STATEMENT TO THE NIGERIAN STOCK EXCHANGE AND SHAREHOLDERS ON THE UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 31 MARCH 2021

The Directors of Guinness Nigeria Plc hereby announce the company's unaudited results for the 9 months ended 31 March 2021.

	9 Months Ended 31 March 2021	9 Months Ended 31 March 2020	Var vs. LY
	N'000	N'000	%
Revenue	114,956,362	96,018,505	20 %
Cost of Sales	(82,527,842)	(65,215,846)	27 %
Other income	951,866	417,177	128 %
Marketing expenses	(9,333,394)	(9,172,150)	2 %
Distribution expenses	(9,117,542)	(9,069,557)	1 %
Administrative expenses	(7,289,224)	(7,759,831)	-6 %
Operating profit	7,640,226	5,218,298	46 %
Net finance costs	(3,176,811)	(3,212,496)	-1 %
Profit before taxation	4,463,415	2,005,802	123 %
Tax	(2,625,365)	(643,983)	308 %
Profit after tax	1,838,050	1,361,819	35 %

Comment

Year to date revenue growth of 20% reflects resilient consumer demand despite the challenging external environment in Nigeria, as well as some benefit from lapping weak comparable in the prior year. This growth is principally driven by stellar performance in the quarter ended 31st March 2021 where our revenues grew 54%. Strong momentum in the off-trade consumption, more than offset the impact of COVID related restriction in the on-trade.

Revenues grew across all key categories, particularly our strategic focus brands: Guinness, Local and Imported spirits, Malta Guinness, and Ready-To-Drink (RTDs). Despite reduction in exports, Guinness delivered double digit growth in volumes and revenue driven primarily by Foreign Extra Stout and the new Guinness Smooth variant. Malta Guinness continued its strong growth mainly driven by the one way can format. Continued double-digit growth in local spirits, imported spirits and Ready-To-Drink (RTDs) show that these categories are on track to deliver their medium-term strategic revenue contribution to business growth.

Gross margin declined 4% compared to same period last year, driven by increase in cost of sales due to inflationary pressure, a shift towards more expensive can products and forex devaluation impacting some materials.

Operating margin increased by 1.20bps to 7% driven by top-line growth, productivity initiatives and cost control measures, offsetting increased cost of sales.

The Board remains confident that our strategy is sound and will in the long term continue to drive value to all stakeholders. The Board will continue to support Management in its efforts to build a business that aims to consistently deliver growth for stakeholders.

By order of the Board.

ROTIMI ODUSOLA

Company Secretary

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Dated this 28th day of April 2021