

# Transforming Dangote for tomorrow



## Q&A with Arvind

### How would you describe your first year as the CEO of Dangote Cement?

Reflecting on my first year, I am proud of the progress we have made as a company. This past year has been a transformative journey of learning and growth, both for Dangote Cement and for myself.

The year 2023 was particularly eventful, coinciding with a period marked by severe macroeconomic shocks globally. Inflationary pressures fuelled by supply chain disruptions led to a significant increase in the prices of our material inputs. However, we tackled these hurdles head-on, by strategically implementing new and innovative approaches to contain cost and drive productivity, while simultaneously enhancing value for all stakeholders across the value chain.

As a business, this strategic focus has guided our efforts in transforming what was initially a challenging year, into a year that nurtured our determination and grit. We have finished the year stronger and more resilient, with our strategic direction sharper than ever.

### What have been your major obstacles and achievements in 2023?

In 2023, we faced significant challenges due to currency depreciation across Sub-Saharan Africa, particularly the sharp devaluation of the Naira against the Dollar. However, our diversified operations mitigated these risks, with strong performance in pan-African markets driving revenue and EBITDA growth.

Our Pan-African volumes saw a notable increase of 12.7%, leading to a significant surge in revenue by 123.2%. We maximised production capacity in Ethiopia and Senegal and introduced innovative strategies to drive revenue, manage costs, and protect margins. Furthermore, our commitment to sustainability remained steadfast, with substantial investments in CSR projects, Alternative Fuel initiatives, the conversion of diesel trucks to dual-fuel CNG trucks, and reductions in CO<sub>2</sub> emissions.

Key highlights include:

- Achieved a 19.2% growth in profit after tax despite economic challenges.
- A remarkable 400% increase in clinker exports from Nigeria compared to 2022.
- Increased focus on succession planning and implementation roadmap.
- Alternative fuel thermal substitution rate reached 9.7% in 2023, up from 4.3% in 2022, with over 455,000 tonnes of waste co-processed, representing a three-fold increase.



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- Successful commissioning of various projects including AFR feeding systems, CNG Station at Dar Es Salaam, Takoradi grinding plant, and Okpella Power Plant.
- Implemented various programs such as the Graduate Trainee Program, Mentor/Mentee Program, and Leadership Development Program to foster skill enhancement and succession planning.
- Implementation of various compensation benefits for employees such as Short-Term Incentives (STI) and High Value Employee (HVE).

These achievements demonstrate our resilience, strategic focus, and commitment to sustainability amidst challenging conditions.

### What were the lessons learnt from 2023?

2023 offered numerous valuable lessons. The first lesson learned is the benefit of a diverse operation, which shielded the business from looming macroeconomic risks. Secondly, continuous innovation is crucial for staying ahead in an ever-evolving consumer landscape. 2023 provided us with the opportunity to do business differently in a cost-effective and efficient manner. We've had to look inward and strategised on new ways of doing business that ensured operating costs were contained beyond outrageous levels, while still maintaining a superior quality product and delivering top-notch customer services.

### What is the driving force for Dangote Cement?

Our unwavering commitment to excellence stems from the exceptional leadership provided by our Chairman and Board. Through their guidance and vision, they have set a high standard for the entire organisation. At the heart of Dangote Cement lies our diverse and dedicated workforce. Our staff, representing a multitude of backgrounds, cultures, and talents, form the very foundation of our company. Their commitment serves as a steadfast pillar that upholds our business through every challenge and triumph.

Lastly, our ability to remain at the forefront of our industry is owed to our agility and foresight in adapting to an ever-evolving business landscape.

### What is the outlook for Dangote Cement?

The outlook for our business remains optimistic despite the prevailing challenges in the market. The International Monetary Fund (IMF) expects economic growth to pick up, with Sub-Saharan Africa's GDP projected at 4.0% in 2024, faster than the estimated 3.3% growth in 2023. This growth cuts across all our countries of operations, supporting cement demand.

I am very excited about the future of Dangote Cement. Following the commissioning of our 0.45Mta grinding plant in Takoradi, we are focusing on our "export to import" strategy in West and Central Africa, while concurrently optimising assets in Eastern Africa. Our 6Mta expansion in Itori, Ogun State will be of support to this ambition. Our overarching goal remains unchanged, to be the partner of choice for those transforming Africa, while creating sustainable value for our stakeholders. We are committed to not only delivering value to our stakeholders but also to doing so sustainably, in alignment with our broader mission.

No leader accomplishes anything alone and any success we have achieved has been a joint effort. I must say a big thank you to the Dangote Cement's Board of Directors, all staff and stakeholders for your dedication and hard work which enabled us to deliver on our achievements.

I extend my heartfelt gratitude to all our investors for their continued trust and support in our Company. Your trust in Dangote Cement inspires us to strive for greater accomplishments and to positively influence the communities we serve.

I look forward to an exciting year ahead.



**Arvind Pathak**  
Chief Executive Officer

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