



**STATEMENT TO THE NIGERIAN EXCHANGE GROUP (NGX) AND
SHAREHOLDERS ON THE UNAUDITED FINANCIAL RESULTS FOR THE
NINE MONTHS ENDED 31 MARCH 2022**

The Directors of Guinness Nigeria Plc hereby announce the company's unaudited results for the period ended 31 March 2022.

| | 9 Months Ended 31 March 2022 | 9 Months Ended 31 March 2021 | Var vs. LY |
|--------------------------------|---|---|-------------------|
| | ₦'000 | ₦'000 | % |
| Revenue | 159,444,503 | 114,956,362 | 39% |
| Cost of Sales | (102,262,266) | (82,527,842) | 24% |
| Other income | 1,342,508 | 951,866 | 41% |
| Marketing expenses | (15,685,705) | (9,333,394) | 68% |
| Distribution expenses | (12,385,338) | (9,117,542) | 36% |
| Administrative expenses | (7,568,727) | (7,289,224) | 4% |
| Operating profit | 22,884,975 | 7,640,226 | 200% |
| Net finance costs | (416,835) | (3,176,811) | -87% |
| Profit before taxation | 22,468,140 | 4,463,415 | 403% |
| Tax | (7,189,805) | (2,625,365) | 174% |
| Profit after tax | 15,278,335 | 1,838,050 | 731% |

Comment

In the nine months to 31st March 2022, the business continued to grow on the back of the strong recovery in the six months to 31st December 2021.

Revenue grew by 39% to ₦159.4 billion, despite the challenges arising from rising inflation and foreign exchange scarcity. The strong top-line performance has benefitted mainly from price increases across all brands, as well as from favorable brand mix and resilient consumer demand. Revenue grew across all key categories driven by our strategic focus brands, Malta Guinness and Guinness, as well as strong growth in local and imported spirits and the ready-to-drink category.

Gross profit grew 76% in the period as revenues grew ahead of cost of sales. Cost of sales increased by 24%, largely due to inflationary pressure, sales volume growth, currency devaluation impacting the cost of imported materials, air-freight cost increase and a shift towards more expensive can products.

Other income increased by 41%, driven by the higher value of by-products sale. Marketing expenses increased by 68% as we increased marketing investment to support our strategic growth priorities and the recovery of the on-trade. Distribution expenses increased by 36% driven by higher volumes, freight and diesel inflation and extended journey times for road transportation. Operating profit grew 200% to ₦22.9 billion.

Net financing costs decreased by 87% as a result of reduction in the net interest cost, and higher deposit rates on excess Naira cash in fixed deposits with banks. Finance costs also benefitted from the stable Naira exchange rate during the period, resulting in lower amount of revaluation of foreign currency denominated balances. Higher corporate tax is driven by the increase in operating profit and the reduction in net finance costs.

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

By order of the Board.



ROTIMI ODUSOLA

Company Secretary

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Dated this 27 April 2022