DRAFT

STATEMENT TO THE NIGERIAN STOCK EXCHANGE AND SHAREHOLDERS ON THE UNAUDITED FINANCIAL RESULTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2024

The Directors of Guinness Nigeria Plc hereby announce the company's unaudited results for the period ended 30 September 2024.

	3 Months Ended 30 September 2024	3 Months Ended 30 September 2023	Var vs. LY
	N'000	N'000	%
Revenue	125,885,624	59,536,477	111 %
Cost of Sales	(111,629,308)	(41,398,835)	-170%
Other income	67,798	1,395,931	-95%
Marketing expenses	(6,177,923)	(4,552,361)	-36%
Distribution expenses	(7,125,191)	(3,761,499)	-89%
Administrative expenses	(7,887,090)	(3,345,581)	-136%
Operating profit	(6,866,090)	7,874,132	-187%
Net finance costs	(9,167,970)	(4,056,408)	-126%
Profit before taxation	(16,034,060)	3,817,724	-520%
Tax	3,867,751	(1,221,671)	40%
Profit after tax	(12,166,309)	2,596,053	-746%

Comment

Guinness Nigeria reported a strong 111% year-on-year revenue growth for the quarter ending 30th September 2024. This impressive growth was achieved by supporting our Brands with innovative product offerings and portfolio with effective consumer engagement, enhanced brand visibility and retail expansion while leveraging the previous financial year price increase. With the exception of our Mainstream spirits, all product categories delivered double-digit volume and sales growth.

However, overall performance was moderated by the macro-economic challenges impacting the business environment and all industry players. Inflation and continued Naira devaluation had significant adverse effects on our cost base thereby depressing margins despite strong revenue gains.

Cost of sales increased by 170%, primarily due to volume growth against the backdrop of rising raw material and packaging prices, higher utility costs and adverse foreign exchange impact on operational costs. The Naira depreciated by approximately 8%, moving from N1,540/$1 at the beginning of the year to N1,669/$1 by the end of the quarter.

These challenges resulted in an 187% decline in operating profit and a total loss before tax of N16.0 billion. A favorable tax position, stemming from deferred tax assets, reduced the overall loss to N12.1 billion.

In light of continued macro-economic challenges and headwinds in the operating environment, the Board continues to provide guidance to management as they work to drive a turnaround in the business to improve performance in F25, enhance business resilience to fluctuating macros and reinforce the company's ability to generate returns and long term value for all stakeholders.

By order of the Board.

Abidemi Ademola
Company Secretary
FRC/2013/NBA/00000001646
Dated this 23rd October, 2024