

📅 March, 2026



**Presenters**

**Lolu Alade-Akinyemi**

Chief Executive Officer

**Zhigang Ke**

Chief Financial Officer

Analyst & Investor Conference Call

# Financial Results Presentation

FY 2025

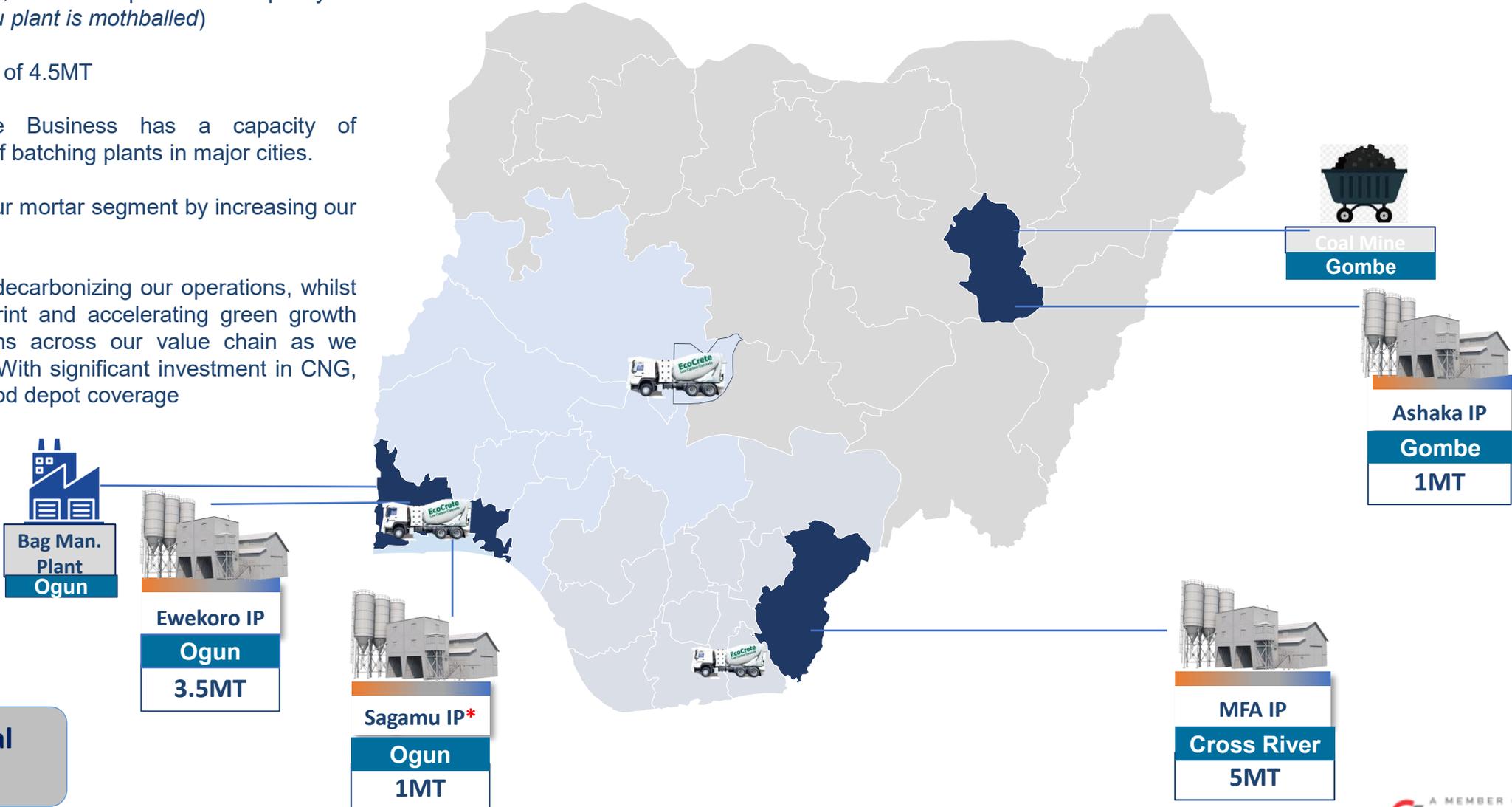
Comprehensive review of financial performance, operational highlights, and strategic outlook for the period ended December 31, 2025.



# LAFARGE AFRICA PLC

## CREATING A GREENER PLANET THROUGH INNOVATION & OPERATIONAL EXCELLENCE

- 4 cement plants in Nigeria; combined production capacity of 10.5 MT PA (1MT Shagamu plant is mothballed)
- Planned additional capacity of 4.5MT
- Our Ready-Mix Concrete Business has a capacity of 400,000m<sup>3</sup> and a network of batching plants in major cities.
- Currently also expanding our mortar segment by increasing our production capacity.
- We are at the forefront of decarbonizing our operations, whilst reducing our carbon footprint and accelerating green growth through innovative solutions across our value chain as we journey towards Net Zero. With significant investment in CNG, robust supply chain and good depot coverage

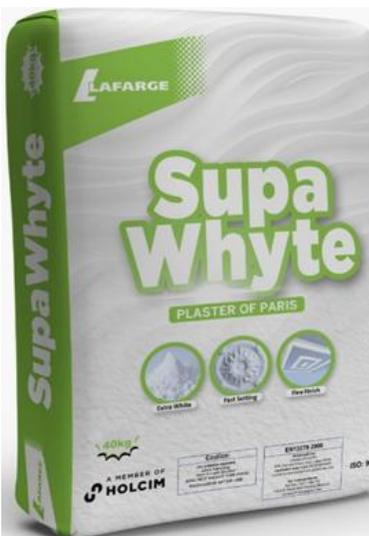
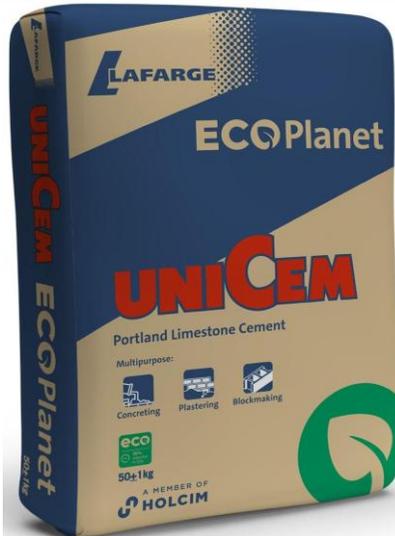
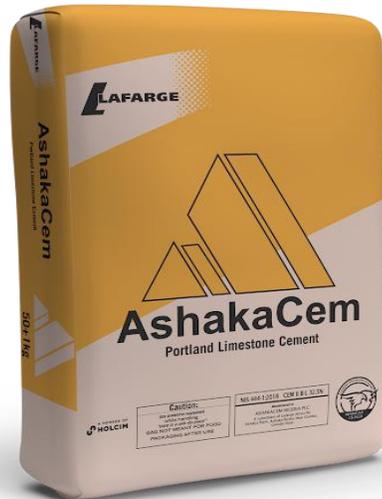
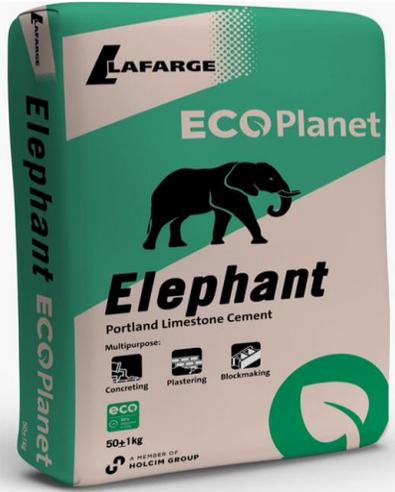


**Our current Operational capacity at 9.5MMT**

\* Plant Mothballed

# OUR RANGE OF PRODUCTS

EXTENDING OUR RANGE OF PRODUCTS IN THE BUILDING SOLUTIONS MARKET



# NAVIGATING MACRO HEADWINDS

NUTURING AN AGILE AND RESILIENT COMPANY IN A DYNAMIC ENVIRONMENT

## Macro Environment

External factors impacting the landscape



### FX Volatility & Inflation

Nigeria's economy grew in real terms by an average of 4.2% in 2025, with inflation closing at 15.15%. Naira exchange rate stabilized compared to 2024 trading around ₦1,436/USD, supported by higher foreign exchange reserves (reaching \$45 billion by Dec 2025) and increased FX inflows



### Infrastructure Demand

With over 230m population in Nigerian, housing gap reached over N21trillion (28m units) in 2025, LAP leveraged on the sustained government focus on infrastructure and urbanization aided projects, This indicates our drive for growth and supply gap mitigations



### Competitive Landscape

Intense competition necessitated our strategic route-to-market execution and logistics optimization to protect market share and increase capacity utilization.

## Key Performance Drivers

Operational levers driving profitability



### Supply Reliability

Enhanced plant reliability and availability at 66% utilization accompanied with the Huaxin coming on board, this drove volume up, and recovery in key segments, ensuring we captured demand upside despite market contraction in some areas.



### Commercial Excellence

Injection of over 500 CNG trucks deployed into our operations, which has helped drive our cost discipline and maintained revenue per ton growth while premium products like **Eco plant contributed 27% to overall sales**, including improved mix and margin resilience.



### Disciplined Execution

Strategic energy mix management and clinker factor reduction (via Calcined Clay) partially offset inflationary pressures on production costs.

# EXECUTIVE SUMMARY

KEY FINANCIAL HIGHLIGHTS | FY 2025

## Record-Breaking Performance Driven by Disciplined Operational Execution

### FY 2025 HIGHLIGHTS



+53% YoY

Net Sales

**₦1,066.3bn**

Exponential Topline Growth

vs ₦696.8bn in FY'24



+103% YoY

Operating Profit

**₦392.1bn**

Strong leverage effect

vs ₦193.0bn in FY'24



+173% YoY

Profit After Tax

**₦273.1bn**

Record bottom line

vs ₦100.1bn in FY'24



+37% YoY

Op. Cash Flow

**₦292.6bn**

Robust cash generation

vs ₦214.1bn in FY'24

Operating Margin

**36.8%**

+907bps

YoY

Net Profit Margin

**25.6%**

+112bps

YoY

EPS

**₦16.96**

+173%

YoY

Cash

**₦384.9bn**

+64%

YoY

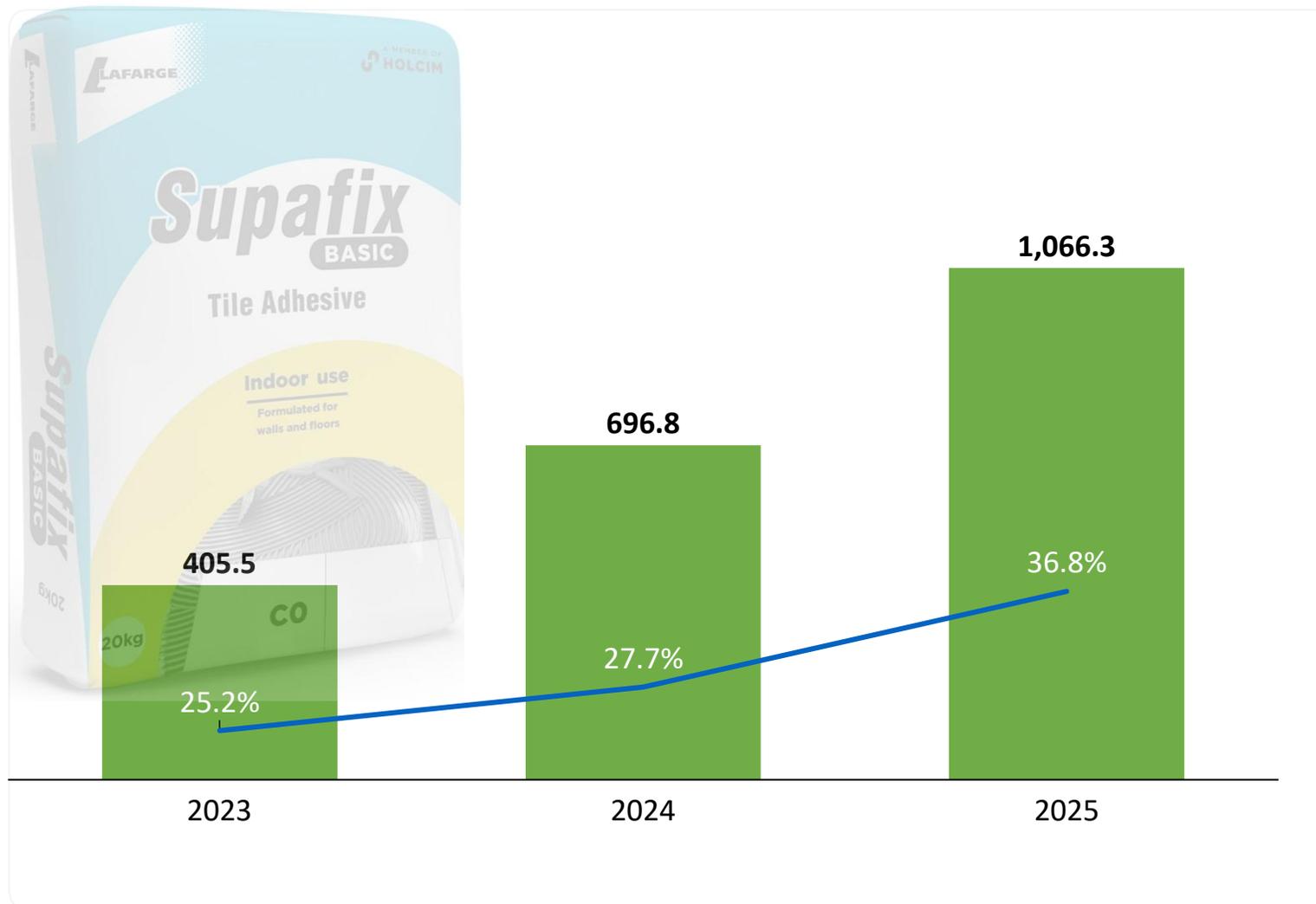
# MARGIN EXPANSION STORY

OPERATIONAL EFFICIENCY & PROFITABLE GROWTH STRATEGY

## Volume vs. Operating Margin

Accelerating profitability alongside top-line growth.

— Operating Margin (%) ■ Volume (KT)



## Drivers of Expansion

Structural improvements underpinning margin gains.



### Operational Efficiency

66% capacity utilization reflecting improved plant reliability with a reduced downtime. De-bottlenecking initiatives unlocked latent capacity at lower marginal cost.



### Commercial Excellence

YoY volume growth, including dynamic pricing strategy effectively offsetting inflationary input costs and Improved realization per ton across all regions



### Sustainability

15% Alternative Fuel (AF) substitution rate and energy mix optimization mitigated volatile gas and power costs.

# BUILDING SUSTAINABLE COMPETITIVE ADVANTAGES

## FOUR STRATEGIC PILLARS DRIVING FUTURE GROWTH

### Operational Strength

Optimizing efficiency and expanding reach



#### Supply Reliability

- ✓ **Volume Drive:** Achieved volume growth YOY, with a 66% plant utilization and continuous plant debottlenecking including energy optimization programs.
- ✓ **Network:** Strategic Ready-Mix presence in Lagos, Abuja, and Port Harcourt, and commissioning a state-of-the-Art plant in Lekki.



#### Operational Excellence

- ✓ **Efficiency:** Increased contribution of eco-friendly fleet to 45% energy efficient trucks. while also adding over 500 CNG trucks to our fleet to reduce our road emission
- ✓ **Digital Transformation & innovation:** Leveraging data for predictive maintenance and logistics, retail expansion and customer support, with a 7% increase in rail dispatch

### Innovation & Sustainability

Leading with green solutions and new products



#### Product Innovation & Decarbonization

- ✓ **EcoPlanet:** Low-carbon cement (30% lower CO<sub>2</sub>) designed to reduce carbon footprint. It currently contributes 27% to our overall sales.
- ✓ **ECOCrete:** Launched in September, Nigeria's First Low-Carbon ReadyMix Concrete.



#### Sustainability & CSR Drive

- ✓ **Geocycle** in partnership with LAWMA, we created a facility at Olusosun site, Ketu (Over 1,000tons converted), to improve on our waste conversion to energy, with over 200kt waste delivered and 159kt consumed in year 2025
- ✓ **AFR Facility at Mfamosing** converts non-recyclable waste to energy launched in Q2 2025, with over 60kt waste converted
- ✓ **Social Impact:** Over 122,000 lives were impacted in 2025 with a 1.9bN spend.

# COMMERCIAL EXCELLENCE



### Customer Support

Strengthen and grow the customer capabilities (World Class Logistics & Customer Service Center)



### 2025 Customer Award



### Retail Penetration

- Bespoke Outlet branding
- Retail Credit solutions
- Activation of retail “LOS”



### RELOAD TRICYCLE PROMO



### Customer Truck Acquisition Scheme



### Exclusive Global Loyalty Experience



### Launch of Ground Calcium Carbonate (GCC)



### Launch of ECOPlanet Elephant Cement



### KA Segment Growth: Injection of Bulk Trucks”

# GEOCYCLE: WASTE MANAGEMENT PERFORMANCE 2025

WASTE PROCESSOR FACILITY SETUP AT OLUSOSUN DUMPSITE TO MOVE CLOSE TO MATERIAL SOURCE



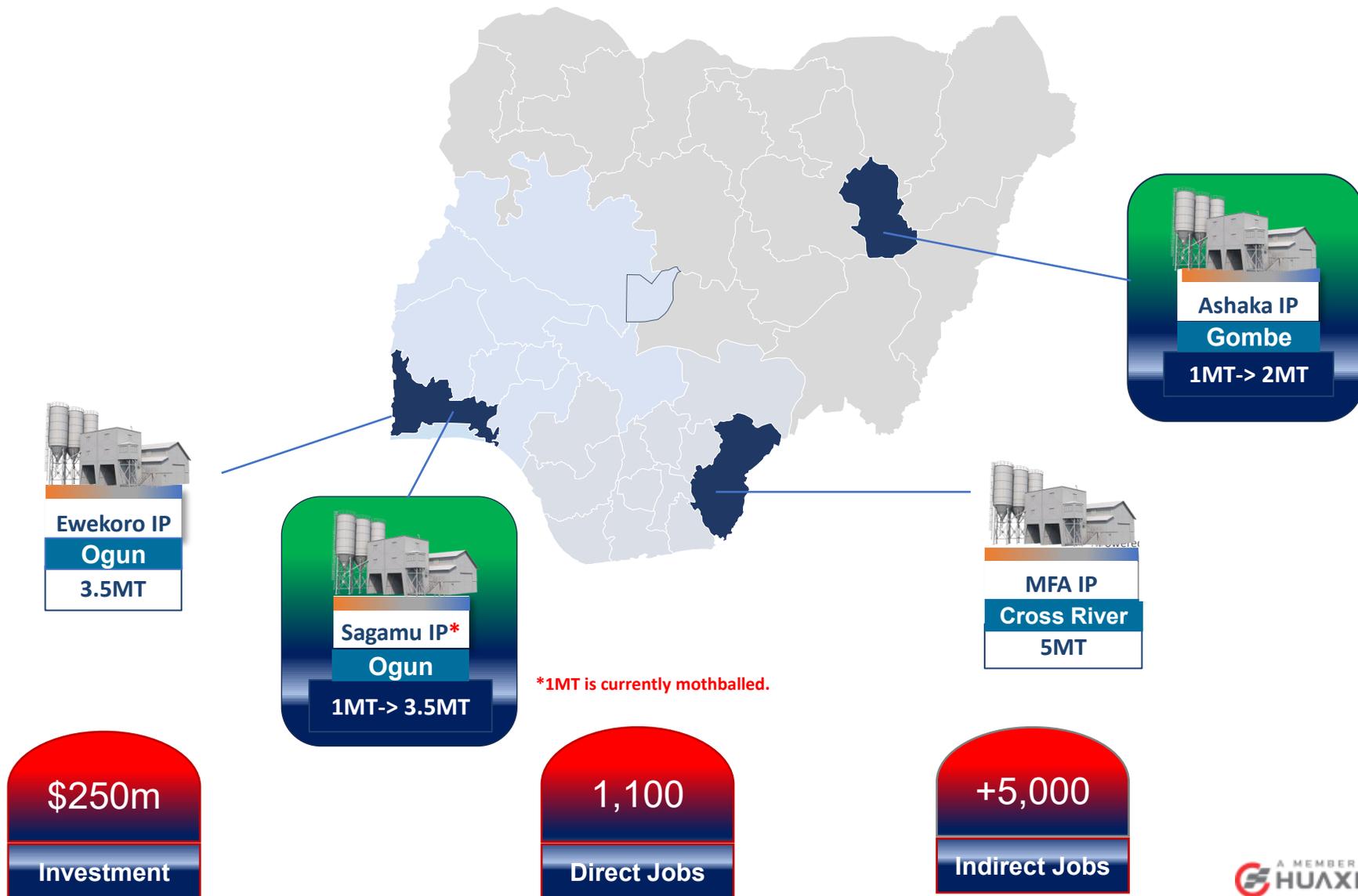
## HIGHLIGHTS

- Sustaining fuel flexibility with 15% TSR in 2025, contributing 11.9bN EBITDA benefit by substituting gas in kilns.
- Commenced operations at Olusosun site,
- Collaboration with LAWMA (Lagos waste management) in place to take advantage of choice sites to process waste
- Total waste processed during the year was 160kt

# LAP EXPANSION PLANS AT ASHAKA AND SAGAMU CEMENT PLANTS

INCREMENTAL VOLUME AT 4.5MMT, WITH AN ESTIMATED COST OF \$250M. EXPECTED TO BE COMPLETED IN 12MONTHS, WHILE LEVERAGING ON HUAXIN EXPERTISE

- 4 cement plants in Nigeria; combined production capacity of 10.5MMT PA, to reach 14MMT after expansion.
- New plants to be fully independent and self-sufficient with captive power plant and own quarry.
- Capacity expansion strengthens local manufacturing, export opportunities, and industry GDP contribution.
- This project stimulates demand across mining, transport and logistics, engineering and maintenance services.
- +5,000 construction phase indirect job for local artisans: welders, fitters, drivers, civil works support, etc.
- Project expected to be funded internally, while ensuring adequate provision is available for dividend



# LAFARGE PARTNERS WITH HUAXIN CEMENT

SIGNIFICANT PROGRESS ACHIEVED IN HUAXIN INTEGRATION; LAP TEAM TRANSITION PROGRESSING SUCCESSFULLY



# 2026 OUTLOOK

## CONTINUED GROWTH & VALUE CREATION

### Strategic Considerations

Monitoring external dynamics



#### Macroeconomic Volatility

Nigeria's economy is projected to grow in real terms by 4.7% in 2026, with inflation closing at an average of 14%. Naira exchange rate is expected to be generally stable according to market statistics.



#### Competitive Dynamics

Maintaining market share through commercial excellence and superior route-to-market strategies in a competitive landscape and our robust plant optimization.



#### Infrastructure Demand

Sustained government focus on infrastructural projects and urbanization expected to grow at an average of 3.1% to 4.1%, with government spend estimated at N3.56trillion, alongside increased private sector participation. We are prepared to maximize these opportunities.

### Growth Drivers

Key pillars supporting our positive outlook



#### Market Expansion & Capacity Optimization

Effective capacity to attain 14MMT, while we continue to penetrate new markets and maximize volume opportunities through debottlenecking and improved plant reliability to meet growing market needs.



#### Innovation & Product Mix

Accelerating adoption of premium and sustainable products as we continue to drive innovative ideas to support pricing power and margin expansion.



#### Cost Leadership

Ongoing energy efficiency programs, injection of additional CNG trucks and increased use of alternative fuels to mitigate input cost inflation.

# FY 2025 FINANCIAL HIGHLIGHTS

NET SALES UP 53% VS PY, WITH OPERATING PROFIT MARGIN IMPROVEMENT OF 907BPS (FROM 28% TO 37%) AND PAT MARGIN UP 1,124BPS (FROM 14% TO 26%)

## Key Performance Indicators

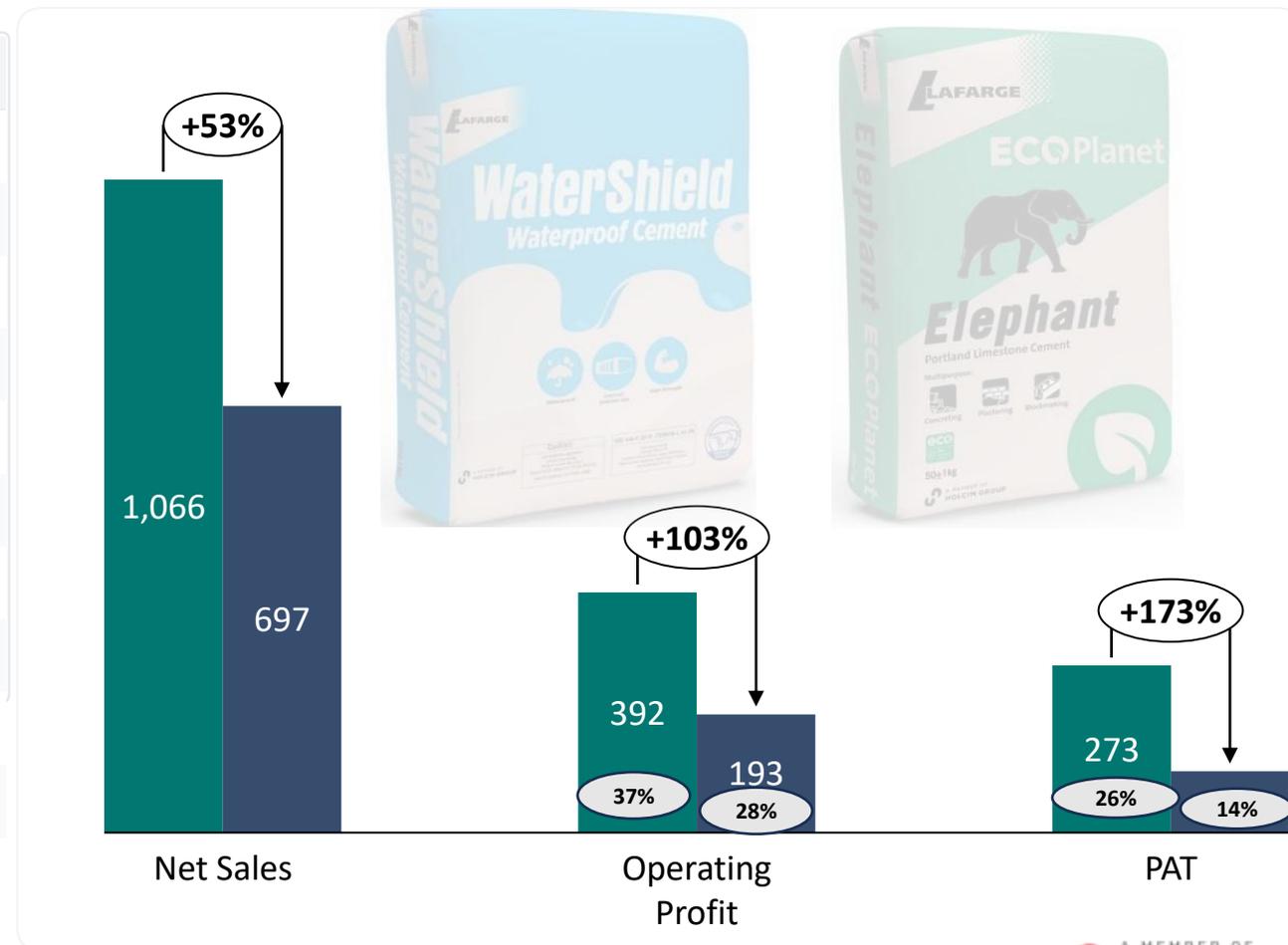
Significant growth across all major financial metrics driven by volume and efficiency drive.

METRIC (₦'BN)	FY 2025	FY 2024	CHANGE
Net Sales	1,066.3	696.8	53%
Cost Of Sales	(448.9)	(350.1)	28%
Gross Profit	617.4	346.7	78%
Selling & distribution Cost	(163.9)	(120.4)	36%
Administrative Expense	(65.7)	(40.1)	64%
Operating Profit	392.1	193.0	103%
Net Finance Cost	19.2	(40.5)	-147%
Tax Expense	(138.2)	(52.1)	165%
Profit After Tax (PAT)	273.1	100.1	173%
EPS (Naira)	16.96	6.22	173%

## Growth Trajectory

Visualizing the scale of top-line and bottom-line expansion.

2025 2024

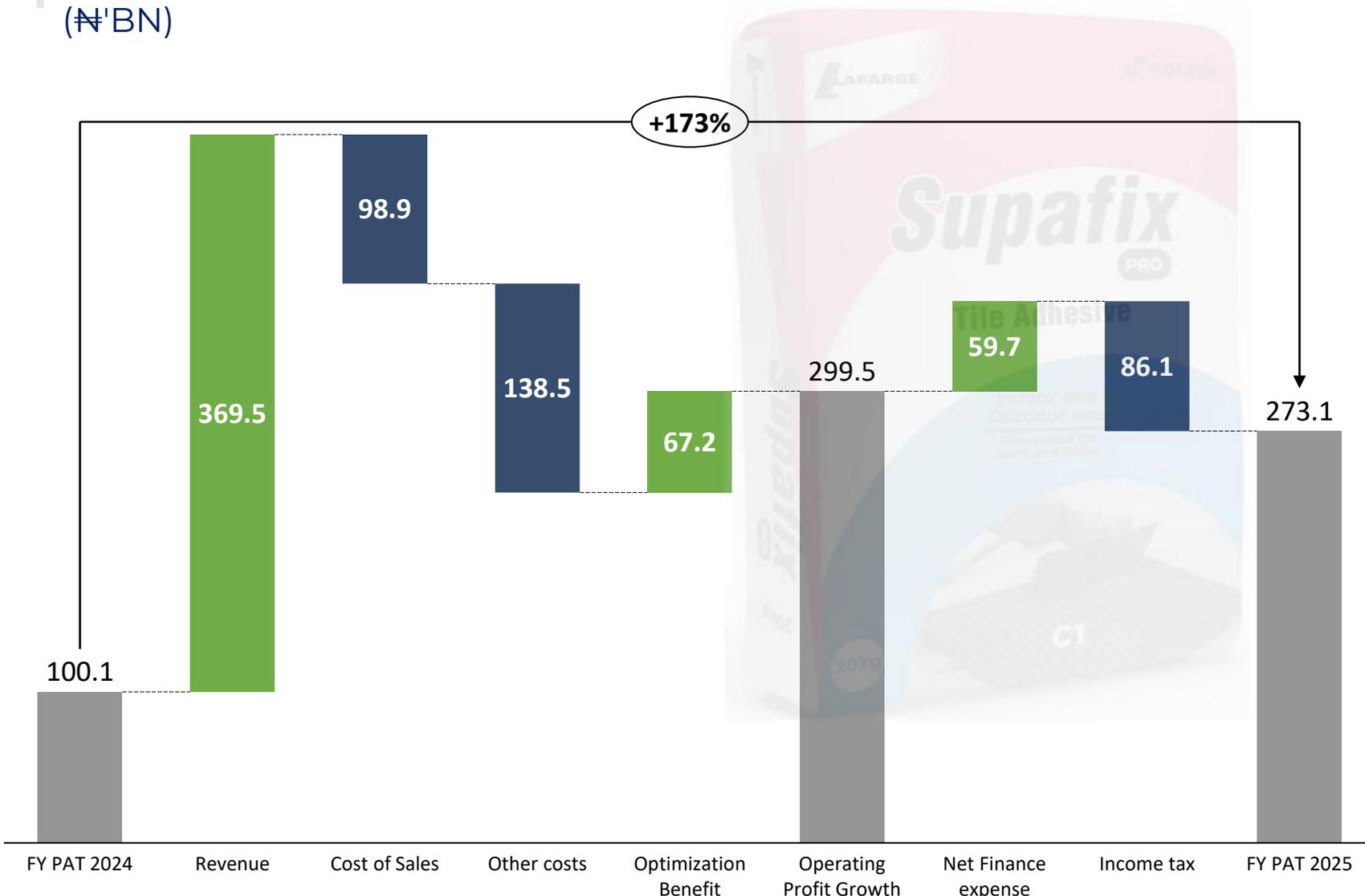


# PAT BRIDGE ANALYSIS

FY 2025 PAT EVOLUTION WITH A 173% GROWTH YOY

## Year-on-Year PAT Drivers

(R'BN)



## Driver Analysis

Key factors contributing to the R369.5bn revenue increase.

### Volume Drive

Improved plant reliability and availability drove volume growth. Q4 saw accelerated volume uptake as market demand stabilized.

### Distribution Efficiency

Optimization of our distribution drive with the inclusion of over 500 CNG trucks into our fleet of delivery helped in improving our cost efficiency, distribution control & environmental sustainability

### Cost Optimization & Product Mix

Growth in premium segments including Ecoplanet, Superset, Watershield and ECOcrete contributed positively to revenue per ton, also our cost effective management strategies helped accelerate our bottom line improvement

# BALANCE SHEET: ENHANCED FINANCIAL POSITION

LAFARGE IS TRENDING ON VERY ROBUST FINANCIAL INDICATORS

## Key Position Metrics

Snapshot of financial strength

Total Assets

**₦1,208.0bn**

+22%

vs ₦990.5bn Dec'24

Return on Asset

**23%**

Total Assets Turnover Ratio

**1.0**

Total Equity

**₦693.9bn**

+38%

vs ₦504.6bn Dec'24

ROE Ratio

**39%**

Strong Shareholder Value

ROIC

**33%**

Total Liabilities

**₦514.0bn**

6%

vs ₦485.9bn Dec'24

Current Ratio

**1.7**

Debt Ratio

**0%**

## Strategic Management

Drivers of financial resilience

### Aggressive Deleveraging

Successfully reduced total liabilities by **₦88.6bn** (-18%) in just 9 months and zero balance in loans & borrowings in FY 2025, significantly lowering financial risk and interest burden in a high-rate environment.

### Equity Expansion

Shareholder equity grew by 37% to **₦693.9bn**, underpinned by retained earnings from the record **₦273.1bn** profit after tax, even after substantial dividend payouts.

### Asset Base Milestone

Total assets crossed the **₦1 Trillion** threshold, reflecting sustained investment in operational capacity, debottlenecking, and working capital optimization.

# CASH MANAGEMENT – STRONG CASH CONVERSION

FUNDING GROWTH AND RETURNS | FY 2025 ANALYSIS

## Cash Flow Summary

Operational efficiency driving robust cash generation, enabling strategic CAPEX and shareholder returns.

METRIC (₦BN)	FY 2025	FY 2024	CHANGE
Net Cash from Operations	292.6	214.1	+37%
Investing Activities (CAPEX)	(74.6)	(74.7)	Strategic inv.
<b>Free Cash Flow</b>	<b>240.0</b>	144.2	<b>+66%</b>
Financing Activities	(93.3)	(74.9)	Incl. Dividends

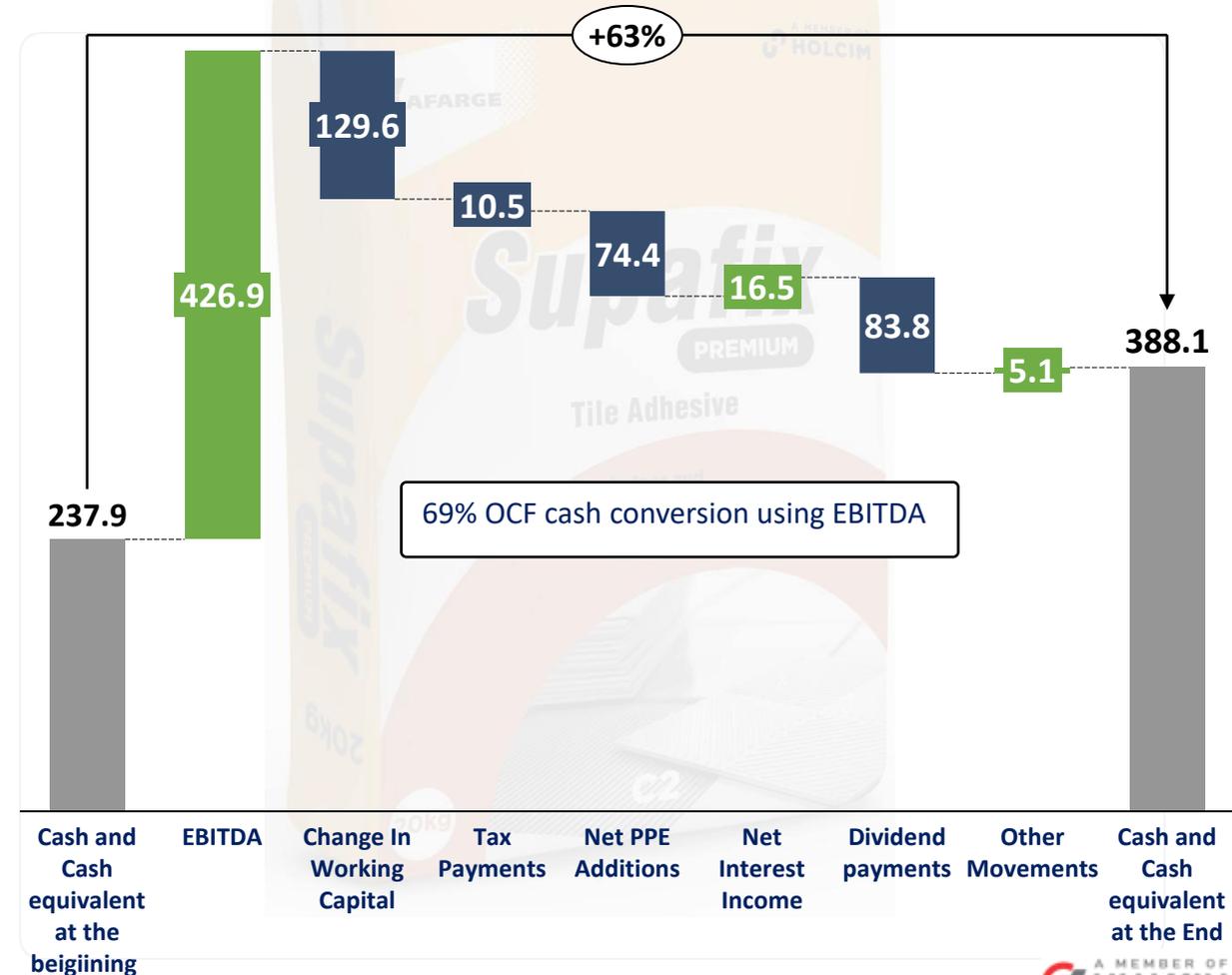
### Operating Cash Flow

Surged 37% driven by improved margins and working capital management.

### Shareholder Returns

₦273bn returned to shareholders as retained earnings  
63% increase in cash and cash equivalent

## Cash Flow Waterfall (FY 2025)



# SCALABLE HIGHLIGHTS

LAFARGE AFRICA PLC- BEYOND BUILDINGS

## Strategic Overview: Compelling Value Proposition



Increased Capacity

**4.5Mtpa**

Installed Cement Capacity



Proven Growth

**+53% Growth**

Robust Revenue Expansion



Margin Expansion

**28% to 37%**

Disciplined Operational Execution



Cash Generation

**Strong OCF**

Robust Operating Cash with 69% Cash Conversion



Innovation Pipeline

**Premium Products**

Watershield, Supa Whyte, ECOplanet



Sustainability Focus

**Low-Carbon**

ECOPlanet, EcoCrete, Calcined Clay & GCC



Financial Strength

**Deleveraged**

Solid Balance Sheet with close to zero debt



Shareholder Returns

**Consistent Div.**

₦6 FY Dividend Declared

₦4 Interim Dividend paid

# Thank You

We appreciate your interest in  
Lafarge Africa Plc.

FY 2025 Audited Results Call

Lafarge Africa Plc  
A Member of Huaxin



Interactive Session

# Questions & Answers



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