



**STATEMENT TO NIGERIAN EXCHANGE GROUP AND SHAREHOLDERS
ON THE AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30
JUNE 2022**

The Directors of Guinness Nigeria Plc hereby announce the company's audited results for the period ended 30 June 2022.

	12 Months Ended 30 June 2022	12 Months Ended 30 June 2021	Var. vs. LY
	₦'000	₦'000	%
Revenue	206,822,127	160,416,257	29%
Cost of Sales	(134,159,371)	(114,706,338)	17%
Other income	2,739,969	1,029,816	166%
Marketing expenses	(20,267,125)	(13,490,498)	50%
Distribution expenses	(17,080,248)	(12,575,451)	36%
Administrative expenses	(14,155,292)	(10,802,288)	31%
Operating profit	23,900,060	9,871,498	142%
Net finance costs	(225,899)	(4,101,989)	-94%
Profit before taxation	23,674,161	5,769,510	310%
Tax	(8,022,799)	(4,514,172)	78%
Profit after tax	15,651,362	1,255,338	1147%

* Confidential *

Comment

We delivered strong growth in the financial year ended 30 June 2022. Full year revenue was ₦206.8BN, an increase of 29% over last year.

Strong double-digit revenue growth was delivered 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. This growth reflects the benefits of price increases taken across all categories, leading in spirits, and followed by beer, and also the benefits of favorable brand mix.

The strong performance was delivered despite the challenging macro environment with rising inflation and heightening operating costs. Gross profit grew 59% in the year as revenues grew ahead of cost of sales. Cost of sales increased by 17%; largely due to inflationary pressures, sales volume growth, Naira devaluation impacting imported materials, air-freight cost increases and a shift towards more expensive can products.

We strategically increased marketing investment (50% vs. last year) to support our growth priorities and to reflect the recovery of the on-trade following the easing of Covid-19 restrictions. Distribution expenses increased by 36% vs. last year primarily due to cost inflation on freight and diesel. The net result was a 142% increase in operating profit vs. prior year.

Net financing costs decreased by 94% as a result of reduction in the net interest cost, and investments of excess Naira cash in fixed deposits with banks at higher rates. Profit before tax increased to ₦23.7BN, a 310% growth vs. same period last year. Higher corporate tax was driven by the increase in operating profit and reduced net finance costs.

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

By order of the Board.



ROTIMI ODUSOLA

Company Secretary

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Dated this 28 July 2022