

# 9M 2021 results

UNAUDITED RESULTS FOR THE NINE MONTHS  
ENDED 30<sup>TH</sup> SEPTEMBER 2021



1<sup>st</sup> November 2021

@dangotecement



[www.dangotecement.com](http://www.dangotecement.com)



# 9M 2021: A Solid Nine Months

## FINANCIAL

## OPERATIONAL

## SUSTAINABILITY

SDG  
Alignment

Revenue up 34.2%  
at **₦1,022.2B**



Group volumes up 15.4%  
at **22.2Mt**



**21%** female Board  
representation

Diverse Board with **6**  
different nationalities



Group EBITDA up 45.0%  
at **₦514.8B**

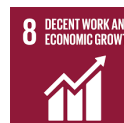


Nigeria volumes up 18.7%  
at **14.1Mt**



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

Highest issuer rating  
accorded by GCR



Profit after tax up 33.3%  
at **₦278.3B**



3Mt Okpella plant is on  
track to ramp up  
production before the end  
of the year

**2.3%** alternative fuel  
thermal substitution rate  
for 9M 2021

Rated **"C"** by CDP and in  
2021 become a CDP  
supported.



***Creating Sustainable Value for Shareholders***



# The year so far.....



March

## AAA rating accorded by GCR

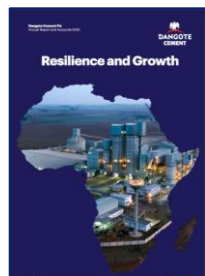
GCR upgraded DCPs long-term Issuer rating to AAA



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



August

## Commercial Paper Programme

Establishment of a new ₦150 billion Commercial Paper Programme



May

## Resumed Clinker Shipments

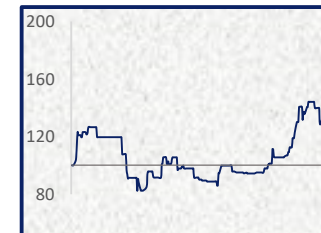
Recommended clinker shipments from Nigeria



September

## Sustainability Week

Theme: "Building a Sustainable Future: The Dangote Way"



June

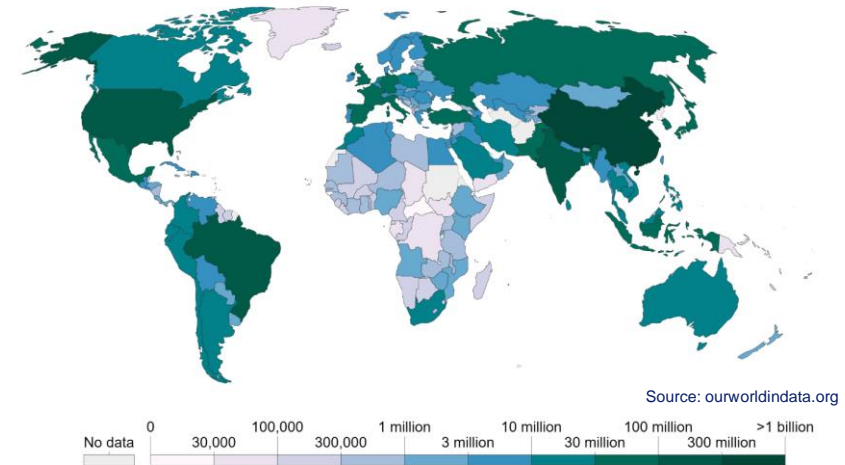
## Share buy-back renewal

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

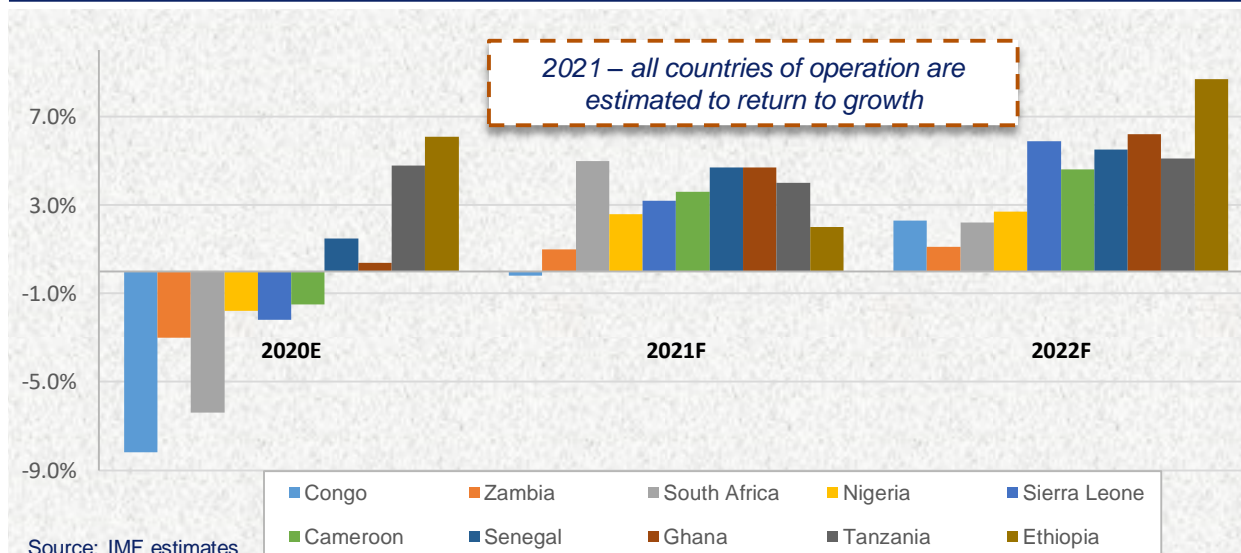
# Macro-economic environment

- 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 3.7% in 2021
- The growth largely results from a sharp improvement in global trade and commodity prices.
- Our countries of operation are estimated to return to growth in 2021, with Senegal, Ghana and South Africa expected to grow at the highest rates
- According to the IMF, the recovery depends on the path of the global pandemic and the regional vaccination effort, and is also vulnerable to disruptions in global activity and financial markets

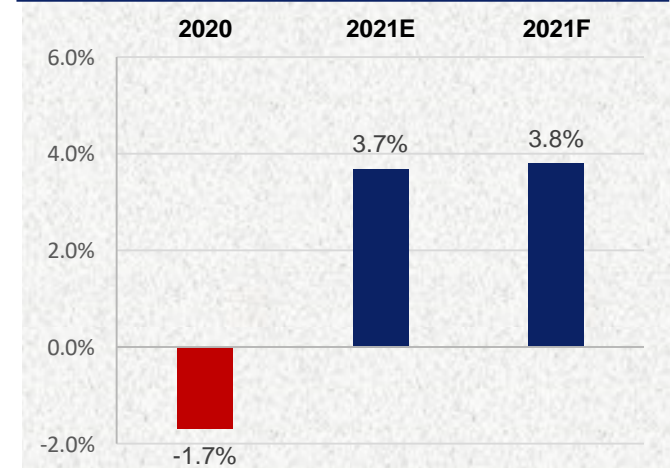
Number of people fully vaccinated against COVID-19  
Total number of people who received all doses prescribed by the vaccination protocol.



## GDP growth across our operating environment



## SSA GDP growth





# Financial and Operational Overview





# 9M 2021 – Resilient Results

**9M 2021 EBITDA and PAT have exceeded 2020 full year results**

## Financial

- Group revenues up 34.2%, supported by strong volume growth
- Group EBITDA up 45.0%; with EBITDA margin of 50.4%
- Nigeria EBITDA up 45.3%; higher realised prices offset inflationary pressure on some cost lines
- Pan-Africa EBITDA up 28.6%, with an EBITDA margin of 22.5%
- Strong earnings with EPS up 32.5% at ₦16.2

## Operational

- Group volumes up 15.4% to 22.2Mt, supported by strong demand across all operations
- Nigeria volumes up 18.7%, supported by an increase in housing infrastructure and commercial construction
- Pan-Africa volume up 9.4% despite volatility in the landing cost of cement and clinker
- Resilient 9M 2021 results despite heavy rains and extended plant maintenance in Nigeria
- 3Mt Okpella plant in Edo State is on track to ramp up production before the end of 2021

Nine months ended 30 <sup>th</sup> September	2021	2020	Change
<b>Sales volumes*</b>	'000t	'000t	%
Nigeria	14,144	11,915	18.7%
Pan-Africa	8,163	7,465	9.4%
Inter-company sales	(145)	(174)	
<b>Total</b>	<b>22,163</b>	<b>19,206</b>	<b>15.4%</b>
<b>Revenues</b>	₦m	₦m	%
Nigeria	729,603	535,506	36.2%
Pan-Africa	297,860	232,607	28.1%
Inter-company sales	(5,277)	(6,669)	
<b>Total</b>	<b>1,022,186</b>	<b>761,444</b>	<b>34.2%</b>
<b>EBITDA</b>	₦m	₦m	%
Nigeria**	459,226	316,053	45.3%
Pan-Africa**	66,968	52,059	28.6%
Inter-company and central costs	(11,403)	(13,092)	
<b>Total</b>	<b>514,791</b>	<b>355,020</b>	<b>45.0%</b>
<b>EBITDA margin**</b>	%	%	
Nigeria	62.9%	59.0%	3.9pp
Pan-Africa	22.5%	22.4%	0.1pp
<b>Group</b>	<b>50.4%</b>	<b>46.6%</b>	<b>3.7Pp</b>
<b>EPS</b>	<b>16.23</b>	<b>12.25</b>	<b>32.5%</b>

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

# Group Financial Overview

## Income Statement

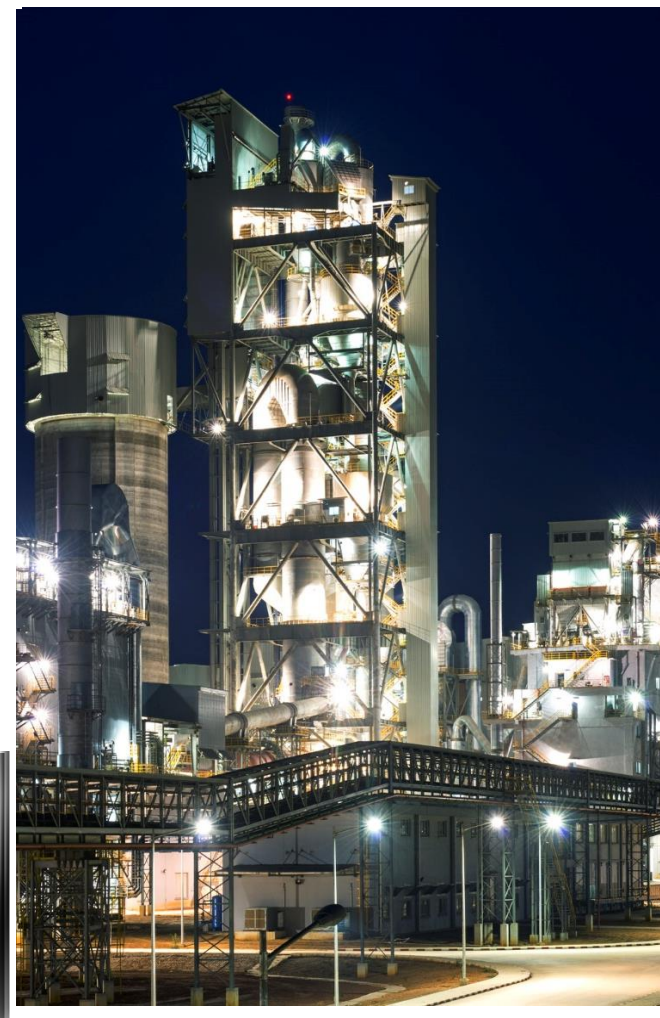
	9M 2021 ₦m	9M 2020 ₦m	% change
Revenue	1,022,186	761,444	34.2%
Cost of sales	(403,388)	(317,540)	27.0%
<b>Gross profit</b>	<b>618,798</b>	<b>443,904</b>	<b>39.4%</b>
<i>Gross margin</i>	<b>60.5%</b>	58.3%	2.2Pp
<b>EBITDA</b>	<b>514,791</b>	<b>355,020</b>	<b>45.0%</b>
<i>EBITDA margin</i>	50.4%	46.6%	3.7Pp
<b>EBIT</b>	<b>440,324</b>	<b>287,928</b>	<b>52.9%</b>
<i>EBIT margin</i>	43.1%	37.8%	5.3Pp
Finance income	13,851	18,330	(24.4%)
Finance cost	(48,688)	(34,298)	42.0%
<b>Profit before tax</b>	<b>405,487</b>	<b>271,960</b>	<b>49.1%</b>
Income tax (expense)/credit	(127,237)	(63,275)	101.1%
<b>Profit for the period</b>	<b>278,250</b>	<b>208,685</b>	<b>33.3%</b>
<b>Earnings per share</b>	<b>16.23</b>	<b>12.25</b>	<b>32.5%</b>



# Group Financial Overview (cont'd)

## Movement in debt

	Cash ₦m	Debt ₦m	Net debt ₦m
<b>As at 31<sup>st</sup> December 2020</b>	<b>145,835</b>	<b>(483,110)</b>	<b>(337,275)</b>
Cash from operations before working capital changes	512,858	-	512,858
Change in working capital	(40,042)	-	(40,042)
Income tax paid	(29,728)	-	(29,728)
Additions to fixed assets	(141,649)	-	(141,649)
Loan to related party	(39,500)	-	(39,500)
Change in non-current prepayments and payables	36,503	-	36,503
Other investing activities	(467)	-	(467)
Net Lease receivables	4,839	-	4,839
Share buyback	(9,833)	-	(9,833)
Dividend paid	(272,005)	-	(272,005)
Net interest payment	(24,608)	-	(24,608)
Net loans obtained (repaid)	(53,530)	53,530	-
Overdraft	97,973	(97,973)	-
Other cash and non-cash movements	(7,545)	(3,800)	(11,345)
<b>As at 30<sup>th</sup> September 2021</b>	<b>179,101</b>	<b>(531,353)</b>	<b>(352,252)</b>





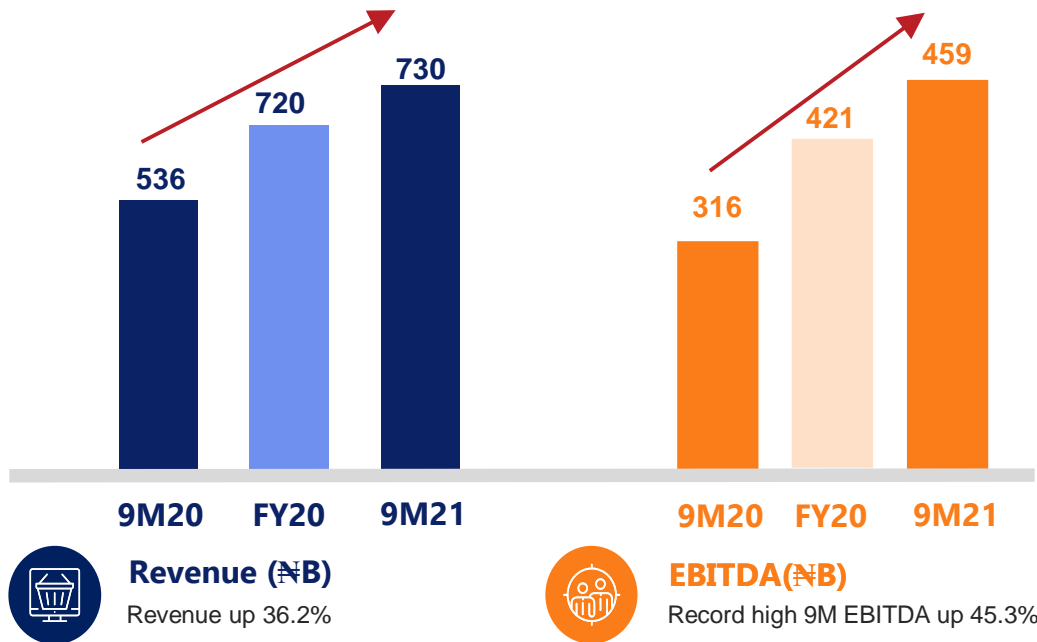
# Group Financial Overview (cont'd)

## Balance Sheet

	As at 30/9/21 ₦m	As at 31/12/20 ₦m
Property, plant and equipment	1,465,909	1,390,687
Other non-current assets	42,911	77,072
Intangible Assets	4,936	4,554
Current Assets	557,379	404,303
Cash and Cash Equivalents	179,101	145,835
<b>Total Assets</b>	<b>2,250,236</b>	<b>2,022,451</b>
Non-current liabilities	151,283	142,756
Current liabilities	662,385	505,615
Debt	531,353	483,110
<b>Total Liabilities</b>	<b>1,345,021</b>	<b>1,131,481</b>
<b>Net Asset</b>	<b>905,215</b>	<b>890,970</b>



# Nigeria – 9M 2021 EBITDA has surpassed FY 2020



- Strong 9M sales volumes in Nigeria of 14.1Mt, with growth at 18.7%
- Robust growth trend continues with strong demand from housing and infrastructure
- Solid performance with record high 9M EBITDA of ₦459.2B, up 45.3%
- 9M 2021 revenue and EBITDA has surpassed FY 2020
- Heavy rains in the third quarter compared to last year
- Extended scheduled maintenance slightly impacted production for the quarter
- 3mta Okpella plant on track to ramp up production in 2021

## Financial Summary - Nigeria

Nine months ended 30th September	2021	2020	Change
Cement (Kt)	14,000	11,741	19.2%
Clinker (Kt)	144	174	-16.7%
Total volumes (Kt)	14,144	11,915	18.7%
Revenue (₦m)	729,603	535,506	36.2%
EBITDA** (₦m)	459,226	316,053	45.3%
EBITDA margin**	62.9%	59.0%	3.9pp

\*\*Before corporate costs and inter-company eliminations

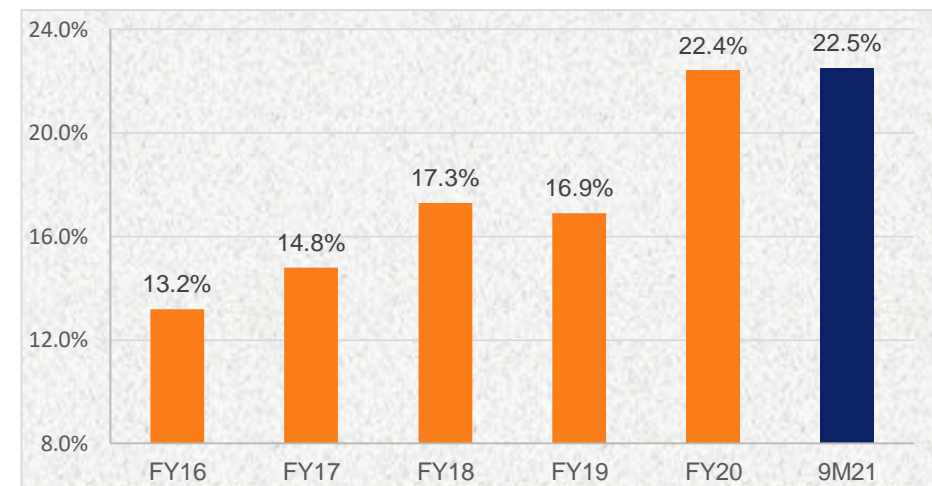




# Pan-Africa – strong volume growth

- Volumes up 9.4% to 8.2Mt as demand remains strong across most territories of operations
- Revenues up 28.1 % to ₦297.9, supported by higher realised prices and volume growth
- Strong EBITDA of ₦66.9B, up 28.6%, EBITDA margin of 22.5%
- Strong performance in Senegal, Ethiopia, and Tanzania.
- Cost pressure on countries importing clinker (Cameroon) and cement (Ghana, Sierra-Leone) due to freight costs and overall scarcity

## EBITDA trend



## Financial Summary – Pan-Africa

Nine months ended 30 <sup>th</sup> September	2021	2020	Change
Cement (Kt)	7,994	7,393	8.1%
Clinker (Kt)	169	72	134.4%
Total volumes (Kt)	8,163	7,465	9.4%
Revenue (₦m)	297,860	232,607	28.1%
EBITDA** (₦m)	66,968	52,059	28.6%
EBITDA margin**	22.5%	22.4%	0.1pp

- \*Before corporate costs and eliminations



# Country updates



## CAMEROON

- Estimated 3Mt total market sales for 9M 2021
- Increase in consumption owing to individual construction projects, including roads and bridges, and government housing estates.
- DCP Cameroon sold over 1Mt for 9M 2021, relatively flat compared to 9M 2021
- 33% market share for the period



## CONGO

- Estimated market sales of 667Kt for 9M 2021
- DCP Congo sold 357Kt of cement, a 33% increase compared to 9M 2020
- 53% market share for the period



## ETHIOPIA

- Estimated 5.5Mt total market sales for 9M 2021
- DCP sales of 1.7Mt for 9M 2021, up 4% compared to 9M 2020 owing to improved plant performance
- 32% market share for the period



# Country updates



## GHANA

- Estimated over 5Mt total market sales for 9M 2021
- DCP Ghana sold 331Kt of cement, an 8% increase compared to 9M 2020
- 7% market share for the period



## SENEGAL

- Estimated 6.3Mt total market sales for 9M 2021
- DCP sales of 1.2Mt for 9M 2021.
- 19% market share for the period



## SIERRA LEONE

- Estimated market sales of 808Kt for 9M 2021
- DCP sales of 209Kt for 9M 2021, up 7% compared to 9M 2020
- 26% 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 programmes



## **TANZANIA**

- Estimated 4.5Mt total market sales for 9M 2021
- DCP sales of 1.3Mt for 9M 2021, including 169Kt of clinker
- Volumes up 51%
- 29% market share for the period
- Continuous increase in plant output leveraging on our power plant commissioning at the end of 2020



## **ZAMBIA**

- Estimated 1.9Mt total market sales for 9M 2021
- DCP sales of 560Kt for 9M 2021, up 2% compared to 9M 2020
- 30% 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

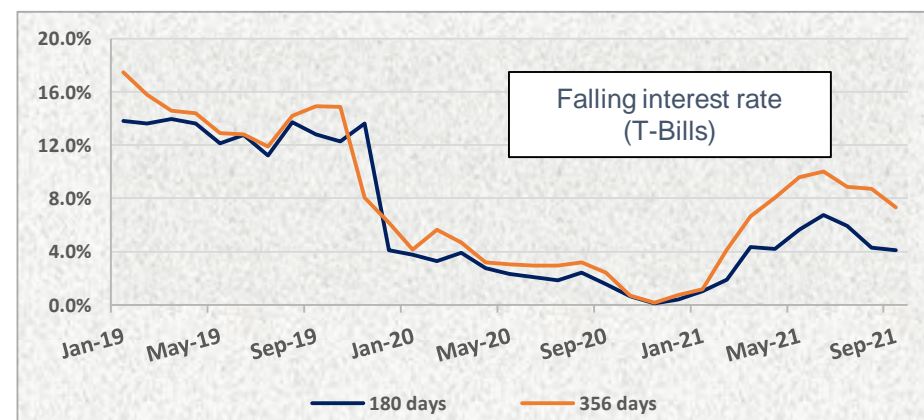
₦50B was issued under a new 300B Debt Issuance Programme

## Commercial Paper Programme

*Issued an aggregate NGN450 billion in Commercial Papers since 2018.*

Successfully established of a new ₦150 billion Commercial Paper Programme

## Volatile interest rate environment (T-Bills) in 2021

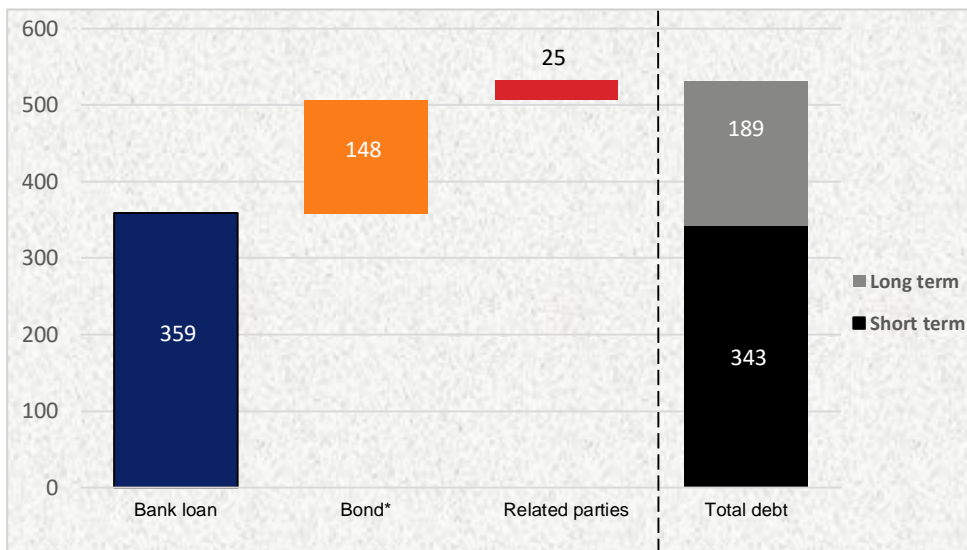




# Robust Capital Structure

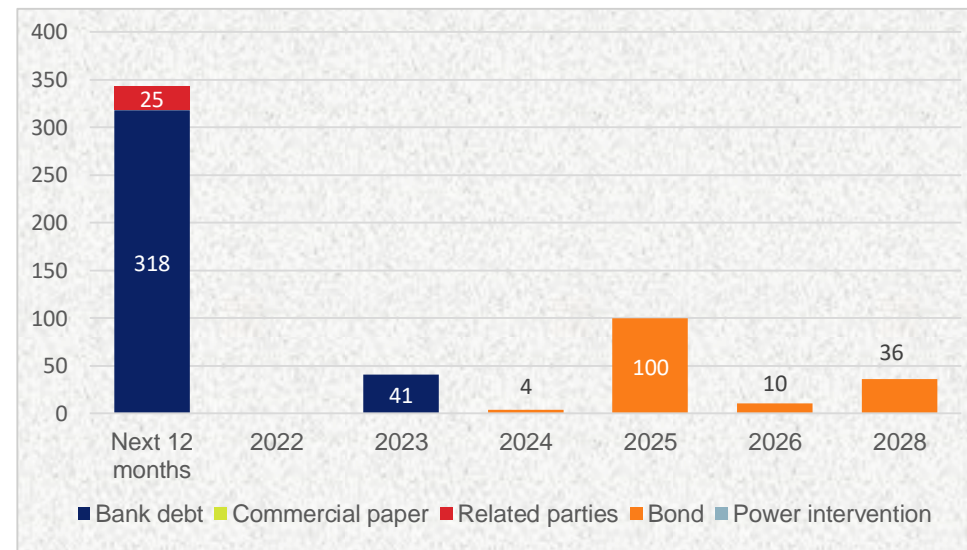
*Strong balance sheet with available liquidity*

**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
- Strong 9 months cash flow generation leading to cash flow from operating activities of ₦512.9B, up 43.9% 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	₦359B	2021-2023
Related parties	7%-9%	₦25B	2021-2025

*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

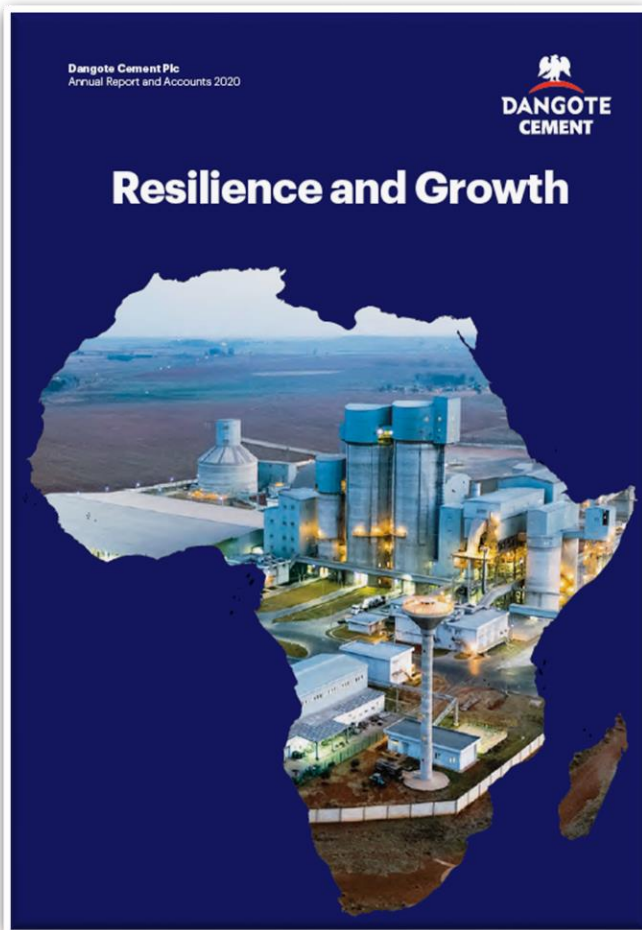


# Sustainability & Governance – The Dangote Way

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.

**First listed company on the NGX to issue a report combining our financial and non-financial information**



## 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 <sup>(1)</sup>	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 <sup>(1)</sup>  
Olakunle Alake  
D.V.G. Edwin  
Douraid Zaghouni  
Sir Michael Davis

### Audit, Compliance & Risk Management Committee

Ernest Ebi <sup>(1)</sup>  
Cherie Blair  
Emmanuel Ikazoboh  
Dorothy Ufot

### Remuneration, Nominations & Governance Committee

Emmanuel Ikazoboh <sup>(1)</sup>  
Ernest Ebi  
Sir Michael Davis  
Cherie Blair

### Sustainability & Technical Committee

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

### Statutory Audit Committee<sup>(2)</sup>

Robert Ade-Odiachi<sup>(1)</sup>  
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



## 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"> <li>• Lower CO2 emission</li> <li>• Alternative energy sourced from environment reduces cost and supports local economies</li> <li>• Lower dependence on foreign currencies</li> <li>• Sustainable waste management</li> </ul>

Thermal substitution rate is estimated at **2.3%** as at 9M 2021 vs. 1.7% in FY 2020.

## Alternative Fuel Project

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

The reduction in 9M 2021 is due to:

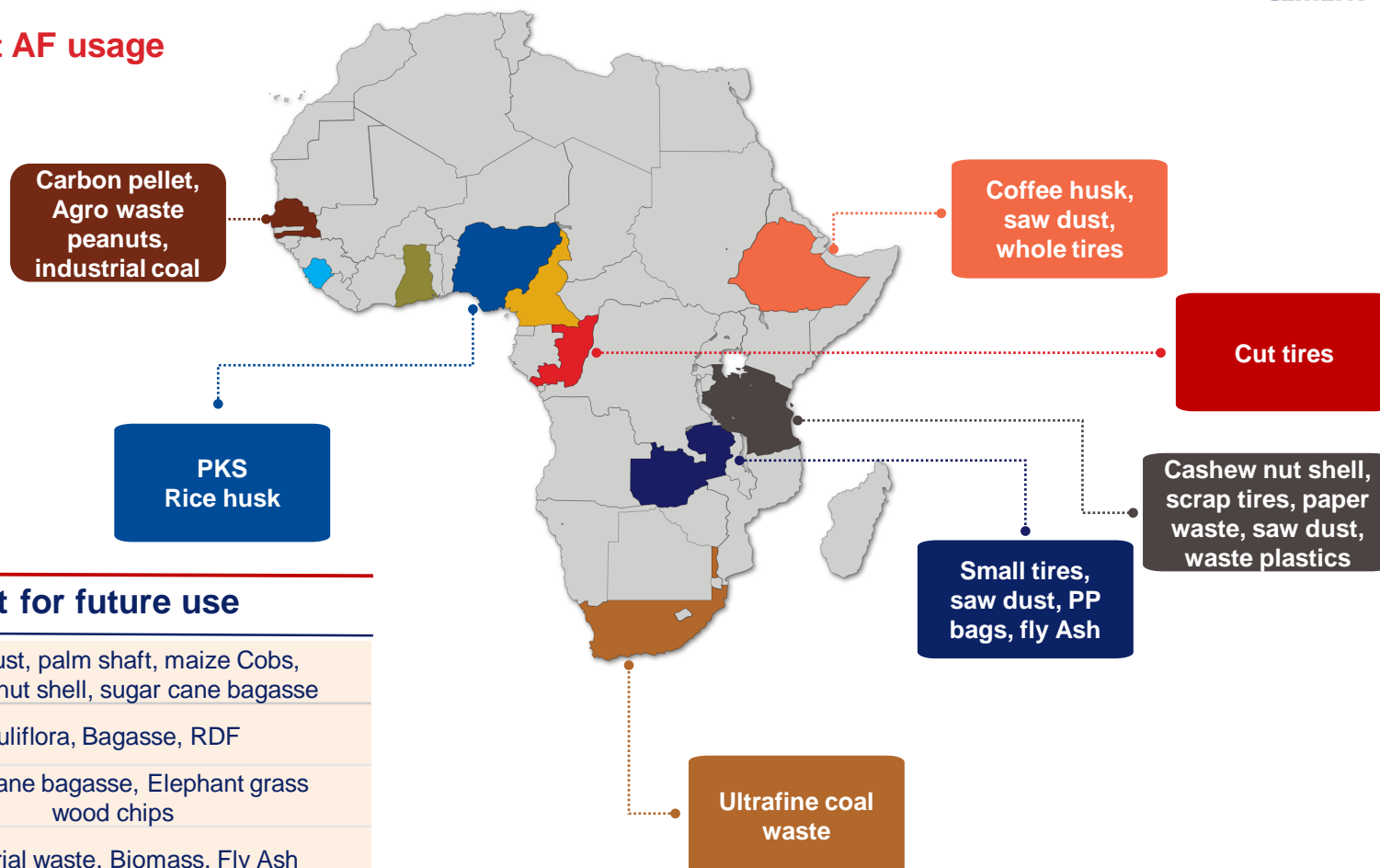
- Improvement of the overall plant efficiency
- Increase in the use of waste and less fossil fuel
- Sources of water leakages identified

	9M 2021	FY 2020	%	
Energy consumption (Kcal/kg)	604	860	(29.8)	↑
CO2 emission (kg CO2/tonne)	609	626	(2.8)	↑
Water consumption (m3/tonne)	266	271	(1.7)	↑



# Environmental Pillar – AF usage across our operations

## Current AF usage



## Waste development for future use

Nigeria	Saw dust, palm shaft, maize Cobs, cashew nut shell, sugar cane bagasse
Ethiopia	Juliflora, Bagasse, RDF
Congo	Sugarcane bagasse, Elephant grass wood chips
Senegal	Industrial waste, Biomass, Fly Ash
South Africa	Scrap tires
Tanzania	Sugar Cane, Tobacco dust, plastic waste, maize husk Charcoal Briquettes, Cashew nut shell
Zambia	Agro waste, wood chip

# Environmental Pillar – DCP has become a CDP supporter



- 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
- In 2021 DCP became a CDP supporter.



*“As a mission-based non-profit that runs the global environmental disclosure system, CDP greatly values the support of Dangote Cement. Action this decade is critical to ensuring that we can limit global warming to 1.5°C and safeguard our planet’s natural resources. Quite simply what is measured can be managed. **Through its 2021 disclosure to CDP, Dangote Cement has demonstrated its clear commitment to transparency around its environmental impacts and its strategies for action. This benefits the company as well as its shareholders, customers, and employees alike. .”***

**Sonya Bhonsle, Global Head of Value Chains & Regional Director Corporations**



# Financial Pillar – Creating value for shareholders

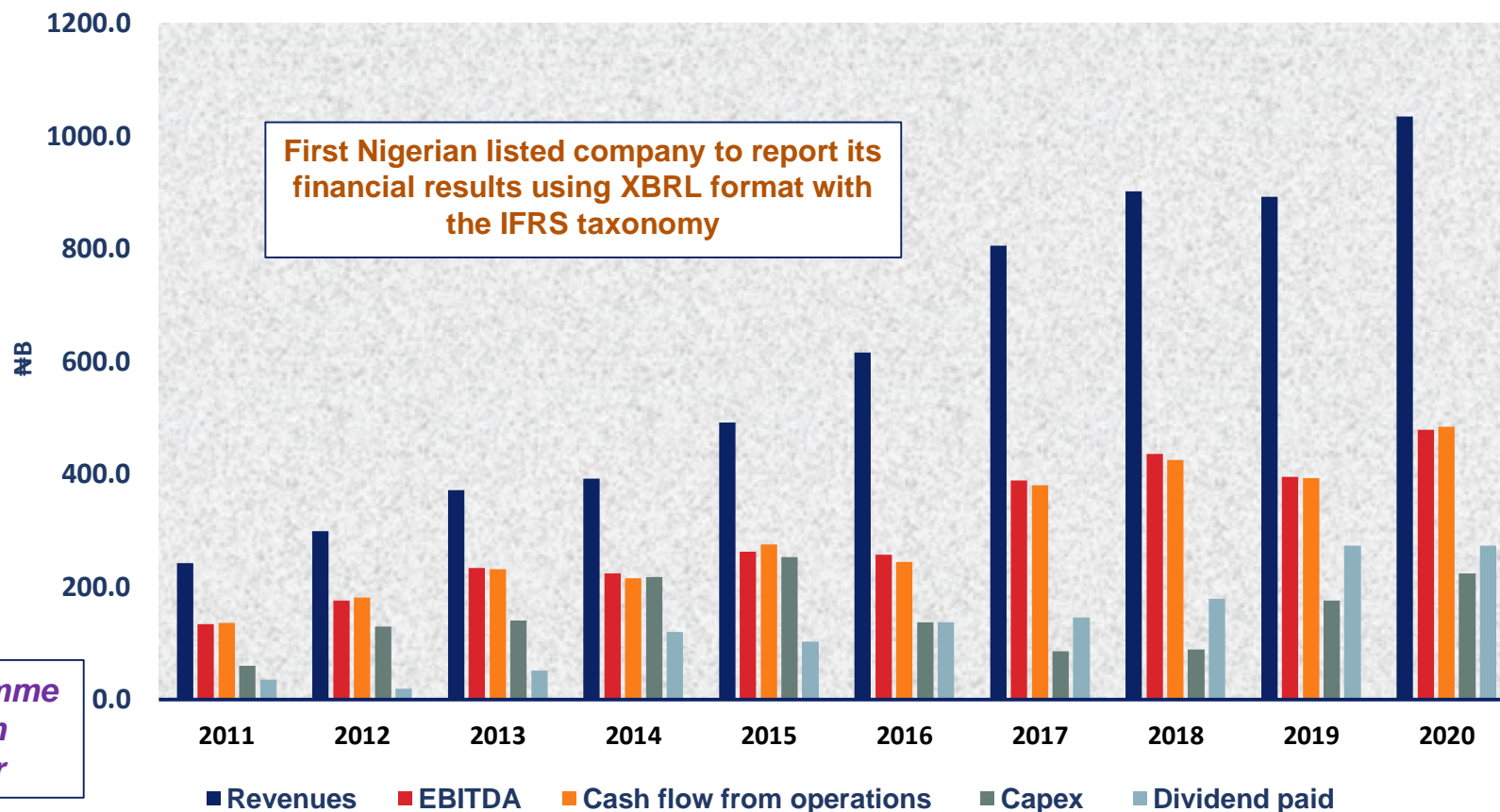
**8** DECENT WORK AND ECONOMIC GROWTH



**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*

# Financial Pillar – XBRL Reporting

8 DECENT WORK AND  
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION  
AND INFRASTRUCTURE



**First Nigerian listed company to report its financial results using eXtensible Business Reporting Language (XBRL) format with the IFRS taxonomy**

## Quotes

“

We believe that adopting XBRL reporting will strong benefit Dangote Cement's existing and potential investors. It represents another step in Dangote Cement's continuing efforts to modernise and enhance transparency of, and access to, companies' disclosures.

It will enable our publicly available financial information to be captured accurately and promptly, thus bringing uniformity of our results on all the platforms and ensuring that investors and analysts who use these platforms have the correct information. Although XBRL reporting is not mandatory for companies listed on the Nigerian Exchange, it is becoming a universal format to exchange financial data and promotes the coordination of international reporting requirements.

The implementation of XBRL demonstrates Dangote Cement's strong dedication to reaching international reporting and corporate governance standards. As Africa's leading cement producer, we are leading the way with our commitment to sustainability and best practice. We are driven by the goal of achieving the highest level of governance and building a prosperous and sustainable brand for all our stakeholders. Transparency and consistency are at the core of every part of our business culture.”



Michel Puchercos  
Chief Executive Officer, Dangote Cement



# Social Pillar - COVID-19 Interventions continue in 2021

**3** GOOD HEALTH  
AND WELL-BEING



**Lagos State Isolation Centre donated by CACOVID**

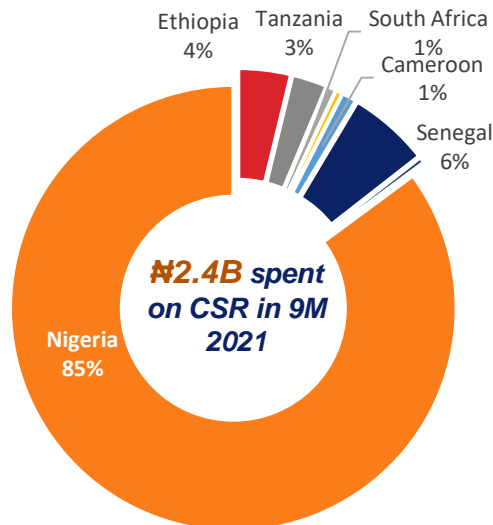
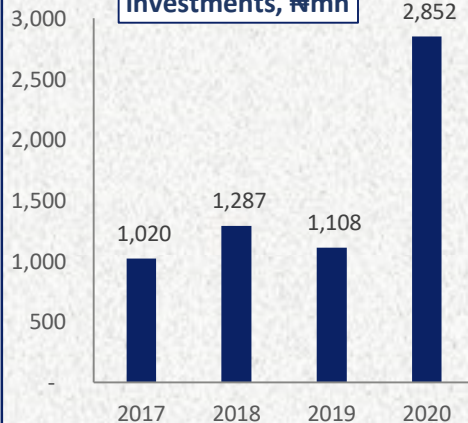


**11** SUSTAINABLE CITIES  
AND COMMUNITIES

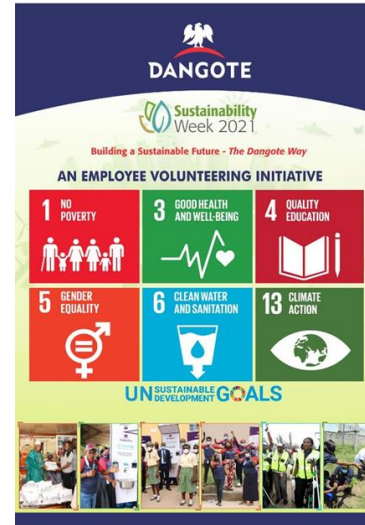


**Over 100 CSR projects completed in 9M 2021**

**Growth in CSR  
investments, ₦mn**



**Sustainability week**



- ✓ Key initiatives included 'Waste to Wealth' campaigns, tree planting, skills & capacity building, donations to less privileged, etc.
- ✓ All initiatives focused on advancing six core SDGs: 1,3,4,5,6 & 13.
- ✓ Hundreds of DCP volunteers, in compliance with strict COVID-19 prevention protocols.

**Theme: "Building a Sustainable Future: The Dangote Way"**

**Focus on schools, students, vulnerable, and environment**



**Dangote Cement women  
plant tree**



**COVID-19 awareness in  
schools**



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