



**STATEMENT TO THE NIGERIAN EXCHANGE GROUP AND SHAREHOLDERS ON  
THE UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED  
30 SEPTEMBER 2021**

The Directors of Guinness Nigeria Plc hereby announce the company's unaudited results for the quarter ended 30 September 2021.

	<b>3 Months Ended 30 September 2021</b>	<b>3 Months Ended 30 September 2020</b>	<b>Var vs. LY</b>
	<b>N'000</b>	<b>N'000</b>	<b>%</b>
<b>Revenue</b>	47,469,427	30,024,212	58 %
<b>Cost of Sales</b>	(32,232,765)	(23,013,178)	40 %
<b>Other income</b>	247,554	207,138	20 %
<b>Marketing expenses</b>	(3,302,997)	(2,208,410)	50 %
<b>Distribution expenses</b>	(3,276,958)	(2,416,338)	36 %
<b>Administrative expenses</b>	(2,397,833)	(2,007,110)	19 %
<b>Operating profit</b>	6,506,428	586,314	1,010 %
<b>Net finance costs</b>	(559,572)	(903,794)	-38 %
<b>Profit before taxation</b>	5,946,856	(317,480)	1,973 %
<b>Tax</b>	(1,902,992)	(524,167)	263 %
<b>Profit after taxation</b>	4,043,864	(841,647)	580 %

## **Comment**

The first three months of the 2021/22 financial year recovered strongly despite a challenging external environment due to continued restrictions related to COVID 19, high inflation and rising operating costs. Revenue grew by 58% to ₦47.4 billion, driven by resilient consumer demand and improved outlet coverage, as well as headline price increases in key brands. Revenue grew across all key categories driven by our strategic focus brands, Malta Guinness and Guinness, as well as double-digit growth in local and imported spirits and the ready-to-drink category.

Gross profit grew 117% in the period as revenues grew ahead of cost of sales. Cost of sales increased by 40%, largely due to sales volume growth, inflationary pressures, a shift towards more expensive can products and currency devaluation impacting the cost of imported materials.

Marketing expenses increased 50% versus last year as we continued to invest behind our strategic focus brands and categories and to support the recovery of the on-trade. Distribution expenses increased 36% driven by higher volumes and inflation. Operating profit grew 1,010% to ₦6.5 billion.

Despite the devaluation of the Naira, net financing costs decreased by 38% as a result of reduction in the net interest cost on the back of better cash generation. Higher corporate tax is driven by the increase in operating profit and the reduction net financing costs.

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

By order of the Board.



ROTIMI ODUSOLA

Company Secretary

FRC/2016/NBA/00000015186

Dated this 26<sup>th</sup> Day of October 2021