

Press Release

Guinness Nigeria Announces Q1 2024 Unaudited Financial Results

Guinness Nigeria Reports 111% Revenue Growth Amid Economic Headwinds; Focus on Strategic Turnaround

Lagos, Nigeria — October 2024: Guinness Nigeria Plc, a leading player in the Total Beverage Alcohol market, today announced its unaudited financial results for the quarter ended September 30, 2024. The company delivered a remarkable **111% year-on-year revenue growth**, driven by innovative product offerings, enhanced consumer engagement, and effective expansion of its retail footprint.

Revenue increased from N59.5 billion in the same period last year to **N125.9 billion**, a testament to the strength of Guinness Nigeria's diverse portfolio and its focus on building strong consumer connections. Despite this top-line growth, the company faced significant cost pressures, primarily due to inflation and the continued depreciation of the Naira, which increased the cost of raw materials, packaging, and utilities.

Dr. Omobola Johnson, Chair of the Board of Directors, commented on the results: "Our robust revenue performance reflects the resilience of our brands and the strength of our market presence. However, the difficult macroeconomic environment, characterized by rising costs and currency volatility, has impacted our profitability. As a Board, we are confident in management's ability to execute the necessary strategic initiatives to strengthen our operations, enhance efficiency, and position the business for long-term growth. We remain focused on creating sustainable value for all our stakeholders."

Guinness Nigeria reported a **170% increase in cost of sales**, driven by volume growth alongside rising input costs and exchange rate fluctuations. This led to a decline in operating profit, with the company posting a loss before tax of **N16.0 billion**. However, a favorable tax position, primarily due to deferred tax assets, reduced the overall loss to **N12.1 billion**.

Girish Sharma, Managing Director of Guinness Nigeria Plc, expressed optimism about the future stating that: "Our revenue growth demonstrates the strength of our brands and the effectiveness of our consumer engagement strategies. However, we are fully aware of the impact that inflation and currency depreciation have had on our cost structure. Our immediate focus is on improving operational efficiency, restoring profitability, and empowering our teams to deliver more value. We are confident that these actions will drive our financial recovery and position Guinness Nigeria for sustainable success."

Looking ahead, Guinness Nigeria remains committed to leveraging its strong brand portfolio, driving operational efficiencies, and exploring opportunities for innovation ~~and~~ and further improvement in local sourcing. The leadership team is actively implementing strategies to mitigate the impact of the macroeconomic environment while maintaining a sharp focus on delivering value to shareholders.

As the company navigates these challenging times, it remains optimistic about the future, supported by a clear strategy to enhance business resilience and capitalize on the opportunities in Nigeria's dynamic beverage market.

About Guinness Nigeria Plc

Guinness Nigeria, is the foremost Total Beverage Alcohol company in Nigeria with a wide portfolio of brands catering to consumers of non-alcohol and alcohol beverages including Malts, Ready-to-Drinks, Spirits, Stout & Beers. Some of its well-known and well-respected brands include, Guinness Foreign Extra Stout, Guinness Smooth, Malta Guinness, Orijin Bitters, Dubic Malt, Gordons Pink Berry, Gordons Orange Sunset, Smirnoff Ice, Smirnoff X1 Choco Vodka, Smirnoff Pine-apple Punch, amongst others.

With a very clear ambition – “To be one of the best performing, most trusted and respected consumer products companies in Nigeria”, Guinness Nigeria delivers on its sustainability and responsibility commitments which are focused on three areas: Promoting Positive Drinking, Championing Inclusion and Diversity and Pioneering Grain to Glass sustainability. The company continues to be a champion for responsible drinking and community development.