



**31 March 2017**

## **UAC of Nigeria PLC**

### **Audited results for the full year ended 31 December 2016**

#### **UAC OF NIGERIA PLC REPORTS 15% YEAR ON YEAR TOPLINE GROWTH FOR THE FULL YEAR ENDED 31 DECEMBER 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 audited results for the full year ended 31 December 2016.

#### **Group Financial Performance Highlights**

- Turnover of N84.6 billion, up 15% (N73.8 billion December 2015)
- Gross Profit of N17.4 billion, up 3% (N16.8 billion December 2015)
- Other Income of N3.88 billion, up 97% (N1.97 billion December 2015)
- Profit Before Tax of N7.77 billion, up 0.5% (N7.73 billion December 2015)
- Profit After Tax of N5.67 billion, up 10% (N5.16 billion December 2015)
- Gross Profit Margin of 21% (23% December 2015)
- PBT Margin of 9% (10% December 2015)
- EPS of 195 kobo (155 kobo December 2015)
- ROE of 7.0% (7.0% December 2015)<sup>1</sup>
- Gearing ratio of 0.39x (0.35x December 2015)<sup>2</sup>

#### **Company Financial Performance Highlights**

- Turnover of N912.3 million, up 11% (N820.6 million December 2015)
- Other Income of N260 million, down 24% (N343 million December 2015)
- Profit Before Tax of N3 billion, down 24% (N3.96 billion December 2015)
- Profit After Tax of N2.6 billion, down 25% (N3.5 billion December 2015)
- EPS of 137 kobo (182 kobo December 2015)
- ROE of 12% (16% December 2015)

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<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

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

***“UAC has delivered top-line growth and stable earnings in volatile times. The results underpin our diversified platform’s capacity to outperform broader market trends and indices in uncertain macroeconomic environment. Performance was broad-based with key segments growing earnings.***

***Grand Cereals achieved significant turnover and profit growth despite a challenging H1.***

***UAC Foods had a good H1 following the execution of a new route-to-market architecture. The business took a price increase in H2 to cushion the impact of escalating input cost increases resulting in consumer resistance. Mega Gala was launched at a premium and is performing well.***

***UPDC, our real estate subsidiary operated in a soft market and faces increasing construction and elevated borrowing costs. Macro-economic developments have delayed the delivery of UPDC’s Cash Generation Plan although the company’s fundamentals remain strong. The unit’s result was therefore a drag to the Group’s in 2016.***

***Overall, the Group achieved stability through route-to-market redefinition, cost optimisation strategies, product innovation and efficiency gains. We are positive about the future as we see deflation feeding through lower input costs and margin expansion. We are on course to deliver a N100 billion top-line business in 2017”***

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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)

## **uac...doing good**

### *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.*