

Chief Executive Officer's statement



■ **Arvind Pathak**
Group Managing Director

Leading Africa's cement future

One-on-one with our GMD



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1. How does the theme “Resilient Future: Our Commitment for Tomorrow” reflect Dangote Cement's strategic positioning, and what does resilience mean for DCP's business model?

Resilience, for Dangote Cement, means the ability to deliver consistent performance across economic cycles while building long-term competitive advantages. Our resilience is anchored in scale, cost leadership, geographic diversification across over 11 African markets, and strong local production networks. In 2025, these strengths enabled us to maintain stronger EBITDA margins of 46%, generate strong cash flows, and fund growth internally despite currency volatility, energy shocks, and inflationary pressures across our markets. In essence, resilience means we don't just survive challenges, we emerge stronger.

2. 2025 saw record export growth of 18.6%, with cement and clinker exports reaching 1.4 million tonnes. What drove this exceptional performance, and how does the export strategy position Dangote Cement to achieve the ambitious target of 10 million tonnes by 2030?

Our export performance was driven by three key factors: improved operating efficiency across our plants, the strength of our logistics platform anchored by the Apapa and Onne terminals, and growing regional demand. In 2025, we completed over 34 clinker shipments, up from just 10 shipments three years earlier. This momentum has delivered a five-year export CAGR of 33 percent. With West and Central Africa still importing millions of tonnes of cement and clinker annually from Europe and Asia, we are steadily replacing a high cost and inefficient supply chain. The 6Mta Itori plant, purpose built to serve both domestic and export markets, provides the capacity base to support our 10 million tonne export ambition.

3. The 6Mta Itori integrated plant represents a transformational asset for Nigeria's cement industry. Can you provide an update on the project's progress and explain how it will reshape DCP's competitive position in both domestic and export markets?

The 6Mta Itori integrated plant is progressing in line with schedule and will be transformational for our export strategy. As an integrated facility with a kiln, grinding, and captive power, it will deliver the lowest-cost production in our network. Its location in Ogun State offers a strategic advantage, providing seamless access to Lagos, the country's largest demand centre, as well as direct connectivity to our export corridors. Once operational, Itori will materially increase our ability to serve regional markets where shipping from Nigeria is 30-40% cheaper than European imports. This isn't just about adding capacity; it is about cementing Nigeria's role as West and Central Africa's cement hub and strengthening our position as the continent's lowest-cost producer.

4. Dangote Cement has pioneered CNG adoption at an unprecedented scale in Africa's cement industry, with over 3,000 full CNG trucks deployed and plans to complete the fleet transition by 2027. What strategic considerations drove this bold move, and what lessons have you learned that could be applied across our pan-African operations?

The decision was driven by economics and sustainability in equal measure. CNG trucks deliver over 60% fuel cost savings versus diesel, while dual-fuel trucks save 25%. With over 3,000 of these trucks in our fleet, the savings are material. We are the first mover at this scale in African cement, and that creates competitive advantages competitors cannot easily replicate. Plans are also underway to acquire electric trucks in some of our pan-African markets, where gas supply isn't sufficient. The lesson for pan-Africa is clear: energy transition isn't just environmental; it is a cost competitiveness imperative. We are already replicating this model in Tanzania, and we will continue deploying CNG where infrastructure permits. By 2027, our entire Nigerian logistics fleet will be CNG-powered, embedding permanent cost advantages into our business model.

Expanding our export capabilities by augmenting existing port assets is on the front burner. As barriers fall and intra-African trade grows, we are positioned as the backbone of Africa's cement supply.

5. Dangote Cement successfully transformed its foreign exchange position from a monthly shortfall to a surplus. What specific initiatives drove this remarkable turnaround, and how sustainable is this achievement as you scale your export ambitions?

The turnaround came from three initiatives: accelerated export growth generating FX revenues, aggressive local sourcing reducing import dependency, and improved working capital management. We have moved from a \$20 million monthly shortfall to over \$200,000 monthly surplus, with further improvement expected as exports scale. This isn't a temporary fix; it is structural. As we approach our 10Mt export target by 2030, FX generation will strengthen further. We are also reducing exposure through local sourcing of raw materials and ramping up

AF usage. The combination creates a natural hedge that improves as our regional trade model matures.

6. With capacity expansion underway in Ethiopia, Cameroon, South Africa, Zambia and Senegal, how do you evaluate and prioritise capital allocation across your diverse African markets? What criteria determine where you invest next?

Our framework is disciplined: we invest where we see strong demand fundamentals, attractive returns above our cost of capital, and competitive advantages we can defend. Ethiopia's \$400 million expansion reflects exceptional long-term growth driven by infrastructure development and urbanisation. Cameroon, South Africa, and Senegal expansions respond to specific market opportunities where we have established positions. We favor markets where AfCFTA and regional trade agreements improve cross-border economics. Our track record of on-time, on-budget commissioning from Obajana to Côte d'Ivoire demonstrates this capability.

7. The African Continental Free Trade Area (AfCFTA) promises to transform intra-regional trade. How is Dangote Cement positioned to capitalise on this structural shift, and what concrete steps are you taking to prepare for increased cross-border commerce?

AfCFTA is a structural tailwind for our business model. We already operate across 11 countries, giving us the footprint to serve regional demand efficiently. Our export to import model is exactly what AfCFTA is designed to enable. Reduced tariffs and streamlined customs make our regional supply chain more competitive versus imports. We are investing ahead of full AfCFTA implementation: export terminals are operational, logistics networks are expanding, and our production footprint covers key regional markets. Expanding our export capabilities by augmenting existing port assets is on the front burner. As barriers fall and intra-African trade grows, we are positioned as the backbone of Africa's cement supply.

8. DCP's Customer Truck Empowerment Scheme has provided over 4,000 trucks to customers, creating entrepreneurial opportunities while strengthening your distribution network. How do you see this model evolving, and what

other innovative approaches is the business exploring to deepen customer relationships?

The scheme is a genuine win-win. We expand distribution capacity without proportional capital intensity, customers build equity and businesses, and loyalty deepens. In 2025, over 200 new trucks were extended to customers under the scheme. We're scaling this model and exploring similar partnership approaches in other areas—potentially containers, retail infrastructure, and digital tools that help customers run better businesses. Our 65,000+ retail outlet network provides daily customer touchpoints; we're investing in training, merchandising support, and digital payment systems that make doing business with us easier. The principle is consistent: align our success with customer success, and both sides benefit sustainably.

We have commissioned multiple plants across Africa, built proven operational capabilities, and demonstrated resilience through previous cycles.

9. Digital transformation is reshaping industries globally. How are technologies like AI-driven analytics, your Distributor Management System, and Electronic Proof of Delivery changing how Dangote Cement operates, and where do you see the greatest opportunities for technology to create competitive advantage?

Digital transformation is driving tangible operational gains. Our DMS provides real time inventory visibility across 65,000 outlets, reducing stockouts and optimising working capital. ePOD removes paper-based workflows, shortens payment cycles, and enhances transparency. AI analytics support demand forecasting, route optimisation, and predictive maintenance. A total of 12 cement mill and two kiln optimisers have been installed across our plants in Nigeria and Pan Africa, enabling predictive maintenance and advanced analytics to reduce downtime, enhance reliability, and minimize costs. Our goal is to implement

full installation across the Group by 2027. The competitive advantage lies in the data moat we are building, giving us deeper insight into customer behaviour, demand patterns, and operating performance, and enabling faster, higher quality decisions. While we remain early in this journey, the direction is clear: companies that use data effectively will outperform those that do not, and we are investing to be among them.

10. Looking toward 2030 and beyond, what keeps you most optimistic about Dangote Cement's prospects, and what challenges are you most focused on addressing to ensure you deliver on our vision of making Africa self-sufficient in cement production?

Africa's urbanisation is unstoppable. The continent is adding cities of over 10 million inhabitants by 2035, creating persistent cement demand for decades. Our 80Mta capacity target by 2030, combined with our cost position and regional footprint, positions us to serve this growth profitably. The challenges are execution, delivering Itori and other projects on time and within budget, managing geopolitical and currency volatility across diverse markets, and maintaining cost discipline as we scale. But these are challenges we are equipped to handle. We have commissioned multiple plants across Africa, built proven operational capabilities, and demonstrated resilience through previous cycles. I am optimistic because Africa's trajectory is clear, our strategy is sound, and our team executes. We're not just building cement capacity, we are building Africa's industrial future.



Arvind Pathak
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