



**27 October 2017**

**UAC of Nigeria PLC**

**Unaudited results for the nine months ended 30 September 2017**

**UAC OF NIGERIA PLC REPORTS 21% YEAR ON YEAR TOPLINE GROWTH FOR  
THE NINE MONTHS ENDED 30 SEPTEMBER 2017**

UAC of Nigeria PLC (“UACN”), the leading diversified conglomerate headquartered in Lagos, Nigeria with operations in foods, paints, logistics and real estate, announces today its unaudited results for the nine months ended 30 September 2017.

Speaking from the Corporate Head Office in Lagos - Nigeria, Larry Ettah, UAC of Nigeria PLC Group Managing Director & CEO commented:

*“Our results for the first nine months of 2017 reflect the impact of elevated input costs and interest rates on our operations.*

*We have made progress in reducing finance costs through focused execution of UPDC’s Cash Generation Plan, the depletion of high-priced inventory and the equity raise of Portland Paints, Livestock Feeds and UPDC.*

*We are on course to launch shortly our N15.4 billion Rights Issue, subject to regulatory approval; this will provide us with the requisite financial capability to address the capital needs of our agro-facing subsidiaries in 2018.*

*The stability in the forex market, moderation in Treasury Bills rate and the general indication of a good grains crop harvest are positive for profit improvement and margin rehabilitation, going forward.*

*In July, I announced my decision to retire as the GMD/CEO of UAC at the end of this year and the appointment of Mr Abdul Bello, current ED/CFO as my successor with effect from 1<sup>st</sup> January 2018. I restate my expressed confidence in Abdul’s ability to provide the needed leadership in the years ahead for the company to build on its strong foundation, drive its strategic agenda and deliver competitive returns to our shareholders”*

## Group Financial Highlights

- Turnover of N68.7 billion, up 21% year on year (N56.8 billion September 2016)
- Gross Profit of N10.9 billion, down 12% (N12.5 billion September 2016)
- Operating Profit of N5.6 billion, down 14% (N6.5 billion September 2016)
- Other Income N2.8 billion, up 60% (N1.7 billion September 2016)
- Profit Before Tax of N3 billion, down 55% (N6.7 billion September 2016)
- Profit After Tax of N2.2 billion, down 55% (N4.8 billion September 2016)
- Gross Profit Margin of 16% (22% September 2016)
- Operating Profit Margin of 8% (11% September 2016)
- Annualised EPS of 105 kobo (177 kobo September 2016)
- Annualised ROE of 3.5% (7.6% September 2016)
- Gearing ratio of 0.31x (0.39x December 2016)

## Subsidiary Performance Review:



**UAC Foods Limited** (foods, ice-cream, fruit drinks and spring water)

Profit Before Tax of N893.6 million, down 11% (N1 billion September 2016)

### *Operational highlights*

- **Turnover down 15%**
- **Marketing & Channel restructuring across categories**
- **Escalating input costs impacted profitability**
- **Improved manufacturing productivity for SWAN**



**Grand Cereals Limited** (animal feed, cereal meal and edible oil)

Profit Before Tax of N1.3 billion, down 28% (N1.8 billion September 2016)

### *Operational highlights*

- **Turnover up 48%**
- **High finance costs**
- **Elevated input and haulage costs impacting margins**



**Livestock Feeds PLC** (animal feed)

Loss Before tax of N262 million (Profit of N158 million September 2016)

*Operational highlights*

- **Turnover up 7%**
- **High finance costs**
- **High input costs and pricing impacting volumes**



**UAC Restaurants Limited** (QSR)

Loss Before Tax of N2 million (Profit of N3.5 million September 2016)

*Operational highlights*

- **Turnover up 2%**
- **High input costs impacting business**
- **Credit squeeze impacting trade partners**



**UPDC PLC** (real estate)

Loss Before Tax of N1.9 billion (Profit of N546 million September 2016)

*Operational highlights*

- **Turnover up 36%**
- **Cash generation plan yielding benefits of reducing finance costs**
- **Soft real estate market impacting volumes and margins**



### **CAP PLC (Paints)**

Profit Before Tax of N1.4 billion, down 6% (N1.5 billion September 2016)

#### *Operational highlights*

- **Turnover up 4%**
- **Launched new colour shop in Ikoyi**
- **Commissioned automated in-plant tinting machine**
- **Limited construction activities impacting volumes**



### **Portland Paints and Products Nigeria PLC (Paints)**

Profit Before Tax of N70.2 million (Loss of N31.4 million September 2016)

#### *Operational highlights*

- **Turnover up 31%**
- **Introduction of Santex screeding paint**
- **Disruptions in public power impacting operations**
- **Successfully implemented SAP ERP**



### **MDS Logistics Limited (Logistics)**

Profit Before Tax of N560.7 million, down 50% (N1.1 billion September 2016)

#### *Operational highlights*

- **Turnover down 4%**
- **Portfolio optimisation of service offerings to clients**
- **Declining client volumes – weak consumer demand**

**For further information please contact:**

Abdul Bello (Chief Financial Officer)  
Bamidele Adewole (Investor Relations)

abello@uacnplc.com  
badewole@uacnplc.com

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UAC of Nigeria PLC (UAC), a diversified company has for over a century played a prominent role in the development of Nigeria. UAC's growth strategy consists in building strong partnerships with leading regional and international corporations to drive effective business transformation and deliver sustainable growth.

UAC operates through the following subsidiaries:-

- Grand Cereals Limited manufactures and markets Grand Soya Oil, Vital Poultry/Fish Feeds, Bingo Dog Feed and Grand Maize Meals.
- UAC Foods Limited, a joint venture business with Tiger Brands Limited, offers the award winning Gala Sausage Roll, Funtime Coconut Chips, Supreme Ice Cream & Swan Bottled Spring Water
- UAC Restaurants Limited, a joint venture with Famous Brands Limited, manages the network of Quick Service Restaurants across Nigeria under the market leading Mr Biggs' brand, Debonairs Pizza & Steers.
- MDS Logistics Limited, a joint venture with Imperial Logistics, is the leading integrated supply chain solutions provider in Nigeria with distribution centres across Nigeria.
- UACN Property Development Company Plc (UPDC) is a foremost property development and management company quoted on the Nigerian Stock Exchange.
- CAP Plc, the Akzonobel technical licensee of Dulux, is the leading decorative paint producer in Nigeria.
- Livestock Feeds Plc is an animal feeds operation with mills in Lagos and Aba
- Portland Paints and Products Nigeria Plc is a leading paint manufacturer in Nigeria with a strong brand, broad product range and nationwide distribution network.
- UNICO CPFA Limited, a closed pension fund administrator dedicated to servicing the pension needs of UAC employees

For more information visit [www.uacnplc.com](http://www.uacnplc.com)

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### **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS**

*This announcement contains or will contain forward-looking statements which reflect management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend" "estimate", "project", "target", "risks", "goals" and similar terms and phrases have been used to identify the forward- looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. UAC of Nigeria Plc cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the Company's disclosure materials filed from time to time with Securities & Exchange Commission in Nigeria. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*