

**In this report**

# Driven by *our purpose*

Through the richness in our diversity, we are leading Africa's transformation.

**Our key themes**



**Our journey thus far**

Over the last two decades, we have embarked on a journey that has been marked by immense growth and expansion. We experienced significant strides in our expansion efforts across the diverse landscapes of Africa; from commissioning our 5.3Mta Obajana Cement plant in 2007 to our current capacity of 52Mta in 10 African countries across 15 plants.

> Read more about our journey so far **pages 6 to 7**



**Pan Africa diversity**

We take pride in our diverse workforce, which comprises individuals from over 20 different nationalities with proficiency in over 40 languages. In 2023, we demonstrated the strength that lies in the diversity of our operations across the expansive terrains of Africa. Pan-African volume was up 12.7% and now accounts for 41.2% of Group volume, reinforcing our diversification strategy. Our diverse operations have acted as a cushion, providing resilience and support to the Group.

> Read more about our pan-Africa diversity **pages 18 to 19**



**Our export strategy**

Our vision is for Africa to be cement and clinker self-sufficient. We fulfilled this goal in our home country, Nigeria, which has gone from being one of the largest importers of cement to becoming self-sufficient and now an exporter of cement and clinker.

> Read more about our export strategy **pages 16 to 17**

## The Dangote Way

Our values are embedded in 'The Dangote Way' representing the core beliefs that define us and the essence of who we are. These values are the driving forces that propel us towards our purpose, ensuring that every action aligns with our overarching mission of transforming Africa. Our identity is shaped by the richness of our diversity, truly making us Africa's finest.

> Read more about our people and culture **page 27**



# Purpose to *value*

We are guided by our Purpose... Transforming Africa while creating sustainable value for all stakeholders.

## Our vision

To be the global leader in cement production, respected for the quality of our products and services and for the way we conduct our business.

## Our values

Our values are Service, Leadership, Entrepreneurship and Excellence which drive our performance. Our values are at the heart of everything we do and are linked to

*The Dangote Way*

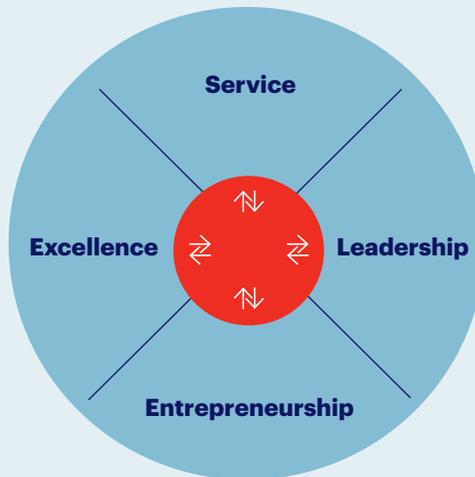
## Our four values



Over **21,000** employees



Over **20** nationalities



Operating in **10** countries



**52Mt** capacity

## Purpose-led cement manufacturer

Achieving our purpose takes an integrated approach with our values at the core of this approach, guided by our strategic priorities and long-term vision. Our values are embedded in "The Dangote Way" representing the core beliefs that define us and the essence of who we are. "The Dangote Way" has been our drive to achieve our purpose, realise our vision, and deliver sustainable value to all stakeholders. Achieving our purpose is a collective journey shaped by the consistent application of our values.

These values are the driving forces that propel us towards our purpose, ensuring that every action aligns with our overarching mission of

*Transforming Africa*

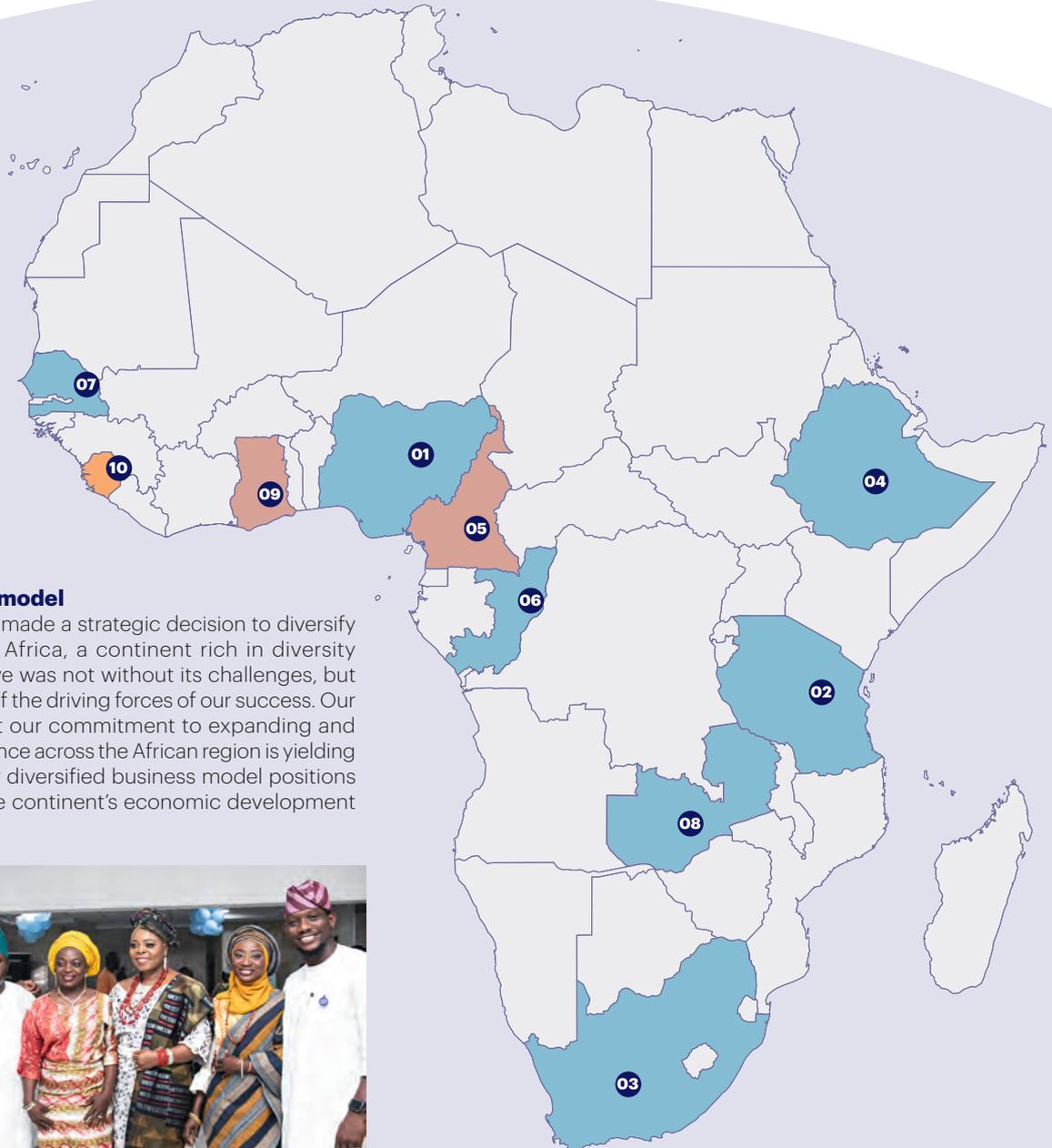
# A global leader, proudly African

Dangote Cement has a production capacity of 52Mta across ten countries in Sub-Saharan Africa. These operations make us the largest and leading cement producer in Sub-Saharan Africa.

<b>1. Nigeria</b> Capacity <b>35.3Mta</b>	<b>2. Tanzania</b> Capacity <b>3.0Mta</b>	<b>3. South Africa</b> Capacity <b>2.8Mta</b>	<b>4. Ethiopia</b> Capacity <b>2.5Mta</b>	<b>5. Cameroon</b> Capacity <b>1.5Mta</b>
<b>6. Congo</b> Capacity <b>1.5Mta</b>	<b>7. Senegal</b> Capacity <b>1.5Mta</b>	<b>8. Zambia</b> Capacity <b>1.5Mta</b>	<b>9. Ghana</b> Capacity <b>2.0Mta</b>	<b>10. Sierra Leone</b> Capacity <b>0.5Mta</b>

## Types of operations

- Integrated
- Import
- Clinker grinding



## Diversified business model

Over a decade ago, we made a strategic decision to diversify our operations across Africa, a continent rich in diversity and potential. This move was not without its challenges, but it has proven to be one of the driving forces of our success. Our 2023 results affirm that our commitment to expanding and strengthening our presence across the African region is yielding substantial returns. Our diversified business model positions us as a key player in the continent’s economic development and growth.



# Growth with Progress

A record Group EBITDA, bolstered by diversification gains from pan-Africa Revenue.

## Financial highlights

### Revenue

**₦2,208.1bn**

+36.4%

2023	₦2,208.1bn
2022	₦1,618.3bn
2021	₦1,383.6bn

### Cash flow from operations (before tax and working capital changes)

**₦814.2bn**

+18.7%

2023	₦814.2bn
2022	₦686.2bn
2021	₦682.9bn

### EBITDA

**₦886.1bn**

+25.1%

2023	₦886.1bn
2022	₦708.2bn
2021	₦684.6bn

### Profit after tax

**₦455.6bn**

+19.2%

2023	₦455.6bn
2022	₦382.3bn
2021	₦364.4bn

### Net debt/EBITDA

**0.59x**

2023	0.59x
2022	0.60x
2021	0.33x

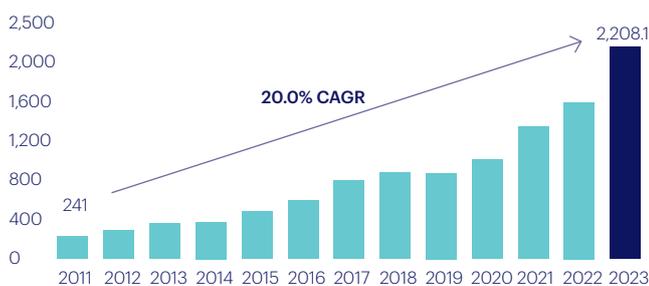
### Total dividends per share

**₦30.00**

+50%

2023	₦30.00
2022	₦20.00
2021	₦20.00

### Group Revenue (₦'B)



### Group EBITDA (₦'B)



**Group EBITDA reached an all-time high at ₦886.1bn.**

**Record pan-Africa EBITDA up four-folds to ₦263.7bn 28.5% margin.**

**Robust profit after tax of ₦455.6bn up 19.2%, with EPS at ₦26.5.**

**Proposed dividend up 50% at N30.00 per share.**

# ESG highlights

## Operational highlights



### Environmental

- Commissioned 10 alternative fuel projects across our operations.
- Commissioned CNG station in Tanzania.
- Phased transition from diesel power trucks to Compressed Natural Gas (CNG).



### Social

- Continued our Long Service and Employee Recognition Award.
- Short-Term Incentive (STI) and DCP's employee recognition programme.
- ₦2,356 million spent on CSR intervention activities across the Group, up by 24.2%.



### Governance

- AGM held in April, where shareholders approved a dividend of ₦20.00 per share.
- Appointed Mr. Alvaro Poncioni Mérian as Independent Non-Executive Director.
- Implemented an effective Internal Control over Financial Reporting (ICOFR) risk assessment.

## Sustainability highlights



### Increased alternative fuel use

- 455,754 tonnes of waste co-processed, representing 184% increase.
- Thermal substitution rate estimated at 9.7% for 2023 vs. 4.3% in 2022, reaching 11.0% in December 2023.



### DangCircular

- 1.89 tonnes of waste recycled in DangCircular initiative.
- Reduced up to 13kgCO<sub>2</sub>/tonne cem in Scope 1 emissions
- 4.8% reduction in water consumption



### Board and management gender diversity

- 27% female Board members, with five Independent Non-Executive Directors.

CO<sub>2</sub> emission

**580kg CO<sub>2</sub>/tonne**

2022: 590kg CO<sub>2</sub>/tonne

Energy consumption

**819 Kcal/kg**

2022: 795 Kcal/kg

Water consumption

**225 litres/tonne**

2022: 234 litres/tonne

# **A true** *growth story*

Dangote Cement's journey is indeed a compelling growth story that reflects strategic vision, resilience, and a commitment to making a substantial impact on the African continent.

## **An authentic tale of expansion and development**

The last two decades have been marked by robust growth as we strategically broadened our footprint to new markets, contributing to the overall advancement of our presence on the continent and becoming the largest and leading cement producer in Sub-Saharan Africa. Our journey has been one of transforming Africa through job creation, skills development, infrastructure projects, and fostering economic growth and stability. As a major player in the cement industry, Dangote Cement plays a pivotal role in supporting infrastructure development across the continent.

## The remarkable journey of Dangote Cement

Our journey commenced in the early 2000s with the acquisition of the Obajana Cement plant by Dangote Industries Limited. Following the successful commissioning of the 5.3Mta Obajana Cement plant in 2007, Dangote Cement entered a phase of vigorous expansion, inaugurating 6 additional plants across Africa in the subsequent two years, starting from 2014. Dangote Cement continued to expand over the years and in 2020, the Company marked a significant milestone by commissioning export terminals in Apapa and Port Harcourt. This initiative allowed for the commencement of clinker exports by sea. As of the conclusion of 2023, our total capacity has reached an impressive 52Mta with operations spanning across 10 African countries.



**Olakunle Alake**  
Vice President, Dangote Industries Limited

## Our journey so far



### 2000-2002

- Dangote Industries acquired **Benue Cement Company**
- Dangote Industries acquired **Obajana Cement Plc**



### 2004

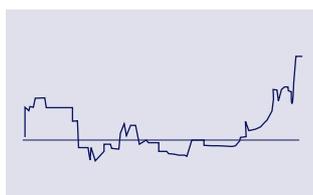
- Construction of DCP's first cement production plant



### 2007

#### 5.3Mta

- Commissioned **Obajana Cement Plant** with two production lines and a capacity of 5.3Mta



### 2010

#### 9.3Mta

- Incorporated Dangote Cement
- The Merger between Dangote Cement and **Benue Cement**
- Listed on the Nigerian Stock Exchange



### 2012

#### 21.8Mta

- Commissioned 6Mta **Ibese plant**
- **Obajana** increases capacity by 5Mta with Line 3
- **Ghana** operations consolidated to Dangote Cement



### 2014

#### 35.1Mta

- **South Africa** 2.8Mta
- **Ibese** extends capacity by 6Mta
- **Obajana** increases capacity by 3Mta
- **Senegal** commissioned 1.5Mta



### 2015

#### 43.6Mta

- **Cameroon** 1.5Mta commissioned
- **Ethiopia** 2.5Mta commissioned
- **Zambia** 1.5Mta commissioned
- **Tanzania** 3.0Mta commissioning



### 2017

#### 45.6Mta

- New capacity commissioned in **Sierra Leone**
- **Congo** 1.5Mta commissioned



### 2020

#### 48.6Mta

- Commissioned export terminals in **Apapa and Port Harcourt**
- Commenced clinker exports via shipping from Nigeria to West and Central Africa
- Commissioned **Obajana line 5**



### 2021

#### 51.6Mta

- Commenced commercial production at 3Mta **Okpella Plant**



### 2023

#### 52.0Mta

- 0.45Mta grinding plant in **Ghana**

# Long-term value, albeit macroeconomic challenges

Africa is a major growth market for cement and needs to more than double its cement consumption over the next decade to address the infrastructure deficit.

## African cement market

Sub-Saharan Africa is home to over 1.2 billion people. The United Nations estimates that by 2050, the region's population will reach 2.5 billion. The World Bank describes Africa as the fastest-growing and youngest region globally. As the population continues to expand, Africa urgently needs infrastructure, housing, and commercial buildings. This creates a tremendous opportunity for Dangote Cement.

On a per-capita basis, Sub-Saharan African countries have some of the lowest consumption levels worldwide. As a region, per-capita cement consumption is just 130kg compared to the global average of 541kg.

African population 2050

# 2.5bn

2050	2,489bn
2040	2,077bn
2030	1,688bn
2025	1,506bn
2023	1,426bn



## Economic overview

Sub-Saharan African economies have demonstrated resilience in the recovery from the adverse effects of COVID-19, all the while grappling with difficulties in an unpredictable global landscape marked by increasingly stringent global financial conditions. The global consequences of slowing international activity, higher global interest rates, elevated spreads, and exchange rate pressures have all combined to create an acute funding squeeze.

Global inflation peaked at 6.5% in 2023, leading to actions by the Federal Reserves, European Central Bank and the Bank of England, all of which raised interest rates. Monetary authorities continued to embrace a hawkish stance, tightening interest rates to curb inflation and attain the goals of price stability. This resulted in a substantial capital outflow from emerging markets, a strengthened Dollar due to an increased flight to safety, exchange rate pressures, and a subdued global growth rate of 3%, as reported by the International Monetary Fund (IMF).

Sub-Saharan Africa faced difficulties resulting from the rapid increase in commodity prices, fiscal imbalances, reduced government revenue, and a continued depreciation of domestic currencies. These multiple shocks hindered SSA's growth, leading to a slowdown in the real gross domestic product (GDP) for the second consecutive year in 2023, at 3.3%.

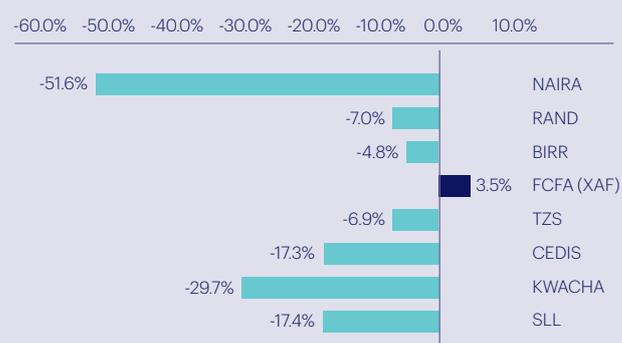
After a seamless transition of power following the general elections in February, Nigeria is currently navigating through a series of policy reforms implemented by the new administration in 2023. The effects of the Naira's depreciation due to its floating exchange rate and the elimination of petrol subsidies have continued to amplify operational costs. Consequently, this has led to an escalation in inflation and the erosion of purchasing power, particularly impacting the retail segment of the market.



## Impact of currency depreciation on the business

Currency depreciation in Africa has emerged as a significant factor influencing the overall economic landscape and the operational dynamics of businesses across the continent. For Dangote Cement, in 2023 all currencies in our countries of operation, except the CFA franc depreciated. The Nigerian Naira depreciated – 51.6% against the Dollar, while the Zambian Kwacha depreciated – 29.7% against the Dollar. This currency depreciation has resulted in volatile exchange rates affecting the cost of imports, disrupting trade balances and contributing to economic uncertainty and heightened inflation.

### Currency depreciation against the Dollar



Source: Countries Central Banks.

**Looking ahead: A rebound on the horizon**

After a weak 2023 characterised by tighter monetary policy and elevated inflation, Sub-Saharan Africa looks set for a more robust outlook in 2024. Activity in the region is expected to rebound in 2024. According to the International Monetary Fund (IMF), economic growth in Sub-Saharan Africa is projected to accelerate from 3.3% in 2023 to 4.0% in 2024, with the growth to be driven mainly by non-resource-intensive countries and improving inflation. The reduction in inflation is expected to be driven by statistical base effects and a slower rate of currency depreciation.

Following yet another shock, Sub-Saharan Africa’s ultimate potential remains undimmed. The region is poised to fulfil the promise of the African century, contributing to a more prosperous, greener future for the region and the world. The huge potential the region has to address and bridge this infrastructure deficit persists. Dangote Cement is determined to help the African continent achieve these infrastructural development goals through the production of strong, reliable and dependable cement.

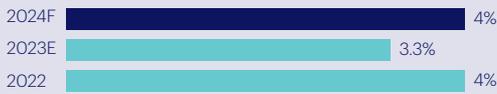


The President, Dangote Industries Limited with Bill Gates during a visit.



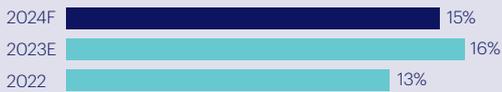
**Dangote Cement is determined to help the African continent achieve these infrastructural development goals through the production of strong, reliable and dependable cement.”**

**SSA GDP growth**



Source: IMF

**Average SSA inflation**



Source: IMF



# Reasons to invest in Dangote Cement

A unique investment opportunity offering exposure to Sub-Saharan Africa’s growth potential.

### Strong growth in Africa

The World Bank describes Africa as the fastest-growing and youngest region globally. As the population continues to expand, Africa urgently needs infrastructure, housing and commercial buildings. This creates a tremendous opportunity for Dangote Cement.

The goal of sustainably providing access to adequate, safe, and affordable housing addresses the needs of the population expected to migrate to urban areas by 2050. This is Dangote Cement’s contribution to UN SDG 11. The African Development Bank estimates Africa’s infrastructure financing needs at USD130 – USD170 billion a year, highlighting a significant funding gap ranging between USD68 billion and USD108 billion.

Africa’s infrastructure needs amount to

## \$130-\$170bn

a year

### Inclusive sustainability framework

Our approach to sustainability is structured around 7 pillars dubbed the “Dangote Way”. These pillars align with the United Nations Sustainable Development Goals (SDGs) and provide the framework in which we have embedded our corporate culture, and guide our approach to building a prosperous and sustainable business.

The 7 Dangote Sustainability Pillars collectively embody the essence of “The Dangote Way.” These pillars serve as the structural framework within which we have seamlessly integrated our values and strategic objectives. As we steadfastly pursue our goal with the highest governance standards, these pillars stand as the bedrock of our commitment to responsible, ethical, and sustainable business practices.

> Read more about our sustainability pages 36 to 73

### Financial investment case, solid fundamentals

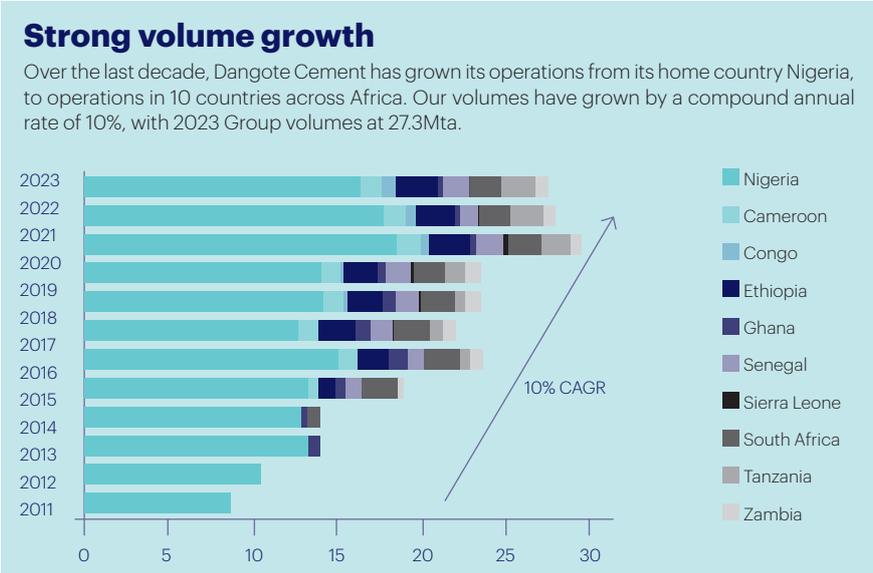
Dangote Cement has achieved excellent financial performance and growth over the last decade. Our volumes have grown by a compound annual rate of 10.0% over the last 13 years, while our EBITDA has increased by a compound annual growth rate of 16.8% over the same period.

We have also created additional value for our shareholders through share price appreciation, consistent dividend payments and share repurchases.

EBITDA

## ₦886.1bn

+25.1%



### Robust export strategy

We are focused on harnessing trade across the African continent, by building a market where Africa becomes self-sufficient in cement and clinker production.

> Read more about our export strategy page 16