

H1 2022 results

UNAUDITED RESULTS FOR SIX MONTHS
ENDED 30th JUNE 2022



3rd August 2022

@dangotecement



www.dangotecement.com



H1 2022: A solid first half, despite elevated inflation

FINANCIAL

OPERATIONAL

SUSTAINABILITY

SDG
Alignment

Group revenue up 17.0%
at **₦808.0B**

Group volumes down 7.0%
at **14.2Mt**

27% female Board
representation

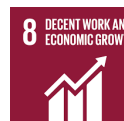
Diverse Board with **6**
different nationalities



Group EBITDA up 6.3%
at **₦373.2B**

3Mta Okpella plant ramp
up on track

Issuance of **₦116B**
series 2 Bond.
Under the **₦300 billion**
Multi-Instrument Issuance
Programme



Share buyback (tranche II)
completed; So far
repurchased **0.98%** of
shares outstanding

Deploying grinding plants
in Ghana and Cote
d'Ivoire.

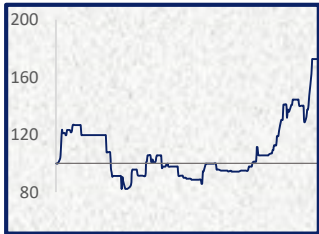
3.3% alternative fuel
thermal substitution rate
versus 2.0% in H1 2021

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



Creating Sustainable Value for Shareholders

The year so far.....



January



February



March



April



June

Buy-Back

Completed the 2nd tranche of the buy-back programme.

New female Board Member

Ms. Halima Aliko-Dangote appointed to the Board of Dangote Cement as Non Executive Director.

Okpella Plant

Continued ramp up on our 3Mt Okpella plant

Bond Issuance

Successful issuance of ₦116B series 2 Bond.
Under the ₦300 billion Multi-Instrument Issuance Programme

AGM

Released our 2021 combined Annual and Sustainability Report



July

National Consumer Promotion

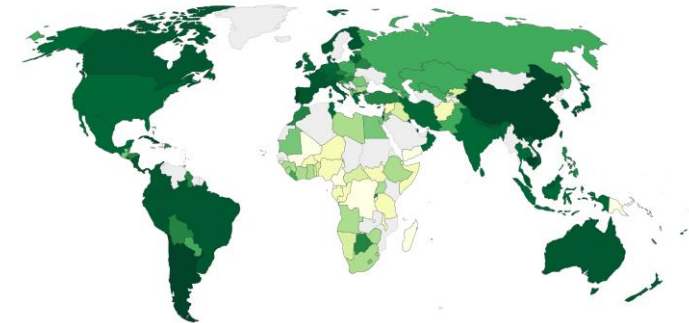
Dangote Cement Bag of Goodies season 3 promotion launched.

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, the global security challenges will contribute to a significant slowdown in global growth in 2022.
- SSA is estimated to grow by 3.8% in 2022. This growth, albeit slower than 2021 largely results from a sharp improvement in global trade and commodity prices.
- Our countries of operation are estimated to all grow in 2022, with Tanzania, Ghana and Senegal expected to grow at the highest rates.
- According to the IMF, faster vaccine deployment would accelerate the region's growth. At Dangote Cement, we have continued our vaccination advocacy and roll-out across all countries of operations.

Share of people who received at least one dose of COVID-19 vaccine, Jul 31, 2022
Total number of people who received at least one vaccine dose, divided by the total population of the country.

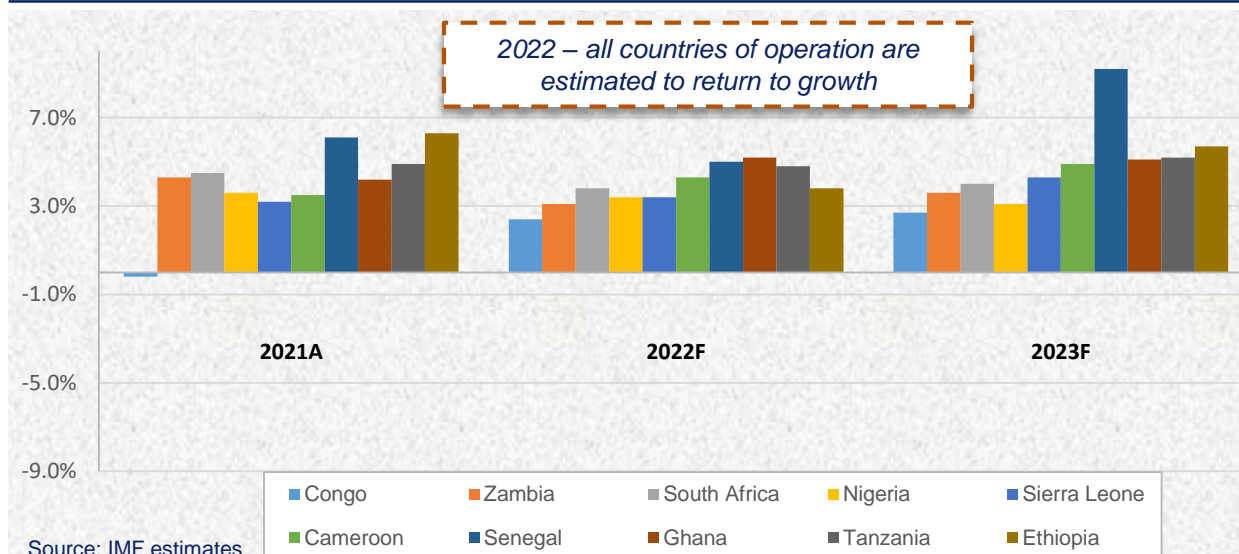
Our World
in Data



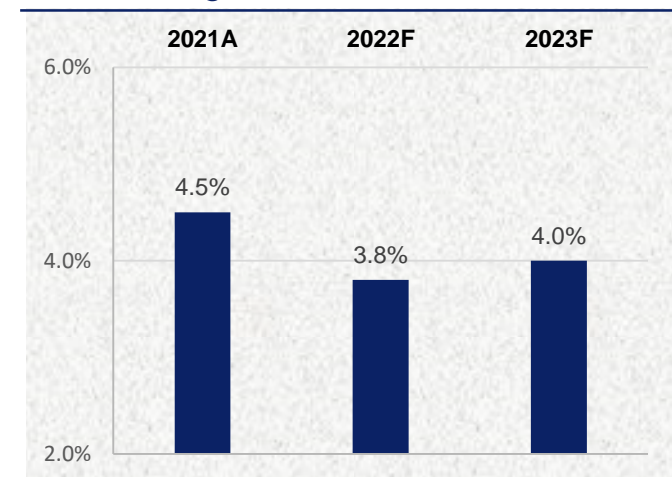
Source: ourworldindata.org



GDP growth across our operating environment



SSA GDP growth



Source: IMF estimates

Financial and Operational Overview



H1 2022 – Strong Performance

Strong results amidst a tough macro economic environment

Financial

- Group revenues up 17.0%, largely due to better price realization to offset rising costs
- Group EBITDA up 6.3%; with EBITDA margin of 46.2%
- Nigeria EBITDA up 12.3%; supported by our robust cost control measures countering inflationary pressure
- Rapidly increasing prices of AGO resulted in a 54.5% increase in our selling and distribution cost.
- Net debt of ₦423.0B; net gearing of 54.5%
- EPS down at ₦10.10 owing to ₦40.7B in unrealised foreign exchange losses

Operational

- Group volumes down 7.0% to 14.2Mt
- The slightly lower volume, elevated by the high base of H1 2021, was due to inflation and energy supply disruptions
- Pan-Africa volumes down owing to extended plant maintenance in Senegal and Congo and volatility in cement/clinker landing costs in Cameroon, Ghana and Sierra-Leone
- Commenced the 3rd season of the National Consumer Promotion
- On track to deploy grinding plants in Ghana and Cote d'Ivoire in the coming months

Six months ended 30 th June	2022	2021	Change
Sales volumes*	'000t	'000t	%
Nigeria	9,342	9,869	(5.3)
Pan-Africa	4,863	5,465	(11.0)
Inter-company sales	-	(57)	
Total	14,206	15,277	(7.0)
Revenues	₦m	₦m	
Nigeria	622,981	494,139	26.1%
Pan-Africa	185,056	198,497	(6.8%)
Inter-company sales	-	(2,091)	-
Total	808,037	690,545	17.0%
EBITDA	₦m	₦m	
Nigeria**	349,386	311,178	12.3%
Pan-Africa**	31,720	47,184	(32.8%)
Inter-company and central costs	(7,943)	(7,297)	8.9%
Total	373,163	351,065	6.3%
EBITDA margin**	%	%	
Nigeria	56.1%	63.0%	-6.9pp
Pan-Africa	17.1%	23.8%	-6.6pp
Group	46.2%	50.8%	-4.7pp
EPS	10.10	11.21	-9.9%

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

Group Financial Overview

Income Statement

	H1 2022 ₦m	H1 2021 ₦m	% change
Revenue	808,037	690,545	17.0%
Cost of sales	(322,461)	(276,115)	16.8%
Gross profit	485,576	414,430	17.2%
<i>Gross margin</i>	60.1%	60.0%	0.1pp
EBITDA	373,163	351,065	6.3%
<i>EBITDA margin</i>	46.2%	50.8%	-4.6pp
EBIT	318,121	301,197	5.3%
<i>EBIT margin</i>	39.4%	43.8%	-4.4pp
Finance income	22,001	9,408	133.9%
Finance cost	(75,232)	(30,351)	147.9%
Profit before tax	264,890	281,254	-5.8%
Income tax (expense)/credit	(92,786)	(89,624)	3.5%
Profit for the period	172,104	191,630	-10.2%
Earnings per share	10.10	11.21	-9.9%



Group financial overview (cont'd)

Movement in 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	370,211	-	370,211
Change in working capital	(30,141)	-	(30,141)
Income tax paid	(49,864)	-	(49,864)
Additions to fixed assets	(38,849)	-	(38,849)
Loans to related party	(41,212)	-	(41,212)
Change in non-current prepayments and payables	(8,531)	-	(8,531)
Other investing activities	(254)	-	(254)
Net Lease receivables	4,153	-	4,153
Share buyback	(35,323)	-	(35,323)
Net dividend received	(333,442)	-	(333,442)
Net interest payment	(26,008)	-	(26,008)
Net loans obtained (repaid)	48,472	(48,472)	-
Overdraft	9,104	(9,104)	-
Other cash and non-cash movements	(13,693)	5,005	(8,688)
As at 30th June 2022	194,466	(617,511)	(423,045)



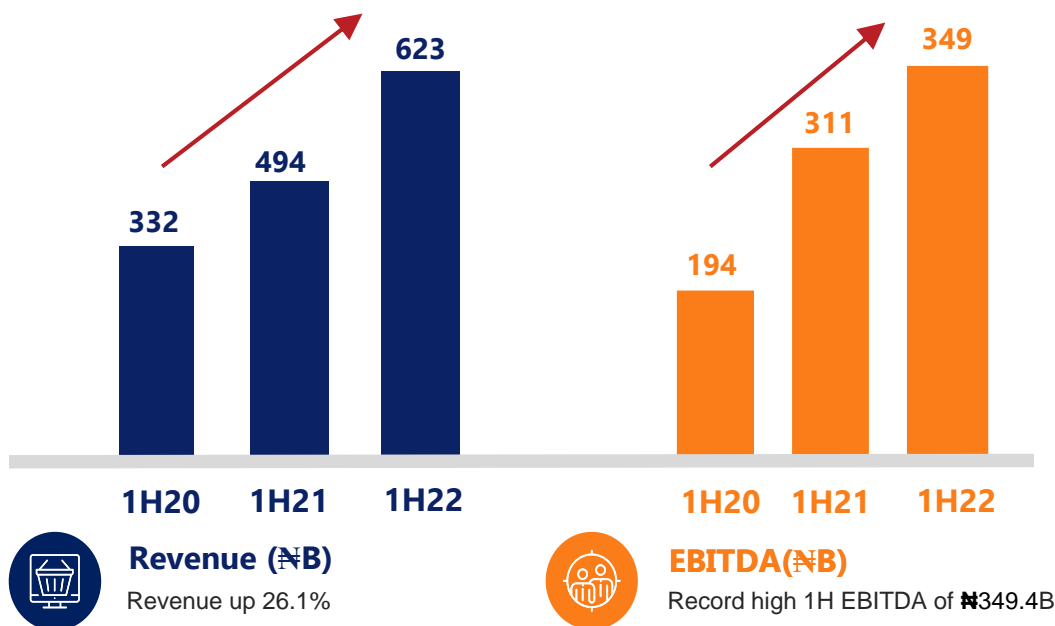
Group financial overview (cont'd)

Balance Sheet

	As at 30/06/22 ₦m	As at 31/12/21 ₦m
Property, plant and equipment	1,398,504	1,472,859
Other non-current assets	47,514	40,996
Intangible Assets	4,930	5,122
Current Assets	591,925	533,199
Cash and Cash Equivalents	194,466	339,843
Total Assets	2,237,339	2,392,019
Non-current liabilities	153,497	155,305
Current liabilities	690,451	688,105
Debt	617,511	564,940
Total Liabilities	1,461,459	1,408,350
Net Asset	775,880	983,669



Nigeria – Gas supply challenges limited production



- Nigeria H1 sales volume down 5.3% mainly due to inflation and gas supply disruption in Nigeria
- Revenues increased by 26.1% to ₦623.0B, supported by price increases to offset inflationary pressures
- Significant distribution cost increase due to our national coverage which results in longer distance served
- Despite these challenges in the period, we achieved an EBITDA of ₦349.4B, up 12.3%
- 3mta Okpella plant production ramp up on track
- Exported 414Kt of cement in the first half of the year, up 21.2% compared to same period last year.

Financial Summary - Nigeria

Six months ended 30th June	2022	2021	Change
Cement (Kt)	9,342	9,813	-4.8%
Clinker	-	57	-
Total volumes (Kt)	9,342	9,869	-5.3%
Revenue (₦m)	622,981	494,139	26.1%
EBITDA** (₦m)	349,386	311,178	12.3%
EBITDA margin**	56.1%	63.0%	-6.9pp

**Before corporate costs and inter-company eliminations



Pan-Africa – Extended plant maintenance and repairs

- Volumes down 11.0% to 4.9Mt due to plant maintenance and supply chain challenges.
- Revenues down 6.8% to ₦185,056B due to lower sales volume.
- EBITDA of ₦31.7B with a margin of 17.1%
- Extended plant maintenance and repairs activities in Congo and Senegal limited Pan-Africa production volume
- Cost pressure on countries importing clinker (Cameroon) and cement (Ghana, Sierra-Leone) due to freight costs and overall scarcity
- On track to deploy grinding plants in Ghana and Cote d'Ivoire in the coming months



Financial Summary – Pan-Africa

Six months ended 30th June	2022	2021	Change
Cement (Kt)	4,654	5,320	-12.5%
Clinker	209	145	44.5%
Total volumes (Kt)	4,863	5,465	-11.0%
Revenue (₦m)	185,056	198,497	-6.8%
EBITDA** (₦m)	31,720	47,184	-32.8%
EBITDA margin**	17.1%	23.8%	-6.6pp

- *Before corporate costs and eliminations



Country updates



CAMEROON

- Estimated 2.0Mt total market sales for H1 2022
- Increase in consumption owing to individual construction projects, including roads and bridges, and government housing estates
- DCP Cameroon sold 658Kt for H1 2022
- 32% market share for the period



CONGO

- Estimated market sales of 285Kt for H1 2022
- Shutdown of Congo plant for 2 months due to maintenance limited production in H1 2022
- DCP Congo sold 196Kt for H1 2022.



ETHIOPIA

- Estimated 2.7Mt total market sales for H1 2022
- DCP sales of 1.1Mt for H1 2022 is up 1% compared to H1 2021
- 41% market share for the period
- Despite the security challenges, our operation continues to perform strongly.

Country updates



GHANA

- Estimated over 3.6Mt total market sales for H1 2022
- DCP Ghana sold 117Kt of cement in H1 2022
- Surge in international freight prices continues to impact supply



SENEGAL

- Estimated 4.0Mt total market sales for H1 2022
- DCP sold 643Kt of cement in H1 2022.
- Production was constrained by extended power plant maintenance
- The Mali border closure and regional sanctions affected exports



SIERRA LEONE

- Estimated market sales of 513Kt for H1 2022
- Robust cement demand owing to increased infrastructure spending, and growing population
- Volume is limited by supply and volatile shipping and cement cost

Country updates



SOUTH AFRICA

- GDP growth in South Africa remains low with a subdued outlook
- Builders' holiday and increased rainfall in many parts of the country impacted construction activities.
- Our sales volumes for H1 2022 reduced by 10%



TANZANIA

- Estimated 3.3Mt total market sales for H1 2022
- DCP sales of 944Kt for H1 2022, including 209Kt of clinker
- Volumes up 19%
- 22% market share for the period



ZAMBIA

- Estimated 987Kt total market sales for Q1 2022
- Macro-factors are still challenging demand.
- DCP Zambia sold 276Kt of cement in H1 2022.
- 28% market share for the period

Debt and Liquidity

Robust Capital Structure



Track record of accessing Debt Capital Market

Bond Programme

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
₦116B	April 2022	A - ₦4.3B	11.85%	2027
		B - ₦23.3B	12.23%	2029
		C - ₦88.4B	13.0%	2032

Commercial Paper Programme

Issued an aggregate of almost NGN500 billion in Commercial Papers since 2018.

In August, we successfully established of a new ₦150 billion Commercial Paper Programme

Outstanding Commercial Paper				
Series 3	17.842	270 days	9.3%	23-08-22

DCP Bond Issuances timeline

April 2020

May 2021

May 2021

March 2022

April 2022

June 2022

Issuance of maiden ₦100B series 1 fixed rate 5-year Bond.

New ₦300B Multi-Instrument Programme enabling DCP to issue Green Bonds and Sukuk

Successfully raised ₦50B series 1, 3, 5 and 7-year Bonds, under a fresh NGN300 billion Debt Issuance Programme.

₦100B maiden Bond selected as the winner of 2021s Bonds, Loans & Sukuk Africa Awards for Local Currency Corporate Bond Deal of the Year.

Issuance of ₦116B Series 2 Bond, largest corporate Bond issuance in history of the Nigerian capital markets

₦50B series 1 Bond selected as best local currency bond in EMEA at the EMEA Finance Achievement Award 2021

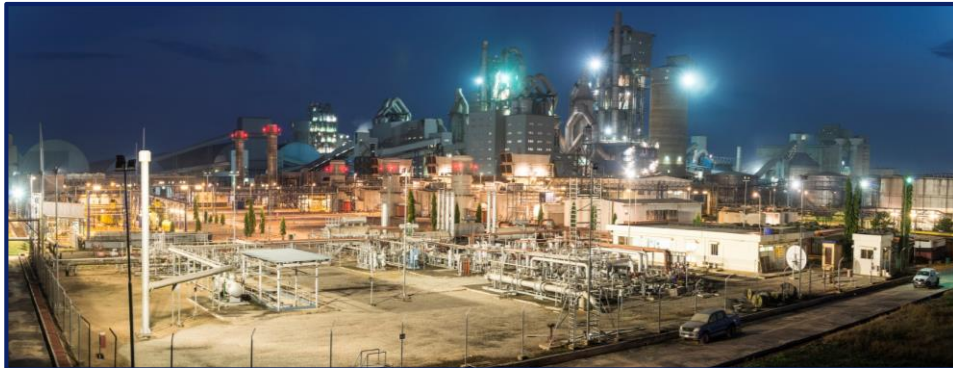


Successful share buy-back programme

In January 2022, DCP completed the second tranche of its buy-back programme.

Buy-back – tranche II

- DCP's bought back 0.74% of its issued and fully paid-up ordinary shares in the second tranche of its buyback programme
- The buy-back was exercised at an average price of ₦276.89/share.



Dangote Cement share buy-back summary

Share Capital Analysis

Pre-Buy-Back number of shares ¹	17,040,507,404
Shares bought back (Tranche I)	(40,200,000)
Shares bought back (Tranche II)	(126,748,153)

Total number of residual issued and fully paid outstanding shares	16,873,559,251
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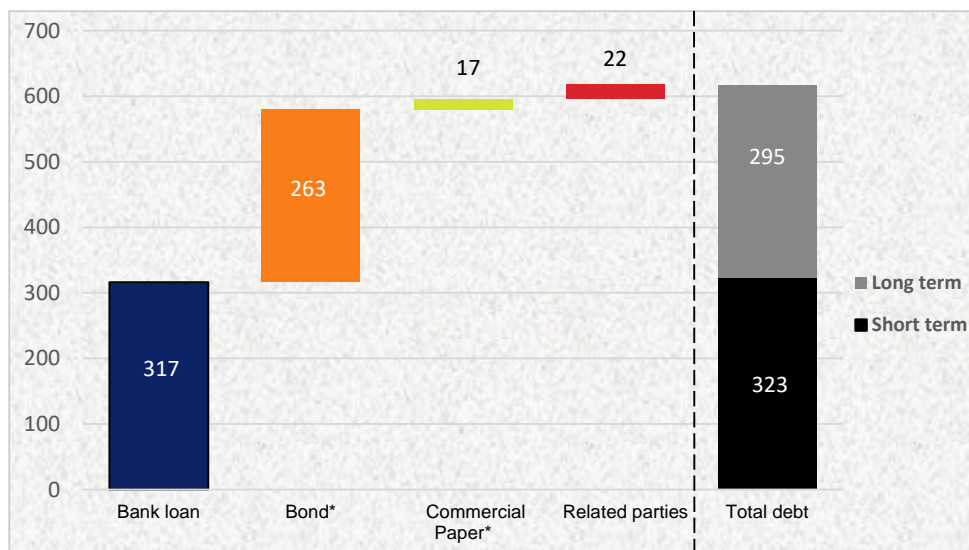
Total shares bought back (Tranche I&II)	166,948,153
Percentage of shares bought back	0.98%
Number of shares cancelled	Nil

The share buy-back programme reflects DCP's commitment to finding opportunities beyond dividend to return cash to shareholders.

Robust capital structure

Strong balance sheet with available liquidity

Diverse Capital Structure, ₦B

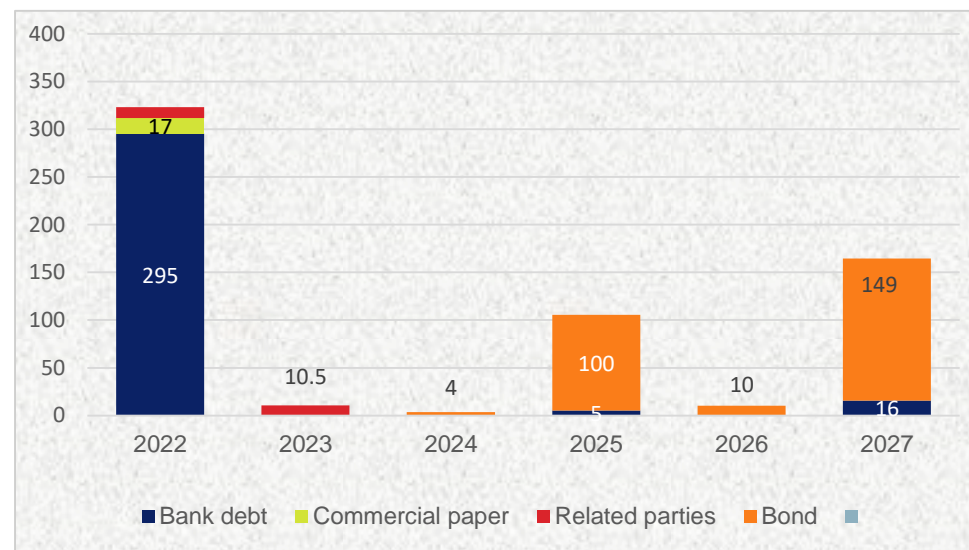


Bond face value - ₦150B

Commercial Paper face value - ₦26B

as at the end of March 2022

Debt Maturity Profile, ₦B



as at the end of June 2022

- The available liquidity, cash generation and undrawn borrowing capabilities secure DCPs short-term debt coverage
- Strong H1 cash flow generation leading to cash flow from operating activities of ₦370.2B, up 6.7% year on year.

Robust capital structure

LENDING DIVERSIFICATION

Facility	Pricings	Draw down	Tenor
Bond - April 2020	12.5%	₦100B	2025
Bond – May 2021 (tranche A,B&C)	11.25%-13.5%	₦50B	2024-2028
Bond – April 2022 (tranche A,B&C)	11.85%-13.0%	₦116B	2027-2032
Bank debt	various	₦317B	2021-2023
Commercial Paper	8.3-9.3%	₦18B	2022
Related parties	6%-8.5%	₦22B	2021-2025

Bond face value - ₦263B
Commercial Paper face value – ₦17B

as at the end of June 2022

RATINGS

- On 29 April 2022, **Global Credit Ratings**
 - long-term Issuer rating to AA+ (NG) and affirmed the short-term issuer rating of A1+(NG), with outlook as Stable
 - long-term Issue rating of AA+ (NG) accorded to DCPs existing Bond issues and DCPs new N116bn Series 2 Bond, with the outlook accorded stable.
- On 2 December 2021, **Moody's**:
 - affirmed (P)B2 local currency rating and Aa3.ng national scale rating (NSR) to the NGN300 billion domestic medium-term programme issued by DCP
 - affirmed DCP's B2 long term corporate family rating (CFR). The rating outlook is stable, similar to that of the sovereign



Sustainability

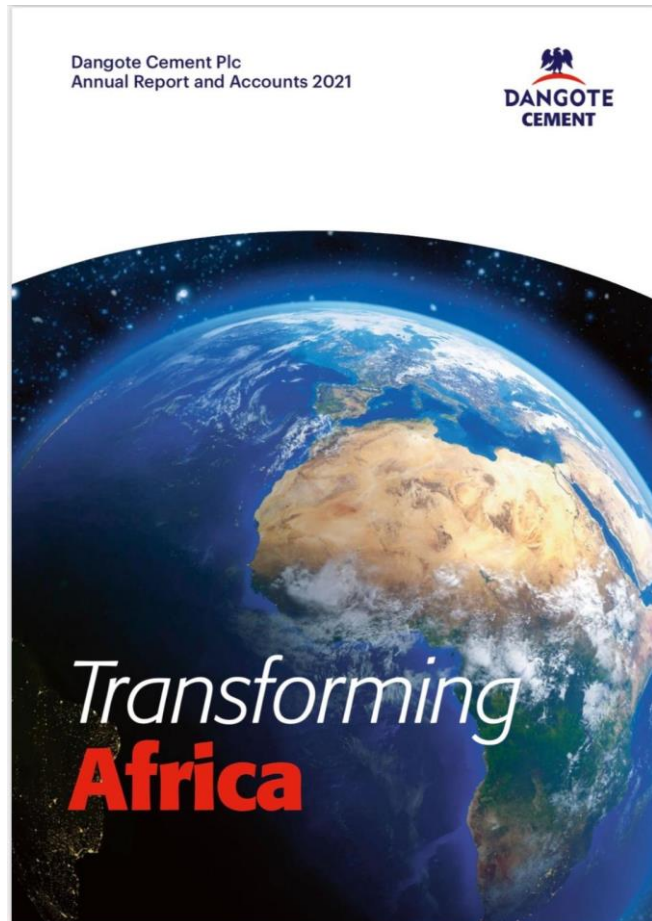


Sustainability & Governance – The Dangote Way

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



We released our **2021 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



Global Cement and Concrete Association



SEC Code of Corporate Governance



Nigerian Exchange Group



Institutional Pillar – Strong governance framework

5 GENDER
EQUALITY



10 REDUCED
INEQUALITIES



Board of Directors (includes five Independent Directors)

Aliko Dangote	Ernest Ebi *
Michel Puchercos	Devakumar Edwin
Olakunle Alake	Emmanuel Ikazoboh *
Cherie Blair*	Philip Mathew
Abdu Dantata	Viswanathan Shankar
Sir Michael Davis*	Dorothy Ufot *
Berlina Moroole	Douraid Zaghouni
	Halima Aliko-Dangote

Diverse Board

Gender diversification: **27%** 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



Circular Economy Model




We have 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

Alternative Fuel Project

DCP's plants are installing AF equipment (Mechanical Multi-Fuel systems) that can process diverse types of wastes

- Thermal substitution rate is estimated at **3.3%** for H1 2022 vs. 2.0% in H1 2021.
- DCP co-processed **67,230 tons** of waste in H1 2022, an increase of **25%** over H1 2021

Top wastes co-processed in H1 include:		
1	Palm kernel shell	 Palm kernel shell
2	Coffee Husk	
3	Paper waste	
4	Coconut husk	

	H1 2022	H1 2021	%
Energy consumption (Kcal/kg)	935	904	3.3%
CO2 emission (kg CO2/tonne)	627	643	(2.5%)
Water consumption (lt/tonne)	299	240	14%

Environmental Pillar – AF usage across our operations

Current AF usage

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



Carbon pellet,
Agro waste
peanuts

Coffee husk,
saw dust,
whole tires

Cut tires

PKS
Rice husk

Cashew nut shell,
scrap tires, paper
waste, saw dust,
waste plastics

Small tires,
saw dust, PP
bags, fly Ash

Fly ash

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 – CDP rating upgraded to B-

12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13 CLIMATE
ACTION



B-

- Submission to Carbon Disclosure Project (CDP)
- Rated “B-” by CDP on our carbon disclosure for 2021
- One of the highest ratings in Sub-Saharan Africa and the only Nigeria company rated by CDP
- In 2021 DCP became a CDP supporter.

CDP™
SUPPORTER
2021



“ 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

C

2019

Awareness band:
Knowledge of impacts on, and of, climate issues

C

2020

Awareness band:
Knowledge of impacts on, and of, climate issues

B-

2021

Management band:
Taking coordinated action on climate issues

World Environment Day (WED) Commemoration

560 webinar participants

7,205 trees planted

Over **2,894** employees volunteered for various environment friendly initiatives

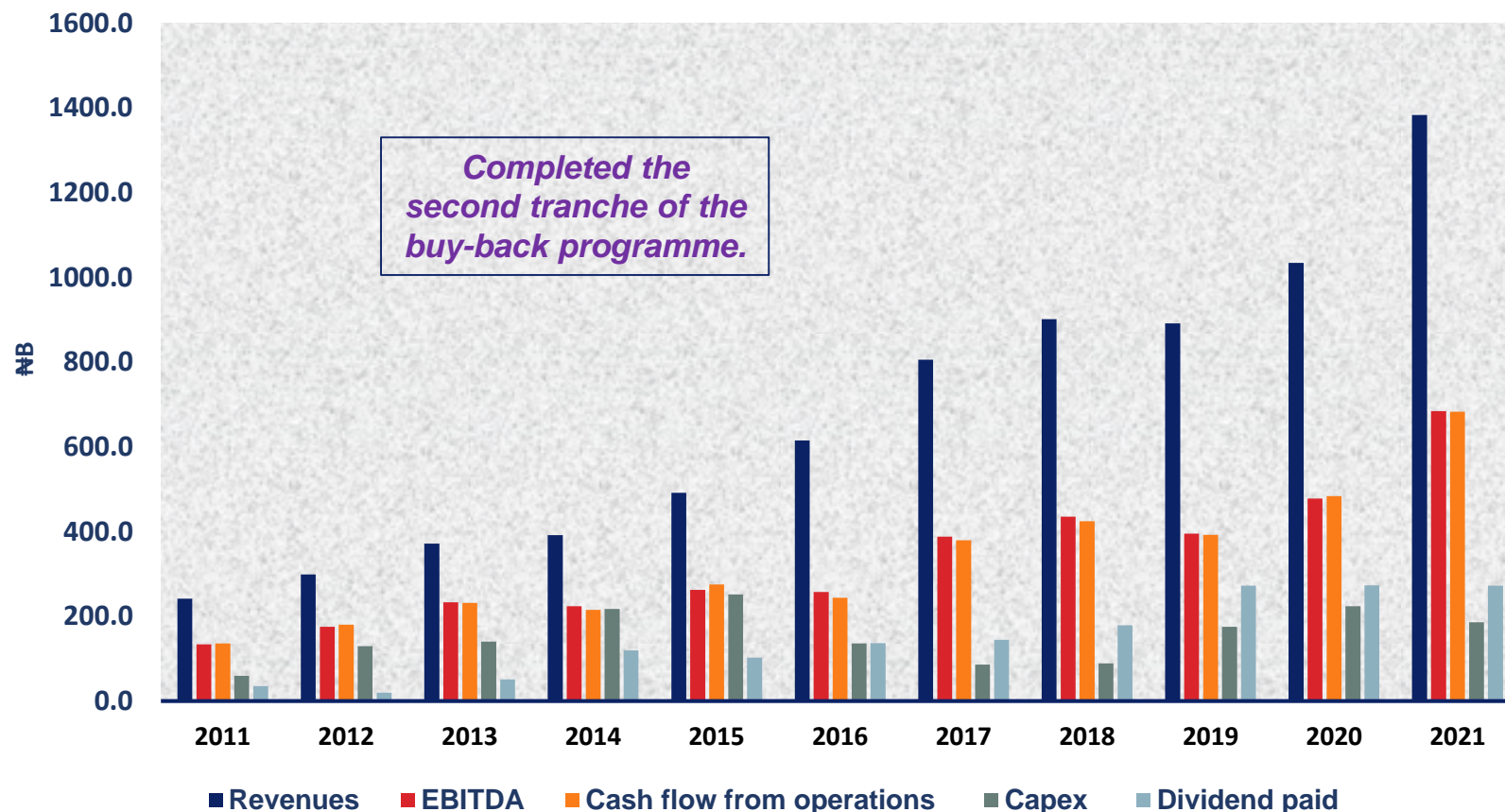


Financial Pillar – Creating value for shareholders

8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



19% 11-year CAGR

REVENUE

18% 11-year CAGR

EBITDA

23% 11-year CAGR

DIVIDEND

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 strongly 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

**5 GENDER
EQUALITY**



**11 SUSTAINABLE CITIES
AND COMMUNITIES**



International Women's Day celebration



48 CSR projects completed in H1 2022

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

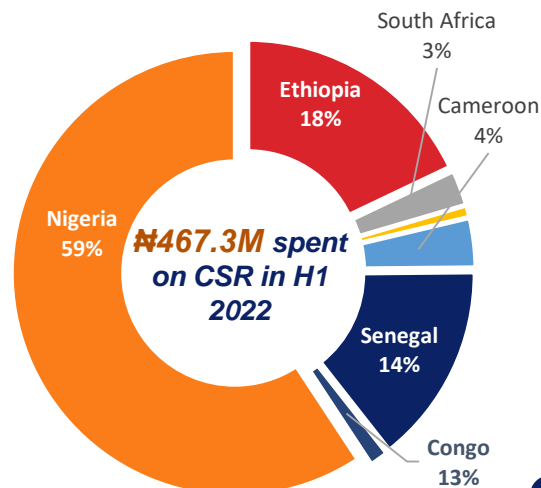


Dangote Cement women plant tree



Presentation of food and other household

Growth in CSR investments, ₦mn



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