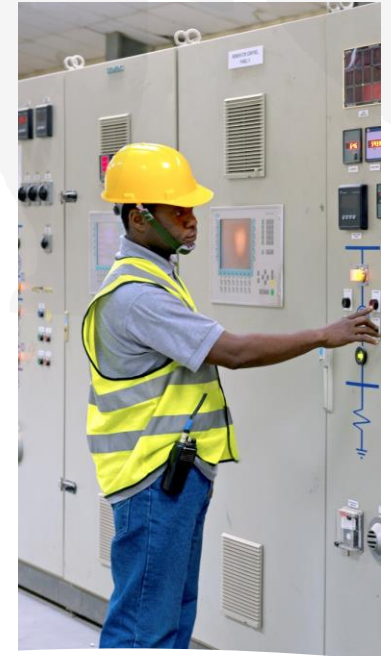


# INVESTOR PRESENTATION

## NGN150 Billion Commercial Paper Issuance Programme



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# Today's Presenters



## **Joe Makoju**

Group Chief  
Executive Officer

---

Appointed in 2018

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- Board member since 2010
- Formerly MD of WAPCO (now Lafarge Africa)
- Former Special Adviser to two Nigerian Presidents



## **Brian Egan**

Group Chief  
Financial Officer

---

Joined in 2014

---

- Previously worked for Petropavlovsk Plc and Aricom Plc
- 20 years experience in the mining and FMCG industry

# Indicative Terms of the Offering



<b>Issuer:</b>	Dangote Cement Plc		
<b>Issuer Rating:</b>		Moody's	GCR
	National Scale	Aaa	AA+
	Foreign Currency	B1	NA
<b>Programme Size:</b>	₦150 billion		
<b>Initial Issuance Size:</b>	Up to ₦50 billion		
<b>Ranking:</b>	Senior Unsecured Notes		
<b>Tenor:</b>	180 and 270 days		
<b>Offer Opens:</b>	22 June 2018		
<b>Offer Closes:</b>	26 June 2018		
<b>Allotment Date:</b>	26 June 2018		
<b>Funding Date:</b>	27 June 2018		
<b>Minimum Investment:</b>	₦5,000,000 and multiples of ₦1,000 thereafter		
<b>Use of Proceeds:</b>	To fund short-term working capital requirements and for general corporate purposes		
<b>Listing:</b>	FMDQ OTC PLC		

# Overview of Dangote Cement

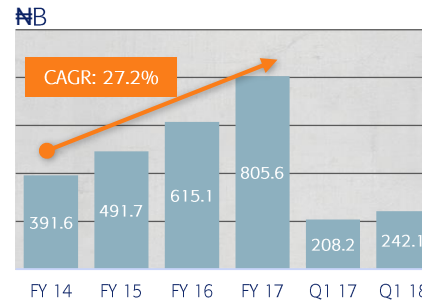


## Investment Highlights

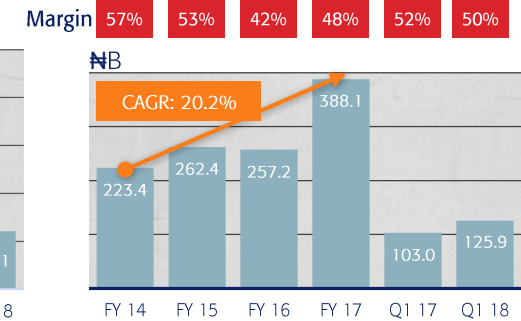
Sub-Saharan Africa's largest cement producer	45.6Mta capacity across 10 countries
Largest company in West Africa by market capitalisation; ₦4,073bn / US\$11.3bn*	Strong governance framework Seven Independent Directors 
Subsidiary of Dangote Industries Limited, a leading African conglomerate	International shareholder base 
Industry-leading financial performance with exceptional EBITDA margins of 48%, despite recent macro-economic slowdown in Nigeria	Strong financial profile including low leverage and significant operational scale

\* As at 13<sup>th</sup> June 2018

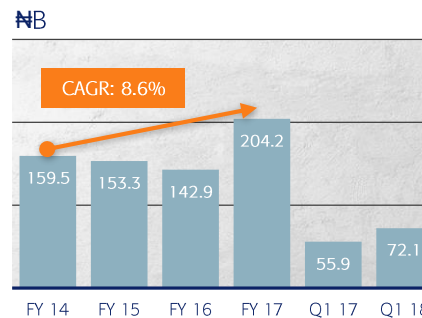
## Revenue



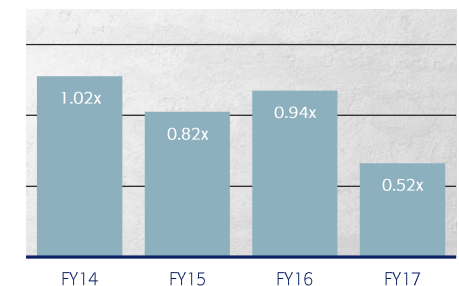
## EBITDA



## Net Income



## Net Debt / EBITDA



# From Nigerian base to Pan-African Reach

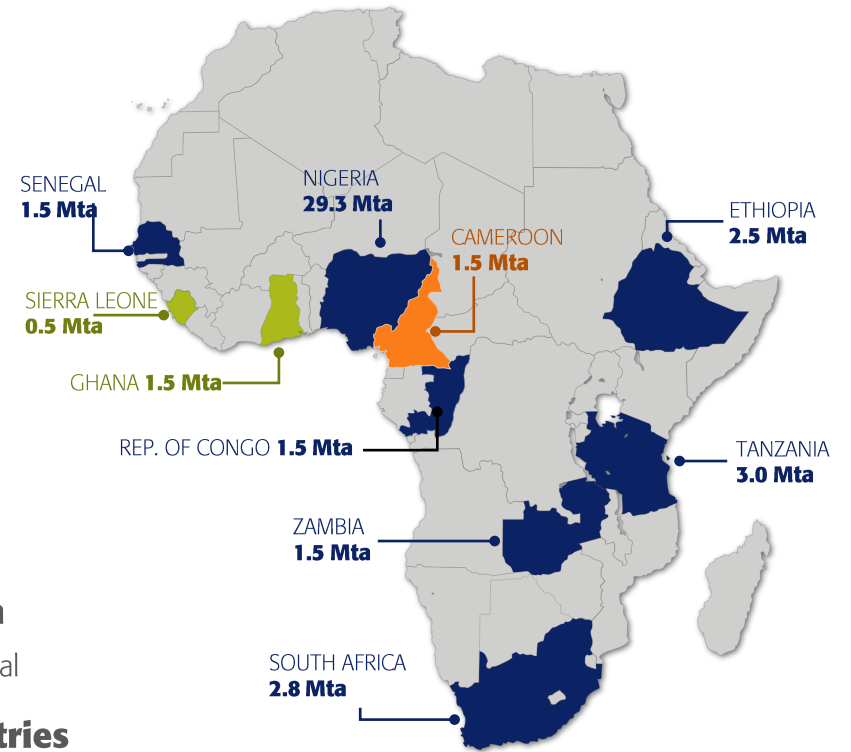
2010

2017



NIGERIA  
**8.0 Mta**

Capacity:  
**8.0 Mta**  
Geographical  
Presence:  
**1 Country**  
Employees:  
**2,854 people**



SENEGAL  
**1.5 Mta**

NIGERIA  
**29.3 Mta**

ETHIOPIA  
**2.5 Mta**

CAMEROON  
**1.5 Mta**

SIERRA LEONE  
**0.5 Mta**

GHANA **1.5 Mta**

REP. OF CONGO **1.5 Mta**

TANZANIA  
**3.0 Mta**

ZAMBIA  
**1.5 Mta**

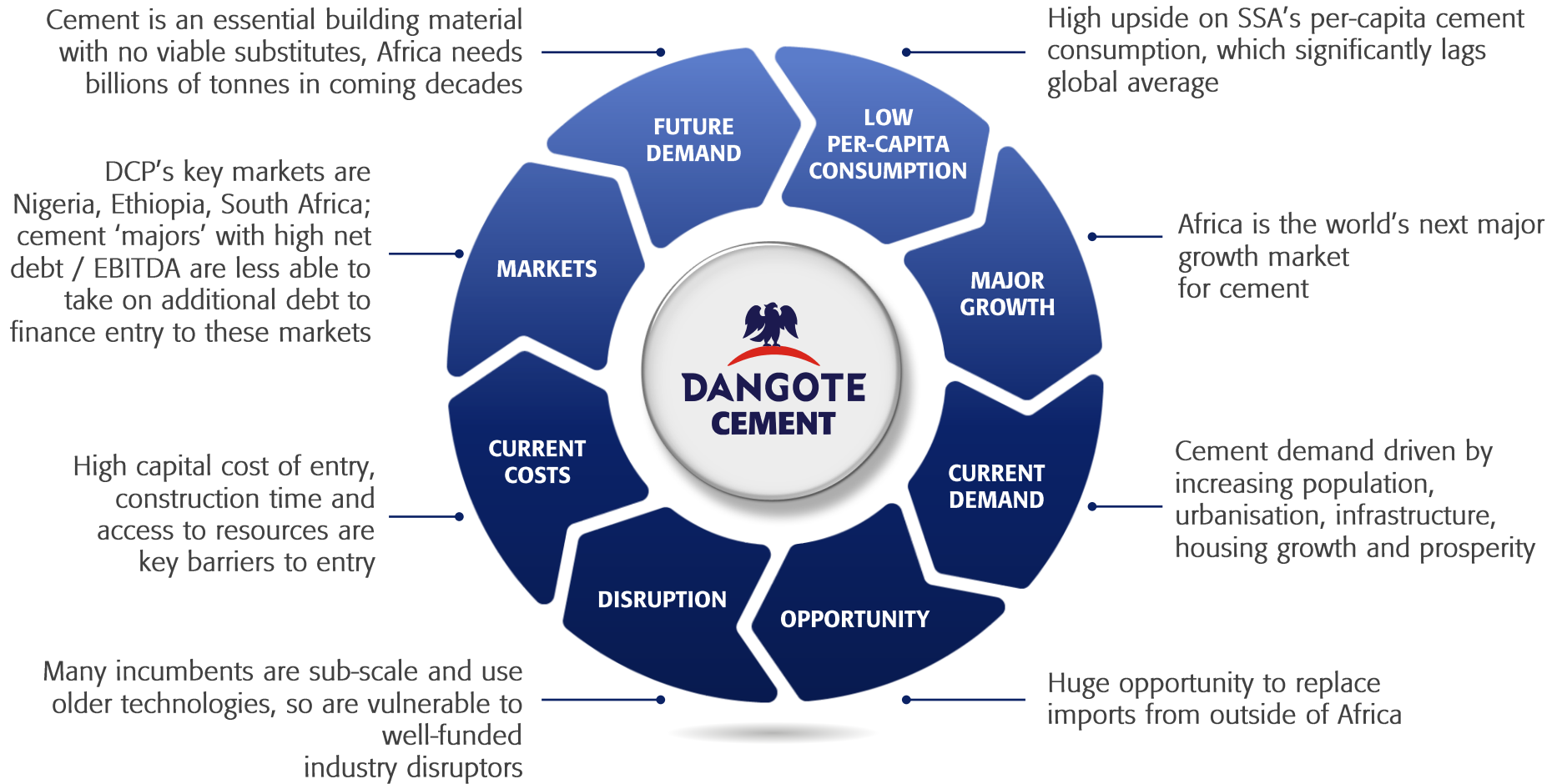
SOUTH AFRICA  
**2.8 Mta**

Capacity:  
**45.6 Mta**  
Geographical  
Presence:  
**10 Countries**  
Employees:  
**24,000 people**

Source: Company Information.  
1. Factset and NSE data as of 30th June 2017.

Integrated Plant
  Grinding Plant
  Import & distribution

# Why Cement in Sub-Saharan Africa?



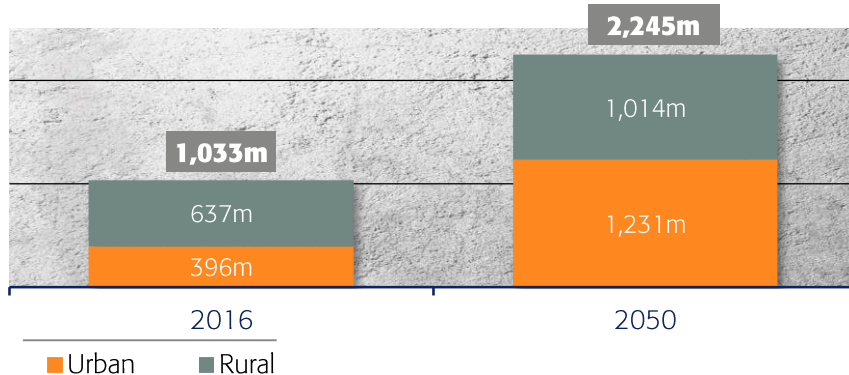
# African Cement Market

## Positive Long-Term Mega Trends

- Increasing demand for cement as urbanisation continues across the continent, demanding more infrastructure, housing and commercial building
- Increasing political stability enabling rapid economic growth
- Steady population growth, younger and more mobile population drive the need for building
- Emerging middle-class, increasing consumerisation and access to credit
- IMF forecasts 2018 GDP growth of 3.4% across Sub-Saharan Africa

## Rapid Urbanisation Presents Strong Opportunity

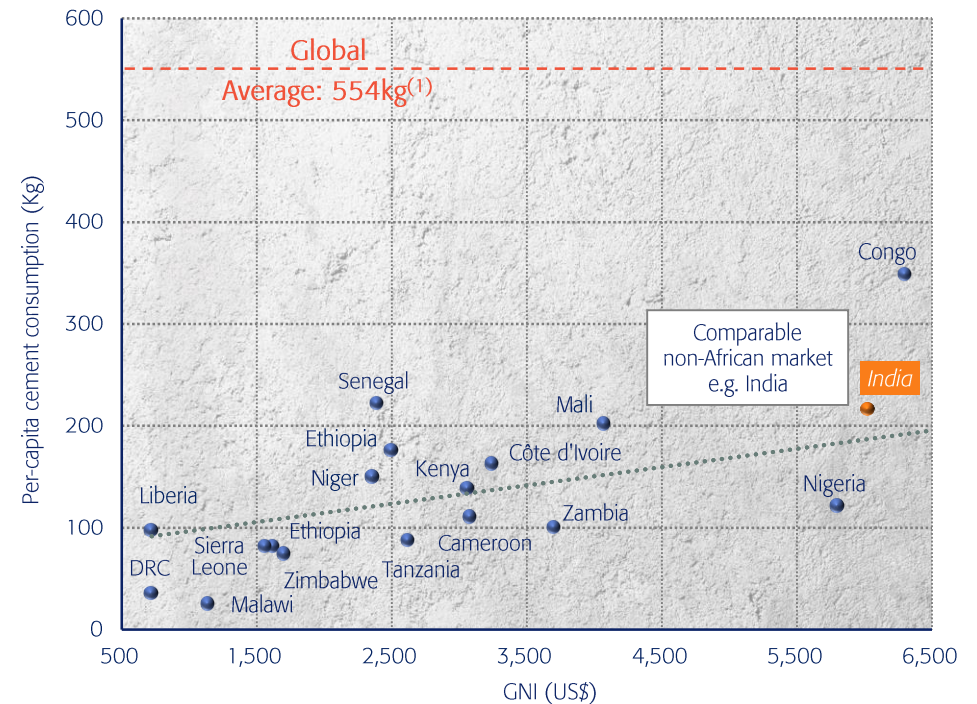
- Over 1.2bn people are forecast to live in urban areas by 2050, which is 4x America's current population



## Rising Infrastructure Investment across Africa

- Current trends in Africa suggest that total infrastructure spending between 2016 – 2040 will be \$4,300bn, and could go as high as \$6,000bn if African economies match their best-performing peers

## Materially Lower Per-Capita Cement Consumption in Sub-Saharan Africa



Source: The Global Cement Report™, 12th Edition



# Overview of Operations

<p>Obajana, Kogi State <b>Capacity: 13.25Mta</b></p> 	<p>Ibese, Ogun State <b>Capacity: 12.0Mta</b></p> 	<p>Gboko, Benue State <b>Capacity: 4.0Mta</b></p> 	<p>Pout, Senegal <b>Capacity: 1.5Mta</b></p> 
<p>Douala, Cameroon <b>Capacity: 1.5Mta</b></p> 	<p>Tema, Ghana <b>Capacity: 1.0Mta</b></p> 	<p>Madingou, Rep. of Congo <b>Capacity: 1.5Mta</b></p> 	<p>Freetown, Sierra Leone <b>Capacity: 0.5Mta</b></p> 
<p>South Africa <b>Capacity: 2.8Mta</b></p> 	<p>Ndola, Zambia <b>Capacity: 1.5Mta</b></p> 	<p>Mugher, Ethiopia <b>Capacity: 2.5Mta</b></p> 	<p>Mtwara, Tanzania <b>Capacity: 3.0Mta</b></p> 

Nigeria
Pan-Africa

 Integrated Plant
  Grinding Plant
  Import Terminal

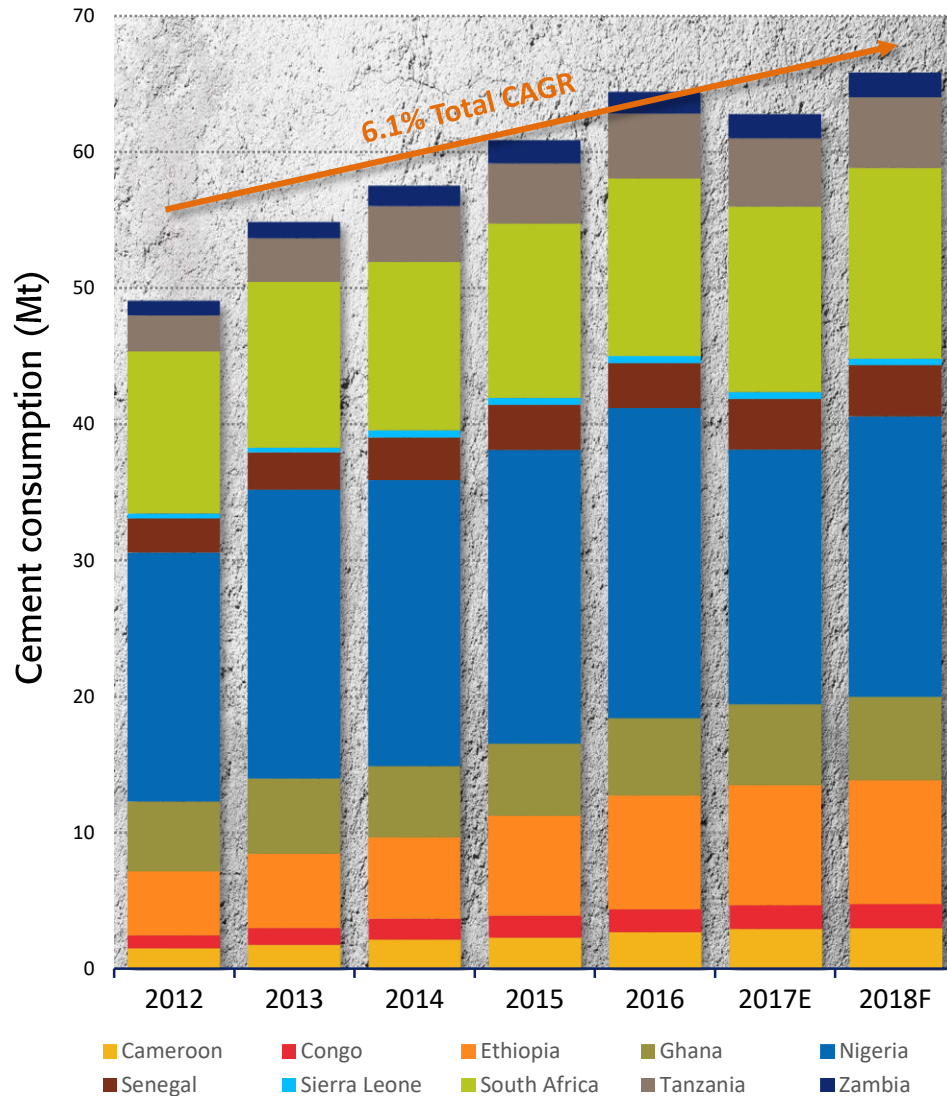
# Capacity Leader Across Sub-Saharan Africa



## Dangote Capacity Across Africa



# Operations in Growth Markets



Real GDP growth	2012	2013	2014	2015	2016	2017	2018F
Cameroon	4.5%	5.4%	5.9%	5.7%	4.5%	3.2%	4.0%
Congo	3.8%	3.3%	6.8%	2.6%	-2.8%	-4.6%	0.7%
Ethiopia	8.7%	9.9%	10.3%	10.4%	8.0%	10.9%	8.5%
Ghana	9.3%	7.3%	4.0%	3.8%	3.7%	8.4%	6.3%
Nigeria	4.3%	5.4%	6.3%	2.7%	-1.6%	0.8%	2.1%
Senegal	4.5%	3.6%	4.1%	6.5%	6.7%	7.2	7.0%
Sierra Leone	15.2%	20.7%	4.6%	-20.5%	6.3%	3.5%	3.5%
South Africa	2.2%	2.5%	1.8%	1.3%	0.6%	1.3%	1.5%
Tanzania	5.1%	7.3%	7.0%	7.0%	7.0%	6.0%	6.4%
Zambia	7.6%	5.0%	4.7%	2.9%	3.7%	3.6%	4.0%

Source: IMF Regional Economic Outlook, April 2018

# Market leader in Nigeria, Africa's key market



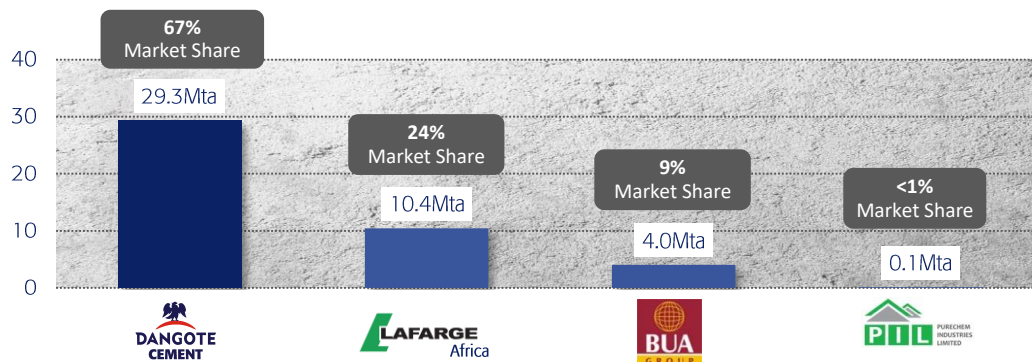
## Market Leadership

- Clear market leader in Nigeria with a share of 67%
- Extensive reach with large delivery fleet, FMCG approach to marketing
- Competitors' financial constraints preclude scale of investment necessary to threaten Dangote Cement market share
- Public policy and tariffs discourage or outright ban imports
- High cost of opening new plants and limited access to limestone represent meaningful barriers to entry

## Why Nigeria is SSA's Best Production Centre

- Abundant limestone in a region of scarcity
  - Opportunity to supply cement to other West African countries that lack limestone and are obliged to import (e.g. Ghana, Cote D'Ivoire, Liberia, Cameroon)
  - Importing countries have good economies, increasing demand
  - Nigeria and neighbours banning/reducing import of bulk cement
  - ECOWAS membership means exports are duty free vs EU/Far East product
  - Nigeria can serve a potential market of 16 countries, 350m+ people
- Supportive government policies and incentives
  - Five-year tax holiday on new capacity
  - Tax incentives on exports from Nigeria
- Access to low-cost Nigerian gas and coal
- Large and growing population
  - Urbanisation, housing and infrastructure growth
- Improving economy and increasing personal wealth
- Highest absolute cement consumption in SSA
  - But per-capita consumption is low (c100Kg in 2017), meaning strong potential for growth

## Capacity Overview in Nigeria



Dangote Cement has built a ***strong and defensible*** 67% capacity leadership position in Nigeria, which is Sub-Saharan Africa's best production centre for cement

Source: Company Information, Business Monitor International, BMI.  
 Note: Market share by capacity. Dangote Cement estimates, Global Cement Report XII, June 2017.

# Differentiated Strategy and Business Model



## OUR VISION

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

## OUR GOAL

To deliver superior and sustainable risk-adjusted returns on our investments

### Strategic Pillars

#### Focus on Optimising Efficiency of Existing Assets

Sustained focus on achieving a higher degree of self-sufficiency in key raw materials, fuels and services in order to reduce any loss of value through outsourcing

#### Continue to Grow Market Share in Existing Markets

Become one of the two largest cement producers and achieve a market share of at least 30% in each of the markets where we operate

#### Tap High-Value Export Markets

Focus on export markets with high cement prices to increase sales, particularly in foreign currencies, to mitigate foreign currency rate fluctuation and availability risk

#### Prudent Further Expansion into High Growth Sub-Saharan Africa Cement Markets

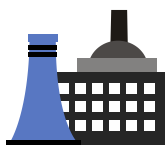
Grow and diversify across the attractive SSA cement market, continuing to focus on selective future growth undertaken in a financially prudent manner with a strict application of internal return criteria and requirements

#### Adhere to High Standards of Corporate Governance and Improve Sustainability

Continual adherence to high standards of corporate governance to achieve international recognition and standing and enable the Group to successfully access the global financial markets, whilst reducing our impact on the environment

# High Level of Business Integration

## Operating Challenges in Africa



Power Availability



Fuel Supply



Control of Logistics



Access to Labour

## Our Operating Strategy

- Developed internal power generation capabilities to become self-sufficient in markets where the electrical grid is poorly developed or nonexistent
- On-site power plants at production facilities in Nigeria, Senegal, Tanzania and Zambia
- Converted kilns in Nigeria to use coal and gas interchangeably as opposed to gas/LPFO, diversifying fuel supply, reducing costs
- Source coal from parent company's mining operations, making kiln fuel supply more reliable and related costs more predictable
- Operate a transportation fleet of over 9,200 trucks which enhances reach and helps sustain market share by limiting reliance on third party for distribution and facilitates export strategy
- Use of other in-house inputs such as bags manufactured by affiliate companies
- Strong focus on the professional development of employees, offering training opportunities to our workforce through the Dangote Academy
- Efficient administrative function, make extensive use of local talent at factories

# Competitive Advantages



# Experienced Management Team



**Joe Makoju**

Group Chief Executive Officer

Appointed 2018

- Board member since 2010
- Formerly MD of WAPCO (now Lafarge Africa)
- Former Special Adviser to two Nigerian Presidents



**Brian Egan**

Group Chief Financial Officer

Joined April 2014

- 20 years experience in the mining and FMCG industry
- Previously worked for Petropavlovsk Plc and Aricom Plc



**Arvind Pathak**

Chief Operating Officer

Joined in 2018

- Previously regional CEO for Nigerian operations
- Former CEO, Reliance Cement



**Anantharaman Vellore**

Acting Regional CEO, Nigeria

Joined in 2008

- Previously worked for 31 years at ACC Limited
- 30+ years of experience in the cement industry



**Rao Kallepalli**

Acting Regional CEO, Pan-Africa

Joined in 2006

- 30 years of experience in project management
- Held senior positions in management consultancy and industrial engineering



**Oare Ojeikere**

Group Chief Sales & Marketing Officer

Joined in 2014

- 28 years cross-industry marketing management experience
- Previously worked for Coca-Cola, Airtel Ghana, Zain Group, Accenture and Xerox



# Strong Board of Directors



**Aliko Dangote**

Chairman

Appointed 2002

- SSA's leading industrialist
- Majority shareholder in four listed Dangote Group companies



**Joe Makoju**

Group Chief Executive Officer

Appointed 2010

- Appointed Group CEO in 2018
- Formerly MD of WAPCO (now Lafarge Africa)
- Former Special Adviser to two Nigerian Presidents



**Brian Egan**

Group Chief Financial Officer

Appointed 2017

- Joined as CFO in 2014
- 20 years experience in the mining and FMCG industry
- Previously worked for Petropavlovsk Plc and Aricom Plc



**Olakunle Alake**

Non-Executive Director

Appointed 2005

- Group Managing Director of Dangote Industries
- Formerly DIL Financial Controller and Head of Strategic Services



**Sani Dangote**

Non-Executive Director

Appointed 2005

- Entrepreneur with more than 30 years' experience in key sectors of the Nigerian economy
- Vice President of Dangote Industries



**Abdu Dantata**

Non-Executive Director

Appointed 2005

- Executive Director, Logistics & Distribution at Dangote Industries
- Chairman of Agad, a trading and transportation company



**Devakumar Edwin**

Non-Executive Director

Appointed 2005

- Formerly CEO of Dangote Cement
- Steered the Company through its early expansion in Nigeria and Africa



**Fidelis Madavo**

Non-Executive Director

Appointed 2014

- Head of Resources and Portfolio Manager for Strategic and African Investments, Public Investment Corporation of South Africa



**Douraid Zaghouani**

Non-Executive Director

Appointed 2015

- CEO of the Investment Corporation of Dubai
- Spent 25 years at Xerox, Chairman of several of its operating companies

# Strong Board of Directors (cont'd)



**Ernest Ebi, MFR**

Independent  
Non-Executive Director

Appointed 2014

- Former Deputy Governor, Central Bank of Nigeria
- 40 years' experience in banking industry



**Emmanuel Ikazoboh**

Independent  
Non-Executive Director

Appointed 2014

- Chairman of Ecobank Transational
- More than 25 years in senior private and public sector roles



**Olusegun Olusanya**

Independent  
Non-Executive Director

Appointed 2010

- Long career in banking sector
- Previously Chairman of National bank of Nigeria



**Viswanathan Shankar**

Independent  
Non-Executive Director

Appointed 2017

- Chief Executive of Gateway Partners
- Seasoned emerging market investor



**Dorothy Ufot**

Independent  
Non-Executive Director

Appointed 2016

- Senior Advocate of Nigeria, with more than 26 years' experience in commercial litigation



**Cherie Blair**

Independent Non-Executive Director

Appointed 2018

- Senior UK barrister, Queen's Counsel
- Significant international legal experience



**Mick Davis**

Independent Non-Executive Director

Appointed 2018

- Former CEO of Xstrata
- Significant leadership and transaction experience

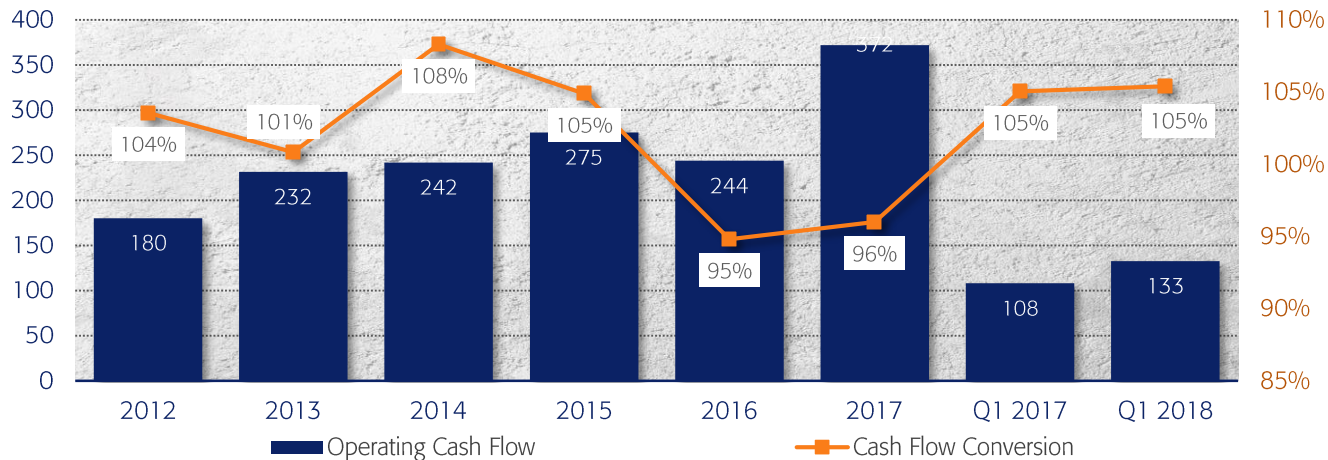
# Financial Summary

Building Prosperity in Africa



# Cash Flows and Leverage Evolution

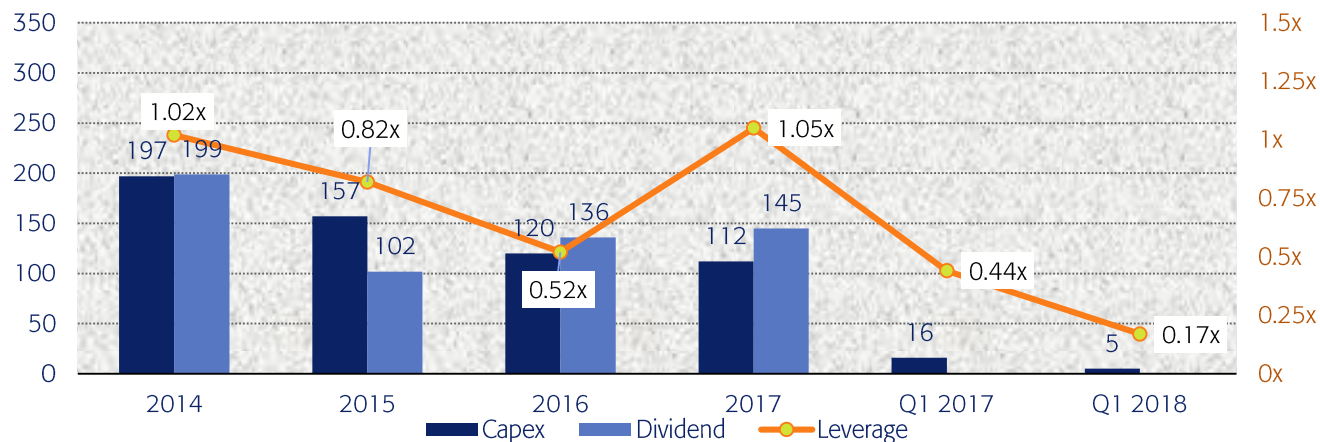
## Operating Cash Flows (₦bn)



## Financial Strength

- Historically low leverage levels in the context of the peer group, supported by a policy to maintain a strong balance sheet with < 1.8x net debt / EBITDA
- Operating cash flow conversion has been strong and able to support significant investment in the business whilst continuing to pay a generous dividend
  - Over the past five years (to FY17), Dangote Cement has invested over ₦726bn whilst maintaining net debt to EBITDA at or below 1.05x
  - Higher net debt / EBITDA of global peers don't allow them to expand nimbly into new markets

## Leverage Profile vs. Capex and Dividends



Source: Company information.

Note: Net cash flow from operations shown after working capital, tax and interest paid and received. Cash flow conversion calculated as operating cash flow / EBITDA.

# FY 2017 Highlights



## FINANCIAL

- Group revenue up 31.0%
- Group EBITDA up 50.9% at margin of 48.2%
- Nigeria EBITDA up 49.1% with strong margin improvement to 65.3%
- Pan-African EBITDA up 48.5% at 14.8% margin

## OPERATIONAL

- Pan-African sales volumes up 8.4%
- Strong performances in Cameroon, Ethiopia and Senegal
- 1.5Mta new capacity in Congo
- 0.5Mts new capacity in Sierra Leone

Year to 31 <sup>st</sup> December	2017	2016	Change
<b>Sales volumes</b>	'000t	'000t	%
Nigeria	12,724	15,128	(15.9%)
Pan-Africa	9,365	8,639	8.4%
Inter-company sales	(174)	(192)	(9.4%)
<b>Total</b>	<b>21,915</b>	<b>23,575</b>	<b>(7.0%)</b>
<b>Revenues</b>			
Nigeria	552,364	426,129	29.6%
Pan-Africa	258,444	195,028	32.5%
Inter-company sales	(5,266)	(6,054)	(13.0%)
<b>Total</b>	<b>805,582</b>	<b>615,103</b>	<b>31.0%</b>
<b>EBITDA</b>			
Nigeria	360,759	241,969	49.1%
Pan-Africa	38,276	25,744	48.5%
Inter-company and central costs	(10,888)	(10,500)	3.7%
<b>Total</b>	<b>388,147</b>	<b>257,243</b>	<b>50.9%</b>
<b>EBITDA margin*</b>	%	%	
Nigeria	65.3%	56.8%	8.5pp
Pan-Africa	14.8%	13.2%	1.6pp
<b>Group</b>	<b>48.2%</b>	<b>41.8%</b>	<b>6.4pp</b>

\* Before central costs and eliminations

# Q1 2018 Highlights



## FINANCIAL

- Group revenue up 16.3%
- Group EBITDA up 22.2% at margin of 52.0%
- Earnings per share up 23.9% to ₦4.20

## OPERATIONAL

- Group volumes up 2.8%
  - Nigeria volumes up 5.3% after strong March

## MANAGEMENT AND BOARD

- Joe Makoju appointed Group Chief Executive Officer
- Cherie Blair and Mick Davis join the Board as Independent Non-Executive Directors (20<sup>th</sup> April 2018)

Three months to 31 <sup>st</sup> March	2018	2017	Change
<b>Sales volumes</b>	'000t	'000t	%
Nigeria	3,969	3,770	5.3%
Pan-Africa	2,239	2,342	(4.4%)
Inter-company sales	(13)	(87)	
<b>Total</b>	<b>6,195</b>	<b>6,025</b>	<b>2.8%</b>
<b>Revenues</b>			
Nigeria	173,907	152,355	14.1%
Pan-Africa	68,559	58,715	16.8%
Inter-company sales	(350)	(2,904)	
<b>Total</b>	<b>242,116</b>	<b>208,166</b>	<b>16.3%</b>
<b>EBITDA</b>			
Nigeria	115,337	98,539	17.0%
Pan-Africa	13,064	7,368	77.3%
Inter-company and central costs	(2,484)	(2,904)	
<b>Total</b>	<b>125,917</b>	<b>103,003</b>	<b>22.2%</b>
<b>EBITDA margin*</b>			
Nigeria	66.3%	64.7%	1.6pp
Pan-Africa	19.1%	12.5%	6.6pp
<b>Group</b>	<b>52.0%</b>	<b>49.5%</b>	<b>2.5pp</b>

\* Before central costs and eliminations

# Group Financial Overview

## Income Statement

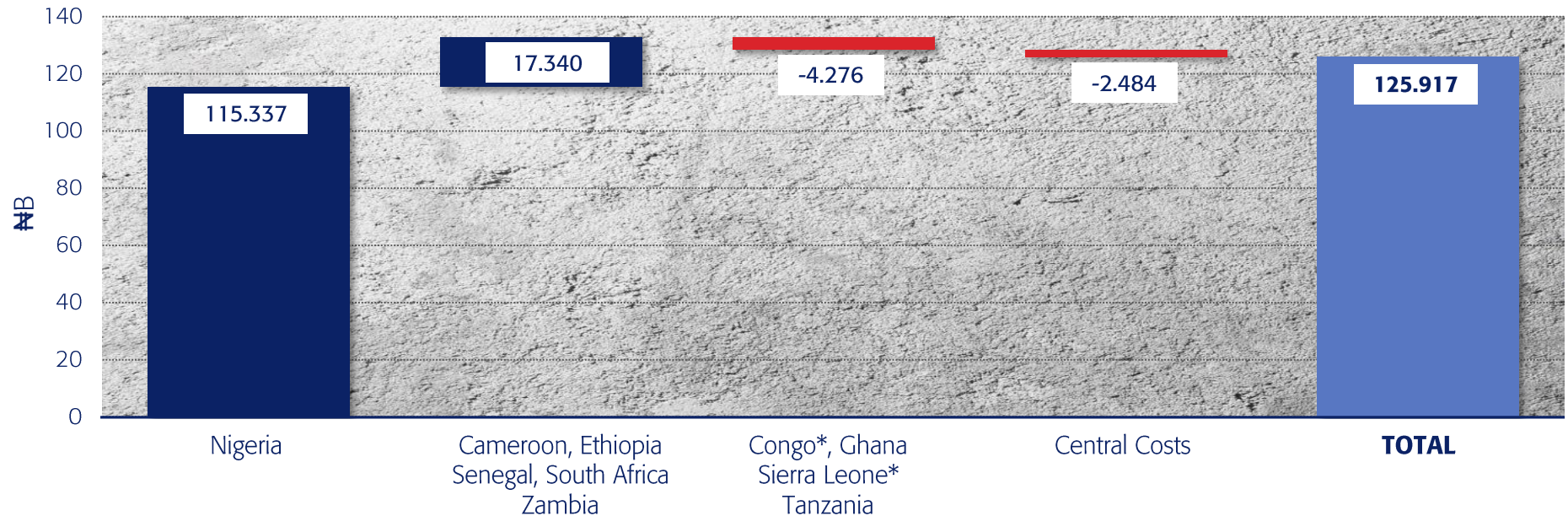
Three months to 31 <sup>st</sup> March	2018 ₦m	2017 ₦m	% change
Revenue	242,116	208,166	16.3%
Cost of sales	(97,352)	(87,802)	13.8%
Gross profit	144,764	120,364	20.3%
<i>Gross margin</i>	59.8%	57.8%	2.0pp
EBITDA	125,917	103,003	22.2%
<i>EBITDA margin</i>	52.0%	49.5%	2.5pp
EBIT	103,787	83,248	24.7%
<i>EBIT margin</i>	42.9%	40.0%	2.9pp
Finance income	15,098	5,641	167.6%
Finance cost	(10,482)	(11,572)	(9.4%)
Profit before tax	108,403	77,317	40.2%
Income tax (expense)/credit	(36,280)	(21,451)	69.1%
Profit for the period	72,123	55,866	29.1%
Earnings per share	4.20	3.39	23.9%



# EBITDA Development

## Profitability

■ Increase
 ■ Decrease
 ■ Total



- Impact of loss-making operations breaking even would increase Pan-African margin to 25.3% (excl. central costs)
- Levers of EBITDA improvement in 2018:
  - Higher volumes
  - Tanzania fuel switch to gas
  - Sierra Leone, Congo progressing to profitability
  - Improved cost/pricing in Ghana

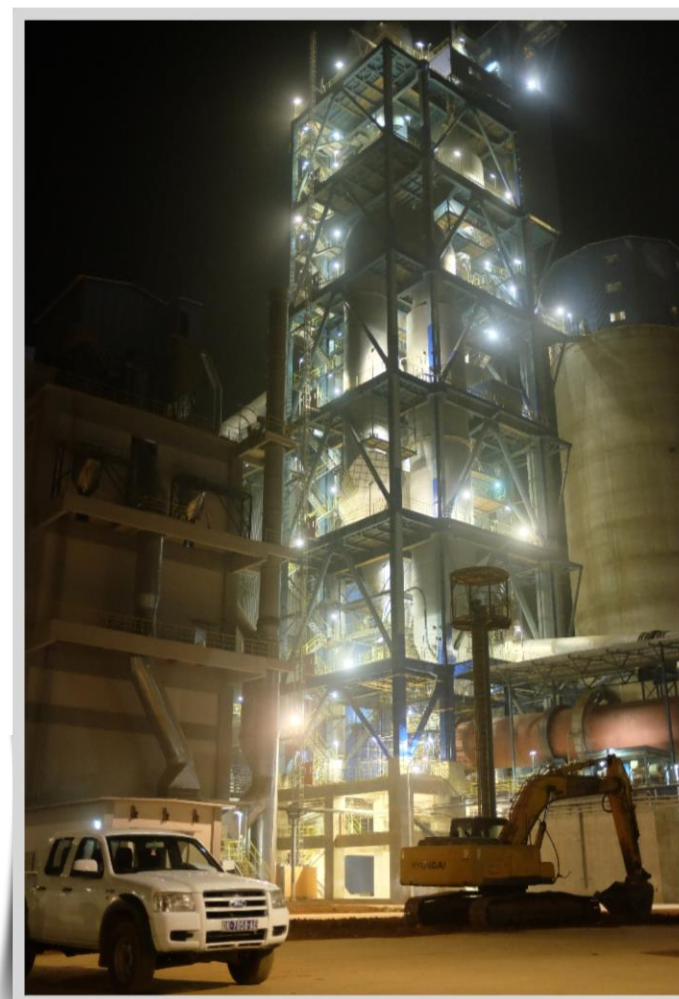
\* start-ups



# Group Financial Overview (cont'd)

## Movement in Net Debt

	Cash ₦m	Debt ₦m	Net debt ₦m
As at 1st January 2018	168,387	(372,094)	(203,707)
Cash generated from operations before changes in working capital	132,727		132,727
Changes in working capital	4,167		4,167
Income tax paid	(30)		(30)
Additions to fixed assets	(4,540)		(4,540)
Other investing activities	(901)		(901)
Change in non-current prepayments	(577)		(577)
Net interest payments	(3,468)		(3,468)
Net loans repaid	(81,392)	81,392	-
Dividend paid	-	-	-
Other cash and non-cash movements	879	(9,224)	(8,345)
<b>As at 31st March 2018</b>	<b>215,252</b>	<b>(299,926)</b>	<b>(84,674)</b>



# Group Financial Overview (cont'd)

## Balance Sheet

	As at 31/3/18 N/m	As at 1/1/18 N/m
Property, plant and equipment	1,195,138	1,192,140
Other non-current assets	59,353	57,089
Intangible Assets	7,412	6,355
Current Assets	241,822	241,912
Cash and Cash Equivalents	215,252	168,387
<b>Total Assets</b>	<b>1,718,977</b>	<b>1,665,883</b>
Non-current liabilities	144,789	121,153
Current liabilities	410,029	391,276
Debt	299,926	372,094
<b>Total Liabilities</b>	<b>854,744</b>	<b>884,523</b>
<b>Net Assets</b>	<b>864,233</b>	<b>781,360</b>



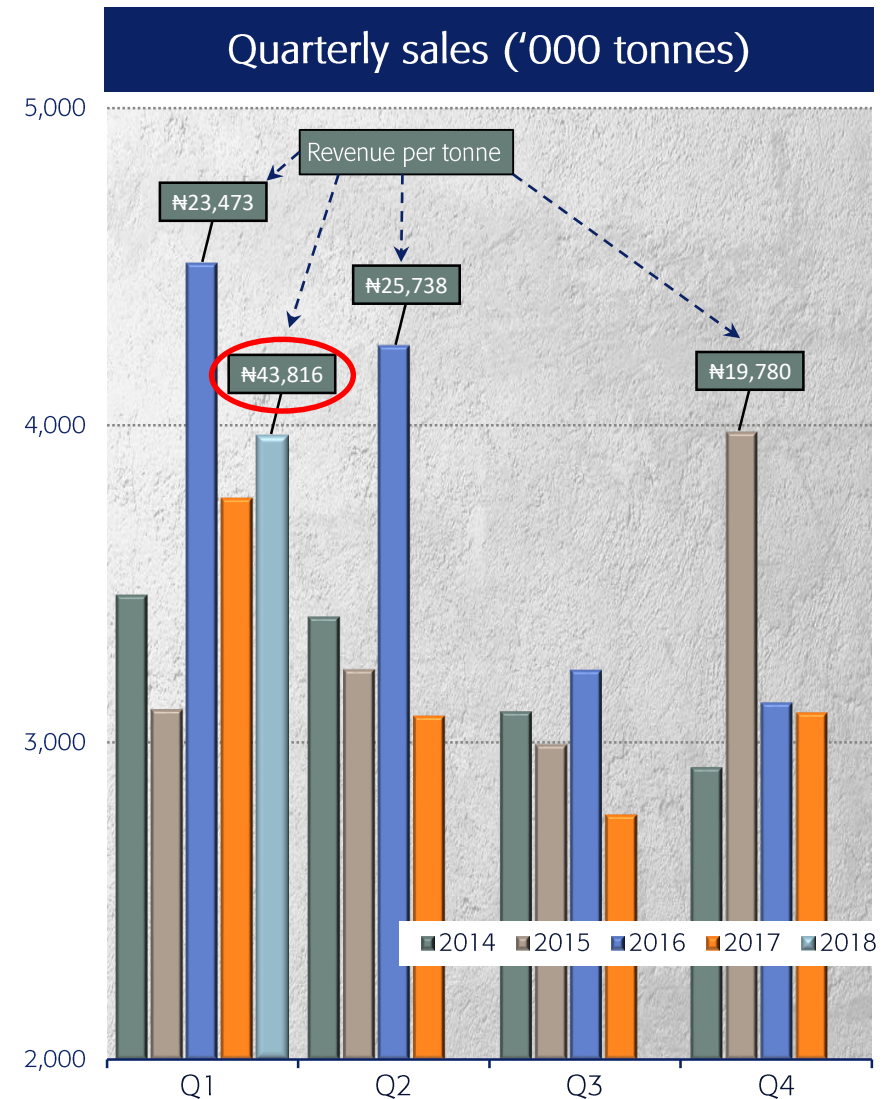
# Strong Q1 Nigeria Performance

- Volumes up 5.3% to nearly 4.0Mt
  - Fourth-highest quarter since 2014
  - Strong March creates good momentum for 2018
- Revenues up 14.1%
  - Estimated 66% market share
- EBITDA up 17.0%
- LPFO and imported coal not used
- 211Kt of exports
  - Ghana: 12Kt
  - Niger: 86Kt
  - Togo: 112Kt

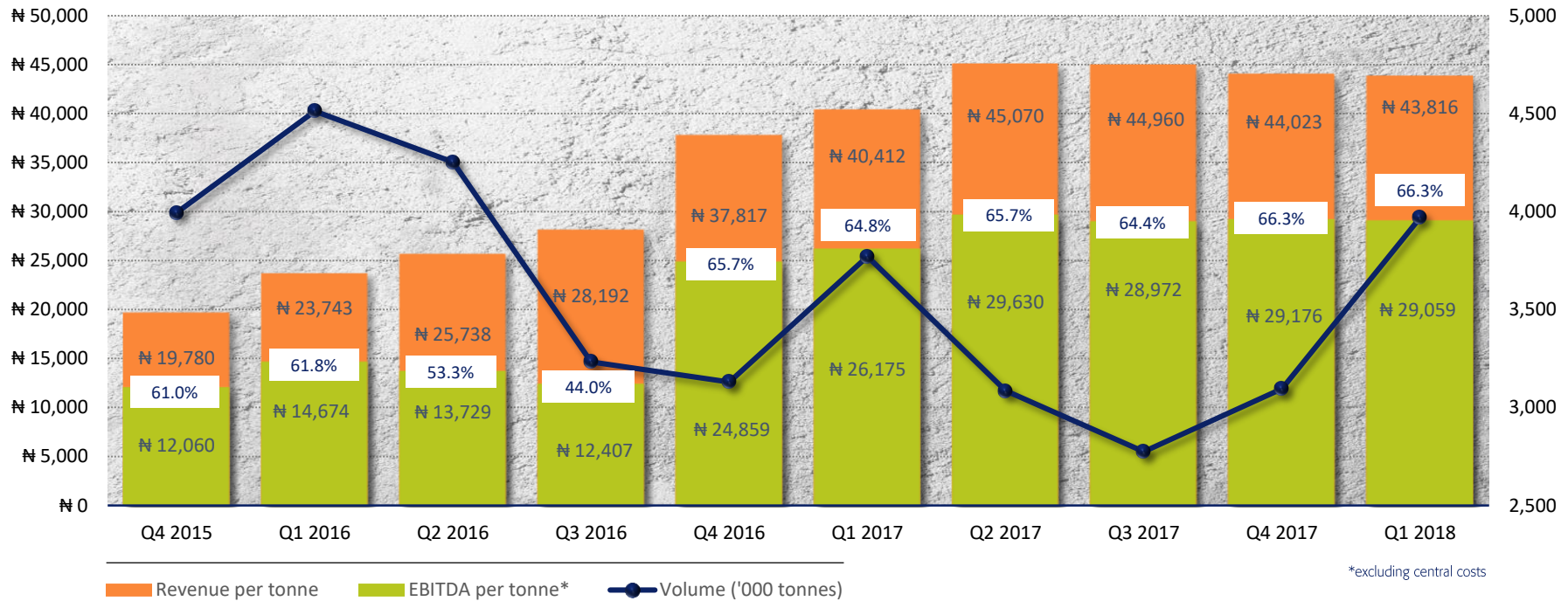
## Nigeria performance

Three months to 31 <sup>st</sup> March	2018	2017	Change
Volumes* (Kt)	3,969	3,770	5.3%
Revenue* (₦m)	173,907	152,355	14.1%
EBITDA* (₦m)	115,337	98,539	17.0%
EBITDA margin*	66.3%	64.7%	1.6pp

\* Before corporate costs and inter-company eliminations



# Nigeria Maintains Strong EBITDA / Tonne



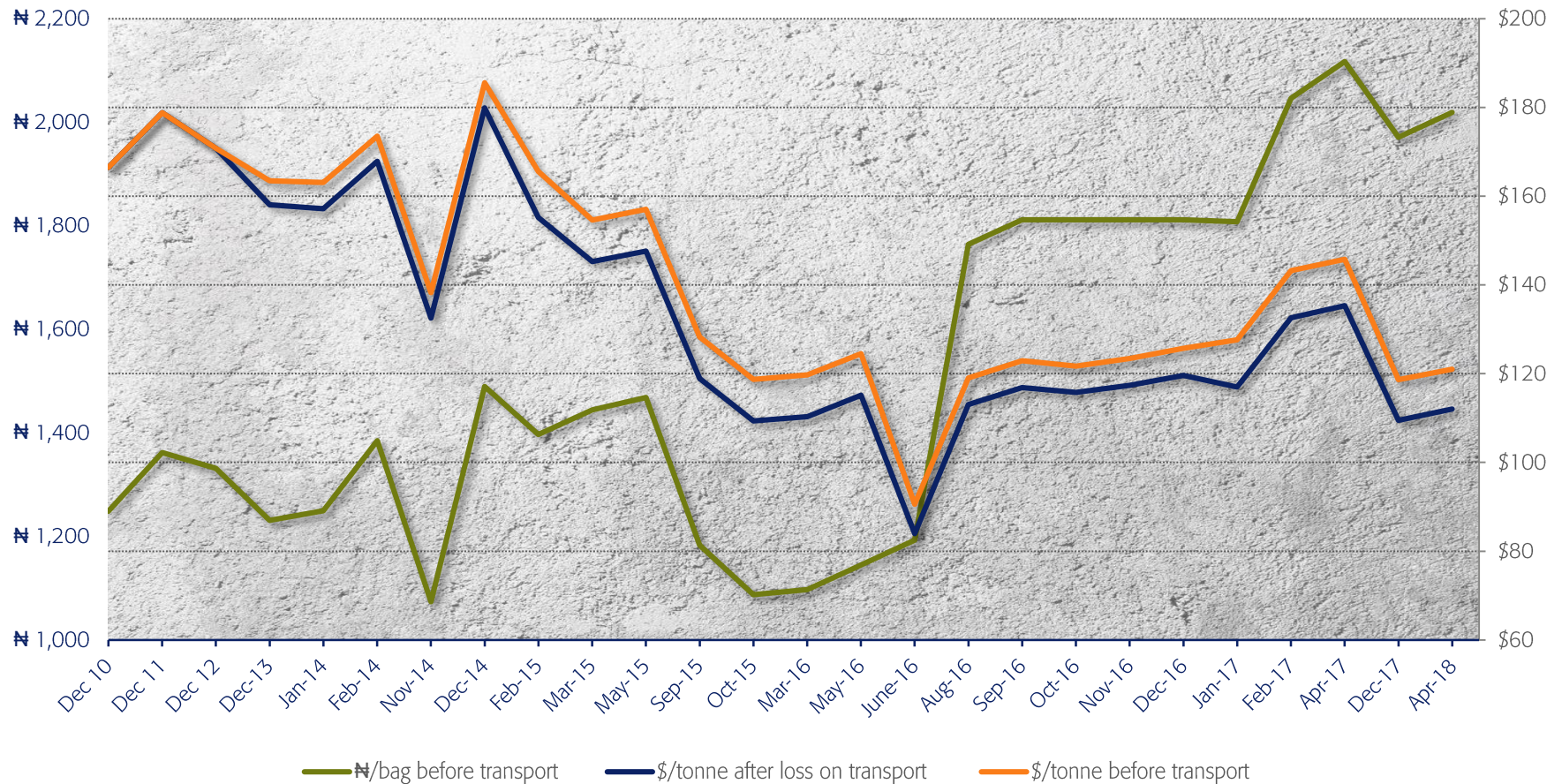
## EBITDA momentum maintained in Q4 2017

- Strong per-tonne EBITDA maintained despite lower volumes, price cut in August
- Improved fuel mix with decreased use of imported coal and LPFO

# Nigeria Price Development



Ex-factory price after discounts and other rebates



Conversion from Naira to US\$ is at spot rate

# Fuel Mix Eliminates LPFO

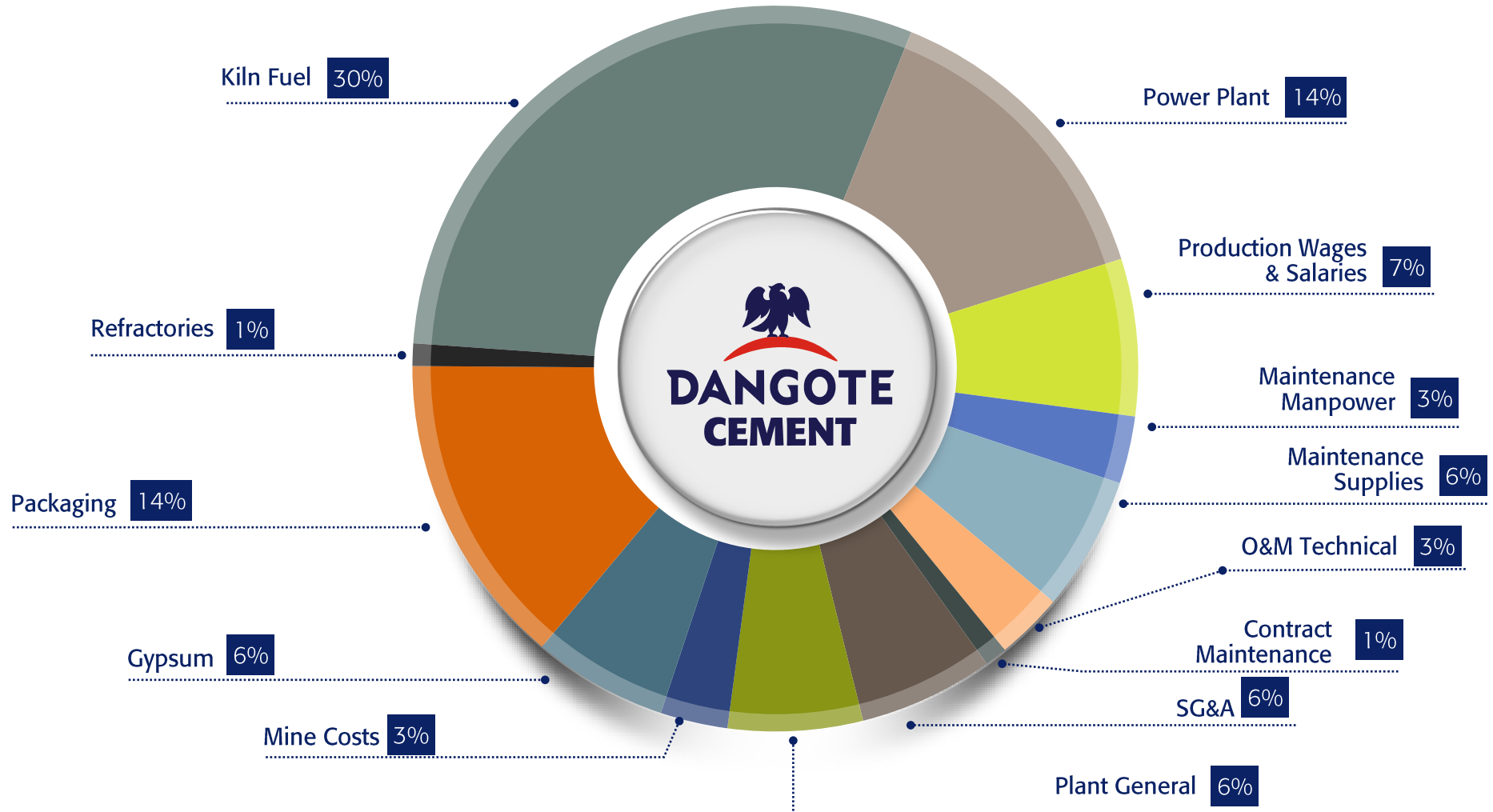


Fuel mix				
Three months to 31 <sup>st</sup> March	Obajana		Ibese	
	2018	2017	2018	2017
Gas	57%	48%	62%	54%
Coal	43%	46%	38%	43%
LPFO	-	6%	-	3%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Relative cost of fuels vs gas per tonne of clinker		
As at 31 <sup>st</sup> March 2018	Obajana	Ibese
Own-mined coal	0.67x	0.76x
Imported coal	1.12x	0.88x
Gas	1.00x	1.00x
LPFO (Not used)	2.53x	1.90x

# Nigeria Cash Cost Analysis

% of average cash costs per tonne, Q1 2018



Cash cost was approximately **\$33/tonne** in Q1 2018

65% of cash costs are US Dollar based, though less than 20% paid in Dollars

# Pan-Africa Revenues Up

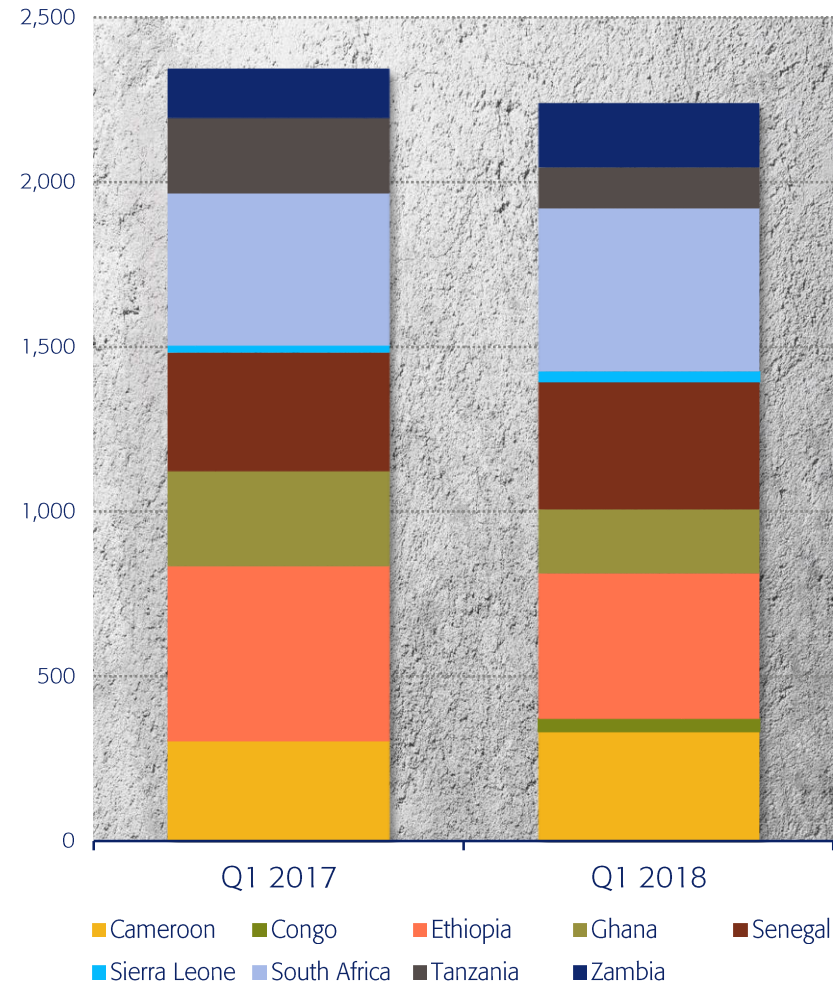
- Sales volumes down 4.4% to 2.2Mt
- Revenues up 16.8% to ₦68.6B
- EBITDA up 77.3%
  - Higher per-tonne pricing
- Good Q1 performances
  - Zambia volumes up 29.9%
  - Cameroon volumes up 9.6%
  - Senegal volumes up 7.7%

## Pan-Africa performance

Three months to 31 <sup>st</sup> March	2018	2017	Change
Volumes sold (Kt)	2,239	2,342	(4.4%)
Revenue (₦m)	68,559	58,715	16.8%
EBITDA* (₦m)	13,064	7,368	77.3%
EBITDA margin	19.1%	12.5%	6.6pp

\* Before corporate costs and eliminations

## Cement sales ('000 tonnes)





# Appendix

Building Prosperity in Africa



# Country Updates Q1 2018



## Cameroon

Estimates 760Kt total Q1 market

Housing and infrastructure driving sales

Volumes up 9.6% to 332Kt

Stronger brand recognition achieved

Pricing around \$119/tonne

44% market share



## Congo

Commenced operations September 2017

Slow start, 39Kt sold in Q1

DRC borders now open for cement imports

Central African Republic also a target for export sales

Ex-factory pricing \$92 in March



## Ethiopia

Civil disruption causes 16.7% fall in sales volumes, but issues now resolved and deliveries reaching customers

Market share 22%

Downtime used for kiln and other maintenance

Focus on improving reach in remote areas

Pricing around \$67/tonne ex-factory

# Country Updates Q1 2018



## Ghana

GDP accelerating with attractive outlook for cement demand

Market drivers include Tema-Accra highway, school building and infrastructure for oil and gas

Volumes down to 193Kt owing to reallocation of vehicles to serve Nigerian demand and lead time of increasing seaborne imports

Ex-factory pricing of \$98 at end of Q1



## Senegal

6%-7% GDP growth expected in 2018

Infrastructure projects include Ilaa Touba Highway, Dakar Airport Railway and road/urban projects

Volumes up 7.7% to 388Kt

Capacity utilisation slightly higher than 100% owing to increased sales of 32.5-grade with lower clinker content

Pricing at \$74/tonne ex-factory



## Sierra Leone

GDP Picking up after Ebola crisis, with expectation of 6% growth in 2018

Building projects resuming, infrastructure investment and foreign aid

Volumes up 44% to 33Kt

Increased focus on corporate sales, PoS materials and competitive pricing

Ex-factory price approximately \$97 in Q1 2018

# Country Updates Q1 2018



## South Africa

GDP remains muted  
Government seeking large funding for infrastructure  
2.7Mt total Q1 market (all manufacturers)  
DCSA volumes up 7.3% in Q1  
Price increase of 5% across SA market in February 2018



## Tanzania

GDP growth remains strong at about 7%  
Market drivers include Dar es Salaam to Morogoro Railway, Kenya-Tanzania Railway, road/bridge building and major housing projects  
Volumes down 46% as plant closed to stem losses and enable maintenance  
Gas turbines delayed but expected late May/Early June, with immediate uplift on EBITDA



## Zambia

GDP growth of 4%-5% expected in 2018  
Market drivers include lower rainfall, improved harvest, infrastructure projects  
Volumes up 29.9% to nearly 200Kt  
Improved distribution through use of additional 3<sup>rd</sup>-party trucks  
Ex-factory pricing at approximately \$87 in March  
Estimated share of 43%

# Change in Pioneer Tax Treatment

- Company remains confident that Pioneer applications will soon be approved by NIPC
- Pioneer tax relief taken for the two-year extension on Lines 1&2 Ibese and Line 3 Obajana.
  - Original three-year application was approved by NIPC and extension should be granted as the Company has complied with the Pioneer requirements.
  - Credit taken in 2017 of ₦8.3B (2016: ₦24.0B, 2015: ₦27.8B)
- Pioneer tax relief not taken for the original three-year application on Lines 3&4 Ibese and Line 4 Obajana.
  - Have complied with the PSI requirements and applications await NIPC approval.
  - Provision taken in 2017 of ₦62.2B (2016: ₦43.8B, 2015: ₦28.1B)
  - Provision will be reversed on receipt of NIPC approval
- Tax charge of 25.6% in Nigeria for 2017

Previous treatment

Obajana	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line 1											
Line 2											
Line 3											
Line 4											

Ibese




	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line 1											
Line 2											
Line 3											
Line 4											

New treatment, pending NIPC approval

Obajana	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line 1											
Line 2											
Line 3											
Line 4											

Ibese

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Line 1											
Line 2											
Line 3											
Line 4											

-  Tax exempt status taken in accounts
-  Tax exempt status taken in accounts, on two-year Pioneer extensions, awaiting NIPC approval
-  Tax-exempt status not taken in accounts, awaiting NIPC approval

# Details of Pan-Africa Tax Exemptions



Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Cameroon												
Congo												
Ethiopia												
Senegal												
Zambia												

- Brown – 50% exemption
- Yellow – 25% exemption
- Green – Full exemption



## First Sustainability Report published in 2017 Annual Report

### Aim to achieve full GRI-G4 compliance by 2020

#### 2018 focus will be on:

- Extend monitoring/reporting to all Pan-African sites
- Financial sustainability
  - Return to stakeholders, return to shareholders
- Institutional sustainability
  - Regulatory compliance, responsible tax payment, corporate governance, institutional capacity, Employee Code of Conduct, succession planning, talent management
- Operational sustainability
  - Resource management, local content development, operational efficiency, innovation, supply chain management, product/service labelling disclosures, product health and safety
- Cultural sustainability
  - Employee identity, cultural integration, stakeholder inclusion, diversity in the workplace, inclusive work environment, brand values and protection, employee awareness and sustainability
- Economic sustainability
  - Job creation, household income, national income generation, self-sufficiency
- Social sustainability
  - Employee health and safety, training and development, community engagement, social (impact) investment
- Environmental sustainability
  - GHG emissions, dust management, water management, use of land, use of fuel and raw materials, waste management

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