



Q3 and 9M 2019 Analyst Presentation

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01 Overview of Q3 and 9M 2019 Results

Michel Puchercos, Chief Executive Officer

Q3 AND 9M 2019 HIGHLIGHTS

- ❑ **Q3 2019 revenue down 25,1% to N53,9 bn**
 - Q3 2019 revenue in Nigeria at N45,2 bn (-7,2% vs LY)
 - South Africa revenue in July 2019 closing at N8,7 bn

- ❑ **EBITDA (pre-IFRS 16) up 32,7% to N11,4 bn in Q3 2019**, supported by the implementation of efficiency & cost reduction strategy
 - Nigeria: EBITDA of N11,6 bn, (+12,1% vs LY) and EBITDA margin of 25,7% (post-IFRS EBITDA margin of 32,7%)
 - South Africa: EBITDA in July 2019 at negative N0.2 bn

- ❑ Operating profit (EBIT) multiplied by 2,7x in Q3

- ❑ Significant finance costs improvement (-70,6% vs LY)

- ❑ Positive net income for four consecutive quarters

- ❑ **Successful divestment from Lafarge South Africa Holdings**, further deleveraging Lafarge Africa by c.N154 bn



02 Q3 and 9M 2019 financial results

Marie-Christiane Kaul-Meledje, Ag. Chief Financial Officer

FINANCIAL PERFORMANCE Q3 AND 9M 2019

(in NGN Million)	Q3 2019	Q3 2018	Var. (±%)	9M 2019	9M 2018	Var. (±%)
Net sales	53,906	72,009	-25.1%	214,202	234,300	-8.6%
EBITDA (pre-IFRS 16)	11,390	8,581	32.7%	43,585	36,282	20.1%
<i>% margin</i>	<i>21.1%</i>	<i>11.9%</i>		<i>20.3%</i>	<i>15.5%</i>	
EBITDA (post-IFRS 16)	14,926	-		53,695	-	
Depreciation & amortisation	(7,655)	(5,803)		(24,076)	(17,268)	
Net other non-operating income/expenses	367	17		406	118	
EBIT	7,638	2,795	173.3%	30,025	19,132	56.9%
<i>% margin</i>	<i>14%</i>	<i>4%</i>		<i>14%</i>	<i>8%</i>	
Net finance costs	(3,176)	(10,799)	-70.6%	(16,244)	(33,482)	-51.5%
Share in net income from Associates	18	(11)		(27)	(11)	
Gain on disposal of Investment in Subsidiary	106,523	-		106,523	-	
Net Income Before Taxes	111,003	(8,015)		120,277	(14,361)	
Income taxes	148	1,544		(118)	3,988	
Profit/(Loss) After Taxes	111,151	(6,471)		120,160	(10,373)	

Q3 2019 includes SA's one month numbers versus three months in prior year while 9M 2019 includes SA's seven months number versus nine months in the prior year

- Net sales down 25,1% in Q3, mainly attributable to volume decline
- Strong EBITDA growth in Q3 (+32,7% vs LY), supported by the implementation of efficiency and cost reduction strategy
- Operating profit multiplied by 2,7x in Q3
- Significant finance cost improvement in Q3 2019 (-70,6% vs LY)

REGIONAL PERFORMANCE - NIGERIA

(in NGN Million)	Q3 2019	Q3 2018	Var. (±%)	9M 2019	9M 2018	Var. (±%)
Volumes						
Cement - (kt)	1,031	1,085	-5.0%	3,693	3,683	0.3%
ReadyMix - (kcm ³)	148	329	-55.0%	790	937	-15.7%
Net sales	45,172	48,701	-7.2%	163,057	165,627	-1.6%
EBITDA (pre-IFRS 16)	11,630	10,371	12.1%	46,595	45,501	2.4%
<i>% margin</i>	25.7%	21.3%		29%	27%	
EBITDA (post-IFRS 16)	14,793	-		56,654	-	
Depreciation & amortisation	(7,491)	(4,726)		(21,598)	(14,029)	
Net other non-operating income/expenses	443	(14)		482	107	
EBIT	7,746	5,631	37.6%	35,538	31,579	12.5%
<i>% margin</i>	17%	12%		22%	19%	
Net finance costs	(3,060)	(10,287)	-70.3%	(15,399)	(31,129)	-50.5%
Gain on disposal of Investment in Subsidiary	106,523	-		106,523	-	
Net Income Before Taxes	111,209	(4,656)		126,662	450	
Income taxes	48	940		434	(104)	
Profit/(Loss) After Taxes	111,257	(3,716)		127,097	346	

- ▶ Q3 2019 net sales at N45,2 bn (-7,2% vs LY), largely affected by volume decline attributable to heavy rains
- ▶ Strong EBITDA growth (+12,1% vs LY), supported by the implementation of efficiency and cost reduction strategy
- ▶ Significant finance cost improvement in Q3 2019 (-70,3% vs LY), attributable to repayment of all short-term loans and USD293 million loan from proceeds of Rights Issue and divestment from Lafarge South Africa respectively
- ▶ Gain on disposal of Investment in Subsidiary impacting Profit After Tax by N106,5 bn



03 Outlook

Michel Puchercos, Chief Executive Officer

OUTLOOK

Nigeria

- Based on the above trends, with market demand, which is expected to accelerate in Q4 compared to Q3 2019, a stable pricing environment and the successful execution of Strategy 2022, we expect to continue to deliver in Q4 2019.



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