9M 2022 UNAUDITED RESULTS

Dangote Cement PLC

28th October 2022

Unaudited results for nine months ended 30th September 2022

Group revenue up 15.2% at ₦1,177.3B

Nigeria EBITDA up 4.5% at ₦479.9B, despite heightened inflation

Significant increase in energy and distribution cost

Lagos, 28th October 2022: Dangote Cement PLC (DANGCEM-NL), Africa's largest cement producer, announces unaudited results for the nine months ended 30th September 2022.

Financial highlights

- Group revenue up 15.2% to ₦1,177.3B
- Group EBITDA up 0.2% to ₦515.9B; 43.8% margin
- Nigeria EBITDA up 4.5% to ₦479.9B; 53.9% margin
- Profit after tax down 23.4% to ₦213.1B; mainly due to exchange losses from the depreciation in the CFA and Ghana Cede
- Net debt of ₦466.8B; net gearing of 55.7%

Operating highlights

- Group sales volumes down 6.2% to 20.8Mt
- Nigeria volumes down 4.7% to 13.5Mt
- The National Consumer Promotion improved market share in the quarter
- Okpella power plant commissioned in August

ESG highlights

- Co-processed 102Kt of waste YTD, a 77% increase over 2021
- Thermal substitution rate is estimated at 3.8% as at 9M 2021 vs. 2.3% in 2021.

Michel Puchercos, Chief Executive Officer, said:

"Despite the elevated inflation due to a very volatile global environment, we have made strides in 2022. We recorded increases in revenue and EBITDA that drove strong cash generation across the Group. We recorded revenue of ₦1,177.3B, up 15.2% compared to last year and Group EBITDA of ₦515.9B, up 0.2% with an EBITDA margin of 43.8%.

To mitigate the impact of significant increase in energy and AGO costs, we are strengthening our efforts to ramp up the usage of alternative fuels. So far this year, we co-processed 101,553 tonnes of waste representing a 77% increase over 9M 2021. We are on track to commission our Alternative Fuel feed system at Obajana lines I and V; and Ibese line II in November. In addition, we are ramping up our investment in Compressed Natural Gas (CNG), to reduce our AGO usage.

To drive consumer engagement and support demand during the rainy season; we commenced the 3rd season of our National Consumer Promotion – "Bag of Goodies 3". So far, the National Consumer Promotion has made 190 millionaires and multimillionaires across all States in Nigeria. On the operational side, we have commissioned our power plant at Okpella and are progressing well to deploy grinding plants in Ghana and Cote d'Ivoire.

Our business model remains robust, thanks to the prudent and flexible approach we have taken across our operations. Our continuous focus on efficiency, meeting market demand

and maintaining our costs leadership drives our ability to consistently deliver 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 Monday 31st October at 15.00 Lagos/14:00 UK time.

Please register using the link below:
Dangote Cement 9M 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 call. The presentation will also be available remotely via the live webcast link.

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DANGOTE CEMENT

SUMMARY OPERATING REVIEW

Sales volumes	9M 2022 '000 tonnes	9M 2021 '000 tonnes	%
Nigeria region			
Cement	13,425	14,000	-4.1%
Clinker	56	144	-61.0%
Nigeria region volumes	**13,481**	**14,144**	**-4.7%**
Pan-Africa region			
Cement	7,081	7,994	-11.4%
Clinker	291	169	72.2%
Pan-Africa region volumes	**7,372**	**8,163**	**-9.7%**
Inter-company sales	(56)	(144)	-61.0%
Group volumes**	**20,797**	**22,163**	**-6.2%**
Revenue			
Nigeria	890,654	729,603	22.1%
Pan-Africa	288,509	297,860	-3.1%
Inter-company sales	(1,907)	(5,277)	-
Total revenue	**1,177,256**	**1,022,186**	**15.2%**
EBITDA			
Nigeria*	479,924	459,226	4.5%
Pan-Africa*	47,844	66,968	-28.6%
Central costs & eliminations	(11,889)	(11,403)	-
Total EBITDA	**515,879**	**514,791**	**0.2%**
EBITDA margins			
Nigeria*	53.9%	62.9%	-900bps
Pan-Africa*	16.6%	22.5%	-590bps
Group EBITDA margins	**43.8%**	**50.4%**	**-660bps**
Profit before tax	335,900	405,487	-17.2%
Tax charge	(122,799)	(127,237)	3.5%
Group net profit	**213,101**	**278,250**	**-23.4%**
Earnings per share	**12.41**	**16.23**	**-23.5%**

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

According to the International Monetary Fund ('IMF') the Russia-Ukraine crisis, tightening financial conditions, and inflation all contribute to a significant slowdown in global growth in 2022. Inflation has soared to multi-decade highs, prompting rapid monetary policy tightening. IMF forecast global growth to slow to 3.2% in 2022, down from the 6.0% seen in 2021.

Sub-Saharan Africa (SSA) is estimated to grow at 3.6% in 2022, slower than the 4.7% rebound in 2021. SSA is experiencing rising food and energy prices, high public debt and inflation at levels not seen in decades. This growth, albeit slower than 2021, supported by elevated commodity prices and the relaxation of stringent pandemic measures, should drive cement demand across our markets.

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.

The IMF expects Nigeria to grow at 3.2% in 2022. Nigeria's growth outlook is buoyed by higher oil prices and a stronger-than-anticipated recovery of manufacturing and agriculture. Cement demand is sustained by increasing housing infrastructure and commercial construction.

Our Nigerian operations sold 13.5Mt of cement and clinker during the period, down 4.7% from the 14.1Mt sold in 9M 2021. When looking at the domestic sales alone, our Nigerian operations sold 12.8Mt, down 4.7% year on year. The slightly lower volume, elevated by the high base of 9M 2021 was due to significant inflation, rising interest rate and energy supply disruptions which impacted production. The energy disruptions were largely due to low gas generation in the country. Collectively, this negatively impacted our ability to maximize production during the period. Although we experienced heavy rains in the third quarter, the successful innovative national consumer promotion "Bag of Goodies - Season 3" improved our market share in the quarter. The National Consumer Promotion has made 190 millionaires and multimillionaires across all States in Nigeria.

Revenues for the Nigerian operations increased by 22.1% to ₦890.7B, supported by price increases in the previous year in line with economic realities. The rapidly increasing prices of Automotive Gas Oil (AGO) resulted in a 77.9% year on year increase in our selling and distribution cost in Nigeria. Despite all these challenges, we achieved a strong EBITDA of ₦479.9bn, up 4.5% at a margin of 53.9%, excluding central costs and eliminations (9M 2021: ₦459.2bn, 62.9%). We have implemented a robust cost reduction strategy which includes increased use of Alternative Fuel to improve our energy mix and the use of Compressed Natural Gas (CNG) for our trucks in the rising AGO cost environment.

During the period, we exported 581Kt of cement, up 10% compared to same period last year, whilst we exported 56Kt of clinker.

Pan-African Region

The Pan-African region includes all operations outside Nigeria.

Our pan-African operations sold 7.4Mt of cement and clinker in 9M 2022, down 9.7% from the 8.2Mt sold in 9M 2021. This is 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, causing volatility in the landing cost of cement and clinker. The total pan-African volume accounts for 35.4% of Group volumes.

Pan-African revenues of ₦288.5B were 3.1% lower than 9M 2021, largely as a result of lower volume sold. The region's revenue accounted for 24.5% of total Group revenue. Pan-Africa EBITDA was

₦47.8bn (before central costs and eliminations), down 28.6% due to the inflationary pressure on costs, high freight charges and lower volume sold in 9M 2022. During the period, there was a depreciation in the CFA and Ghana Cede which resulted in the significant increased exchange losses to ₦72.4B, impacting the Group's bottom line.

Cameroon

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

We estimate the total market for cement in Cameroon to have been 3.2Mt in the nine months period of 2022. The market is driven by the growth in GDP as well as the resumption of government's construction projects.

This increase is supported by the ongoing constructions of highways between Douala and Yaounde, constructions of roads and bridges all over the country, and increase in developmental projects in various regions.

Our 1.5Mta clinker grinding facility in Douala sold about 998Kt of cement in 9M 2022, relatively flat compared to the 1.0Mt sold in 9M 2021. We estimate our market share to have been 31% during the period.

Congo

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

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 505Kt in the nine months period of 2022. Our 1.5Mta integrated plant in Mfila sold 381Kt a 7% increase on the 357Kt sold in 9M 2021. This is supported by a strong export market and increase in construction activities. We estimate our domestic market share to have been about 75% during the period.

Ethiopia

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

The cement market in Ethiopia is predominantly retail. The main drivers of cement demand remains infrastructure projects, housing, and industrial parks development. The macro front is 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 4.2Mt in the nine months period of 2022. Despite the heightened security, social and economic challenges, 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 at 1.7Mt in 9M 2022, up 1.8% year on year. We estimate our market share to have been about 41.7% during the period. Despite the security challenges, our operation continues to perform strongly and our plant produced at full capacity in Q3.

Ghana

Ghana's GDP is estimated to grow by 3.6% in 2022.

Ghana is benefitting from a stable political environment however, there was a general reduction in government projects for the period. The reduction in volume when compared to same period last year was a result of slow down witnessed in the economy with significant impact in the building and construction segment. Total market sales were estimated at 5.0Mt.

Increasing clinker cost owing to the global rise in freight cost and overall global supply chain issues are challenging clinker and cement supply.

Dangote Cement Ghana sold 201Kt of cement in 9M 2022.

Senegal

Senegal's GDP is estimated to grow by 4.7% in 2022

Senegal's cement industry remains robust and we estimate the total market sales to have been about 5.8Mt, for the nine months period 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 745kt in the 9M 2022. Production was constrained by extended power plant maintenance and shortages of coal. The Mali border closure (re-opened in mid-July) and regional sanctions affected exports.

Sierra Leone

Sierra Leone's GDP is estimated to grow by 2.4% in 2022.

The Sierra Leonean cement market consumed 615.6Kt of cement for the first nine months of 2022. Volume is limited by supply and volatile shipping and cement cost.

South Africa

South Africa's GDP is estimated to grow by 2.1% 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 volume for 9M 2022 decreased by 13.2%. The year-on-year decrease is attributed to the recent energy crisis, massive fuel inflation, rising interest rates which place further pressure on discretionary income, hence the lower demand for cement.

Tanzania

Tanzania's GDP is estimated to grow by 4.5% in 2022.

Tanzania's GDP growth is driven by 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 5.1Mt in the nine months period of 2022.

Our 3.0Mta factory at Mtwara sold 1.4Mt of cement during the period, including clinker sales of 290.6Kt. This was 11.7% higher than 9M 2021. 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 27.4% during the period.

Zambia

Zambia's GDP is estimated to grow by 2.9% in 2022.

The subdued state of the cement market in Zambia reflects the country's challenged macro-economic environment. Dangote Cement's Ndola factory sits at 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 1.6Mt in 9M 2022. Our 1.5Mta Ndola factory sold 466Kt of cement in 9M 2022, this lower volume was due to increased competition in the export market.

Our market share for the nine months period of the year is estimated at 29%.

Obajana Cement Plant

On Wednesday, 5 October 2022, local vigilantes from the Kogi State Government invaded and sealed the Obajana Cement plant over a dispute between Dangote Industries Limited and Kogi State Government. This development led to several of our staff being harmed by these local vigilantes.

The Obajana Cement Plant was shut for one day and re-opened on Friday, 7 October, 2022, with suboptimal operations. It became fully operational from Friday, 14 October, 2022, when the Federal Government ordered the full re-opening of the plant. Thus, production at the Obajana Cement plant has been running at optimal levels.

DANGOTE CEMENT

FINANCIAL REVIEW

Summary

Nine months ended 30th September **Volume sold****	**9M 2022** **'000 tonnes**	**9M 2021** **'000 tonnes**
Nigeria	13,481	14,144
Pan-Africa	7,372	8,163
Inter-company sales	(56)	(144)
Total volume sold	**20,797**	**22,163**
Revenues	**₦m**	**₦m**
Nigeria	890,654	729,603
Pan-Africa	288,509	297,860
Inter-company sales	(1,907)	(5,277)
Total revenues	**1,177,256**	**1,022,186**
Group EBITDA*	**515,879**	**514,791**
EBITDA margin	**43.8%**	**50.4%**
Operating profit	433,623	440,324
Profit before tax	335,900	405,487
Tax charge	(122,799)	(127,237)
Net profit	213,101	278,250
Earnings per ordinary share (Naira)	**12.41**	**16.23**

	30/09/2022	**31/12/2021**
Total assets	2,333,738	2,392,019
Net debt	466,806	225,097

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

Group revenue increased by 15.2% to ₦1,177.3B from ₦1,022.2B, driven by price increases to offset heighten inflation.

Volumes sold by our core Nigerian operations decreased by 4.7% to 13.5Mt, elevated by the high base of 9M 2021. The decrease is partly as a result of energy supply challenges. Pan-African volumes also reduced by 9.7% to 7.4Mt from 8.2Mt in 9M 2021 due to increased supply chain challenges and maintenance activities.

Manufacturing and operating costs

Nine months ended 30th September	2022 ₦m	2021 ₦m
Materials consumed	144,896	134,168
Fuel & power consumed	198,152	141,750
Royalties	1,463	1,208
Salaries and related staff costs	34,162	28,737
Depreciation & amortization	62,224	55,742
Plant maintenance costs	37,179	29,857
Other production expenses	21,048	16,423
(Increase)/decrease in finished goods and work in progress	(15,293)	(4,497)
Total manufacturing costs	**483,831**	**403,388**

In total, manufacturing costs increased by 19.9% to ₦483.8B from ₦403.4B in 9M 2021. Materials consumed increase by 8.0% to ₦144.9B, despite the reduction in production volume owing to inflationary pressures. Fuel & power consumed increased by 39.8% to ₦198.2B due to increasing energy costs especially AGO and coal.

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 ₦424.1/1US$ at the end of 9M 2021 to ₦437.7/1US$ at the end of 9M 2022.

Administration and selling expenses

Nine months ended 30th September	2022 ₦m	2021 ₦m
Administration and selling costs	263,277	185,462

The total selling and administration expenses rose by 42.0% to ₦263.3B in 9M 2022, mainly driven by the 63.8% increase in haulage expenses as a result of the significant rise in AGO costs. Inflationary pressure and the foreign currencies' conversion to Naira are also driving part of this increase.

Profitability

Nine months ended 30th September	2022 ₦m	2021 ₦m
EBITDA	515,879	514,791
Depreciation, amortization & impairment	(82,256)	(74,467)
Operating profit	**433,623**	**440,324**
EBITDA by operating region		
Nigeria	479,924	459,226
Pan-Africa	47,844	66,968
Central administrations costs and inter-company sales	(11,889)	(11,403)
Total EBITDA	**515,879**	**514,791**

Group earnings before interest, tax, depreciation, and amortisation (EBITDA) for the first nine months increased by 0.2% to ₦515.9B at a margin of 43.8% (9M 2021: ₦514.8B, 50.4%) despite elevated inflation.

Excluding eliminations and central costs, Nigeria EBITDA increased by 4.5% to ₦479.9B at a margin of 53.9% (9M 2021: ₦459.2B; 62.9%).

Pan-African EBITDA decreased by 28.6% to ₦47.8bn, at a margin of 16.6% (9M 2021: ₦67.0bn; 22.5%), notably driven by rising commodity prices and reduced volume sold, caused by interruption in production activities.

Operating profit of ₦433.6B was 1.5% lower than the ₦440.3B for 9M 2021 at a margin of 36.8% (9M 2021: 43.1%).

Interest and similar income/expense

Nine months ended 30th September	**2022 ₦m**	**2021 ₦m**
Interest income	28,834	13,851
Exchange gain/(loss)	(72,390)	(8,320)
Interest expense	(53,393)	(39,478)
Net finance income / (cost)	**(97,723)**	**(34,837)**

Interest income increased to ₦28.8B mainly as a result of increased interest earning balances.

During the period, there was a depreciation in the CFA and Ghana Cede which resulted in the significant increased exchange losses to ₦72.4B.

Taxation

Nine months ended 30th September	**2022 ₦m**	**2021 ₦m**
Tax (charge)/credit	122,799	127,237

The Group's effective tax rate was at 36.6%, mainly driven by Nigeria income tax charged at 30% plus education tax in Nigeria.

The Group's profit for 9M 2022 decreased by 23.4% to ₦213.1B (9M 2021: ₦278.3B). As a result, earnings per share decreased to ₦12.41 (9M 2021: ₦16.23).

DANGOTE CEMENT

Financial position

	30th September 2022 ₦m	31st December 2021 ₦m
Property, plant, and equipment	1,378,109	1,472,859
Other non-current assets	44,977	40,996
Intangible assets	4,784	5,122
Total non-current assets	1,427,870	1,518,977
Current assets	689,034	533,199
Cash and bank balances	216,834	339,843
Total assets	**2,333,738**	**2,392,019**
Non-current liabilities	149,449	155,305
Current liabilities	662,431	688,105
Debt	683,640	564,940
Total liabilities	**1,495,520**	**1,408,350**

Total non-current assets reduced to ₦1,427.9B at the end of 9M 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 ₦49.8B, of which ₦30.9B was spent in Nigeria and ₦18.8B in Pan Africa operations.

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	500,123	-	500,123
Change in working capital	(95,396)	-	(95,396)
Income tax paid	(110,083)	-	(110,083)
Additions to fixed assets	(49,762)	-	(49,762)
Loan to related party	(80,312)	-	(80,312)
Other investing activities	(311)	-	(311)
Change in non-current prepayments and payables	(8,329)	-	(8,329)
Net lease receivables	6,388	-	6,388
Share buyback	(35,323)	-	(35,323)
Net dividend paid	(332,764)	-	(332,764)
Net interest payment	(34,514)	-	(34,514)
Net loans obtained (repaid)	70,954	(70,954)	-
Overdraft	53,506	(53,506)	-
Other cash and non-cash movements	(7,186)	5,760	(1,426)
As at 30th September 2022	**216,834**	**(683,640)**	**(466,806)**

Cash of ₦500.1B was generated from operations before changes in working capital. After net movement of ₦95.4B in working capital, the net cash flow from operations was ₦404.7B for 9M 2022.

Excluding overdraft, financing cash flow of ₦342.2B reflected net loans obtained of ₦71.0B, net interest paid of ₦34.5B, dividend paid of ₦337.5B and share buyback of ₦35.3B.

Cash and cash equivalents (net of bank overdrafts used for cash management purposes) reduced to ₦86.9B from ₦263.4B as at 31st December, 2021. Net debt increased by ₦241.7B from ₦225.1B at the end of 2021 to ₦466.8B at 30th September 2022.

Capital Expenditure by region

	Nigeria Region ₦m	Pan-Africa ₦m	Total ₦m
Capital Expenditure	**30,937**	**18,825**	**49,762**

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.