H1 2021 UNAUDITED RESULTS

Dangote Cement PLC

30th July 2021

DANGOTE CEMENT

Unaudited results for six months ended 30th June 2021

Demand remains strong across our 10 countries of operation

Recommenced clinker exports from Nigeria

Profit after tax up 51.9% YoY at ₦191.6B

Lagos, 30th July 2021: Dangote Cement PLC (DANGCEM-NL), Africa's largest cement producer, announces unaudited results for the six months ended 30th June 2021.

Financial highlights

- Group revenue up 44.8% to ₦690.5B
- Group EBITDA up 61.0% to ₦351.1B; 50.8% margin
- Pan-Africa EBITDA up 49.8% to ₦47.2B; 23.8% margin
- Profit after tax up 51.9% to ₦191.6B
- Net debt of ₦400.9B; net gearing of 49.8%

Operating highlights

- Group sales volumes up 26.1% to 15.3Mt
- Nigeria volumes up 33.2% to 9.9Mt
- Double-digit volume growth in Pan-Africa of 15.5%
- Recommenced clinker exports from Nigeria in Q2
- Two clinker shipments from our Nigeria terminals; one from Apapa and one from Onne

Capital structure

- Successful issuance of Series 1 Fixed Rate Senior Unsecured Bonds under DCPs new ₦300 billion Multi-Instrument Issuance Programme.
- Buy-back programme renewal approved by the Securities and Exchange Commission
- Dividend of ₦16.00 per share was paid in May 2021, paid one month ahead compared to previous years

Michel Puchercos, Chief Executive Officer, said:

"We are pleased to report a solid set of the results for the first half of the year. Our performance reflects the strong demand across the Group, with increases in revenue and profitability, compared to the same period last year. This strong intrinsic performance is magnified by the lower Q2 2020 results due to the effect of COVID-19. The growth trend continues, and we are focused on meeting the strong market demand across all our countries of operation.

We also continue to maintain a strong focus on health and safety measures in all our engagements with stakeholders. We have learned a lot over the past year on how to mitigate risks associated with COVID-19. We remain committed to protecting our team members and communities by being fully compliant with local laws and regulations.

Our Nigerian business recorded volume growth of 33.2% in H1 2021 at 9.9Mt, with a record EBITDA of ₦311.2B, up 60.1%. We recommenced our clinker exports in the second quarter after taking the strategic decision to pause them. This was to ensure we met the historic volume growth in the Nigerian domestic market since mid-2020. We are improving the output of our existing and new assets and I am happy to announce that our 3Mt Okpella plant is on track to come on stream in the next quarter.

Our Alternative Fuel project which focuses on leveraging waste management solutions, reducing CO2 emissions and sourcing material locally is at an advanced stage. The procurement and installation of the necessary equipment across all plants is ongoing.

In addition, Dangote Cement became the first Nigerian listed company to report its financial results using XBRL format with the IFRS taxonomy. We believe that adopting XBRL reporting will strongly benefit Dangote Cement's existing and potential investors. It represents another step in our continuing efforts to modernise and enhance transparency of, and access to, companies' disclosures.

As Africa's leading cement producer, we are leading the way with our commitment to sustainability and best practices. We are driven by the goal of achieving the highest level of governance and building a sustainable brand for all stakeholders. Transparency and consistency are at the core of every part our business culture."

About Dangote Cement

Dangote Cement is Africa's leading cement producer with 48.6Mta capacity across Africa. A fully integrated quarry-to-customer producer, we have a production capacity of 32.25Mta 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 and our Gboko plant in Benue state has 4Mta. Through our recent investments, Dangote Cement has eliminated Nigeria's dependence on imported cement and has transformed the nation into an exporter of cement and clinker 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), and Zambia (1.5Mta).

Website: www.dangotecement.com

Twitter: @DangoteCement

Conference call details

A conference call for analysts and investors will be held on Monday 2nd August at 3pm Nigeria/UK time. Please register using the link below:

Dangote Cement H1 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 results. The presentation will also be available remotely via the live webcast link.

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SUMMARY OPERATING REVIEW

Sales volumes	6M 2021 '000 tonnes	6M 2020 '000 tonnes	%
Nigeria region			
Cement	9,813	7,382	32.9%
Clinker	57	28	
Nigeria region volumes	**9,869**	**7,410**	**33.2%**
Pan-Africa region			
Cement	5,320	4,672	13.9%
Clinker	145	60	141.0%
Pan-Africa region volumes	**5,465**	**4,732**	**15.5%**
Inter-company sales	(57)	(28)	
Group volumes**	**15,277**	**12,114**	**26.1%**
Revenue	**₦m**	**₦m**	
Nigeria	494,139	332,377	48.7%
Pan-Africa	198,497	145,025	36.9%
Inter-company sales	(2,091)	(550)	-
Total revenue	**690,545**	**476,852**	**44.8%**
EBITDA			
Nigeria*	311,178	194,423	60.1%
Pan-Africa*	47,184	31,507	49.8%
Central costs & eliminations	(7,297)	(7,859)	-
Total EBITDA	**351,065**	**218,071**	**61.0%**
EBITDA margins			
Nigeria*	63.0%	58.5%	4.5pp
Pan-Africa*	23.8%	21.7%	2.1pp
Group EBITDA margins	**50.8%**	**45.7%**	**5.1pp**
Profit before tax	281,254	162,851	72.7%
Tax charge	(89,624)	(36,708)	144.2%
Group net profit	**191,630**	**126,143**	**51.9%**
Earnings per share	**11.21**	**7.45**	**50.5%**

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

The International Monetary Fund ('IMF') has projected Sub-Saharan Africa's return to growth in 2021, recovering from the 1.9% contraction in 2020. The region is estimated to grow by 3.4%, supported by improved exports and commodity prices, along with a recovery in both private consumption and investment.

The IMF expects growth in all our countries of operation this year, with Senegal, Ghana and Congo expected to grow at the highest rates. We expect this recovery to drive strong cement demand across our markets, which we have already witnessed in H1 2021, given the strong volume growth.

Nigerian Region

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 due to be commissioned in Q3 2021.

According to the IMF's estimates, Nigeria is expected to grow by 2.5% in 2021, supported by higher oil prices and production, and a broad-based recovery in the non-oil sectors. Nigeria's cement market remained robust and resilient in H1 2021, following a strong first and second quarter. Cement demand is sustained by increasing housing infrastructure, commercial construction, and government projects including major highways, roads and railways.

Our Nigerian operations sold nearly 9.9Mt including exports, up 33.2% on the 7.4Mt sold in H1 2020. Strong volume growth was further magnified by the lower volumes in Q2 2020 due to the impact of COVID-19. When looking at the domestic sales alone, our Nigerian operations sold 9.5Mt, up 28.3% year on year.

Revenues for our Nigerian operations increased by 48.7% to ₦494.1B. We recorded higher realised prices compared to the same period last year owing to lower rebates and higher recovery in transportation cost. We achieved a strong EBITDA of ₦311.2B at a margin of 63.0% excluding central costs and eliminations (2020: ₦194.4, 58.5%). The strong growth trend has continued in 2021 and is supporting our delivery of strong results for shareholders.

We have recommenced clinker exports to Cameroon from both our Onne and Apapa terminals. We exported two ships with a total volume of 57Kt, while we exported 342Kt of cement by road in H1 2021. Lastly, our 3Mt Okpella plant in Edo State is on track to be commissioned in the third quarter of this year.

Pan-African Region

The Pan-African region includes all operations outside Nigeria.

Our Pan-African operations sold just under 5.5Mt of cement in H1 2021, up 15.5% on the 4.7Mt sold in H1 2020. The total Pan-African volume represents 35.8% of Group volumes.

Pan-African revenues of ₦198.5B were 36.9% higher than H1 2020 and represented 28.7% of total Group revenues. The region achieved a strong EBITDA of ₦47.2B (before central costs and eliminations), up 49.8%, supported by strong performance in Senegal, Ethiopia and Cameroon. This represents an EBITDA margin of 23.8% in H1 2021. The higher profitability was mainly attributable to volume growth, with strong volume growth in Congo and Tanzania of 70% and 50%, respectively.

Cameroon

Cameroon’s GDP is expected to grow at 3.4% in 2021.

We estimate the total market for cement in Cameroon to have been just over 2Mt in the first six months of 2021. The market is primarily driven by individual construction projects including roads and bridges and government projects.

Our 1.5Mta clinker grinding facility in Douala sold about 718Kt of cement in H1 2021, a 4.5% increase on the 687Kt sold in H1 2020. We estimate our market share to have been 36% during the period.

Congo

The cement market in Congo is growing notably 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 about 467Kt in the first six months of 2021. Our 1.5Mta integrated plant in Mfila sold 231Kt of cement in H1 2021, up 70% compared to the 136Kt sold in H1 2020. Our estimated market share for H1 2021 came in at 49.5%.

Ethiopia

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 just over 3.7Mt in the first six months of 2021.

Sales at our 2.5Mta factory in Mugher were over 1.1Mt in H1 2021, up 1.3% year on year. We estimate our market share to have been about 30% during the period.

Ghana

The cement market is growing thanks to an increase in government projects and incentives, higher disposable income and a lower cost of borrowing. Total market sales were estimated at 3.5Mt, triggered by an increase in allocation to the building sector.

Dangote Cement Ghana sold 300Kt of cement in H1 2021, up 44.4% compared to H1 2020. Our market share for the first quarter came in at 9%.

Senegal

Senegal is an attractive market for cement and is one of our best performing markets, where we sell everything we produce. The market is growing, supported by a growing middle class and the decentralisation initiative taken by the government enabling several new cities and zones to be built.

Total cement market sales for H1 2021 were 3.9Mt, including exports. Sales from our 1.5Mta plant in Pout were 822Kt. Our plant in Senegal is operating at full capacity. Our market share for the period came in at 21%.

Sierra Leone

Sierra Leone's cement market continues to improve with increased infrastructure spending, road construction across the country and the resumption of building projects in the corporate sector. The Sierra Leonean market consumed about 606Kt of cement in the first half of 2021.

Dangote Cement sold 186Kt during the period, an increase of 46.4% from the 127Kt achieved in H1 2020.

Our market share for the first half of the year is estimated at 31%.

South Africa

South Africa's residential building sector has been performing well because of high residential housing demand since H2 2020. The South African Government is planning major infrastructure investments.

Our sales volume for H1 2021 increased by 22%. The year-on-year increase is attributed to growth in home constructions, improvements, and renovations.

Tanzania

Tanzania's GDP growth 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 just under 2.8Mt in the first six months of 2021.

Our 3.0Mta factory at Mtwara sold 792Kt of cement during the period, including clinker sales of 144.6Kt. This was approximately 50% higher than H1 2020. Our market share is estimated to have increased from 18% in H1 2020 to 28% in H1 2021.

Zambia

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 the total market for cement in Zambia to have been over 1.25Mt in H12021. Dangote Cement sold 385Kt of cement, up 11% from the 345Kt sold during the same period last year.

Our market share for the first half of the year is estimated at 31%.

Capital Structure

A dividend of ₦16.00 per share has been paid in May 2021 leading to a cash outflows of ₦272 billion. We advanced the dividend payment by one month compared to previous years.

The Securities and Exchange Commission approved the renewal of DCPs share buy-back programme for an additional year. The Company will continue to monitor the evolving business environment and market conditions in making decisions on tranches.

Dangote Cement completed the successful issuance of Series 1 Fixed Rate Senior Unsecured Bonds under the company's new ₦300 billion Multi-Instrument Issuance Programme. The bonds were issued on 26th May 2021 at coupon rates of 11.25%, 12.50% and 13.50% for the 3, 5 and 7-year tranches respectively.

FINANCIAL REVIEW

Summary

Six months ended 30th June **Volume sold****	**H1 2021** **'000 tonnes**	**H1 2020** **'000 tonnes**
Nigeria	9,869	7,410
Pan-Africa	5,465	4,732
Inter-company sales	(57)	(28)
Total volume sold	**15,277**	**12,114**
Revenues	**₦m**	**₦m**
Nigeria	494,139	332,377
Pan-Africa	198,497	145,025
Inter-company sales	(2,091)	(550)
Total revenues	**690,545**	**476,852**
Group EBITDA*	**351,065**	**218,071**
EBITDA margin	**50.8%**	**45.7%**
Operating profit	302,197	173,479
Profit before tax	281,254	162,851
Tax charge	(89,624)	(36,708)
Net profit	191,630	126,143
Earnings per ordinary share (Naira)	**11.21**	**7.45**
	30/06/2021	**31/12/2020**
Total assets	2,074,679	2,022,451
Net debt	400,904	337,275

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

Revenue increased by 44.8% from ₦476.9B in H1 2020 to ₦690.5B in H1 2021 driven by strong volume growth and better average net realised prices.

Volumes sold by our core Nigerian operations were up by 33.2% from 7.4Mt to 9.9Mt supported by an increase in housing and commercial construction. Sales to domestic customers in Nigeria grew by 28.3% from 7.4Mt to 9.47Mt with the remaining 0.4Mt being exported cement and clinker.

Pan-African volumes increased by 15.5% from 4.7Mt in H1 2020 to 5.5Mt.

Manufacturing and operating costs

Six months ended 30th June	**2021** **₦m**	**2020** **₦m**
Materials consumed	93,974	64,058
Fuel & power consumed	98,978	64,497
Royalties	776	628
Salaries and related staff costs	18,598	17,465
Depreciation & amortization	36,924	31,571
Plant maintenance costs	20,680	14,249
Other production expenses	10,970	7,268
(Increase)/decrease in finished goods and work in progress	(4,785)	2,684
Total manufacturing costs	**276,115**	**202,420**

In general, manufacturing costs increased by 36.4% from ₦202.4B in H12020 to ₦276.1B in H1 2021 This was mainly as a result of an increase in volumes in both Nigeria and Pan-Africa. Materials consumed increased by 46.7% to ₦94.0; while fuel & power consumed increase by 53.5% to ₦99.0B. Both increases were as a result of volume growth and inflationary pressures on our costs.

Administration and selling expenses

Six months ended 30th June	2021 ₦m	2020 ₦m
Administration and selling costs	118,284	103,693

Thanks to our continuous cost control efforts, total selling and administration expenses only rose by 14.1% to ₦118.3B in H1 2021 mainly from higher haulage expenses and other general administrative expenses. Inflationary pressure and the foreign currencies conversion to Naira is driving part of this increase.

Profitability

Six months ended 30th June	2021 ₦m	2020 ₦m
EBITDA	351,065	218,071
Depreciation, amortization & impairment	(48,868)	(44,592)
Operating profit	**302,197**	**173,479**
EBITDA by operating region		
Nigeria	311,178	194,423
Pan-Africa	47,184	31,507
Central administrations costs and inter-company sales	(7,297)	(7,859)
Total EBITDA	**351,065**	**218,071**

Group earnings before interest, tax, depreciation, and amortisation (EBITDA) in the first half increased by 61.0% to ₦351.1B at a margin of 50.8% (H12020: ₦218.1B, 45.7%) as a result of increased performance in both Nigeria and Pan-Africa. This strong performance is magnified by the lower Q2 2020 results due to the effect of COVID-19.

Excluding eliminations and central costs, Nigeria EBITDA increased by 60.1% to ₦311.2B at a margin of 63.0% (H12020: ₦194.4; 58.5%). Strong revenue realisation, improved fixed cost absorption and high efficiency of the new assets deployed compensate for the inflationary pressure on variable and fixed costs.

Pan-African EBITDA increased by 49.8% to ₦47.2B, at margin of 23.8% (H12020: ₦31.5B; 21.7%), driven by increased volumes in all our countries of operations apart from Senegal which is already operating at full capacity.

Operating profit of ₦302.2B was 74.2% higher than the ₦173.5B for H1 2020 at a margin of 43.8% (H12020: 36.4%)

Interest and similar income/expense

Six months ended 30th June	2021 ₦m	2020 ₦m
Interest income	9,408	5,226
Exchange gain/(loss)	(4,944)	5,000
Interest expense	(25,407)	(20,854)
Net finance income / (cost)	**(20,943)**	**(10,628)**

The Nigerian Naira value reduced against the USD from an average of ₦380/1US$ in H1 2020 to ₦407/1US$ in H1 2021. This resulted in exchange gains from intercompany balances in Nigeria which were outweighed by exchange losses from liabilities in the subsidiaries.

Taxation

Six months ended 30th June	2021 ₦m	2020 ₦m
Tax (charge)/credit	(89,624)	(36,708)

Pioneer tax exemption for the Ibese lines and Obajana line 4 ended in 2020 resulting in an increased company effective tax rate of 28.7% as compared to the effective tax rate of 16.4% for H1 2020 when we still had some lines still under pioneer status.

The Group's effective tax rate was higher at 31.9%, mainly because of intercompany exchange gains reported in Other Comprehensive income for the group.

The Group's profit for the period increased by 51.9% to ₦191.6B (H12020: ₦126.1B).

Financial position

	30th June 2021 ₦m	31st December 2020 ₦m
Property, plant, and equipment	1,396,538	1,390,687
Other non-current assets	57,341	77,072
Intangible assets	4,976	4,554
Total non-current assets	**1,458,855**	**1,472,313**
Current assets	464,119	404,303
Cash and bank balances	151,705	145,835
Total assets	**2,074,679**	**2,022,451**
Non-current liabilities	148,382	142,756
Current liabilities	568,654	505,615
Debt	552,609	483,110
Total liabilities	**1,269,645**	**1,131,481**

Non-current assets reduced from ₦1,472.3B as at FY 2020 to ₦1,458.9 as at 30th June 2021.

Additions to property, plant and equipment were ₦57.8B, of which ₦48.7B was spent in Nigeria and ₦9.2B in Pan Africa operations.

The increase in current assets is largely due to working capital changes.

Current liabilities increased mainly due to increase in short term loans as well as exchange impact due to the downward movement of the Naira from ₦400/1US$ to ₦411/1US$ during H12021.

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	346,980	-	346,980
Change in working capital	(35,011)	-	(35,011)
Income tax paid	(14,879)	-	(14,879)
Additions to fixed assets	(56,606)	-	(56,606)
Loan to related party	(6,600)	-	(6,600)
Other investing activities	(280)	-	(280)
Change in non-current prepayments and payables	10,131	-	10,131
Net lease receivables	3,523	-	3,523
Share buyback	(9,833)	-	(9,833)
Dividend paid	(272,005)	-	(272,005)
Net interest payment	(18,173)	-	(18,173)
Net loans obtained (repaid)	9,134	(9,134)	-
Overdraft and ST bank debt	58,397	(58,397)	-
Other cash and non-cash movements	(8,908)	(1,968)	(10,876)
As at 30th June 2021	**151,705**	**(552,609)**	**(400,904)**

Cash of ₦347.0B was generated from operations before changes in working capital. After net movement of ₦35.0B in working capital, the net cash flow from operations was ₦301.5B for H1 2021.

Financing outflows excluding overdrafts of ₦58.4B (H12020: ₦4.8B) reflected net loans obtained of ₦9.1B, net interest paid of ₦18.2B, dividend paid of ₦272.0 and share buyback of ₦9.8B.

Cash and cash equivalents excluding bank overdraft decreased from ₦141.0B at the end of 2020 to ₦93.3B at 30th June 2021. Net debt increased by ₦63.6B from ₦337.3B at the end of 2020 to ₦400.9 at 30th June 2021.

Capital Expenditure by region

	Nigeria Region ₦m	Pan-Africa ₦m	Total ₦m
Capital Expenditure	**48,663**	**9,158**	**57,821**

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