Q1 2022 UNAUDITED RESULTS

Dangote Cement PLC

29th April 2022

Unaudited results for three months ended 31st March 2022

Group EBITDA up 18.6% at ₦211.0B, despite supply chain challenges

Nigeria gas supply challenges limited production

Profit after tax up 18.0% at ₦105.9B

Lagos, 29th April 2022: Dangote Cement PLC (DANGCEM-NL), Africa's largest cement producer, announces unaudited results for the three months ended 31st March 2022.

Financial highlights

- Group revenue up 24.2% to ₦413.2B
- Group EBITDA up 18.6% to ₦211.0B; 51.1% margin
- Nigeria EBITDA up 24.5% to ₦196.5B; 61.1% margin
- Profit after tax up 18.0% to ₦105.9B
- Earnings per share up 16.8% to ₦6.18
- Net debt of ₦309.7B; net gearing of 29.4%

Operating highlights

- Group sales volumes down by 3.6% to 7.2 million tonnes.
- Total Nigerian volumes down 1.5% to 4.8Mt
- Gas supply challenges impacted production
- Global supply chain disruption impacting operations where imports are required
- 3Mta Okpella plant ramp up ongoing

Capital structure

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

Michel Puchercos, Chief Executive Officer, said:

"Despite the new uncertainties brought by a very volatile global environment, the first quarter of 2021 has started positively. We recorded increases in revenue and profitability that drove strong cash generation across the Group. We recorded PAT of ₦105.9B, up 18.0% compared to last year and Group EBITDA of ₦211.0B, up 18.6% with an EBITDA margin of 51.1%. On the operational side, we are ramping up production at our Okpella plant and are progressing well to deploy grinding plants in Ghana and Cote d'Ivoire.

Our Group volumes were down 3.6% mainly due to energy supply challenges in Nigeria. Our operations relying on cement and clinker imports – namely Ghana, Sierra-Leone, Cameroon – were impacted by the global supply chain challenges. Nonetheless, demand remained strong across all markets and we remain confident that Dangote Cement is positioned to meet customers' expectations despite these temporary challenges.

Continuing our efforts to deliver shareholder value, Dangote Cement completed the second tranche of its buyback programme. Following the completion of both tranches, Dangote Cement has now bought back 0.98% of its shares outstanding. This share buy-back programme reflects the Company's commitment in finding opportunities beyond dividend to return cash to shareholders.

The volatile international context is strengthening our efforts to ramp up the usage of alternative fuels and execution of our export-to-import strategy. Reducing our dependence

on imported inputs and making our markets self-sufficient has never been more relevant from a regional perspective.

Our continuous focus on efficiency, meeting strong market demand and maintaining our costs leadership drives our ability to consistently deliver superior profitability and value to all 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 Thursday, 5th May at 2pm Nigeria/UK time.

Please register using the link below:

Dangote Cement Q1 2022 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 results. The presentation will also be available remotely via the live webcast link.

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SUMMARY OPERATING REVIEW

Sales volumes	Q1 2022 '000 tonnes	Q1 2021 '000 tonnes	%
Nigeria			
Cement	4,834	4,908	-1.5%
Nigerian volumes	**4,834**	**4,908**	**-1.5%**
Pan-Africa			
Cement	2,309	2,586	-10.7%
Clinker	105	27	
Pan-African volumes	**2,414**	**2,613**	**-7.6%**
Group volumes**	**7,248**	**7,521**	**-3.6%**
Revenue			
Nigeria	321,918	239,684	34.3%
Pan-Africa	91,263	92,967	-1.8%
Inter-company sales	-	-	-
Total revenue	**413,181**	**332,651**	**24.2%**
EBITDA			
Nigeria*	196,548	157,880	24.5%
Pan-Africa*	18,225	23,682	-23.0%
Central costs & eliminations	(3,752)	(3,591)	-
Total EBITDA	**211,021**	**177,971**	**18.6%**
EBITDA margins			
Nigeria*	61.1%	65.9%	-4.8pp
Pan-Africa*	20.0%	25.5%	-5.5pp
Group EBITDA margins	**51.1%**	**53.5%**	**-2.4pp**
Profit before tax	156,398	130,101	20.2%
Tax charge	(50,547)	(40,391)	25.1%
Group net profit	**105,851**	**89,710**	**18.0%**
Earnings per share	**6.18**	**5.29**	**16.8%**

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

According to the International Monetary Fund ('IMF') the Russia-Ukraine crisis will contribute to a significant slowdown in global growth in 2022. Inflation is expected to remain elevated for longer, driven by war-induced commodity price increases and intensified supply disruptions. Sub-Saharan Africa's is estimated to grow at 3.8% in 2022, slower than the 4.5% rebound in 2021. This growth, albeit slower than 2021 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 Ghana, Senegal and Tanzania expected to grow at the highest rates. We expect this growth to drive stronger cement demand across our markets, which we already witnessed in 2021, given the robust volume growth.

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 is expected to grow at 3.4% in 2022, supported by higher oil prices, and a broad-based recovery in the non-oil sectors. Cement demand is sustained by increasing housing infrastructure, commercial construction, and government projects including major highways, roads, and railways.

Our Nigerian operations sold over 4.8Mt of cement during the period, down 1.5% on the 4.9Mt sold in Q1 2021. When looking at the domestic sales alone, our Nigerian operations sold 4.6Mt, down 3.1% year on year. The slightly lower volume, elevated by the high base of Q1 2021 was due to energy supply disruptions which impacted production. The energy disruptions were largely due to low gas generation in the country, leading to severe power outage impacting various sectors of the economy. These challenges were amplified by the global supply chain disruption and increased global commodity prices. Collectively, this negatively impacted our ability to maximize production during the period. In addition, rapidly increase prices of AGO are impacting the logistics required to deliver cement across the country. However, our early investments in Compressed Natural Gas (CNG) is beneficial in this rising AGO cost environment. Nonetheless, demand remains very strong as the Nigerian market consumed everything produced in the quarter.

Revenues for the Nigerian operations increased by 34.3% to ₦321.9B, supported by the full year benefit of 2021 price increases to offset heighten inflation. Despite all these challenges, we achieved a strong EBITDA of ₦196.5B at a margin of 61.1%, excluding central costs and eliminations (2021: ₦157.9, 65.9%), supported by our robust cost reduction measures and higher revenue. We continue to ramp-up production at our 3Mta Okpella plant.

During the period, we exported 213Kt of cement, up 55.0% compared to same period last year.

Pan-African operations

The total Pan-African volume represents 33.3% of Group volumes. Sales volumes in Pan-Africa were 2.4Mt in Q1 2022, down 7.6% due to the continuous global supply chain disruption and increasing commodity prices. This was exacerbated, by a shut down in our Congo plant for over 2 months owing to maintenance and repairs, coupled with extended power plant maintenance in Senegal. In Cameroon, Ghana, and Sierra Leone freight costs remains substantially elevated and causes volatility in the landing cost of cement and clinker.

Pan-African revenues of ₦91.3B were 1.8% lower than Q1 2021, largely as a result of lower volume sold. The region's revenue represented 22.0% of total Group revenue. Pan-Africa EBITDA was ₦18.2B (before central costs and eliminations), down 23.0% due to the inflationary pressure on costs, high freight charges and lower volume sold in Q1 2022. This represents an EBITDA margin of 20.0% during the period. In addition, currency volatility against USD during Q1 2022 generated negative impact across various levels of the Pan-African income statement.

Cameroon

Cameroon's GDP is expected to grow at 4.3% in 2022.

We estimate the total market for cement in Cameroon to have been 976Kt in Q1 2022. The main drivers for cement demand during the period were an increase in investment in construction projects and infrastructure. Increase in clinker cost owing to the global rise in freight cost and overall global supply chain issues are challenging clinker supply.

Our 1.5Mta clinker grinding facility in Douala sold 339Kt of cement in Q1 2022. We estimate our market share to have been 35% during the period.

Congo

Congo's GDP is expected to grow at 2.4% in 2022.

The cement market in Congo is growing owing to a revival of government infrastructure projects. An increase in demand has also been attributed to the local consumer market.

We estimate the total market for cement in Congo to have been just 86Kt in the first three months of 2022. This is due to limited production from our plant owing to extended maintenance.

Ethiopia

Ethiopia's GDP is expected to grow at 3.8% in 2022.

The cement market in Ethiopia remains predominantly retail. The main drivers of cement demand remain as infrastructure projects, housing, and industrial parks development. The macro front remains challenging due to rising inflation, currency depreciation and security challenges. The market remains short of supply as most plants are operating at very low capacity.

We estimate the total market for cement in Ethiopia to have been just under 1.5Mt in the first three months of 2022. Despite a complex security, social and economic environment, Ethiopia remains an attractive market for cement. There is high demand for infrastructure projects, housing, and industrial parks development driven by private investments and Public Private Partnerships.

Sales at our 2.5Mta factory in Mugher were up 9.0% at 0.58Mt in Q1 2022, with an increased market share to 40%. Despite the security challenges, our operation continues to perform strongly.

Ghana

Ghana's GDP is estimated to grow by 5.2% in 2022.

Ghana is benefitting from a stable political environment. 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 1.8Mt for the first three months of 2022.

Dangote Cement Ghana sold 46.0Kt of cement. The lower volume recorded was notably due to the surge in international freight prices, and overall global supply chain challenges.

Senegal

Senegal's GDP is estimated to grow by 5.0% 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 1.9Mt, for the first three months of 2022. 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 0.35Mt in the Q1 2022. Production was constrained by extended power plant maintenance. The Mali border closure and regional sanctions affected exports. Our market share is estimated at 19% for the stated period.

Sierra Leone

Sierra Leone's GDP is estimated to grow at 3.4% 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 236Kt of cement for the first three months of 2022. Volume is limited by supply and volatile shipping and cement cost. Our market share was 13% during the period.

South Africa

South Africa's GDP is estimated to grow by 1.9% in 2022.

GDP growth in South Africa remains low with a subdued outlook, and while the economy grew by 4.9% in 2021 (off a 2020 Covid-19 induced low), GDP is still well below pre-pandemic levels.

Our sales volumes for Q1 2022 reduced by 6.0% year-on-year due to builders' holidays and increased rainfall in many parts of the country, which impacted construction activities.

Tanzania

Tanzania's GDP is estimated to grow by 4.8% 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 1.6Mt for the Q1 2022.

Sales volumes at our 3.0Mta factory at Mtwara were 77.0% higher than last year at 0.51Mt, including clinker sales of 105Kt. This was supported by the growing cement demand, improved sales and marketing efforts, and the continuous improvement of our plant operations. We estimate our market share to have been 31% during the period.

Zambia

Zambia's GDP is estimated to grow by 3.1% in 2022.

The recent change of government and efforts to grow the country's revenue base have curtailed government infrastructure spending in Zambia in Q1 2022. 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 0.47Mt for the first three months of 2022.Our 1.5Mta Ndola factory sold 130Kt of cement in Q1 2022.

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

FINANCIAL REVIEW

Summary

Volume sold**	Q1 2022 '000 tonnes	Q1 2021 '000 tonnes
Nigeria	4,834	4,908
Pan-Africa	2,414	2,613
Inter-company sales	-	-
Total volume sold	**7,248**	**7,521**
Revenues		**₦m**
Nigeria	321,918	239,684
Pan-Africa	91,263	92,967
Inter-company sales	-	-
Total revenues	**413,181**	**332,651**
Group EBITDA*	**211,021**	**177,971**
EBITDA margin	**51.1%**	**53.5%**
Operating profit	182,803	151,744
Profit before tax	156,398	130,101
Earnings per ordinary share (Naira)	**6.18**	**5.29**

	31/03/2022	**31/12/2021**
Total assets	2,460,411	2,392,019
Net debt	309,717	225,097

*Earnings before interest, taxes, depreciation and amortisation
** Volumes include cement and clinker

Group revenue increased by 24.2% to ₦413.2B from ₦332.7B, driven by the full year benefit of 2021 price increases to offset heighten inflation.

Volumes sold by our core Nigerian operations decreased by 1.5% to 4.8Mt from 4.9Mt as a result supply chain disruptions and energy supply challenges due to the low supply of gas in the country. Pan-African volumes also reduced by 7.6% to 2.4Mt from 2.6Mt in Q1 2021 due to increased supply chain challenges and maintenance activities.

Manufacturing and operating costs

Three months ended 31st March	**2022 ₦m**	**2021 ₦m**
Materials consumed	50,622	49,318
Fuel & power consumed	55,471	40,701
Royalties	421	367
Salaries and related staff costs	11,094	8,821
Depreciation & amortization	21,383	20,368
Plant maintenance costs	12,545	6,719
Other production expenses	5,344	3,499
(Increase)/decrease in finished goods and work in progress	(2,772)	(1,797)
Total manufacturing costs	**154,108**	**127,996**

In total, manufacturing costs increased by 20.4% to ₦154.1B from ₦128.0B in Q1 2021. Materials consumed increase slightly by 2.6% to ₦50.6B, despite the reduction in production volume owing to inflationary pressures. Fuel & power consumed increased by 36.3% to ₦55.5B due to increasing energy costs across board.

The increase in Nigeria's manufacturing costs was mainly driven by increased plant maintenance cost, rising energy costs and increase in price of gas which is pegged to the USD. The Nigerian Naira depreciated from ₦408/1US$ at the end of Q1 2021 to ₦416/1US$ at the end of Q1 2022.

Administration and selling expenses

Three months ended 31st March	2022 ₦m	2021 ₦m
Administration and selling costs	77,620	56,823

The total selling and administration expenses rose by 36.6% to ₦77.6B in Q1 2022, mainly driven by higher haulage expenses, AGO costs, and other general administrative expenses. Inflationary pressure and the foreign currencies' conversion to Naira are driving part of this increase.

Profitability

Three months ended 31st March	2022 ₦m	2021 ₦m
EBITDA	211,021	177,971
Depreciation, amortization & impairment	(28,218)	(26,227)
Operating profit	**182,803**	**151,744**
EBITDA by operating region		
Nigeria	196,548	157,880
Pan-Africa	18,225	23,682
Central administrations costs and inter-company sales	(3,752)	(3,591)
Total EBITDA	**211,021**	**177,971**

Group earnings before interest, tax, depreciation, and amortisation (EBITDA) for the quarter increased by 18.6% to ₦211.0B at a margin of 51.1% (Q1 2021: ₦178.0B, 53.5%) as a result of increased revenue and disciplined cost containment measures in Nigeria.

Excluding eliminations and central costs, Nigeria EBITDA increased by 24.5% to ₦196.5B at a margin of 61.1% (Q1 2021: ₦157.9; 65.9%).

Pan-African EBITDA decreased by 23.0% to ₦18.2B, at margin of 20.0% (Q1 2021: ₦23.7B; 25.5%), notably driven by rising commodity prices and reduced volume sold caused by interruption in production activities.

Operating profit of ₦182.8B was 20.5% higher than the ₦151.7B for Q1 2021 at a margin of 44.2% (Q1 2021: 45.6%).

Interest and similar income/expense

Three months ended 31st March	2022 ₦m	2021 ₦m
Interest income	10,356	3,654
Exchange gain/(loss)	(18,220)	(10,616)
Interest expense	(18,541)	(14,681)
Net finance income / (cost)	**(26,405)**	**(21,643)**

Interest income increased to ₦10.4B mainly as a result of increased interest earning balances.

During the period, the Nigerian Naira value against the US Dollar moved from about ₦424/1US$ to ₦416/1US$. This resulted in exchange losses from intercompany balances in Nigeria which do not eliminate fully on consolidation.

Taxation

Three months ended 31st March	2022 ₦m	2021 ₦m
Tax (charge)/credit	(50,547)	(40,391)

The Group's and Company effective tax rate was at 32.3%, mainly driven by Nigeria income tax charged at 30% plus education tax in Nigeria.

The Group's profit for Q1 2022 increased by 18.0% to ₦105.9B (Q1 2021: ₦89.7). As a result, earnings per share increased to ₦6.18 (Q1 2021: ₦5.29).

Financial position

	31st March 2022 ₦m	31st December 2021 ₦m
Property, plant, and equipment	1,428,001	1,472,859
Other non-current assets	50,318	40,996
Intangible assets	5,266	5,122
Total non-current assets	**1,483,585**	**1,518,977**
Current assets	758,522	533,199
Cash and bank balances	218,304	339,843
Total assets	**2,460,411**	**2,392,019**
Non-current liabilities	154,729	155,305
Current liabilities	722,263	688,105
Debt	528,021	564,940
Total liabilities	**1,405,013**	**1,408,350**

Total non-current assets reduced to ₦1,483.6B at the end of Q1 2022 from ₦1,519.0B on 31st December 2021. The reduction was mainly due to less aggressive investment cycle and the impact of exchange differences during the period.

Additions to property, plant and equipment were ₦27.9B, of which ₦21.8B was spent in Nigeria and ₦6.1B in Pan Africa operations.
Increase in current liabilities was majorly driven by increase in current tax liabilities. However, there was a reduction in short-term borrowings, settlement of our existing short-term debt and amounts owed to related parties for trucks.

Movement in net debt

	Cash ₦m	Debt ₦m	Net debt ₦m
As at 31st December 2021	339,843	(564,940)	(225,097)
Cash from operations before working capital changes	212,565	-	212,565
Change in working capital	(1,048)	-	(1,048)
Income tax paid	(837)	-	(837)
Additions to fixed assets	(27,904)	-	(27,904)
Loan to related party	(224,100)	-	(224,100)
Other investing activities	(70)	-	(70)
Change in non-current prepayments and payables	(9,179)	-	(9,179)
Lease receivables	2,454	-	2,454
Lease payment	(175)	-	(175)
Share buyback	(35,323)	-	(35,323)
Dividend received	4,029	-	4,029
Net interest payment	(9,905)	-	(9,905)
Net loans obtained (repaid)	(44,534)	44,534	-
Overdraft	15,012	(15,012)	-
Other cash and non-cash movements	(2,524)	7,397	4,873
As at 31st March 2022	**218,304**	**(528,021)**	**(309,717)**

Cash generated from operations before changes in working capital of ₦212.6B is 25.6% higher than ₦169.3B generated during the same period for 2021. After net movement of ₦1.05B in working capital and tax payments of ₦0.84B, the net cash flow from operations was ₦213.1B.

Excluding overdrafts, financing outflows of ₦91.49B reflected net loans repaid of ₦44.5B, share buy-back cash outflow of ₦35.3B and interest paid of ₦11.45B.

Cash and cash equivalents (net of bank overdrafts used for cash management purposes) reduced to ₦126.8 from ₦263.4B as at 31st December, 2021. Net debt increased by ₦84.6B from ₦225.1B at the end of 2021 to ₦309.7B at 31st March 2021.

Capital Expenditure by region

	Nigeria ₦m	Pan-Africa ₦m	Total ₦m
Capital Expenditure	**21,818**	**6,085**	**27,903**

Capital expenditure was mainly comprised of the construction of new plants in Nigeria and West African countries as well as improvements in our energy efficiency across our operations.