DANGOTE CEMENT PLC

...Debt Reduction Supports Profitability.

June 18, 2026.

Earnings Note

Highlights

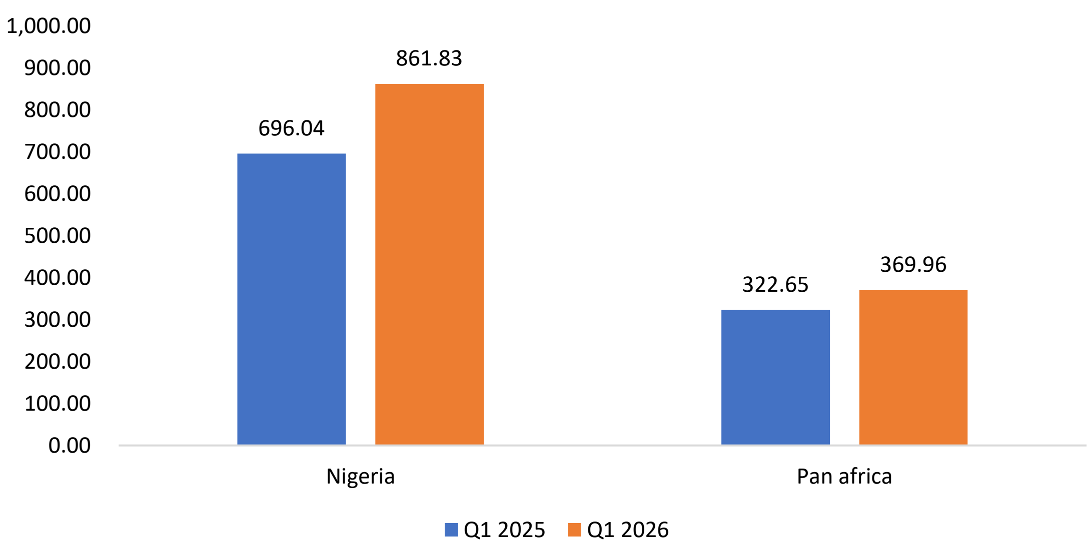
- Dangote Cement Plc ramped up production at the new 3Metric tonnes per annum plant in Côte d'Ivoire.
- Revenue grew by 20% Year-on-year (YoY) from ₦994.66 billion (Q1 2025) to ₦1.12 trillion (Q1 2026).
- Profit after tax increased by 53% YoY from ₦209.25 billion (Q1 2025) to ₦321.10 billion (Q1 2026).
- Earnings Per Share moved from ₦12.29k (Q1 2025) to ₦19.14k (Q1 2025).
- Shareholders' funds increased by 9% YoY from ₦2.62 trillion (Q1 2025) to ₦2.86 trillion (Q1 2026).

Income Statement

Following the commissioning of the 3Mta plant in Cote d'Ivoire, revenue grew by 20% YoY from ₦994.66 billion (Q1 2025) to ₦1.20 trillion (Q1 2026). This growth in revenue is because of increased demand for Dangote Cement products in both Nigeria and across the Pan-Africa state. Within Nigeria (Which is the largest contributor to total revenue at 72%), Price per 50kg bag increased by 11% YoY from ₦7,916.77 to ₦8,788.75 YoY. Although there was a price decline of 4% YoY across the Pan- Africa from ₦6,611.74 to ₦6,343.60. This price decline can be seen as a strategy to drive an increase in volume across the Pan-African state.

In Nigeria, volume increased by 12% YoY (from 4.40Mta to 4.90Mta), while across the Pan- African region it increased by 20% YoY (From 2.44Mta to 2.92Mta). The Group continues to benefit from ongoing infrastructure projects and housing demand as the African state continues to build infrastructure to support its growth and address the needs of is growing population (the fastest-growing continent on the globe at 2.3% per year).

Revenue by Region (N'Billion)

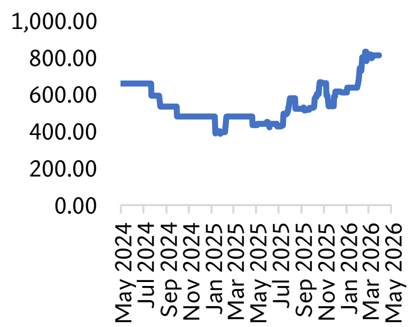


Source: Company accounts, WSTC Research

Fair Value Estimate: ₦1294.18

Stock Data	
Current price (N)	1,155.00
Shares Outstanding (mn)	16,874
Market Cap (N'mn)	19,488,961
52-week high (N)	1,189.00
52-week low (N)	425.00
Trailing EPS (N)	60.15
Forward EPS (N)	89.47
Forward PE (X)	12.91
Justified PE Multiple (X)	11.10

Price Movement



Stock Data	FY 2024	FY 2025	FY 2026F
P/E	38.73x	19.20x	12.91x
P/BV	8.96x	7.44x	5.78x
PBT Margin	20%	36%	41%
PAT Margin	14%	24%	27%
RoE	26%	42%	55%
Dividend Yield	2%	4%	6%

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Cost of sales increased by 10% YoY from ₦407.27 billion (Q1 2025) to ₦448.73 billion (Q1 2026). However, gross profit rose by 28% YoY from ₦587.39 billion (Q1 2025) to ₦749.30 billion (Q1 2026). This translates to an increase in gross margin from 59% to 63%.

Operating expenses rose by 21% YoY from ₦205.48 billion (Q1 2025) to ₦249.10 billion (Q1 2026). The Group showed its ability for cost-effective management through the preceding 12 months as it maintained operating expense margin at 21% (Q1 2025: 21%). For reference, 300 CNG trucks was commissioned in Tanzania to manage distribution and logistics costs. Despite the higher operating expense, operating profit grew by 27% YoY from ₦398.18 billion (Q12025) to ₦505.48billion (Q1 2026).

Net non-operating losses declined slightly by 2% from ₦86.21 billion to ₦84.31 billion. Finance costs declined by 24% YoY from ₦111.90 billion (Q1 2025) to ₦85.04 billion (Q1 2026). This is part of their ongoing debt reduction efforts. However, finance income fell by 91% YoY from ₦33.35 billion to ₦3.04 billion. Foreign exchange losses declined by 24% from ₦17.47 billion to ₦13.21 billion, underpinned by the stable exchange rate environment.

Profit before tax (PBT) increased by 35% YoY from ₦311.97 billion (Q1 2025) to ₦421.17 billion (Q1 2026). Even with a tax charge of ₦100.07 billion, profit after tax (PAT) surged by 53% YoY from ₦209.25 billion (Q1 2025) to ₦321.10 billion (Q1 2026).

Outlook

Dangote Cement Plc is expected to maintain its momentum through FY 2026, given the newly commissioned 3Mta plant in Côte d'Ivoire coupled with continued infrastructure activities across the Pan-African state. Dangote Cement Plc is well positioned to take advantage of the growth of all other 52 African Nations relative to its competitors.

The adoption of CNG trucks is expected to continue to have a positive impact on operating costs, especially if the entire fleet of trucks are now CNG-fueled. No official statement by the company has been made to this effect.

The Group is also expected to benefit from its ability to influence prices in the market (Market Leader) and the deliberate action to reduce its debt profile.

WSTC Financial Services Limited considers Dangote Cement Plc a safe-haven stock for the portfolio of a long-term investor i.e. the volatility in the perceived value of the business (Share price) is a lot less than that of the average company on the exchange. For the dividend-seeking investor, we expect continued growth in dividend yield.

Q1 2026 Financial Performance

Income Statement (N'mn)	Q1 2026	Q1 2025	(%)
Revenue	**1,198,032**	**994,659**	**20%**
Cost of sales	(448,732)	(407,265)	10%
Gross profit	**749,300**	**587,394**	**28%**
Other income	5,277	16,269	-68%
Operating income	**754,577**	**603,663**	**25%**
	63%	**59%**	
General and adminisitrative expense	(71,577)	(51,844)	38%
Selling and distribution expense	(177,520)	(153,636)	16%
Operating expense	**(249,097)**	**(205,480)**	**21%**
Operating profit	**505,480**	**398,183**	**27%**
Non-operating profit/(loss)	**(84,314)**	**(86,209)**	**-2%**
Finance income	3,040	33,352	-91%
Finance cost	(85,036)	(111,904)	-24%
FX gain loss	(13,214)	(17,472)	-24%
Gain on net monetary positions	10,192	10,579	-4%
Impairment of financial assets	704	(764)	-192%
Profit before tax	**421,166**	**311,974**	**35%**
Taxation	(100,068)	(102,729)	-3%
Profit for the year	**321,098**	**209,245**	**53%**
Balance Sheet (N'mn)	**Q1 2026**	**Q1 2025**	**(%)**
Assets			
PP & E	3,783,463	3,230,172	17%
Inventory	703,578	671,549	5%
Receivables	136,853	119,553	14%
Prepayments	756,203	782,197	-3%
Cash	504,827	417,663	21%
Others	150,074	1,224,220	-88%
Total Assets	**6,034,998**	**6,445,354**	**-6%**
Liabilities			
Loans & Borrowings	773,540	2,425,225	-68%
Payables	1,364,857	918,951	49%
Others	1,031,734	721,393	43%
Total Liabilities	**3,170,131**	**4,065,569**	**-22%**
Net Assets	**2,864,877**	**2,379,785**	**20%**

Source: Company accounts, WSTC Research

Financial Projections

Income statement (NGN mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Revenue	3,580,550	4,306,704	5,562,398	6,200,710	7,053,202	7,570,777	8,150,575	8,801,529
EBITDA	1,381,727	1,985,027	2,681,632	3,321,645	3,792,464	4,056,353	4,370,683	4,788,178
EBIT	1,152,768	1,770,001	2,436,886	3,061,215	3,496,229	3,753,522	4,044,661	4,348,101
Profit before taxation (PBT)	732,537	1,532,660	2,279,727	2,888,199	3,381,622	3,660,994	3,977,918	4,290,689
Net profit (PAT)	503,247	1,014,921	1,509,626	1,912,553	2,239,296	2,424,295	2,634,161	2,841,276
EPS (₦)	29.82	60.15	89.47	113.35	132.71	143.67	156.11	168.39
DPS (₦)	30.00	45.00	67.10	85.01	99.53	107.76	109.28	117.87

Balance sheet (NGN mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Other current assets	1,461,190	1,574,388	2,051,207	2,040,303	2,319,920	2,292,845	2,337,534	2,242,058
Non-current assets	4,492,217	4,068,770	4,992,128	5,103,741	5,160,166	5,235,874	5,317,380	5,141,349
Total assets	6,403,238	6,040,727	8,043,371	8,388,472	9,318,771	10,025,140	10,869,531	11,889,789
Current liabilities	2,569,584	2,603,694	3,158,977	3,079,920	3,271,229	3,337,609	3,406,981	3,566,849
Non-current liabilities	1,658,409	816,897	1,513,943	1,157,767	1,091,875	987,041	946,121	809,148
Total liabilities	4,227,993	3,420,591	4,672,920	4,237,687	4,363,104	4,324,651	4,353,102	4,375,997
Shareholders' equity	2,175,245	2,620,136	3,370,452	4,150,785	4,955,666	5,700,489	6,516,429	7,513,792

Cash flow statement (NGN mn)	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
Cash from operating activities	821,080	1,710,762	1,849,714	2,375,726	2,667,858	3,040,270	3,200,652	3,675,816
Cash from investing activities	(834,883)	620,354	(1,082,261)	(266,175)	(240,002)	(254,235)	(281,758)	(128,429)
Cash from financing activities	(311,543)	(2,076,566)	(164,986)	(1,865,158)	(1,833,601)	(2,128,298)	(2,200,699)	(2,255,622)
Net increase/ (decrease) in cash	(325,346)	254,550	602,467	244,393	594,255	657,737	718,196	1,291,765
Free cash flow	407,303	849,673	681,610	2,003,683	2,315,198	2,661,731	2,793,124	3,411,770

Ratio analysis	FY 2024	FY 2025	FY 2026F	FY 2027F	FY 2028F	FY 2029F	FY 2030F	FY 2031F
EBITDA margin	39%	46%	48%	54%	54%	54%	54%	54%
Operating margin	32%	41%	44%	49%	50%	50%	50%	49%
RoE	26%	42%	50%	51%	49%	46%	43%	41%
RoA	10%	16%	21%	23%	25%	25%	25%	25%
Dividend payout ratio	101%	75%	75%	75%	75%	75%	70%	70%

Source: Company accounts, WSTC Research

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- Hold Rating: estimated change in price is between -10% and 19% of current market price.
- Sell Rating: estimated change in price is ≤ -10% of current market price.

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