FULL YEAR 2021 AUDITED RESULTS

Dangote Cement PLC

28th February 2021

Audited results for the year ended 31st December 2021

Another record result with double digit growth across board

Robust profit after tax up 32.0% at ₦364.4B

Proposed dividend of ₦20.00 per share

CDP climate rating upgrade

Lagos, 28th February 2021: Dangote Cement PLC (DANGCEM-NL), Africa's largest cement producer, announces audited results for the financial year ended 31st December 2021.

Financial highlights

- Group revenue up 33.8% to ₦1,383.6B
- Record group EBITDA up 43.2% to ₦684.6; 49.5% margin
- Strong Pan-Africa EBITDA of ₦88.8B, up 24.6%; 22.4% margin
- Record earnings per share up 31.6% to ₦21.24
- Proposed dividend of ₦20.00 per share
- Net debt of ₦225.1B; net debt/EBITDA of 0.33x

Operating highlights

- Group sales volumes up by 13.8% to 29.3 million tonnes
- Total Nigerian volumes up 16.8% to 18.6Mt; domestic volumes up 13.6% at 17.7Mt
- Pan-African volumes up 8.7% at 10.9 million tonnes
- 3Mta Okpella plant ramp up is on track

ESG highlights

- CDP climate rating upgraded to B- for our commitment to climate change
- Co-processed 89Kt of waste in 2021, an increase of 60% over 2020

Share buyback

- In January 2022, Dangote Cement successfully completed tranche II of the share buyback programme; repurchasing 0.74% of shares outstanding

Michel Puchercos, Chief Executive Officer, said:

"We are pleased to report a solid set of the results for the full year 2021. Group volumes for the year were up 13.8% and Group EBITDA was up 43.2%, at a 49.5% margin. I am delighted to report that Dangote Cement experienced its strongest year across all line items, with a record PAT of ₦364.4B up 32.0%.

During the year, CDP raised Dangote Cement's rating to B- for the Company's commitment to climate change. The CDP rating upgrade clearly illustrates the progress made by Dangote Cement regarding our commitment to transparency and mitigating our CO2 footprint.

Over the last 2 years, we have finalised the deployment of 6 million tonnes new capacity in Nigeria. Looking ahead, we are now focused on a less capital-intensive expansion cycle, which includes building grinding plants across West and Central Africa to leverage and strengthen Dangote Cement's regional integration. We are on track to deploy grinding capacity in Cote d'Ivoire and Ghana. In addition, our Alternative Fuel Project is at an advanced stage which aims to leverage waste management solutions, reduce CO2

emissions, and source material locally. This year, we co-processed 89,000 tonnes of waste representing a 60% increase over 2020.

Our business model remains robust, thanks to the prudent and flexible approach we have taken across our operations. Due to an increased focus on efficiency while meeting double-digit market growth and maintaining costs under control, Dangote Cement has and will consistently deliver superior profitability and returns to its shareholders."

About Dangote Cement

Dangote Cement is Africa's leading cement producer with nearly 51.6Mta capacity across Africa. A fully integrated quarry-to-customer producer, we have a production capacity of 35.25Mta in our home market, Nigeria. Our Obajana plant in Kogi state, Nigeria, is the largest in Africa with 16.25Mta of capacity across five lines; our Ibese plant in Ogun State has four cement lines with a combined installed capacity of 12Mta; our Gboko plant in Benue state has 4Mta; and our Okpella plant in Edo state has 3Mta. Through our recent investments, Dangote Cement has eliminated Nigeria's dependence on imported cement and has transformed the nation into an exporter of cement serving neighbouring countries.

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

Website: www.dangotecement.com

Twitter: @DangoteCement

Conference call details

A conference call for analysts and investors will be held on Tuesday 1st March 2022 at 15.00 Lagos/14.00 UK time. Please register using the link below.

Dangote Cement FY 2021 Results Conference Call

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

Live webcast

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

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SUMMARY OPERATING REVIEW

Sales volumes	FY 2021 '000 tonnes	FY 2020 '000 tonnes	%
Nigeria			
Cement	18,415	15,739	17.0%
Clinker	197	197	-
Nigerian volumes	**18,612**	**15,936**	**16.8%**
Pan-Africa			
Cement	10,634	9,901	7.4%
Clinker	222	81	
Pan-African volumes	**10,856**	**9,982**	**8.7%**
Inter-company sales	(197)	(197)	-
Group volumes**	**29,271**	**25,720**	**13.8%**
Revenue			
Nigeria	993,399	719,945	38.0%
Pan-Africa	397,329	318,681	24.7%
Inter-company sales	(7,091)	(4,430)	
Total revenue	**1,383,637**	**1,034,196**	**33.8%**
EBITDA			
Nigeria*	610,196	421,417	44.8%
Pan-Africa*	88,830	71,313	24.6%
Central costs & eliminations	(14,431)	(14,608)	
Total EBITDA	**684,595**	**478,122**	**43.2%**
EBITDA margins			
Nigeria*	61.4%	58.5%	2.9pp
Pan-Africa*	22.4%	22.4%	-
Group EBITDA margins	**49.5%**	**46.2%**	**3.3pp**
Profit before tax	538,366	373,310	44.2%
Tax charge	(173,927)	(97,242)	78.9%
Group net profit	**364,439**	**276,068**	**32.0%**
Earnings per share	**21.24**	**16.14**	**31.6%**

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

The International Monetary Fund ('IMF') estimates that Sub-Saharan Africa's economic growth emerged from the 2020 recession and expanded by 4.0% percent in 2021. It is expected to grow by 3.7% in 2022. The recovery is supported by favorable external conditions on trade, elevated commodity prices and the relaxation of stringent pandemic measures. The IMF expects growth across all our countries of operation, with Senegal, Ghana and Sierra Leone expected to grow at the highest rates. We expect this recovery to drive strong cement demand across our markets, which we already witnessed in 2021, given the robust volume growth.

We remain committed to keeping our staff and communities safe by being fully compliant with health and safety measures in all our territories of operation. To curtail the impact of COVID-19, we have continued our vaccination advocacy and roll-out across all countries of operations. We are ensuring protective measures and best practices across all countries.

Nigerian operations

In our financial reporting, the Nigerian region includes: Dangote Cement Plc ('the company') which has plants in Obajana, Ibese and Gboko; DCP Cement Ltd with a 3Mt plant in Obajana; and Okpella Cement Plc's 3Mt plant.

According to the IMF's estimates, Nigeria grew by 3.0% in 2021, driven by recovery in non-oil sectors and higher oil prices. Nigeria's cement market remained robust and resilient in 2021. Cement demand is sustained by increasing housing infrastructure, commercial construction, and government projects including major highways, roads, and railways. Nigeria is estimated to grow at 2.7% in 2022.

Our Nigerian operations sold over 18Mt of cement during the period, including clinker exports, a 16.8% increase on the 15.9Mt sold in 2020. When looking at the domestic sales alone, our Nigerian operations sold 17.7Mt, up 13.6% year on year. Although sales were up overall in 2021, we experienced heavy rains in the third quarter compared to last year. Strong demand was supported by improved route to market channels and additional trucks to enhance our distribution network.

Revenues for the Nigerian operations increased by 38.0% to ₦993.4B. We recorded a strong EBITDA of ₦610.2B at a margin of 61.4%, excluding central costs and eliminations (2020: ₦421.4B; 58.5%). The strong growth trend has continued in 2021 and is supporting our delivery of strong results for shareholders, with a net profit after tax of ₦364.4B (+32.0% y-o-y).

In May, we recommenced clinker exports from both our Onne and Apapa terminals. We achieved seven clinker shipments, with a total volume of 197Kt in 2021. In the year, we exported 706Kt cement by road to Togo and Niger, up over three times 2020 exports. Lastly, our 3Mt Okpella plant in Edo State is on track to ramp up production in the coming months.

Pan-African operations

The total Pan-African volume represents 37.0% of Group volumes. Sales volumes in Pan-Africa were 10.9Mt in 2021, up 8.7%. We achieved this despite the challenges faced in Cameroon, Ghana, and Sierra Leone, where freight costs have increased substantially, causing volatility in the landing cost of cement and clinker.

Pan-African revenues of ₦397.3B were 24.7% higher than 2020 and represented 29.0% of total Group revenue. The region achieved a record high EBITDA of ₦88.8B (before central costs and eliminations), up 24.6%, supported by strong performance in Ethiopia, Senegal, and Zambia. This represents an EBITDA margin of 22.4% in the year 2021. There was continuous performance improvement in Tanzania following the commissioning of the power plant. Performance was strong across all Pan-African countries and we recorded a positive EBITDA across board.

Cameroon

Cameroon's GDP is estimated to have grown by 3.6% in 2021, with an expected growth of 4.6% in 2022.

We estimate the total market for cement in Cameroon to have been just under 4.0Mt in 2021. The main drivers for cement demand during the period were an increase in investment in construction projects. The market is primarily driven by individual construction projects and government housing estates. We saw increased building projects ahead of the African Cup of Nations which occurred in early 2022.

Our 1.5Mta clinker grinding facility in Douala sold 1.4Mt of cement in 2021, up 3% compared to the same period last year. Our performance was affected by an increase in clinker cost owing to the global rise in freight cost and overall global supply chain challenges. However, we were able to launch Falcon 32.5R grade in Q3 to expand our portfolio and seize more market opportunities, while optimizing clinker consumption. We estimate our market share to have been 34% during the period.

Congo

The cement market in Congo is growing notably owing to government infrastructure projects. An increase in demand has also been attributed to the local consumer market and office buildings.

We estimate the total market for cement in Congo to have been about 800Kt in 2021. Our 1.5Mta integrated plant in Mfila sold 486Kt of cement (including exports) during the period, up 25% compared to 2020.

We increased our market share significantly to 53% during the period.

Ethiopia

Ethiopia's GDP is estimated to have grown by 2.0% in 2021.

Despite a complex security, social and economic environment, Ethiopia remains an attractive market for cement, with high demand for infrastructure projects, housing, and industrial parks development, driven by private investments and Public Private Partnerships.

We estimate the total market for cement in Ethiopia to have been 7.0Mt in 2021, lower than 2020 due to security challenges. However, sales at our 2.5Mta factory in Mugher were up 11% year on year at 2.4Mt, with an increased market share to 34.0%. Despite the security challenges, our operation continues to perform strongly.

Ghana

Ghana's GDP is estimated to have grown by 4.7% in 2021, with an expected growth of 6.2% in 2022.

Ghana is benefitting from a stable political environment. In 2021, several government project expansion plans and incentives were announced, and domestic consumption continues to increase. We estimate the total market for cement to have been just over 7Mt for the year.

Dangote Cement Ghana sold 353Kt of cement, down 16% compared to the full year 2020. The lower volume recorded was notably due to the surge in international freight prices and overall global supply chain challenges. Our market share for the period came in at 5.0%.

Senegal

Senegal's GDP is estimated to have grown by 4.7% in 2021, with an expected growth of 5.5% in 2022.

Senegal's cement industry remains robust and continues to be one of our best performing markets. We estimate the total market sales to have been about 7.9Mt, including exports, for the full year. The market is expanding, supported by a growing middle class, growth in the construction sector and infrastructure projects across the country including low-cost housing projects.

Dangote Cement Senegal's 1.5Mta plant in Pout sold 1.6Mt in the 2021. The plant is working at full capacity. Our market share is estimated at 20% for the stated period.

Sierra Leone

Sierra Leone's GDP is estimated to have grown by 3.2% in 2021, with an expected growth of 5.9% in 2022.

Sierra Leone's 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 including road infrastructure. A growing population has resulted in a rise in housing construction.

The Sierra Leonean cement market consumed about 1.0Mt of cement for the year 2021. Our market share was 24.5% during the period.

South Africa

South Africa's GDP is estimated to have grown by 4.6% in 2021, with an expected growth of 1.9% in 2022.

South Africa's residential building sector has been performing well because of high residential housing demand since H2 2020. While the rate of buildings completed is flat year on year, the rate for building plans passed has increased quite significantly since Q1 2021.

Dangote Cement South Africa's sales for 2021 decreased by 1% year on year.

Tanzania

Tanzania's GDP is estimated to have grown by 4.0% in 2021, with an expected growth of 5.1% in 2022.

Tanzania's robust economy has driven growth in infrastructure and housing, with major government projects including roads, railways and airports. We estimate the total market for cement in Tanzania to have been about 6.2Mt for the full year 2021.

Sales volumes at our 3.0Mta factory at Mtwara were 56% higher than last year at 1.7Mt, including clinker sales of 222Kt.

We estimate our market share to have been 28% during the period.

Zambia

Zambia's GDP is estimated to have grown by 1.0% in 2021, with an expected growth of 1.1% in 2022.

The subdued state of the cement market in Zambia reflects the country's challenged macro-economic environment. Dangote Cement's Ndola factory sits in the heart of the copper belt mining area, with good access to Zambia's major cities and neighbouring countries.

We estimate total market sales to have been 2.5Mt for the full year 2021.

Our 1.5Mta Ndola factory sold 736Kt of cement in 2021, down 5% compared to last year. We estimate our market share to have been 30% during the period.

Share buyback

Dangote Cement completed tranche II of the buyback programme on the 20th of January 2022, buying back 0.74% of its shares outstanding (126,748,153 shares) at an average price of ₦276.89 per share. Following the completion of tranche I and II, the company has bought back 0.98% (166,948,153 shares) of its shares outstanding.

Board appointments

Dangote Cement announced the appointment of Mr. Philip Mathew as the Deputy Group Managing Director with effect from September 15, 2021. Mr. Mathew is a professional with 34 years of working experience in large global and regional cement industries and has been involved in project management from feasibility to commissioning and stabilisation.

Dangote Cement is pleased to announce the appointment of Ms. Halima Aliko-Dangote as a Non-Executive Director with effect from February 26, 2022. Halima Aliko-Dangote is the Group Executive Director (GED), Commercial Operations of Dangote Industries Limited.

FINANCIAL REVIEW

Summary

Volume sold**	FY 2021 '000 tonnes	FY 2020 '000 tonnes
Nigeria	18,612	15,936
Pan-Africa	10,856	9,982
Inter-company sales	(197)	(197)
Total volume sold	**29,271**	**25,720**
Revenues	**₦m**	**₦m**
Nigeria	993,399	719,945
Pan-Africa	397,329	318,681
Inter-company sales	(7,091)	(4,430)
Total revenues	**1,383,637**	**1,034,196**
Group EBITDA*	**684,595**	**478,122**
EBITDA margin	**49.5%**	**46.2%**
Operating profit	582,491	386,734
Profit before tax	538,366	373,310
Earnings per ordinary share (Naira)	**21.24**	**16.14**

As at 31st December	FY 2021	FY 2020
Total assets	2,392,019	2,022,451
Net debt	225,097	337,275

*Earnings before interest, taxes, depreciation and amortisation

** Volumes include cement and clinker

Revenue increased by 33.8% to ₦1,383.6B from ₦1,034.2B, driven by higher volumes in Nigeria and Pan-Africa.

Volumes sold by our core Nigerian operations increased by 16.8% to 18.6Mt from 15.9Mt supported by an increase in housing and commercial construction. Pan-African volumes increased by 8.7% to 10.9Mt from 10.0Mt in 2020. Strong volume growth in Tanzania, Ethiopia, and Congo supported this growth.

Manufacturing and operating costs

Year ended 31st December	**2021 ₦m**	**2020 ₦m**
Materials consumed	175,367	134,910
Fuel & power consumed	196,634	146,342
Royalties	1,667	1,270
Salaries and related staff costs	38,701	37,020
Depreciation & amortization	75,954	64,946
Plant maintenance costs	42,203	30,706
Other production expenses	25,589	15,670
(Increase)/decrease in finished goods and work in progress	(5,096)	7,106
Total manufacturing costs	**551,019**	**437,970**

In total, manufacturing costs increased by 25.8% to ₦551.0B from ₦437.9B in 2020. Materials consumed increased by 30.0% to ₦175.4B; while fuel & power consumed increase by 34.4% to ₦196.6B. These increases were as a result of volume growth and inflationary pressures on our costs.

The increase in Nigeria manufacturing costs was mainly driven by energy costs due to increased production volumes and price increases for gas which is pegged to the USD. The Nigerian Naira depreciated from ₦401/1US$ at the end of 2020 to ₦424/1US$ at the end of 2021.

Administration and selling expenses

Year ended 31st December	**2021 ₦m**	**2020 ₦m**
Administration and selling costs	256,007	214,058

Thanks to our continuous cost control efforts, total selling and administration expenses only rose by 19.6% to ₦256.0B in 2021 mainly from higher haulage expenses which are driven by volumes, AGO costs and other general administrative expenses. Inflationary pressure and the foreign currencies conversion to Naira is driving part of this increase.

Profitability

Year ended 31st December	**2021 ₦m**	**2020 ₦m**
EBITDA	684,595	478,122
Depreciation, amortization & impairment	102,104	91,388
Operating profit	**582,491**	**386,734**

DANGOTE CEMENT

EBITDA by operating region		
Nigeria	610,196	421,417
Pan-Africa	88,830	71,313
Central administrations costs and inter-company sales	(14,431)	(14,608)
Total EBITDA	**684,595**	**478,122**

Group earnings before interest, tax, depreciation and amortisation (EBITDA) for the year increased by 43.2% to ₦684.6B at a margin of 49.5% (2020: ₦478.1B, 46.2%).

Excluding eliminations and central costs, Nigerian EBITDA increased by 44.8%, to ₦610.2B at a margin of 61.4% (2020: ₦421.4B, 58.5%). The increase in Nigeria EBITDA is mainly as a result of the increased volumes, higher realised prices and better fixed costs absorption in the year 2021 compared to 2020.

Pan-African EBITDA increased by 24.6% to ₦88.8B, at 22.4% margin (2020: ₦71.3B; 22.4%), notably driven by increased volumes and better performance across the group.

Operating profit of ₦582.5B was 50.6% higher than the ₦386.7B for 2020 at a margin of 42.1% (2020: 37.4%).

Interest and similar income/expense

Year ended 31st December	2021 ₦m	2020 ₦m
Interest income	20,765	13,183
Exchange gain/ (loss)	(9,381)	16,631
Interest expense	(56,326)	(43,988)
Net finance income / (cost)	**(44,942)**	**(14,174)**

Interest income increased to ₦20.8B mainly as a result of increased interest earning cash balances.

During the year to December 2021, the Nigerian Naira value against the US Dollar decreased from about ₦401/1US$ to ₦424/1US$. This resulted in exchange gains from intercompany balances in Nigeria which were outweighed by exchange losses from liabilities in the subsidiaries.

Taxation

Year ended 31st December	2021 ₦m	2020 ₦m
Tax (charge)/credit	(173,927)	(97,242)

Pioneer tax exemption for the Ibese lines and Obajana line 4 ended in 2020 resulting in an increased Nigerian region effective tax rate.

The Group's effective tax rate was higher at 32.3%, mainly because of intercompany exchange gains reported in Other Comprehensive income for the group.

The Group's profit for 2021 increased by 32.0% to ₦364.4B (2020: ₦276.1B). As a result, earnings per share increased to ₦21.24 (2020: ₦16.14).

Financial position

	31st December 2021 ₦m	31st December 2020 ₦m
Property, plant and equipment	1,472,859	1,390,687
Other non-current assets	40,996	77,072
Intangible assets	5,122	4,554
Total non-current assets	**1,518,977**	**1,472,313**
Current assets	533,199	404,303
Cash and bank balances	339,843	145,835
Total assets	**2,392,019**	**2,022,451**
Non-current liabilities	155,305	142,756
Current liabilities	688,105	505,615
Debt	564,940	483,110
Total liabilities	**1,408,350**	**1,131,481**

Non-current assets increased to ₦1,472.9B at the end of 2021 from ₦1,390.7B at 31st December 2020. This was mainly as a result of additions to Property, Plant & Equipment which were partially offset by depreciation.

Additions to property, plant and equipment were ₦185.8B, of which ₦152.5B was spent in Nigeria and ₦33.3B in Pan Africa operations.

Increase in current liabilities is driven by current income tax charge, trade payables and amounts owed to related parties for trucks and the exchange impact due to the depreciation of the Naira.

Movement in net 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	682,900	-	682,900
Change in working capital	(60,853)	-	(60,853)
Income tax paid	(33,408)	-	(33,408)
Additions to fixed assets	(184,576)	-	(184,576)
Loan to related party	20,000	-	20,000
Other investing activities	(848)	-	(848)
Change in non-current prepayments and payables	27,306	-	27,306
Net lease received	5,960	-	5,960
Share buyback	(9,833)	-	(9,833)
Net interest payment	(41,309)	-	(41,309)
Net loans obtained (repaid)	4,284	(4,284)	-
Dividend paid	(272,005)	-	(272,005)
Overdraft	71,679	(71,679)	-
Other cash and non-cash movements	(15,289)	(5,867)	(21,156)
As at 31st December 2021	**339,843**	**(564,940)**	**(225,097)**

Cash generated from operations before changes in working capital of ₦682.9B is 41.2% higher than ₦483.5B generated during the same period for 2020. After net movement of ₦60.9B in working capital and tax payments of ₦33.4B, the net cash flow from operations was ₦596.7B.

Excluding overdrafts, financing outflows of ₦332.2B reflected net loans obtained of ₦4.3B, dividend paid of ₦272.0B and net interest paid of ₦41.3B.

Cash and cash equivalents (net of bank overdrafts used for cash management purposes) increased from ₦141.0B at the end of 2020 to ₦263.4 at 31st December 2021. Net debt decreased by ₦112.2B from ₦337.3B at the end of 2020 to ₦225.1B at 31st December 2021.

Capital Expenditure by region

	Nigeria ₦m	Pan-Africa ₦m	Total ₦m
Capital Expenditure	**152,493**	**33,321**	**185,814**

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

Recommended dividend

On 26th February, 2022, the Directors recommended a dividend of ₦20.00 per share for approval at the Annual General Meeting.

Going Concern

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

The Directors believe that the current working capital is sufficient for the operations and the Group generates sufficient cash flows to fund its operations.