



**28 October 2016**

## **UAC of Nigeria PLC**

**Unaudited results for the nine month ended 30 September 2016**

### **UAC OF NIGERIA PLC REPORTS 5% YEAR ON YEAR TOPLINE GROWTH FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2016**

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 month ended 30 September 2016.

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

*“Our performance in the 9 months to September 2016 demonstrates the resilience of our business and the effectiveness of our strategy in a rather difficult operating environment. Markets remained soft with declining purchasing power especially in our Real Estate and Paint categories. Forex scarcity/rate volatility and input material shortages are leading to frequent and significant cost increases and production disruptions.*

*Grand Cereals operations delivered commendable results in the quarter, despite challenges in the operating environment.*

*Management is focused on achieving earnings stability in the remaining months of 2016”*

#### **Group Financial Highlights**

- Turnover of N57.7 billion, up 5% (N55 billion September 2015)
- Gross Profit of N12.5 billion, up 2% (N12.2 billion September 2015)
- Other Income of N1.8 billion, up 92% (N933 million September 2015)
- Profit Before Tax of N6.3 billion, up 27% (N4.95 billion September 2015)
- Profit After Tax of N4.3 billion, up 42% (N3.1 billion September 2015)
- Gross Profit Margin of 22% (22% September 2015)
- PBT Margin of 11% (9% September 2015)
- EPS (Annualised) of 177 kobo (110 kobo September 2015)
- ROE (Annualised) of 7.7% (5.5% September 2015)<sup>1</sup>
- Gearing ratio of 0.36x (0.35x December 2015)<sup>2</sup>

<sup>1</sup> ROE is calculated by dividing the profit after tax by total equity

<sup>2</sup> Gearing Ratio is calculated by dividing total interest bearing liabilities by total equity

**Key Subsidiary Performance:**



**UPDC PLC** (real estate)

Profit Before Tax of N133 million (Loss of 110 million September 2015)

**Operational highlights**

- **Turnover down 22%**
- **Macro headwinds impacting revenues**
- **Real Estate market remains soft**
- **N16b Commercial Paper matured in October and repaid**



**UAC Restaurants Limited** (QSR)

Profit Before Tax of N3.5 million (Loss of N80.2 million September 2015)

**Operational highlights**

- **Turnover up 8%**
- **Product launch of Mr Quick (frozen pies) to supermarkets**
- **Elevated input costs impacting margins**



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

Profit Before Tax of N1 billion, up 16% (N868 million September 2015)

**Operational highlights**

- **Turnover up 6%**
- **Product Launch: Gala Mega (130g @ N100 price point) and Supreme Cutie (120ml ice cream @ N110 price)**
- **Channel re-development yielding benefits**
- **Frequent input cost increases impacting margins**



**Grand Cereals Limited** (animal feed, cereal meal and edible oil)  
Profit Before Tax of N1.75 billion, up 48% (N1.18 billion September 2015)

***Operational highlights***

- *Turnover up 12%*
- *Volume growth across all categories during the quarter*
- *Scarcity of key raw materials leading to elevated input costs and missed sales*



**MDS Logistics Limited** (Logistics)  
Profit Before Tax of N1.1 billion, up 42% (N788 million September 2015)

***Operational highlights***

- *Turnover down 2%*
- *Market growth through new client sign-up*
- *Volume declines from key clients*
- *Macro-headwinds impacting client operations*
- *Exchange gain, a positive to bottom line*



**CAP PLC** (Paints)  
Profit Before Tax of N1.5 billion, down 12% (N1.7 billion September 2015)

***Operational highlights***

- *Turnover down 8%*
- *Shortage of forex and rate volatility impacted operations*
- *Slow-down in real estate activities and commercial activities impacted volumes*
- *Margins impacted by rising input costs*



**Livestock Feeds PLC (animal feed)**

Profit Before Tax of N157.9 million, down 21% (N200.8 million September 2015)

***Operational highlights***

- *Turnover up 20%*
- *Volume growth in Fish feed*
- *Farm de-population due to rising costs impacting Poultry Feed offtake*
- *Rising input costs impacting margins*



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

Loss Before Tax of N31.4 million (Loss of N78.1 million September 2015)

- *Turnover down 18%*
- *Slow-down in construction activities and Government spend impacting volumes*
- *Financial and operational correction at advanced stage*

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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, Delite Fruit Juice & 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.*