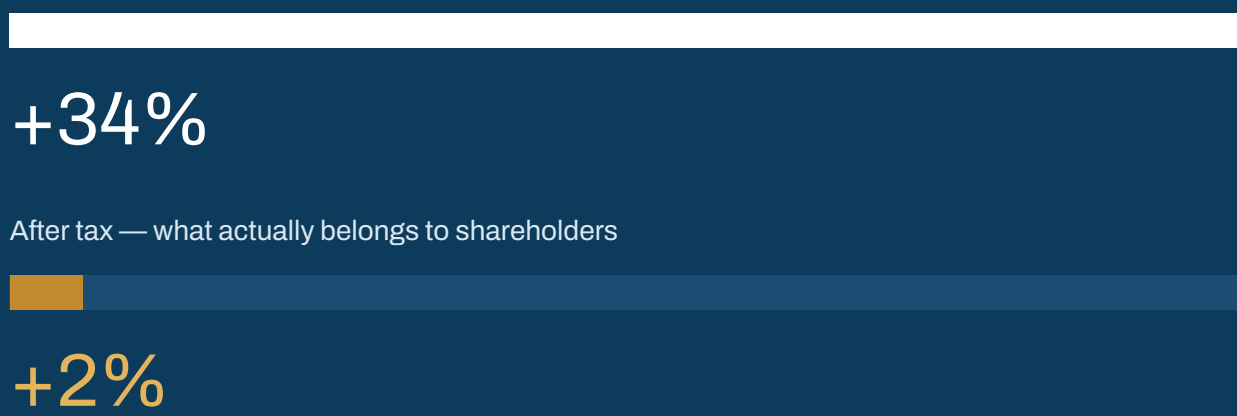


Dangote Cement had a very good half year. Its shareholders didn't.

The headlines said profit jumped 34%. That figure is real — but it is measured before tax, and tax is where this half year's story lives. This is the filing, explained in plain words.

Second-quarter profit growth, measured two ways

Before tax, against the same quarter last year



+34%

After tax — what actually belongs to shareholders

+2%

The group earned ₦560.2bn before tax in the second quarter and kept ₦317.4bn. A year earlier it earned ₦418.1bn and kept ₦311.2bn. Almost all of the growth went to tax.

How does Dangote Cement actually make money?

It digs limestone, heats it into clinker, grinds the clinker into cement, bags it and trucks it to buyers. Three plants in Nigeria — Obajana in Kogi, Gboko in Benue, Ibese in Ogun — plus operations in seventeen other African countries.

Two facts shape everything else in this report. Fuel and power are the single largest cost of making the cement, at ₦384.5bn for the half. And getting the cement to buyers cost ₦318.6bn in haulage — trucks are effectively this company's second factory.

THE BIG NUMBER

₦242.8bn

The tax charge on one quarter. A year earlier it was ₦106.9bn.

The half year in six numbers

Revenue	₦2.51trn	up 21.4% on H1 2025
Cement sold	14.9m tonnes	up from 13.4m tonnes
Profit before tax	₦981.4bn	up 34.4%
Profit after tax	₦638.5bn	up 22.7%
Cash held	₦796.3bn	against ₦581.0bn of borrowings
Interim dividend	₦0	H1 2025: ₦502.6bn

Where did every ₦100 of revenue go?

This is the whole income statement, rescaled so revenue equals ₦100. Nothing is hidden in it — every naira either left the company or stayed as profit.



Derived from the statement of profit or loss, page 3, and cost notes, pages 12–13. Bars are scaled to ₦40, not ₦100, so the smaller lines stay readable. ₦0.42 of other income is not shown, so the column does not sum exactly to ₦100.

WHAT TO NOTICE

Tax took ₦13.64 of every ₦100 this half, against ₦10.12 last year. That ₦3.52 difference is, almost exactly, the profit growth shareholders did not receive.

What changed since last year?

The company stopped paying dividends — for now

In the first half of 2025, Dangote Cement paid ₦502.6bn to shareholders. In the first half of 2026 it paid nothing. Retained earnings grew to ₦2.14trn. The cash did not disappear; it stayed inside the business.

It paid down almost half its debt

Borrowings fell from ₦1.08trn at the end of December to ₦581.0bn at the end of June. With ₦796.3bn of cash in hand, the company now holds ₦215.2bn more cash than it owes.

Money earned from holding cash collapsed

Interest and similar income fell 86%, from ₦113.3bn to ₦16.2bn. Interest costs fell by almost as much, so the net effect on profit was small — but it is a striking swing the filing does not explain.

Tax became the deciding line

The effective tax rate rose from 28.7% to 34.9% across the half, and touched 43.3% in the second quarter alone. Quarterly filings apply the rate a company expects for the full year, so a mid-year revision lands in one quarter and looks severe.

WHAT CAUGHT OUR ATTENTION

Seventeen countries outside Nigeria generated ₦775.4bn of revenue — close to a third of the group total — and ₦2.8bn of profit. That is under half of one percent. Financially, the African expansion is still a Nigerian story.

The Scorecard

Each label comes from a fixed rule applied the same way to every company we cover. We publish no single score out of 100, because these categories do not trade off against each other in any honest way.

Sales growth Revenue up 21.4%, volumes up 11.8% — growth is real, not just price	Strong
Making money on each sale Gross margin 63.2%, up from 58.8%	Strong
Cost discipline Operating costs up 21.5% against revenue up 21.4% — in step	Steady
Cash generation ₦ 1.06trn from operations, three times the ₦ 354.2bn spent on plant	Strong
Balance sheet Debt down 46% since December; cash now exceeds borrowings	Strong
Return to shareholders No interim dividend, against ₦ 502.6bn in the same half last year	Watch
Tax burden Effective rate 34.9%, up from 28.7%, with no explanation given	Watch
Geographic balance 30.8% of revenue from outside Nigeria producing 0.4% of profit	Watch

HOW TO READ THIS

Strong means the measure improved materially against the same period last year. Steady means it held. Watch means it moved against shareholders, or moved without any explanation from the company.

Finance speak, human speak

Five phrases from this filing, in plain words.

Unaudited interim financial statements

Accounts the company prepared itself and published without an external auditor checking them line by line. Nigerian companies file these quarterly; only the full-year accounts are fully audited. Not less true, but less independently verified.

Gross margin

What is left from every sale after paying the direct cost of making the thing you sold. It excludes head office, delivery, interest and tax. A rising gross margin means the core business got more efficient.

Effective tax rate

The share of pre-tax profit that actually goes to tax once every allowance, credit and overseas rate is counted. Almost never the same as the headline company tax rate, which is why it is worth working out yourself.

Net cash position

Cash held, minus everything owed to lenders. If positive, the company could clear its debts tomorrow and still have money left. Dangote Cement is ₦215.2bn positive.

Free float

The slice of a company the public can actually buy. Shares locked up by a founder or parent do not count. Here the float is 5.73%; Dangote Industries holds 87.28%. A thin float means the share price is set by trading in a small part of the company.

The Bottom Line

Dangote Cement sold more cement, made it more cheaply, and cleared half its debt. On operations, this was one of its better halves in years.

What shareholders received was flat second-quarter profit and no dividend. The gap between those two sentences is tax, and a decision about where cash should sit. Neither was explained in the filing — which makes the next quarter, and whether a final dividend appears, the thing worth waiting for.

THREE QUESTIONS FOR THE NEXT FILING

- Does the effective tax rate settle back towards 29%, or is 35% the new normal?
- Is the dividend deferred to a final declaration, or cut?
- Why did interest income fall 86% while the cash balance doubled?

Every figure in this report is taken from Dangote Cement Plc's unaudited interim financial statements for the three and six months ended 30 June 2026, filed with the Nigerian Exchange on 29 July 2026. Figures we calculated ourselves are labelled derived. Where we explain why something happened and the company published no commentary, we say so.

Before publishing we checked the filing's arithmetic: revenue less cost of sales equals gross profit; assets equal liabilities plus equity; opening cash plus movements equals closing cash. All three reconcile.

By Betini Udom. An explanation of a public filing, not investment advice. therainingmoney.com