Disclaimer

This presentation contains forward looking statements which reveal Management’s recent views and estimates. The forward looking statements contain certain risks and uncertainties that could cause actual results to vary materially from those contained in the forward looking statements. Potential risks and uncertainties include factors such as general economic conditions, foreign exchange fluctuations, pricing pressures and regulatory developments.
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Executive Summary

Financials
- **Revenue:** YTD: Achieved ₦38.17B, variance of 52% PY of ₦25.13B
- **COGS:** YTD: Achieved ₦19.20B, variance of 15% PY of ₦16.76B
- **EBITDA:** YTD: Achieved ₦9.83B, variance of 216% PY of ₦3.11B
- **PBT:** YTD: Achieved ₦8.63B, variance of 279% PY of ₦2.27B

YTD Margins
- **GP:** Achieved 50% compared to 33% PY
- **EBITDA:** Achieved 26% compared to 12% PY
- **PBT:** Achieved 23% compared to 9% PY

Market Data (As of June 30, 2023)
- **EPS:** Increased by 113% to ₦4.39 {YE2022: ₦2.06}
- **Share Price:** Increased by 68% to ₦18.70 {YE2022: ₦11.10}

Market Environment
Salt:
- Current competitors: Royal, JOF, Diamond, Sun & Dolphin Salt
- Medium demand for Edible salt with high demand for Sachet salt

Seasoning:
- Competitors (Price Tier 2): Gino Max, Mr. Chef, Onga, Terra
- Classic demand was medium and focus was volumes to the Northern region

Market Share (AC Nielsen Data)
- **Edible:** 82% {FY 2022: 80.6%}
- **Sachet:** 35% {FY 2022: 29.5%}
- **Seasoning (North):** 6.0% {FY 2022: 6.0%}
# Q2 Financial Highlights

**Main drivers between current year and prior year are highlighted below:**

- **Revenue**: Growth driven by pricing actions in Salt & Seasoning and volume increase in Refined Salt
- **Direct Materials**: Increase driven by FX valuation and increased cost of packaging and other materials
- **Distribution Costs**: Increase in 3PL, AGO and costs of spares and repairs
- **Administrative Expenses**: Increase driven by salary structure review implemented
- **Investment income**: Increase from FD Interest received
- **Finance costs**: Increase due to lease expenses and usance charges

<table>
<thead>
<tr>
<th>INCOME STATEMENT</th>
<th>YTD 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>₦ M</td>
</tr>
<tr>
<td>Revenue</td>
<td>38,165</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(19,203)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>18,962</td>
</tr>
<tr>
<td>GP Margin</td>
<td>50%</td>
</tr>
<tr>
<td>Other income</td>
<td>104</td>
</tr>
<tr>
<td>Other operating gains/(losses)</td>
<td>(1)</td>
</tr>
<tr>
<td>Distribution costs</td>
<td>(8,248)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(2,015)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>8,803</td>
</tr>
<tr>
<td>EBITDA</td>
<td>9,835</td>
</tr>
<tr>
<td>EBITDA Margin</td>
<td>26%</td>
</tr>
<tr>
<td>Investment income</td>
<td>309</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(487)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>8,625</td>
</tr>
<tr>
<td>PBT Margin</td>
<td>23%</td>
</tr>
<tr>
<td>Taxation</td>
<td>(2,803)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>5,822</td>
</tr>
<tr>
<td>Earnings per share (kobo)</td>
<td>439</td>
</tr>
</tbody>
</table>

Change:

- Revenue: 52%
- Cost of sales: 15%
- Gross profit: 127%
- GP Margin: 17%
- Other income: 316%
- Other operating gains/(losses): -100%
- Distribution costs: 65%
- Administrative expenses: 39%
- Operating profit: 273%
- EBITDA: 216%
- EBITDA Margin: 14%
- Investment income: 127%
- Finance costs: 119%
- Profit before taxation: 279%
- PBT Margin: 9%
- Taxation: 279%
- Profit for the year: 279%
- Earnings per share (kobo): 278%
## Q2 Financial Highlights

Main drivers between current year and prior year are highlighted below:

- **Property, Plant & Equipment**: Decrease driven by net of new assets and depreciation
- **Other Current Assets**: Increase related to FX valuation of trade receivables
- **Cash and Cash Equivalents**: Growth driven by inflows from customers
- **Current Liabilities**: Increase related to FX valuation of trade payables

<table>
<thead>
<tr>
<th>FINANCIAL POSITION</th>
<th>YTD 2023 ₦ M</th>
<th>YTD 2022 ₦ M</th>
<th>CHANGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant &amp; equipment</td>
<td>12,078</td>
<td>13,759</td>
<td>-12%</td>
</tr>
<tr>
<td>Right of use assets</td>
<td>3,823</td>
<td>3,761</td>
<td>2%</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td>15,901</td>
<td>17,520</td>
<td>-9%</td>
</tr>
<tr>
<td>Other Current Assets</td>
<td>36,677</td>
<td>22,162</td>
<td>65%</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>15,904</td>
<td>9,662</td>
<td>65%</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td>52,581</td>
<td>31,824</td>
<td>65%</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>68,482</td>
<td>49,344</td>
<td>39%</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>22,215</td>
<td>15,106</td>
<td>47%</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td>5,921</td>
<td>5,947</td>
<td>0%</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>40,346</td>
<td>28,291</td>
<td>43%</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>46,267</td>
<td>34,238</td>
<td>35%</td>
</tr>
<tr>
<td><strong>Total Equity and Liabilities</strong></td>
<td>68,482</td>
<td>49,344</td>
<td>39%</td>
</tr>
</tbody>
</table>
SUSTAINABILITY
Our Approach to Sustainability

<table>
<thead>
<tr>
<th>Pillar</th>
<th>SDGs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural</td>
<td>• 5% increase in total workforce</td>
</tr>
<tr>
<td></td>
<td>• 8% increase in female workers</td>
</tr>
<tr>
<td></td>
<td>• 84% of our workforce aged 31 – 50 years</td>
</tr>
<tr>
<td>Operational</td>
<td>• Salt production grew by 18.7% while seasoning production grew by 30.7%</td>
</tr>
<tr>
<td></td>
<td>• Our Plants are ISO 22000:2018 Food Safety Management System and current Good Manufacturing Practises (cGMP) and Halal Certified</td>
</tr>
<tr>
<td>Environmental</td>
<td>• Energy intensity reduced by 9.78%</td>
</tr>
<tr>
<td></td>
<td>• Natural gas accounts for 72.85% of our fuel mix</td>
</tr>
<tr>
<td></td>
<td>• GHG emission intensity decreased by 5.04%</td>
</tr>
<tr>
<td></td>
<td>• Water intensity reduced by 47.23%</td>
</tr>
<tr>
<td></td>
<td>• 20 trees planted</td>
</tr>
<tr>
<td>Social</td>
<td>• Zero cases of bribery and corruption across all our operations</td>
</tr>
<tr>
<td></td>
<td>• Zero cases of discrimination in our business operations</td>
</tr>
<tr>
<td></td>
<td>• Training for Alayabiagba Community Women (DigitALL: Innovation and technology for gender equality) as part of IWD Celebration.</td>
</tr>
<tr>
<td></td>
<td>• Completion of the Renovation of Public Bath house in Boundary market at Ajeromi-Ifeolodun LGA.</td>
</tr>
<tr>
<td>Institutional</td>
<td>• NASCON’s 2022 Global Reporting Initiative (GRI) sustainability report has received the GRI service mark.</td>
</tr>
<tr>
<td></td>
<td>• Progressed in the implementation of our prioritized SDGs (Goals 2, 3, 6, 12, and 13).</td>
</tr>
<tr>
<td>Economic</td>
<td>• Over 4,000 jobs (direct, indirect, and induced) supported by our business operations</td>
</tr>
</tbody>
</table>

Our 2022 Milestones

- The Nigerian Exchange Group’s (NXG) Sustainability Disclosure Guidelines
- SEC - Securities & Exchange Commission (Code of Corporate Governance)
- Nigerian Code of Corporate Governance (NCCG)
- National Environmental Standards and Regulations Enforcement Agency (Nasarwa)
- Federal & States Ministry of Environment
- Federal & States Ministry of Mines
- Federal & States Ministry of Labour and Productivity
- Federal & States Environmental Protection Agencies (e.g., Lagos State Environmental Protection Agency - LASPEA)
- Federal Road Safety Corps (FRSC)
- Host Local Government Areas
- Industrial Training Fund (ITF)
- National Agency for Food and Drug Administration and Control (NAFDAC)
- Standards Organisation of Nigeria (SON)
- Manufacturers Association of Nigeria (MAN)
- Nigerian Port Authority (NPA)
- United Nations Global Compact (UNGC)
- The United Nations Sustainable Development Goals
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Global Food Safety Initiative (GFSI)
- International Finance Corporation (IFC) Performance Standard
- Africa Agenda 2063
- NASCON’s 2022 Global Reporting Initiative (GRI) sustainability report has received the GRI service mark.
- Progressed in the implementation of our prioritized SDGs (Goals 2, 3, 6, 12, and 13).
- Won Best Company in Gender Equality & Women Empowerment at SERAS Africa CSR/Sustainability Awards.
- Over 4,000 jobs (direct, indirect, and induced) supported by our business operations
OUTLOOK
Outlook for the year

- Defend Edible Citadel
- Accelerate and Gain share in Refined sachet salts
- Build a Competitive seasoning portfolio in the North
- Increase our presence to Corporate customers
- Strengthen route-to-market through Coverage Expansion
- Improve Fleet Operations & efficiencies to a competitive advantage (Costs & Efficiencies)
- Drive Talents & Performance Management and employee engagement
- Proposed merger of the Company with Dangote Sugar Refinery Plc and Dangote Rice Limited.
Q & A
For further information:

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morayo.tukuru@dangote.com

Twitter, Facebook, Instagram:
@dangote_salt
@dangote_seasoning

Website: https://dangote.com/our-business/salt-seasonings
APPENDIX
History: Key Milestones

- National Salt Company of Nigeria commenced operations as a salt producer in 1973
- Over the years, the company has successfully evolved into the largest salt producer and refiner in Sub-Saharan Africa
- Listed and actively trading on the NSE since 1992
- Changed name to NASCON Allied Industries Plc. in 2015

Ownership Structure

<table>
<thead>
<tr>
<th>DANGOTE INDUSTRIES LIMITED</th>
<th>OTHERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>62.19%</td>
<td>37.81%</td>
</tr>
</tbody>
</table>

The Company was incorporated with the Federal Government as majority shareholder.

Federal Government acquired the minority shareholding, making NASCON wholly owned by the Federal Government.

Privatization of NASCON. The Company was listed on the NSE in October 1992.

Reverse Takeover of NASCON by Dangote Salt Limited (DSL) as NASCON acquired assets, liabilities and business undertakings of DSL.

Following stabilization of operations, NASCON has remained a dominant player in the Nigeria’s salt industry.
Product Range

**Salt**

- **Dangote Salt**
  - Production in Apapa, Salt Village & PHC
  - Diversified product offering spanning the commercial, corporate and retail segments of the market
  - Key revenue drivers are Edible Salt, Pure Dried Vacuum (P.D.V) Salt and Refined Sachet Salt
  - Expansion in 2018 (Sachet)
  - Expansion in 2021 (New refinery)

- **Refined Salts**
  - Dangote Refined Sachet Salt (250g, 500g & 1kg)
  - Dangote Pure Dried Vacuum (P.D.V) Salt
  - Dangote Butter Salt
  - Dangote Table Salt
  - Dangote Kitchen Salt

- **Non-refined Salts**
  - Dangote Edible Salt
  - Dangote Tannery Salt
  - Dangote Crude Salt
  - Dangote Grade Salt

**Seasoning**

- **Seasoning (Dangote Seasoning)**
  - Production in Ota
  - New product category of cooking ingredients proving various flavour variants
  - Seasoning commissioned 2015
  - New product lines added in 2018 & 2019

- **Cube**
  - Dangote Classic
Product Distribution

Products are sold to distributors in sachet and bulk (20kg & 50kg bags) across the country, who redistribute to wholesalers, modern trade and other retailers.

Industries and uses of salt:
- Human consumption
- Confectionaries & bakeries
- Food production
- Seasoning and condiments
- Hotels & caterers
- Textile, animal husbandry & feed
- Boiler operations
- Export & tannery processing
- Animal hide preservation
- Factory cleaning & industrial uses

We have strategic plant and depot locations and efficient warehouses in strategic locations to ensure extensive market coverage.

We own over 300 trucks that move our goods from the factory to distributors. We also utilize third party transporters as needed.
Investment Highlights

**Leading Market Position**
- Transitioned from a moribund business in 1996 to the market leader with large market share
- Market share defended by low cost production, competitive pricing, high quality and standardised product, brand equity and customer loyalty
- Clearly defined strategy to maintain leadership position in domestic and regional markets
- Superior distribution network
- Efficient route-to-market strategies
- Established long standing relationships with high profile conglomerates and industrials
- Suitable platform to roll out products in the pipeline and derive captive income

**Attractive Macro Fundamentals**
- High barrier to entry with capital intensive nature of business
- Strong salt market fundamentals with currently low industrial consumption per capita

**Efficient Manufacturing Facilities**
- State of the art manufacturing facilities strategically located at the ports in Apapa, Lagos and Port Harcourt, Rivers
- Efficient energy source with conversion to gas
- All products are NAFDAC approved and SON endorsed
- ISO 9000:2001 Certification
- Committed to strong HSE practices by implementing ISO 14001:2015

**Impressive Financial Performance**
- High turnover and high margins driven by tight operating structure
- Effective cost management structure that keeps costs low and improves revenue
- Sustained EBITDA margins
- Highly cash generative business
- Consistent strong margin track record

**Strong Board & Management Team**
- Competent and dynamic Board of Directors and Management team with deep expertise, skill and multi-decade experience in both FMCG and manufacturing
- Structured and focused sales and distribution team

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Choose Quality, Choose Dangote Salt

It’s Time to Care About Your Salt
Refined, Indented & Purified
Strong Governance Framework

**Board of Directors**

- 'Emisi Ayeni (c)
- Thabo Mabe
- Fatima Aliko-Dangote
- Olakunle Alake
- Halima Aliko-Dangote
- Abdu Dantata
- Sada Ladan-Baki
- Chris Ogbechie
- Knut Ulvmoen
- Fatima Wali-Abdurrahman

**Diverse Board & Management**

- Female Board members: 40%
- Nationalities: 3
- Independent Board members: 20%
- Female Management members: 25%

**Establishment and General-Purpose Committee**

- Knut Ulvmoen (c)
- Halima Aliko-Dangote
- Fatima Aliko-Dangote
- Abdu Dantata
- Fatima Wali-Abdurrahman

**Finance, Risk and Audit Committee**

- Chris Ogbechie (c)
- Olakunle Alake
- Halima Aliko-Dangote
- Fatima Aliko-Dangote
- Sada Ladan-Baki

**Statutory Audit Committee**

- Okey Nwuke (c)
- Umar Farouk
- Kudais Ayodele Sarat
- Halima Aliko-Dangote
- Chris Ogbechie

**Management Committee**

- Thabo Mabe (c)
- Aderemi Saka
- Murtala Zubair
- Olushola Shosanya
- Kolawole Samuel
- Olusegun Ajala
- Shalom Okonmah
- Ayokunle Ushie
- Patrick Mogaha
- Tunde Iwamofe
- Adedayo Samuel
THANK YOU