial Summary - Nigeria

Six months ended 30th June	2021	2020	Change
Cement (Kt)	9,813	7,382	32.9%
Clinker	57	28	103.6%
Total volumes (Kt)	9,869	7,410	33.2%
Revenue (Nm)	494,139	332,377	48.7%
EBITDA** (Nm)	311,178	194,423	60.1%
EBITDA margin**	63.0%	58.5%	4.5pp

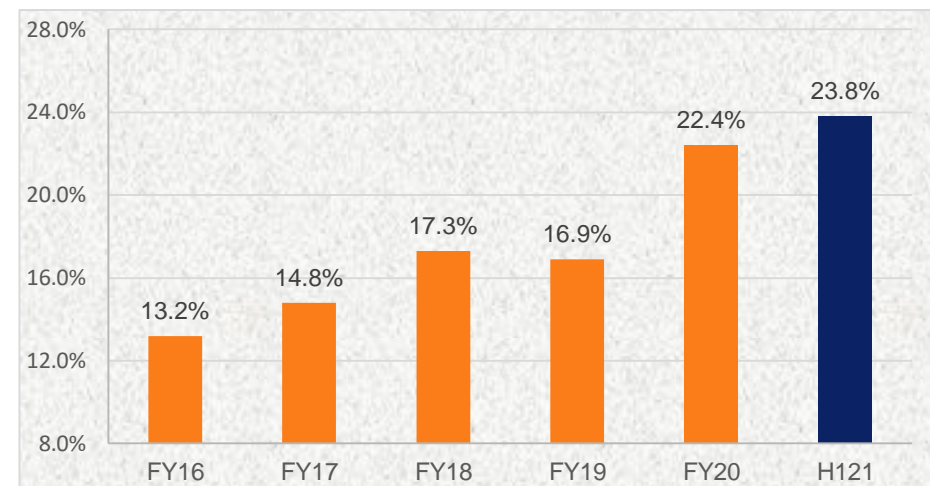
**Before corporate costs and inter-company eliminations



Pan-Africa – double digit volume growth

- Volumes up 15.5% to 5.5Mt
- Revenues up 36.9% to ₦198.5, supported by higher realised prices and volume growth
- Strong EBITDA of ₦47.2B, up 49.8%
- EBITDA margin of 23.8%
- Volume growth in all our countries of operations, apart from Senegal which is already at full capacity
- Strong performance in Senegal, Ethiopia, and Cameroon.
- Strong volume growth in Congo and Tanzania of 70% and 50%, respectively.

EBITDA trend



Financial Summary – Pan-Africa

Six months ended 30 th June	2021	2020	Change
Cement (Kt)	5,320	4,672	13.9%
Clinker (Kt)	145	60	141.0%
Total volumes (Kt)	5,465	4,732	15.5%
Revenue (₦m)	198,497	145,025	36.9%
EBITDA** (₦m)	47,184	31,507	49.8%
EBITDA margin**	23.8%	21.7%	2.1pp

- *Before corporate costs and eliminations



Country updates



CAMEROON

- Estimated 2Mt total market sales for H1 2021
- Increase in consumption owing to individual construction projects, including roads and bridges, and government projects.
- DCP sales of about 718Kt for H1 2021, increased by 5% compared to H1 2020
- 36% market share for the period



CONGO

- Estimated market sales of 467Kt for H1 2021
- DCP Congo sold 231Kt of cement, a 70% increase compared to H1 2020
- 50% market share for the period



ETHIOPIA

- Estimated 3.7Mt total market sales for H1 2021
- DCP sales of 1.1Mt for H1 2021, up 1.3% compared to H1 2020 owing to improved plant performance
- 30% market share for the period

Country updates



GHANA

- Estimated 3.5Mt total market sales for H1 2021
- DCP Ghana sold 300Kt of cement, a 44.4% increase compared to H1 2020
- 9% market share for the period



SENEGAL

- Estimated 3.9Mt total market sales for H1 2021
- DCP sales of 822Kt for H1 2021, down 3.2% compared to H1 2020
- 21% market share for the period



SIERRA LEONE

- Estimated market sales of 606Kt for H1 2021
- DCP sales of 186Kt for H1 2021, up 46.4% compared to H1 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 22% year on year mainly due to housing and government spending programmes



TANZANIA

- Estimated 2.8Mt total market sales for H1 2021
- DCP sales of 792Kt for H1 2021, including 145Kt of clinker
- Volumes up 50%
- 28% market share for the period
- Continuous increase in plant output leveraging on our power plant commissioning at the end of 2020



ZAMBIA

- Estimated 1.25Mt total market sales for H1 2021
- DCP sales of 385Kt for H1 2021, up 11% compared to H1 2020
- 31% market share for the period

Debt and Liquidity

Robust Capital Structure



Track record of accessing Debt Capital Market

Bond Programme

In April 2020, DCP successfully completed the issuance of its maiden ₦100B series 1 fixed rate 5-year bond.

In May 2021, DCP successfully raised series 1, Tranche A, B and C 3-year, 5-year and 7-year unsecured fixed rate Bonds, under a fresh NGN300 billion Debt Issuance Programme.

DCPs new ₦300B Multi-Instrument Programme enables it to issue Green Bonds and Sukuk, allowing the company to leverage the depth and breadth of the Nigerian market.

Bond – Key Terms

Bond	Date issued	Tranches	Pricing	Maturity
₦100B	April 2020	-	12.5%	2025
₦50B	May 2021	A - ₦3.6B	11.25%	2024
		B - ₦10.4B	12.5%	2026
		C - ₦35.9B	13.5%	2028

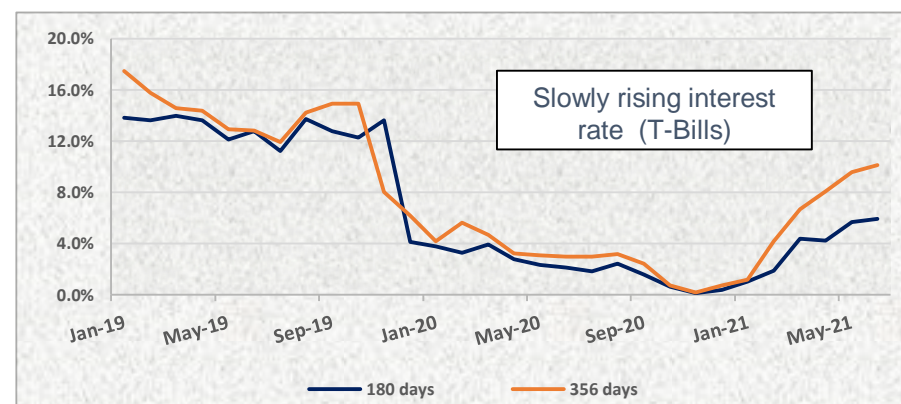
₦50B was issued under a new 300B Debt Issuance Programme

Commercial Paper Programme

Issued an aggregate NGN450 billion in Commercial Papers since 2018.

₦34B Series 18 have been so far repaid in Q2 without issuing new debt due to strong cash flow generation

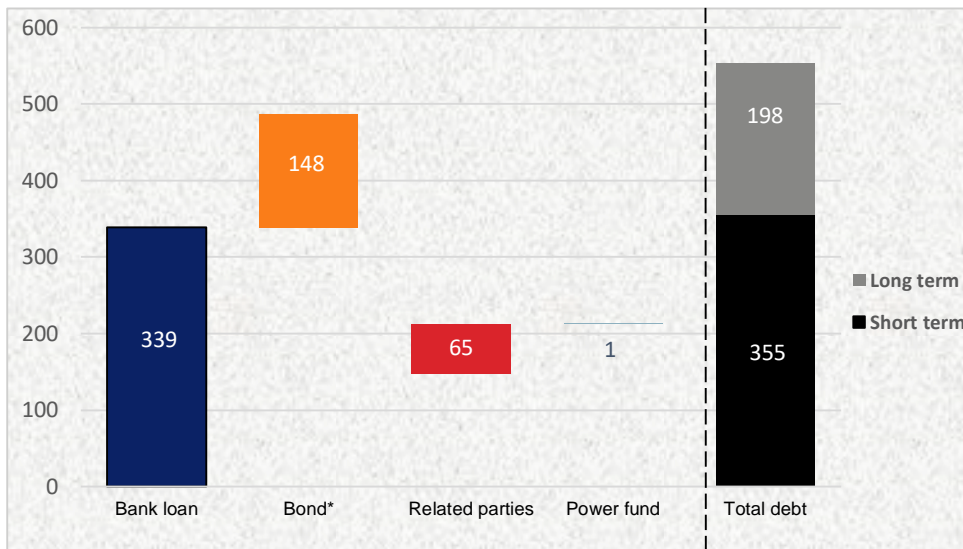
Rising interest rate environment (T-Bills) in 2021



Robust Capital Structure

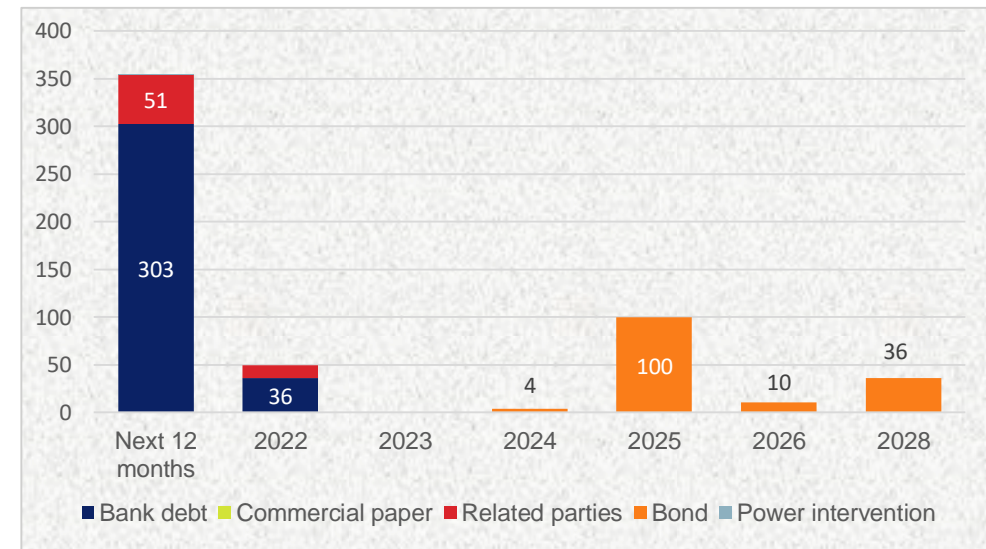
Strong balance sheet with available liquidity

Diverse Capital Structure, ₦B



Bond face value - ₦150B

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 1H cash flow generation leading to cash flow from operating activities of ₦347.0B, up 59.3% year on year.

Accorded the Highest Issuer Rating by GCR

LENDING DIVERSIFICATION

Facility	Pricings	Draw down	Tenor
Bond	12.5%	₦100B	2025
Bond (tranche A,B&C)	11.25%-13.5%	₦50B	2024-2028
Bank debt	various	₦339B	2021-2023
Related parties	7%-9%	₦65B	2021-2025
Power intervention fund	7%	₦1B	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

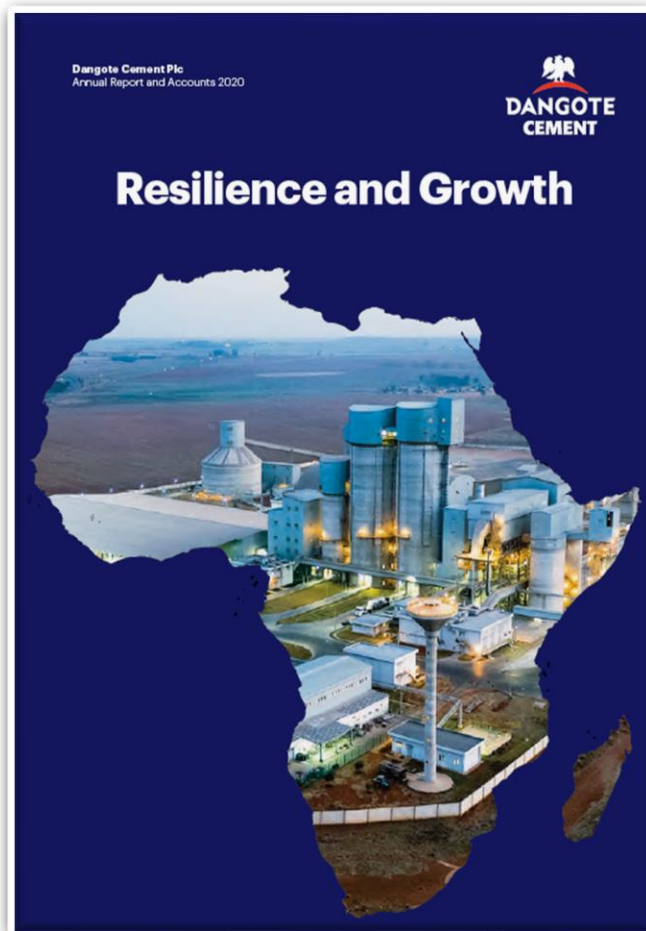


Sustainability & Governance

The Dangote Way

Our 7 Sustainability Pillars are embedded in our culture and guide our approach to building a sustainable business.

*We released our **2020 combined Annual Report and Sustainability Report** with ESG data presented as per Global Reporting Initiative (GRI) referential and external assurance by Deloitte.*



Sustainability Reporting Best Practices



SEC Code of Corporate Governance



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: **21%** 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 GHG and water



Circular Economy Model

In 2020, we increased corporate focus and strategy by committing to the use of alternative fuel sources in our energy mix.

Waste type	We are exploring fully the feasibility of increasing the use of alternative energy in our cement production, through co-processing of wastes such as: agro wastes, waste lubricants, tyre derived fuels, saw dust, packaging materials
Benefits	<ul style="list-style-type: none"> • Lower CO2 emission • Alternative energy sourced from environment reduces cost and supports local economies • Lower dependence on foreign currencies • 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 the only Nigeria company rated by CDP

Alternative Fuel Project

So far this year, DCP Plants are currently procuring and installing AF equipment (Mechanical Multi-Fuel systems) that can process diverse types of wastes

Thermal substitution rate is estimated at **2.0%** YTD 2021

	H1 2021	H1 2020
Energy consumption (GJ/ton)	3.37	3.54
Water consumption (m3/ton)	0.24	0.27

5% drop in energy per tonne and 9% drop in water consumption per tonne in H1 2021 versus H1 2020

Social Pillar - COVID-19 Interventions continue in 2021

3 GOOD HEALTH
AND WELL-BEING



Lagos State Isolation Centre donated by CACOVID



11 SUSTAINABLE CITIES
AND COMMUNITIES



Over 100 CSR projects completed in H1 2021

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

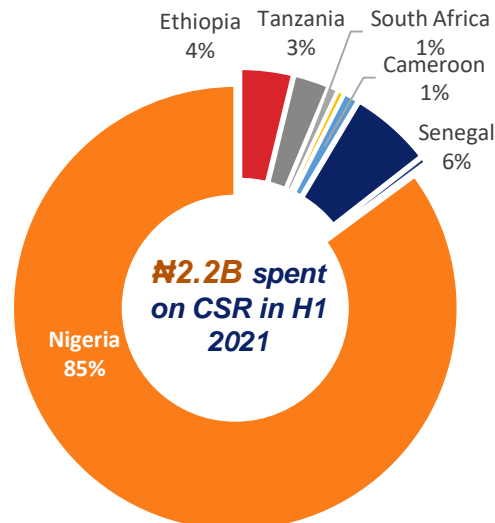
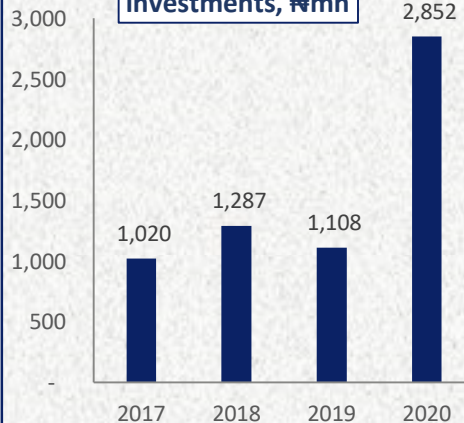


**Dangote Cement women
plant tree**



**COVID-19 awareness in
schools**

**Growth in CSR
investments, ₦mn**



Financial Pillar – Creating value for shareholders

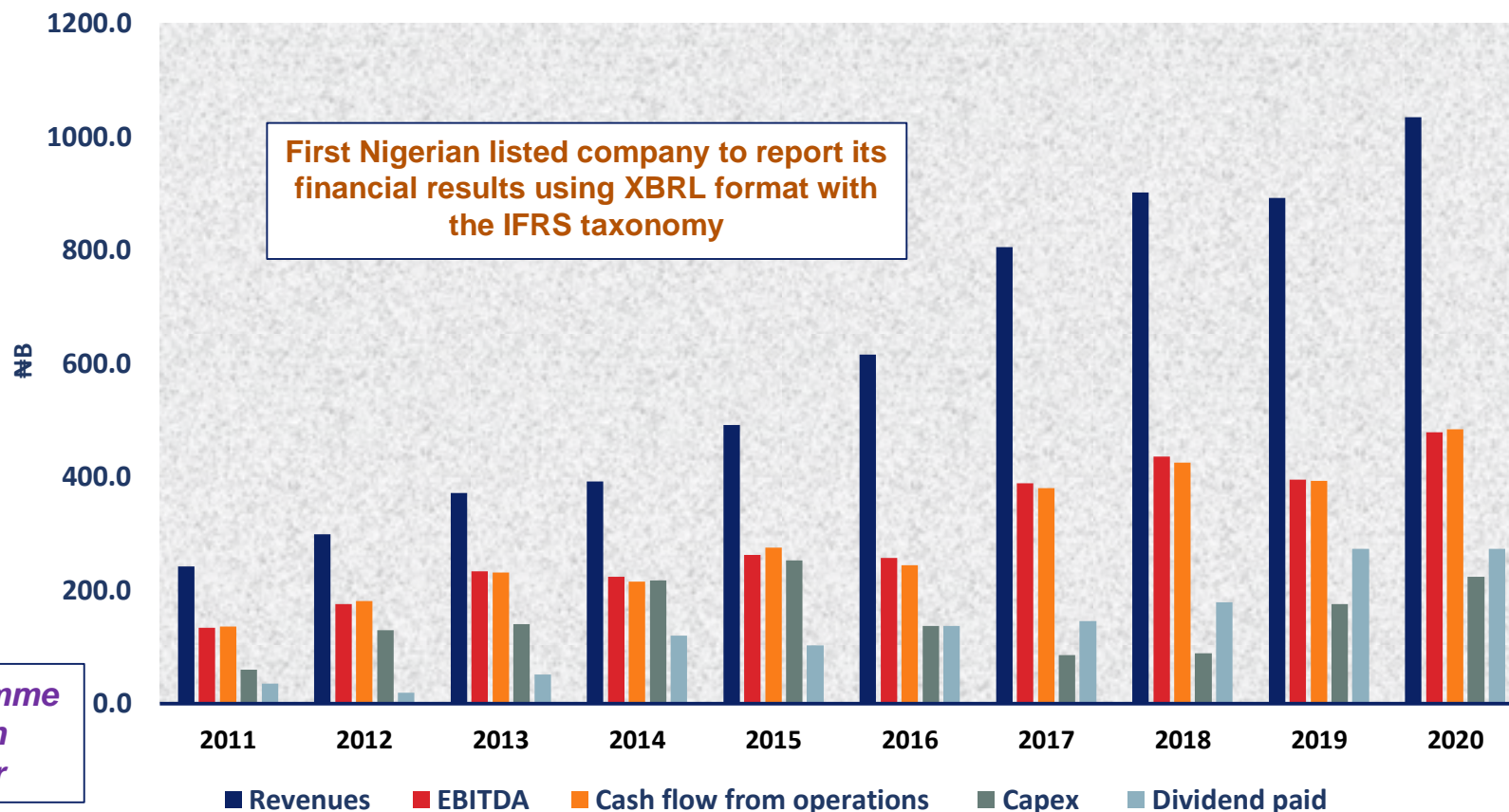
8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



*Buy-back programme
renewed for an
additional year*



18% 10-year CAGR

REVENUE

15% 10-year CAGR

EBITDA

26% 10-year CAGR

DIVIDEND

Over the past 10 years DCP has paid over **₦1.3 trillion** in dividends to shareholders

For further information contact:

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