RC 771

GUINNESS NIGERIA

STATEMENT TO THE NIGERIAN EXCHANGE LTD AND INVESTING PUBLIC ON THE UNAUDITED FINANCIAL RESULTS FOR THE NINE MONTHS ENDED 31 MARCH 2024

The Directors of Guinness Nigeria Plc hereby announce the company's unaudited results for the period ended 31st March 2024 as follows:

	9 Months Ended 31 March 2024	9 Months Ended 31 March 2023	Var vs. LY
	₦ '000	₦'000	%
Revenue	220,302,651	172,478,412	28%
Cost of Sales	(152,642,962)	(112,092,701)	36%
Other income	3,065,067	1,480,156	107%
Marketing expenses	(19,261,795)	(16,150,446)	19%
Distribution expenses	(16,005,036)	(15,388,190)	4%
Administrative expenses	(13,239,464)	(12,897,280)	3%
Operating profit	22,218,461	17,429,951	27%
Net finance costs	(82,674,069)	(7,487,730)	1,004%
Profit before taxation	(60,455,608)	9,942,221	-708%
Tax	(1,196,399)	(4,076,530)	-71%
Profit after tax	(61,652,007)	5,865,691	-1,151%

Comment

In the nine months ended 31st March, 2024, Guinness Nigeria delivered +28% year-on-year revenue growth, with a noticeable acceleration of 44% in Q3 from 20% in H1. This strong performance was delivered amidst a challenging macro-economic environment marked by declining consumer disposable income due to all-time high inflation, exacerbated by currency devaluation and food insecurity.

The revenue growth was primarily driven by proactive pricing strategies and optimized product offerings, focusing on premium categories. The company intensified its efforts in trade support and consumer engagement, leveraging its digital platforms. Key categories such as Non-Alcoholic Malt, Ready-to-Serve beverages, and International Premium Spirits experienced significant revenue growth.

Operating profit rose by 27%, driven by the strong revenue performance and intensified drive for productivity across the organization despite extreme inflationary tensions.

Unfortunately, the Naira continued to devalue, closing the quarter at ₦1,351/$1, which resulted in a substantial unrealized forex loss of ₦81 billion. However, the trend has recently reversed with the Naira appreciating steadily in the last 6 weeks. The continuation of this positive trend would generate exchange gains in the last quarter of this fiscal year.

Despite significant macro-economic challenges, the Board remains confident in the company's well-crafted strategy. The Board is committed to continuously evaluating this strategy against the evolving business landscape, to deliver returns to its shareholders and create long-term value for all stakeholders.

By order of the Board.

Ademola, Abidemi (Mrs)
Legal Director/ Company Secretary
FRC/2013/PRO/NBA/004/00000001646
Dated this 24 April 2024