



PRESS RELEASE

Regulated information

Financial Results for the third quarter and nine months ended 30 September 2024

29 October 2024 – UAC of Nigeria PLC (“UAC” or the “Group”) releases results for the period ended 30 September 2024.

Q3 2024 Highlights

- ₦49.9bn revenue, 74% higher than Q3 2023 with sales growth recorded across core operating segments. Edibles and Feed (+87%), Packaged Food and Beverages (+87%), and Paints (+47%) segments.
- Gross profit 118% higher at ₦12bn; Gross margin expanded 483 bps to 24% due to volume growth in the Packaged Food and Beverages segment, improved production efficiency in the Edibles and Feed segment, achieved through conversion cost saving initiatives, and reflective of price adjustments implemented to mitigate the impact of inflation.
- ₦5.6bn operating profit compared to underlying operating profit, adjusted for exceptional items, of ₦657mn in Q3 2023. A ₦7.8bn one-off gain from the disposal of non-core property assets was recorded in Q3 2023 and impacts year on year comparison.
- Profit before tax of ₦5.9bn compared to underlying PBT, adjusted for exceptional items, of ₦415mn in Q3 2023.
- Earnings per share of 121 kobo compared to underlying loss per share of 13 kobo in Q3 2023.

Commenting on the results, **Group Managing Director, Fola Aiyesimoju**, stated: “Over the first nine months of the year, we achieved profit before tax of ₦20.8bn, 117% higher than the same period last year. This is the outcome of our commitment to attract and retain talent, simplify our operations, drive sustainable growth, and improve efficiency despite the challenging macroeconomic backdrop. Looking ahead, our focus remains on our core strengths: domestic production and distribution of our branded consumer products and offering our customers choice.”

Group Highlights

In million ₦, unless otherwise stated	Q3 2024	Q3 2023	Δ %	9M 2024	9M 2023	Δ %
Revenue	49,930	28,657	74.2%	133,183	81,527	63.4%
Gross Profit	12,028	5,519	117.9%	30,739	14,138	117.4%
<i>Gross Profit Margin (%)</i>	<i>24.1%</i>	<i>19.3%</i>	<i>483 bps</i>	<i>23.1%</i>	<i>17.3%</i>	<i>574 bps</i>
Selling and Distribution Expenses	(2,608)	(2,367)	10.2%	(7,746)	(6,545)	18.4%
Administrative Expenses	(4,417)	(2,788)	58.4%	(12,114)	(7,646)	58.4%
Operating Expenses	(7,025)	(5,155)	36.3%	(19,860)	(14,191)	40.0%
<i>Operating Expenses (% of revenue)</i>	<i>14.1%</i>	<i>18.0%</i>	<i>(392 bps)</i>	<i>14.9%</i>	<i>17.4%</i>	<i>(249 bps)</i>
<i>Other income</i>	<i>634</i>	<i>6,771</i>	<i>(90.6%)</i>	<i>1,416</i>	<i>7,152</i>	<i>(80.2%)</i>
EBIT	5,637	7,134	(21.0%)	12,295	7,099	73.2%
<i>EBIT Margin (%)</i>	<i>11.3%</i>	<i>24.9%</i>	<i>(1,361 bps)</i>	<i>9.2%</i>	<i>8.7%</i>	<i>52 bps</i>
Net Finance Income	31	(838)	(103.7%)	7,847	1,879	317.6%
Share of Profit of Associates	215	144	49.4%	691	625	10.5%
Profit Before Tax	5,883	6,441	(8.7%)	20,833	9,603	116.9%
<i>Profit Before Tax Margin (%)</i>	<i>11.8%</i>	<i>22.5%</i>	<i>(1,069 bps)</i>	<i>15.6%</i>	<i>11.8%</i>	<i>386 bps</i>
Profit for the period	4,126	5,482	(24.7%)	13,667	6,710	103.7%
<i>Profit Margin (%)</i>	<i>8.3%</i>	<i>19.1%</i>	<i>(1,087 bps)</i>	<i>10.3%</i>	<i>8.2%</i>	<i>203 bps</i>
Basic Earnings Per Share (EPS):						
<i>From Continuing Operations (Kobo)</i>	<i>121</i>	<i>193</i>	<i>(37.2%)</i>	<i>426</i>	<i>246</i>	<i>73.0%</i>
<i>For the Period (Kobo)</i>	<i>121</i>	<i>193</i>	<i>(37.2%)</i>	<i>426</i>	<i>246</i>	<i>73.0%</i>
Annualised Return on Equity (ROE)				27.2%	19.7%	755 bps
Annualised Return on Invested Capital (ROIC)				35.8%	19.5%	1,629 bps

n/m: not meaningful.

	Sep-24	Dec-23	Δ
Quick Ratio	0.8x	0.7x	0.1x
Current Ratio	1.3x	1.2x	0.1x
Gearing	41%	52%	(1,060 bps)
Total Assets / Equity	2.2x	2.1x	0.0x
Net Debt / EBITDA	(0.6x)	0.2x	(0.8x)
Free Cash Flow(₦'m)	9,803	3,862	5,941

Group Performance and Financial Review: Q3 2024

Revenue increased by 74% YoY to ₦49.9 billion in Q3 2024 from ₦28.7 billion in Q3 2023 supported by sales growth in all core operating segments. Packaged Food and Beverages (+87%), Edibles and Feed (+87%), and Paints (+47%). Sales growth was driven by a mix of price increases and volume growth across stated segments.

Gross profit increased by 118% to ₦12 billion from ₦5.5 billion in Q3 2023. Gross profit margin expanded 483 basis points to 24% on account of improvement in production efficiency, disciplined procurement and supply chain management particularly in the Edibles and Feed segment and the Packaged Food segment, as well as effective pricing across all companies to mitigate the impact of inflation on input costs.

Operating Profit was ₦5.6 billion in Q3 2024 compared to ₦7.1 billion in Q3 2023. Excluding exceptional items recorded in Q3 2023 due to the one-off gain on disposal of non-core property assets (₦7.8 billion), operating profit in Q3 2024 was 760% higher. **Operating expense** of ₦7 billion was 36% higher compared to Q3 2023 (₦5.2 billion) reflective of broader inflationary pressure and impact of the Naira depreciation on expenses pegged to foreign currency. The most significant increases were personnel costs, electricity and power costs, and information technology costs which were driven by increased electricity tariffs and diesel prices, as well as cost of living adjustments for employees. In response to escalating costs, our companies implemented initiatives to improve operational efficiency which resulted in lower **opex/sales ratio** (392 bps improvement YoY) of 14.1% in Q3 2024 from 18.0% in Q3 2023.

The Group recorded a **Net finance income** of ₦31 million in Q3 2024 compared to a net finance cost of ₦838 million in Q3 2023. Finance income was positively impacted by higher cash, higher yields on investments as well as gains in the treasury portfolio. **Share of profit from associate companies** of ₦215 million, compared to ₦144 million profit in Q3 2023 driven by growth in sales of properties at UPDC PLC, our real estate business.

Profit before tax was ₦5.9 billion compared to ₦6.4 billion in Q3 2023. Excluding one-off items reported in Q3 2023, Profit before tax increased 1,126% in Q3 2024. **Total Profit for the period** was ₦4.1 billion, compared to ₦5.5 billion in Q3 2023. **Earnings per share** of 121 Kobo in Q3 2024 compared to 193 Kobo in Q3 2023.

Segment Performance¹

Revenue (% and ₦m)	Q3 2024	Q3 2023	Δ % vs Q3 2023	9M 2024	9M 2023	Δ % vs 9M 2023
Edibles and Feed	28,722	15,346	87.2%	68,308	45,992	48.5%
Paints	8,038	5,486	46.5%	23,650	15,263	54.9%
Packaged Food and Beverages	13,673	7,314	86.9%	41,477	19,561	112.0%
Quick Service Restaurants	542	864	(37.2%)	1,998	2,777	(28.0%)
Earnings /(Loss) before Interest & Tax – EBIT (₦m)	Q3 2024	Q3 2023	Δ % vs Q3 2023	9M 2024	9M 2023	Δ % vs 9M 2023
Edibles and Feed	3,035	(51)	n/m	5,921	(1,221)	n/m
Paints	1,214	426	184.8%	2,845	1,665	70.9%
Packaged Food and Beverages	1,312	488	168.7%	4,086	1,083	277.2%
Quick Service Restaurants	(188)	(148)	(26.8%)	(608)	(458)	(33.0%)
Profit/ (Loss) Before Tax – PBT (₦m)	Q3 2024	Q3 2023	Δ % vs Q3 2023	9M 2024	9M 2023	Δ % vs 9M 2023
Edibles and Feed	1,994	(605)	n/m	2,907	(2,777)	n/m
Paints	1,262	414	204.5%	3,937	2,326	69.2%
Packaged Food and Beverages	1,621	489	231.2%	5,753	1,765	226.0%
Quick Service Restaurants	(293)	(231)	(26.7%)	(883)	(693)	(27.5%)

¹ Performance of the corporate head office not included in the table as it is not allocated to any segment

Edibles and Feed

Revenue increased 87% YoY to ₦28.7 billion in Q3 2024 (Q3 2023: ₦15.3 billion) on account of price increases implemented in response to rising cost. This business segment recorded an operating profit of ₦3 billion in Q3 2024 (Q3 2023: operating loss of ₦51 million). Improved performance was on account of deliberate cost saving initiatives implemented to ensure production and operational efficiency. The segment recorded a ₦1.9 billion profit before tax in Q3 2024, compared to a ₦605 million loss before tax in Q3 2023.

Packaged Food and Beverages

₦13.7 billion revenue, 87% higher YoY compared to ₦7.3 billion in Q3 2023 driven by volume growth across all categories as well as price increases. Volume growth was supported by Kingsway pastry roll, and the launch of two new products - Gala Chin-Chin, and Kingsway Loaf in the snacks category. Operating profit of ₦1.3 billion in Q3 2024 compared to ₦488 million in Q3 2023 supported by margin expansion. Profit before tax of ₦1.6 billion increased by 231% compared to ₦489 million recorded in Q3 2023.

Paints

₦8.0 billion revenue, 47% higher YoY compared to ₦5.5 billion recorded in Q3 2023 on account of price increases in response to escalating costs. Operating profit was 185% higher at ₦1.2 billion, compared to ₦426 million in Q3 2023, reflecting the impact of topline growth, driven by the execution of CAP PLC's strategic growth objectives and prioritizing operational efficiency during the period. Profit before tax of ₦1.3 billion in Q3 2024, 205% higher compared to ₦414 million recorded in Q3 2023.

Quick Service Restaurants (QSR)

Revenue declined by 37% YoY to ₦542 million (Q3 2023: ₦864 million) while operating loss increased by 27% YoY to ₦188 million in Q3 2024 (Q3 2023: ₦148 million operating loss). Performance was impacted by lower sales, due to the closure of stores, and higher operating costs. The segment recorded a ₦293 million loss before tax in Q3 2024, compared to ₦231 million loss before tax in Q3 2023.

Associate: Real Estate (UPDC – 42.7% ownership)

UPDC recorded a 49% increase in revenue to ₦2.4 billion in Q3 2024 from ₦1.6 billion in Q3 2023 driven by increased property sales (+32%) and increased revenue from hotel services and facility management (+124%). UPDC recorded an operating profit of ₦537 million in Q3 2024 (Q3 2023: ₦202 million), 165% higher compared to Q3 2023. Profit before tax was ₦556 million compared to ₦146 million profit before tax recorded in Q3 2023.

Associate: Logistics (MDS Logistics – 43% ownership)

MDS Logistics' revenue increased 29% YoY to ₦5.1 billion in Q3 2024 compared to ₦4 billion in Q3 2023, driven by increased transport rates and mileage. Operating profit was 16% lower YoY to ₦573 million (Q3 2023: ₦686 million) on account of increased operating costs. MDS Logistics recorded a profit before tax of ₦178 million in Q3 2024 compared to ₦220 million in Q3 2023.

For more information, please contact

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About UAC

UAC of Nigeria PLC (UAC) is a holding company with subsidiary and associate companies operating in the Animal Feeds and Other Edibles; Paints; Packaged Food and Beverages; Quick Service Restaurants; Logistics and Real Estate segments. UAC has played a prominent role in Nigeria's development for over a century. The company is focused on building its businesses into leaders in their chosen segments.

1. UAC has four operating platforms

Animal Feeds and Other Edibles

- Grand Cereals Limited (71.4% ownership) – a leading producer of cereals, edible oils, poultry feed, fish feed, ruminant feed and dog food. The company has production and distribution facilities in Northern and South Eastern Nigeria. It owns a portfolio of strong brands including Grand, Vital, and BestMate.
- Livestock Feeds PLC (73.3% ownership) – produces and distributes poultry feed, feed concentrates and full fat soya. The company recently expanded its offering to include veterinary drugs. Livestock Feeds' geographic strength is in South West Nigeria. The company is listed on The Nigerian Exchange ("NGX").

Paints

- Chemical and Allied Products PLC (57.9% ownership) – the leading paints and coatings company in Nigeria with a diversified product range spanning decorative and marine segments. CAP PLC is the sole technology licensee for AkzoNobel's decorative range in Nigeria and is also a distributor for Hempel's industrial products. The company's brand portfolio is comprised of Dulux, Sandtex, Caplux, and Hempel. The company benefits from a unique distribution model - franchised retail outlets, which it pioneered in Nigeria's paint industry. CAP PLC is listed on NGX.

Packaged Food and Beverages

- UAC Foods Limited (99.96% ownership) – a leading player in the packaged food and beverages industry with three distinct business segments – snacks, ice-cream, and spring water. It owns iconic brands such as Gala, SWAN Spring Water, Supreme, Kingsway and Funtime.

Quick Service Restaurants

- UAC Restaurants Limited (51% ownership) - a joint venture with Famous Brands, manages the network of Quick Service Restaurants across Nigeria under the Mr Bigg's and Debonairs Pizza brands.

2. UAC owns minority stakes in Logistics and Real Estate businesses

Logistics

- MDS Logistics Limited (43% ownership) - a leading logistics provider in Nigeria, offers the complete suite of outbound logistics and supply chain services including Warehousing, Haulage and Distribution.

Real Estate

- UPDC PLC (42.7% ownership) - a leading property development and management company quoted on NGX.

For more information visit www.uacnplc.com

Disclaimer

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 several 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 the Securities and Exchange Commission. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise.