

H1 2023 results

UNAUDITED RESULTS FOR SIX MONTHS ENDED
30th JUNE 2023



31st July 2023

@dangotecement



www.dangotecement.com



H1 2023: Recurring PAT up 37.4% at ₦292.2B

FINANCIAL

OPERATIONAL

SUSTAINABILITY SDG Alignment

Group revenue up 17.7%
to **₦950.8B**

Strong pan-Africa volumes
up 11.6% to 5.4Mt

29% female Board
representation

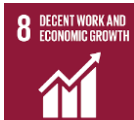
Diverse Board with **4**
different nationalities



Record pan-Africa
EBITDA up 195.2% to
₦93.6B

Commenced operations at
our 0.4Mta grinding plant
in Ghana

Completed Tranche I of
the second share buyback
programme,
repurchasing **0.71%** of
shares outstanding



Recurring PAT up 37.4%
to **₦292.2B**

Commenced clinker
exports from Congo to
Cameroon

7.9% alternative fuel
thermal substitution rate
versus 3.3% in H1 2022

6 alternative fuel
projects completed across
the Group.



Creating Sustainable Value for all Shareholders

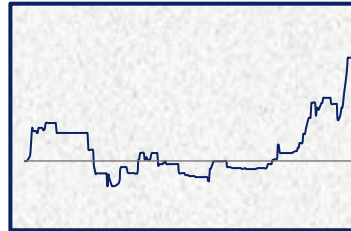
The year so far.....



February

Itori Cement Plant

Signed MoU for planned 6Mta Itori Cement Plant



March

2nd Buyback Programme

Received regulatory approval for DCPs second share buyback programme



March

Commercial Paper

Issued Commercial Papers for working capital purpose



April

AGM

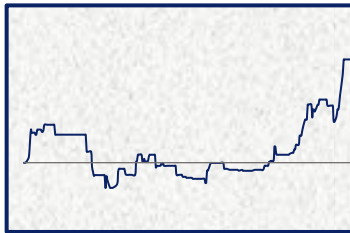
Released our 2022 combined Annual and Sustainability Report



June

Grinding Plant

Commenced operations at our 0.4Mta grinding plant in Ghana



July

Share Buyback

Completed Tranche 1 of DCPs share buyback programme

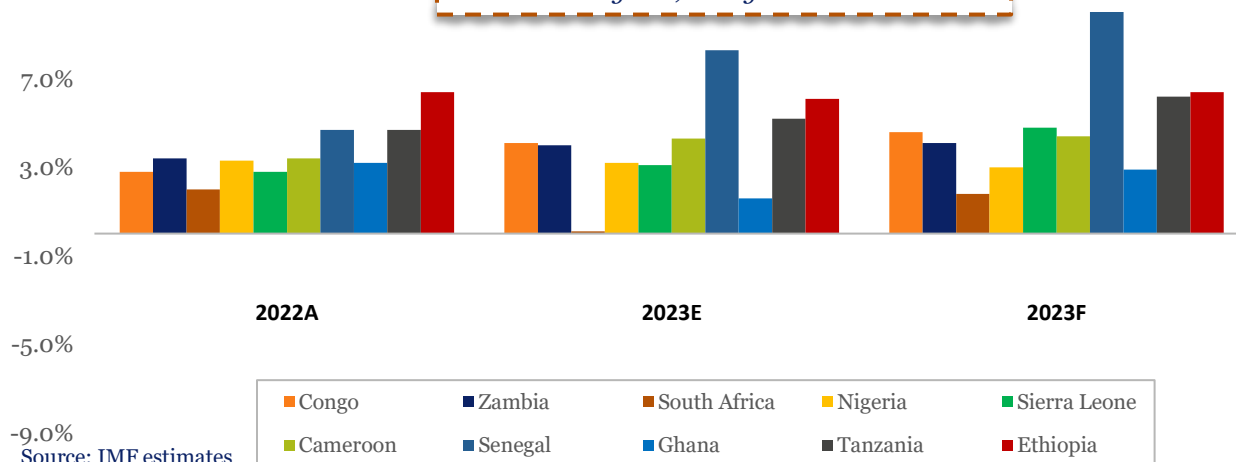
SSA - Macro-economic environment

- Sub-Saharan Africa (SSA) is estimated to grow at a slower pace of 3.6% in 2023 from 3.9% in 2022. This is due to the challenges of accelerating commodity prices, fiscal imbalance and a pile up of public debt, which the region is still confronted with.
- For our operations, we have implemented a robust cost reduction strategy and a performance improvement plan, which propelled strong demand in pan-Africa and sustain our business on a path of growth.
- Senegal, Tanzania and Zambia are among fastest growing countries in the region in 2023



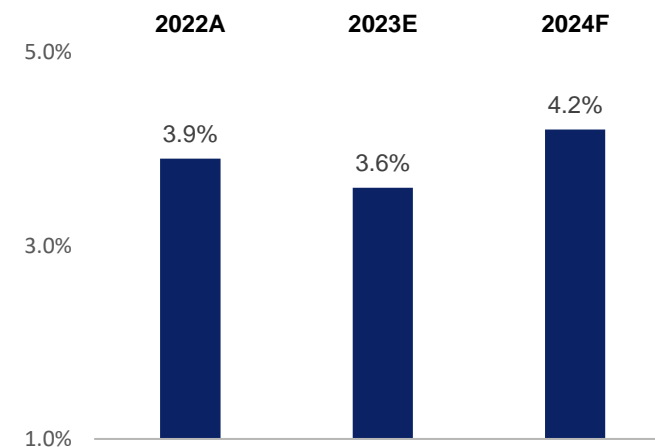
GDP growth across our operating environment

2023 – all countries of operation are estimated to grow, though slower than 2022



Source: IMF estimates

SSA GDP growth



Nigeria - Macro-economic environment

Economic Growth

- Nigeria's GDP grew at a slower pace of 2.3% in Q1 2023 from 3.11% in Q1 2022, as election uncertainty and an acute naira shortage impeded growth.
- The IMF forecast economic growth of 3.2% in 2023, lower than the 3.3% growth in 2022.
- Major downside to this outlook is tighter monetary stance due to accelerating inflation and a fall in oil price and production.

Interest Rate

- The CBN hiked MPR for eight-consecutive time over the last 12 months to 18.7%, in a sustained move to control accelerating inflation.
- Average T-bills rate closed at 3.87% at end of June 2023, compared to 4.4% at end of 2022, highlighting the downward yield curve of fixed income securities in the period.

Exchange Rate

- In the second quarter, Nigeria floated the naira, allowing for market determined rates of the domestic currency.
- The naira weakened from ₦461.1/\$1 at the end of 2022 to ₦756.2/\$ at the end of June 2023.
- External reserve stood at \$34.1 billion as at end of June, down 8.0% from \$37.1 billion as at year end 2022.

Fiscal Policy

- The Federal Government approved ₦21.8trillion budget for the 2023 fiscal year, at an oil benchmark of \$75 per barrel, oil production at 1.7mb, and an exchange rate of ₦435.6/\$.
- A total of ₦11.1 trillion is expected as revenue from oil and non-oil sources, leaving a deficit of ₦10.8trillion to be financed through borrowing.

Inflation

- Headline inflation rate accelerated to 22.79% YoY in June 2023, on the back of disruption in food supply and increases in import costs.
- Food inflation quickened to 25.25% whilst core inflation rose 20.27% in June.

Oil Production

- Nigeria's oil production averaged 1.3mb/d in H1 2023, relatively flat year-on-year.
- Oil production was impacted by oil theft, declining offshore investments and a fall in rig counts.

Nigeria transitioned to a new government in the second quarter after holding its election cycle in March

Financial and Operational Overview



Q2 2023 – Robust performance on improved volumes



Group EBITDA up 58.8% YoY at ₦257.5B

Three months ended June	Q2 2023	Q2 2022	Change
Sales volumes*	'000t	'000t	%
Nigeria volumes	4,466	4,509	(1.0)
Pan-African volumes	2,799	2,449	14.3
Inter-company sales	(115)		
Total	7,149	6,958	2.7
Revenues	₦m	₦m	
Nigeria	338,230	301,063	12.3
Pan-Africa	209,982	93,793	123.9
Inter-company sales	(4,102)		
Total	544,110	394,856	37.8
EBITDA	₦m	₦m	
Nigeria**	200,438	152,838	31.1
Pan-Africa**	62,487	13,495	363.0
Inter-company and central costs	(5,378)	(4,191)	-
Total	257,547	162,142	58.8
EBITDA margin**	%	%	
Nigeria	59.3%	50.8%	8.5pp
Pan-Africa	29.8%	14.4%	15.4pp
Group	47.3%	41.1%	6.3pp

Financial

- Group revenues up 37.8% at ₦544.1B
- Pan Africa revenue more than doubled to ₦210.0B
- Group EBITDA up 58.8%; with a margin of 47.3%
- Record pan-Africa EBITDA up over 3x to ₦62.5B; 29.8% margin
- Nigeria EBITDA up 31.1%
- Group profit after tax up 4.3% to ₦69.1B
- EPS up at ₦3.95

Operational

- Group volumes up 2.7% to 7.1Mt
- Pan-Africa volumes up 14.3% on strong performance from Ethiopia, Tanzania, Senegal, Zambia and Congo
- Commenced operations at our 0.4Mta grinding plant in Ghana
- Commenced clinker exports from Congo to Cameroon
- Completed Tranche I of the second share buyback programme

* Sales volume include cement and clinker

**Before corporate costs and eliminations

H1 2023 – Impressive first half performance



Recurring PAT up 37.4% to ₦292.2B

Six months ended June	H1 2023	H1 2022	Change
Sales volumes*	'000t	'000t	%
Nigeria volumes	8,108	9,342	(13.2)
Pan-African volumes	5,427	4,863	11.6
Inter-company sales	(115)		
Total	13,420	14,206	(5.5)
Revenues	₦m	₦m	
Nigeria	618,545	622,981	(0.7)
Pan-Africa	336,389	185,056	81.8
Inter-company sales	(4,102)		
Total	950,832	808,037	17.7
EBITDA	₦m	₦m	
Nigeria**	359,056	349,386	2.8
Pan-Africa**	93,649	31,720	195.2
Inter-company and central costs	(9,450)	(7,943)	19.0
Total	443,255	373,163	18.8
EBITDA margin**	%	%	
Nigeria	58.0%	56.1%	2.0pp
Pan-Africa	27.8%	17.1%	10.7pp
Group	46.6%	46.2%	0.4pp
Recurring PAT***	292,229	212,761	37.4

* Sales volume include cement and clinker

**Before corporate costs and eliminations

***PAT excluding non-cash FX loss

Financial

- Group revenues up 17.7%
- Group EBITDA up 18.8%; with a margin of 46.6%
- Record pan-Africa EBITDA up two-folds to ₦93.6B; 27.8% margin
- Nigeria EBITDA up 2.8%
- Recurring PAT (excluding FX loss) up 37.4% to ₦292.2B
- Net debt at ₦480.5B; net gearing of 36.6%
- EPS up at ₦10.39

Operational

- Group volumes down 5.5% to 13.4Mt
- Pan-Africa volumes up 11.6% on strong performance from Ethiopia, Cameroon, Senegal, Zambia and Congo.
- Improved energy supply in Nigeria and pan-Africa
- Planned 6Mta Itori Plant to boost total capacity
- Election uncertainty, cash unavailability and FX devaluation impacted Nigeria volumes

Group Financial Overview

Income Statement

	H1 2023 ₦m	H1 2022 ₦m	% change
Revenue	950,832	808,037	17.7%
Cost of sales	(383,088)	(322,461)	18.8%
Gross profit	567,744	485,576	16.9%
<i>Gross margin</i>	59.7%	60.1%	<i>(0.4pp)</i>
EBITDA	443,255	373,163	18.8%
<i>EBITDA margin</i>	46.6%	46.2%	0.4pp
EBIT	380,036	318,121	19.5%
<i>EBIT margin</i>	40.0%	39.4%	0.6%
Finance income	16,207	22,001	(26.3%)
FX loss	(113,626)	(40,657)	179.5%
Interest expense and other cost	(49,424)	(34,575)	42.9%
Gains on monetary assets	6,670	-	
Profit before tax	239,863	264,890	(9.4%)
Income tax (expense)/credit	(61,260)	(92,786)	(34.0%)
Profit for the period	178,603	172,104	3.8%
Recurring PAT*	292,229	212,761	37.4%
Earnings per share	10.39	10.10	2.9%

*PAT excluding non-cash FX loss



Group Financial Overview (cont'd)

Movement in debt

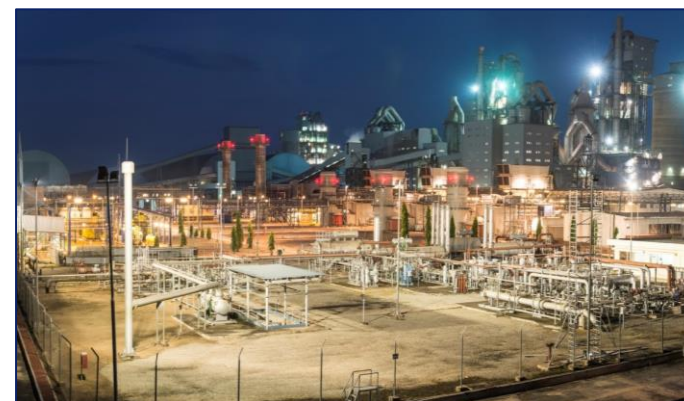
	Cash ₦m	Debt ₦m	Net debt ₦m
As at 31st December 2022	283,843	(706,734)	(422,891)
Cash from operations before working capital changes	391,566	-	391,566
Change in working capital	14,285	-	14,285
Income tax paid	(55,731)	-	(55,731)
Additions to fixed assets	(31,836)	-	(31,836)
Loans repaid by related party	143,812	-	143,812
Change in non-current prepayments and payables	(1,607)	-	(1,607)
Other investing activities	(97)	-	(97)
Net Lease receivables	4,540	-	4,540
Net dividend received	(337,471)	-	(337,471)
Net interest payment	(31,993)	-	(31,993)
Net loans obtained (repaid)	59,652	(59,652)	-
Overdraft	(115,255)	115,255	-
Other cash and non-cash movements	(2,947)	(150,127)	(153,074)
As at 30th June 2023	320,761	(801,258)	(480,497)



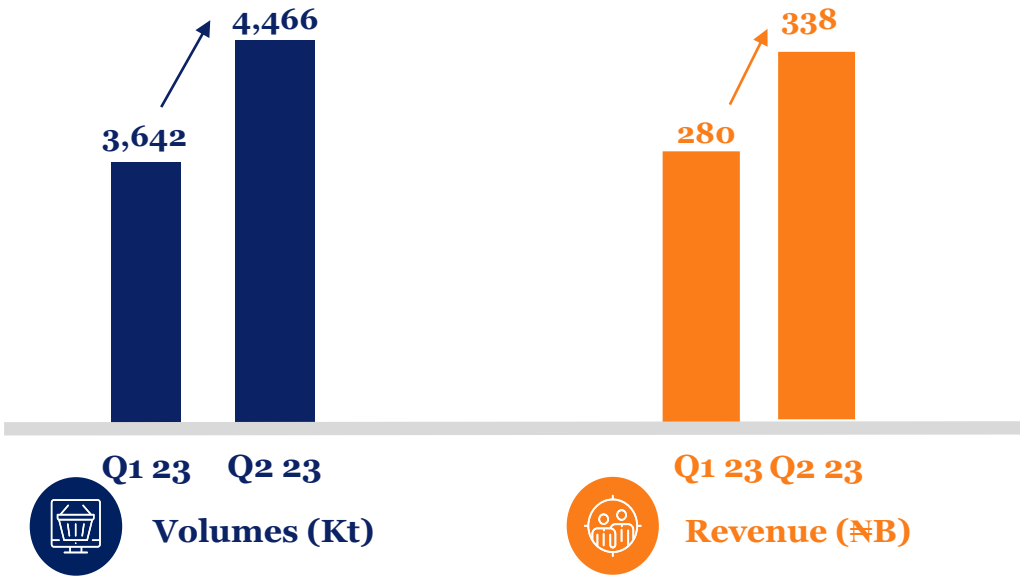
Group Financial Overview (cont'd)

Balance Sheet

	As at 30/6/23 ₦m	As at 31/12/22 ₦m
Property, plant and equipment	2,016,424	1,527,293
Other non-current assets	79,126	58,676
Intangible Assets	10,981	6,225
Current Assets	760,782	739,618
Cash and Cash Equivalents	320,761	283,843
Total Assets	3,188,074	2,615,655
Non-current liabilities	189,626	181,525
Current liabilities	884,813	648,449
Debt	801,258	706,734
Total Liabilities	1,875,697	1,536,708
Net Asset	1,312,377	1,078,947



Nigeria - Strong Q2 recovery on improved economic activities



- Nigeria Q2 results showed strong recovery, with volumes and revenue up 22.6% and 20.7%, respectively over Q1 numbers
- However, H1 2023 volumes were down, due to the election uncertainties and the currency crunch in the first quarter
- H1 revenues for the Nigeria operations declined slightly by 0.7% to ₦618.5B
- H1 EBITDA was up 2.8% to ₦359.1B, supported by effective cost management in the period
- Exported clinker from Nigeria to Ghana and Cameroon
- Net FX gain of ₦462.8B coming from our pan-Africa assets

Financial Summary - Nigeria

Six months ended 30th June	2023	2022	Change
Total volumes (Kt)	8,108	9,342	-13.2%
Revenue (₦m)	618,545	622,981	-0.7%
EBITDA ** (₦m)	359,056	349,386	2.8%
EBITDA margin**	58.0%	56.1%	2pp

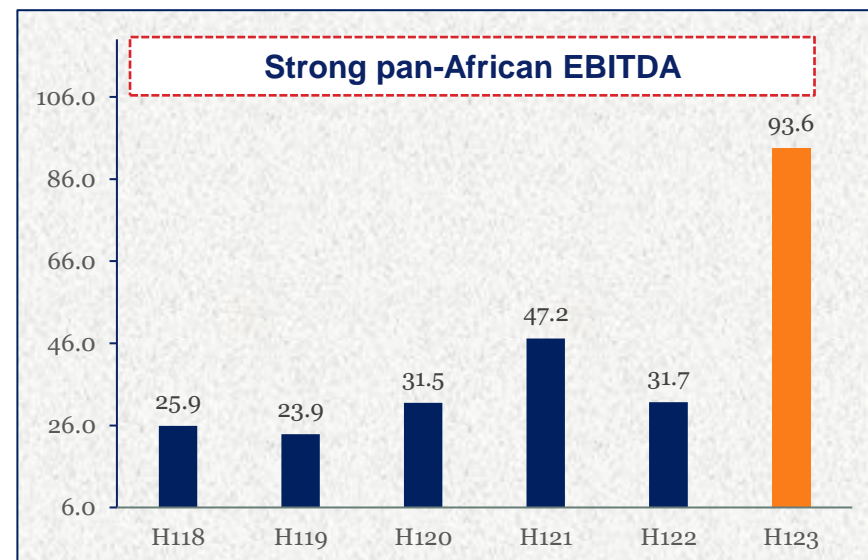


**Before corporate costs and inter-company eliminations

Pan-Africa – Record EBITDA, up two-folds

Solid pan-African growth, reinforcing our Africa strategy

- Volumes up 11.6% to 5.4Mt, driven by strong volume growth from Ethiopia, Senegal, Cameroon, Congo and Zambia
- Revenues up 81.8% to ₦336.4B, on improved sales
- Two-folds increase in EBITDA to ₦93.6B with a record margin of 27.8%
- Capacity maximisation in Senegal, Ethiopia and Cameroon
- Commenced operations at our 0.4Mta grinding plant in Ghana
- Exported clinker from Congo to Cameroon
- Advanced stage in the deployment of 1.5Mta grinding plant in Cote d'Ivoire



Financial Summary – Pan-Africa

Six months ended 30 th June	2023	2022	Change
Total volumes (Kt)	5,427	4,863	11.6%
Revenue (₦m)	336,389	185,056	81.8%
EBITDA** (₦m)	93,649	31,720	195.2%
EBITDA margin**	27.8%	17.1%	10.7pp



• *Before corporate costs and eliminations

Country updates



CAMEROON

- Estimated 2.1Mt total market sales in H1 2023
- Ongoing constructions of roads and bridges
- An increase in developmental projects in various regions are expected to spur cement demand in the near term
- DCP Cameroon sold 700Kt in H1 2023, up 6.4%



CONGO

- Estimated market sales of 389Kt in H1 2023
- Clinker exports to Cameroon commenced in June
- DCP Congo sold 349Kt in H1 2023, 77.9% increase on the 196Kt sold in the prior year



ETHIOPIA

- Estimated 3.4Mt total market sales in H1 2023
- DCP sales of 1.2Mt in H1 2023 was up by 8.6% compared to H1 2022
- The growth in volume was due to improved clinker production and the increasing number of private and government infrastructural projects

Country updates



GHANA

- Estimated over 3.3Mt total market sales in H1 2023
- DCP Ghana sold 145Kt of cement in H1 2023, up 23.6% year on year
- Dangote Cement Ghana took coordinated steps in improving retail footprints and product availability that translated into improved sales
- Commenced operations at our 0.4Mta grinding plant in Takoradi



SENEGAL

- Estimated total market sales of 4.9Mt in H1 2023
- DCP sold 890.5Kt of cement in the period, up by 38.5% year-on-year.
- Ongoing infrastructural project including Diam Niadio-Mbour-Kaolack road project should support the growth of cement sales
- Our operation in Senegal is operating at full capacity



SIERRA LEONE

- Estimated market sales of 418Kt in H1 2023
- Pockets of stock shortages impacted volumes for the year
- Dangote Cement Sierra Leone sold 35.2Kt of cement in the period

Country updates



SOUTH AFRICA

- GDP growth in South Africa remains low with a subdued outlook
- Alternative fuel usage increased, with Dangote Cement South Africa achieving an average thermal substitution rate of 61.1% in H1 2023
- Our sales volumes for H1 2023 was up by 1.5%, year-on-year



TANZANIA

- Estimated 1.7Mt total market sales for H1 2023
- DCP sold 932.4Kt for H1 2023, down by 1.2%
- Volumes were impacted by high unanticipated rainfall affecting construction activities and transportation challenges



ZAMBIA

- Estimated 1.1Mt total market sales for H1 2023
- DCP Zambia sold 315.5Kt of cement in H1 2023, up by 14.2%
- Volume growth was supported by improved exports to neighbouring countries

Debt and Liquidity

Robust Capital Structure



Track record of accessing Debt Capital Market

Bond Programme

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

Outstanding Bonds				
Bond	Date issued	Tranches (₦bn)	Pricing	Maturity
₦100B	April 2020	-	12.5%	2025
₦50B	May 2021	A - 3.6	11.25%	2024
		B - 10.4	12.5%	2026
		C - 35.9	13.5%	2028
₦116B	April 2022	A - 4.3	11.85%	2027
		B - 23.3	12.23%	2029
		C - 88.4	13.0%	2032

Undrawn balance of ₦134 billion on our Bond Programme



Commercial Paper Programme

Upsized our commercial paper programme to ₦300 billion from ₦150 billion

Outstanding Commercial Paper				
Series	Value (₦bn)	Tenor	Pricing	Maturity
Series 4	44.0	183 days	13.0%	09-08-23
Series 5	46.0	267 days	14.0%	01-11-23
Series 6	7.9	176 days	10.4%	05-09-23
Series 7	40.3	267 days	11.5%	05-12-23
Series 8	32.9	183 days	10.0%	16-01-24
Series 9	50.3	267 days	11.5%	09-04-23

- Issued ₦221.4 billion Series 4, 5, 6, 7, 8 and 9 Commercial Paper in H1 2023 for working capital purposes
- Upsized our commercial paper programme to ₦300 billion from ₦150 billion
- Issued an aggregate of over ₦680 billion in Commercial Papers since 2018.

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	₦372.4B	2021-2023
Commercial Paper	10-14%	₦138.8B	2023
Related parties	6%-8.5%	₦38.8B	2021-2025

Bond discount value - ₦263B
Commercial paper discount value - ₦127B

as at the end of June 2023

RATINGS

- On 21 July 2023, **Global Credit Ratings**
 - long-term Issuer rating affirmed at AA+ (NG), with a stable outlook, while the short-term issuer rating at A1+(NG) was with a stable outlook
 - 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.
- February 2023, **Moody's**:
 - (P)B3 local currency rating and Baa3.ng national scale rating (NSR) to the NGN300 billion domestic medium-term programme issued by DCP.
 - Caa1 long term corporate family rating (CFR). The rating outlook is stable, similar to that of the sovereign.



Sustainability



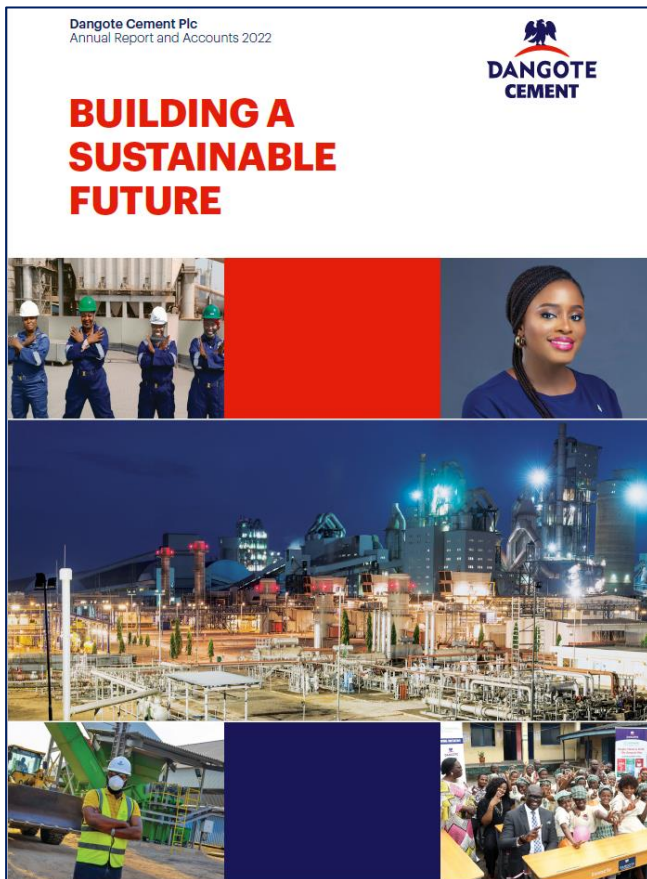
Sustainability & Governance – The Dangote Way



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

We released our **2022 combined Annual Report and Sustainability Report** with ESG data presented as per **Global Reporting Initiative (GRI)** referential and external assurance by Deloitte.

Sustainability Reporting Best Practices



SEC Code of Corporate Governance



Strong governance framework

5 GENDER EQUALITY



10 REDUCED INEQUALITIES



Board of Directors
(includes five Independent Directors)

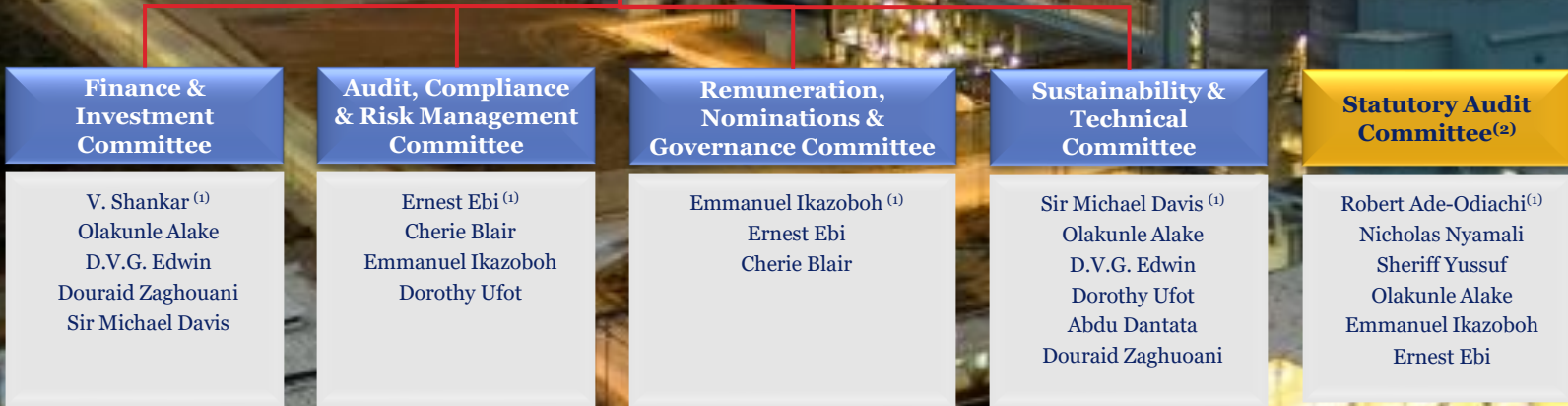
Aliko Dangote	Ernest Ebi *
Arvind Pathak	Devakumar Edwin
Olakunle Alake	Emmanuel Ikazoboh *
Cherie Blair*	Philip Mathew
Abdu Dantata	Viswanathan Shankar
Sir Michael Davis*	Dorothy Ufot *
Berlina Moroole	Douraid Zaghouni
	Halima Aliko-Dangote

Diverse Board

*Gender diversification: **29%** female Board members*

4 different nationalities

4 Independent Non-Executive Directors



The Board of Directors approved the appointment of Mr. Alvaro Poncioni Mérian as Independent Non-Executive Director effective 1 August 2023.

Note: * denotes Independent Non-Executive Directors.
 1. Chairman of Committee
 2. The Statutory Audit Committee is not a Committee of the Board

ESG is at the heart of Our Operation (H1 2023 highlights)



Environmental

- Alternative Fuel Thermal Substitution Rate (TSR) at 7.9% in H1 2023 versus 3.3% in H1 2022
- 6 alternative fuel projects completed across the Group
- 169,919 tonnes of biomass co-processed in DCP kilns
- Increased the use of Compressed Natural Gas (CNG) for our trucks due to the rising diesel cost environment



Social

- N822 million spent on social intervention activities across the Group in H1 2023
- Employee welfare programme to cushion effect of high inflationary environment
- Launched short-term incentive and DCP employee recognition programme



Governance

- AGM held in April, where shareholders approved a dividend of N20.00 per share.
- Completed Tranche I of second share buyback programme, repurchasing 0.71% of shares outstanding
- Implementing an effective Internal Control over Financial Reporting (ICOFR) risk assessment

Sustainability performance highlights



CO2 emission ↓

575kg CO2/tonne

H12022: 597kg CO2/tonne



Energy consumption ↓

803 Kcal/kg

H12022: 810 Kcal/kg



Water consumption ↓

218 liters/tonne

H12022: 234 liters/tonne

CDP rating upgraded to B



B

2022
Sustained progress in climate and environmental sustainability disclosure

B-

2021
Management band:
Taking coordinated action on climate issues

C

2020
Awareness band:
Knowledge of impacts on, and of, climate issues

Action to Protect Nature

- Biodiversity awareness in all countries
- Tracking of mines rehabilitation plans using, EPRP, GCCA Sustainability Charter, and IUCN Integrated Biodiversity Management System (IBMS)



B

- Submission to Carbon Disclosure Project (CDP)
- Rated “**B**” by CDP on our carbon disclosure for 2022, second consecutive upgrade
- 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

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION



CDP™
SUPPORTER
2021



Diversity and Integration

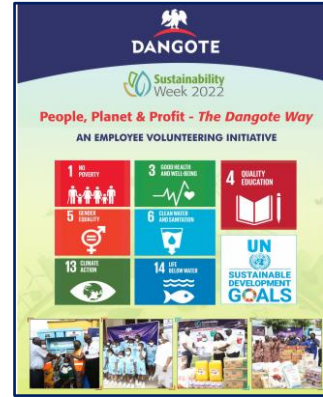
5 GENDER EQUALITY

11 SUSTAINABLE CITIES AND COMMUNITIES

International Women's Day celebration



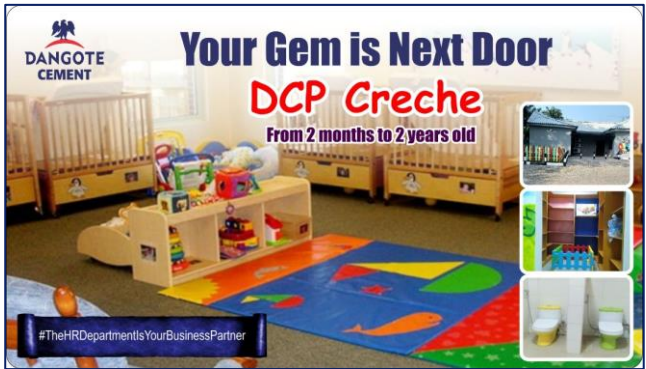
Sustainability week



Theme: "People, Planet and Profit –The Dangote Way"

₦822 million spent on CSR in H1 2023 up 56.9% YoY

Diversity and Integration



- Launch of Dangote Cement crèche to support workplace childcare.
- To promote gender diversity, Dangote Cement joined Nigeria2Equal programme through the Dangote Women Network (DWN).



Dangote Cement women plant tree



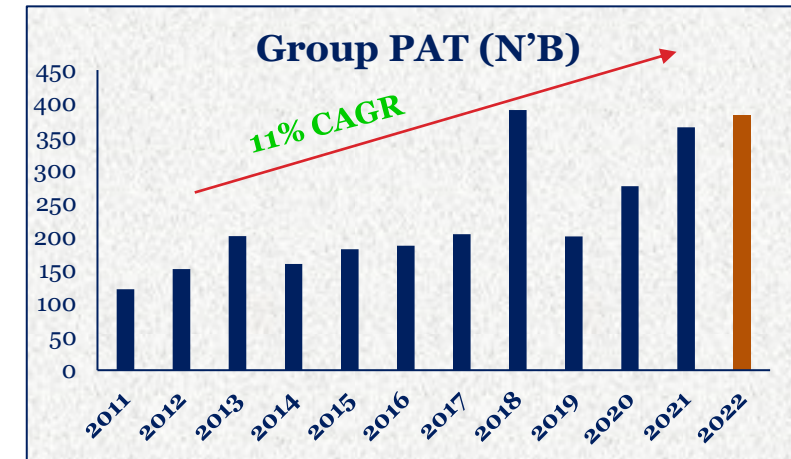
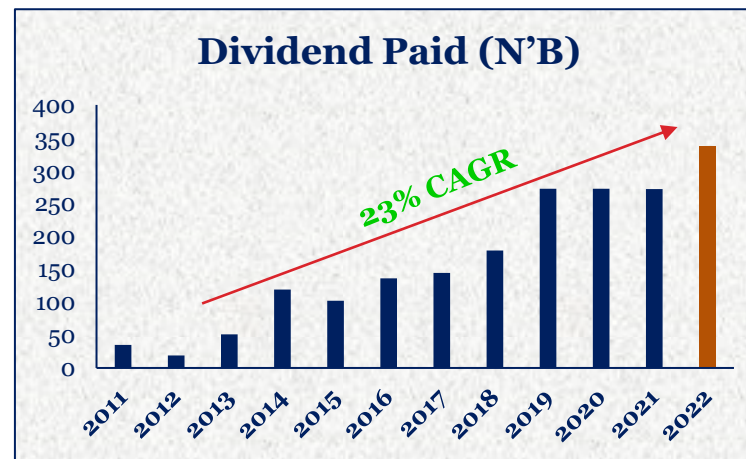
Sustainability week

Outstanding Financial Performance



2022 Group revenue up
17.0% at
₦1,618.3B

2022 Group EBITDA up
3.5% at
₦708.2B



2022 PAT up 4.9% at
₦382.3B

Market capitalisation*
₦5,998.3bn

Over the past 12 years DCP has paid over ₦1.9 trillion in dividends to shareholders

*as at 27 July 2023

For further information contact:

Temí Aduroja

Head of Investor Relations

Dangote Cement Plc

+234 915 469 1597

InvestorRelationsDangoteCement@dangote.com



@dangotecement



www.dangotecement.com

