



EARNINGS RELEASE

Q1 2024 UNAUDITED RESULTS

30 April, 2024

BUA Foods begins the year with strong Growth

Revenue increase of 147% to N356 Billion

Gross Profit up by 103% to N115 Billion

Lagos, 31st March 2024 – BUA Foods Plc (“BUA Foods”, or “the Company”) announced its results for the unaudited 3M financial for the period ended 31 March 2024.

Key Financial Highlights

In thousands of naira	Group		% Change
	3M 2024	3M 2023	Δ
Revenue	356,921,621	144,318,353	147%
Cost of Sales	241,503,540	87,660,700	175%
Gross Profit	115,418,081	56,657,653	103%
Gross Margin (%)	32.3%	39.2%	-700bps
Selling and distribution expenses	(9,777,158)	(6,285,143)	56%
Administrative expenses	(4,590,223)	(2,617,951)	75%
Total operating expenses	(14,367,381)	(8,903,094)	61%
Other income	3,668,335	401,952	813%
Operating Profit	104,719,036	48,156,512	117%
Opex to Income margin	4%	6.16%	-216bps
Operating profit margin	29.3%	33.3%	-400bps
Finance cost – net	(15,071,541)	(2,129,854)	608%
Foreign Exchange (Gain) Loss	(27,285,469)	-	-
Profit before income tax	62,362,026	45,945,252	36%
PBT Margin (%)	17.4%	31.8%	-1440bps
Income Taxes	6,539,429	5,476,303	19%
Profit for the period	55,822,597	40,468,949	38%
Earnings Per share (Kobo)	3.10	2.25	38%
Return on Equity (%)	17.5%	15.4%	210bps
Return on Assets (%)	5.15%	3.78%	137bps
Total assets	1,082,505,390	1,070,439,862	1%
Total equity	317,881,430	262,058,833	21%
Total liabilities	764,623,960	808,381,029	-5%

Commenting on the results, Engr. (Dr.) Ayodele Abioye, the Managing Director, said:

“Our top and bottom line witnessed significant uptick facilitated by a mix of volume and pricing actions. Aggregated sales maintained its upward trajectory as our capacity expansion drive continues to yield notable gains.

Despite elevated input & output cost pressures as well as increased FX volatility, our first quarter results further re-iterated the resilience of our business model and dynamism of our market approach. Revenue leaped by 147% while PBT increased by 36% to N62 Billion. Net Profit was up 38% at N55Billion further re-affirming our position as the most profitable food business on the exchange.

During the quarter, we expanded our product bouquet in a bid to penetrate new markets and fulfil the demands of our customers and consumers.

We continue to prioritize research and development with a view to innovating and leading as we grow with our customers. Focus would be on implementing our strategic initiatives which includes new market penetration, product and market development, platform strategy orchestration and supply chain integration all with the aim of contributing to nation building and staying true to our creed of nourishing lives”.

Key Highlights of Group performance and financial review of 3M unaudited.

Revenue grew by 147% q-o-q to ₦356.9 billion in 3M 2024 (3M 2023: ₦144.3 billion). This was due to a q-o-q increase of 155% in Sugar to ₦238.2 billion (3M 2023: ₦93.2 billion), 158% in Flour to ₦80.9 billion (3M 2023: ₦31.3 billion), and 91% in Pasta to ₦37.07 billion (3M 2023: ₦19.4 billion).

Increase in **cost of sales** (+175%) to ₦241.50 billion in 3M 2024 (3M 2023: ₦87.66 billion) was driven by an increase in raw materials cost and energy cost. The high input cost environment and further devaluation of the Naira against the US Dollar weighed heavily on prices of raw materials. This resulted in higher cost of production.

Gross profit increased by 103% to ₦115.418 billion in 3M 2024 (3M 2023: ₦56.657 billion) However, gross profit margin depreciated by 700bps to 32.3% in 3M 2024 (3M 2023: 39.2%).

Selling and distribution expenses increased by 55% to ₦9.77 billion in 3M 2024 (3M 2023: ₦6.28 billion) due to huge increase in cost of diesel within the period.

Administrative expenses also increased by 75% to ₦4.59 billion in 3M 2024 (3M 2023: ₦2.61 billion)

Total operating expenses increased by 61% to ₦14.36 billion in 3M 2024 (3M 2023: ₦8.90 billion) on the back of increase in selling and distribution cost along the supply chain to customers.

Operating profit grew by 117% to ₱104.7 billion in 3M 2024 (3M 2023: ₱48.15 billion) benefitting from top line growth driven by price adjustment and volume increase due to capacity expansion for our flour and pasta business. Operating profit margin however depreciated by 400bps to 29.3% in 3M 2024 (3M 2023: 33.3%).

Finance fees grew by 607% to ₱15.07 billion in 3M 2024 (3M 2023: ₱2.12 billion) largely driven by higher finance cost.

Profit before tax increased by 35% to ₱62.3.12 billion in 3M 2024 (3M 2023: ₱45.9billion), however, profit before tax margin dropped to 17.4%.

Profit after tax grew by 38% to ₱55.82 billion in 3M 2024 (3M 2023: ₱40.46 billion). while the Earning per Share (EPS) grew by 37% to ₱3.10 in 3M 2024 from ₱2.25 in the corresponding period.

Total assets increased by 1.1%to ₱1,082 trillion as of 3M 2024 (FY 2023: ₱1,070 billion) driven largely by strategic transactions in trade and other receivables as well as capital investment.

Total liabilities decreased by 5.4% to ₱764.6 billion as of 3M 2024 (FY 2023: ₱808.38 billion).

Total equity increased by 21.3% to ₱317.88 billion as of 3M 2024 (FY 2023: ₱262.05billion) mainly due to a significant growth of 22% in retained earnings to ₱309.8 billion as of 3M 2024 (FY 2023: ₱254.09 billion).

Operating segment performance

Sugar division

The Sugar division contributed 67% to revenue in 3M 2024 (3M 2023: 66%). Sugar **Revenue** grew by 155% to ₱238.2 billion in 3M 2024 (3M 2023: ₱93.2 billion). The increase in revenue is due majorly to price adjustments within the period. Volume sold increased by 18% to 196,434 tons within the period (3M 2023: 166,373 tons).

Flour division

The Flour division contributed 23% to revenue in 3M 2024 (3M 2023: 20%). **Revenue** increased by 158% to ₱80.9 billion in 3M 2024 (3M 2023: ₱31.3 billion). The growth in revenue is due both to volume increase and price adjustment within the period.

Pasta division

The Pasta division contributed 10% to revenue in 3M 2024 (3M 2023: 14%). Revenue increased by 91% to ₱37.04 billion in 3M 2024 (3M 2023: ₱19.4 billion). The increase in sales volume is due to gradual commissioning of new pasta production lines. There was also a 4.8% increase in production volume to 32,760 tons in 3M 2024 (3M 2023: 31,230 tons).

Rice division

The Rice debuted in 2023. Its commercialization is beginning to see gains as its contribution to the revenue bucket picked up during the quarter. Revenue increased by 97% to ₱0.78 billion in 3M 2024 (3M 2023: ₱0.38 billion). There was also a 27% increase in production volume to 765 tons in 3M 2024 (3M 2023: 600 tons).

Conference call details

A conference call for analysts and investors will be held on Thursday 2nd May at 15.00 Lagos/15:00UK time.

Please register using the link below:

[BUA Foods Q1 2024 Results Conference Call](#)

To join the live webcast please click on the link below:

[Live webcast](#)

A copy of the presentation will be available on the Company's website on the day of the call

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Statement of Profit or Loss and Other Comprehensive Income for The Three Months Ended 31st March, 2024

		Unaudited Q1 2024	Unaudited Q1 2023	Unaudited Q1 2024	Unaudited Q1 2023
	Notes	Group M'000	Group M'000	Company M'000	Company M'000
Turnover	1	356,921,621	144,318,353	233,787,666	83,675,976
Cost of Sales	2	(241,503,540)	(87,660,700)	(157,989,527)	(51,083,890)
Gross Profit		115,418,081	56,657,653	75,798,139	32,592,087
Administrative expenses	4a	(4,590,223)	(2,617,951)	(3,652,892)	(2,060,195)
Selling & distribution expenses	4b	(9,777,158)	(6,285,143)	(5,991,783)	(3,668,407)
Other income	3	3,668,335	401,952	3,624,507	391,723
Operating Profit		104,719,036	48,156,512	69,777,971	27,255,208
Finance Income		86,929	-	86,929	-
Finance Costs		(15,158,470)	(2,129,854)	(7,695,178)	(1,338,984)
Finance Costs - net		(15,071,541)	(2,129,854)	(7,608,249)	(1,338,984)
Finance Exchange (Gain) Loss		(27,285,469)	-	(27,285,469)	-
Minimum Tax		-	(81,406)	-	(81,406)
Profit Before Tax		62,362,026	45,945,252	34,884,254	25,834,818
Income Taxes		(6,539,429)	(5,476,303)	(6,539,429)	(5,476,303)
Net Profit After Tax		55,822,597	40,468,949	28,344,825	20,358,515
EPS		3.10	2.25	1.57	1.13

Statement of Financial Position as at

	Notes	Unaudited	Audited	Unaudited	Audited
		YTD 31ST MAR 2024	YTD 31ST DEC 2023	YTD 31ST MAR 2024	YTD 31ST DEC 2023
		Group	Group	Company	Company
		N'000	N'000	N'000	N'000
Assets					
Non-Current Assets					
Property, Plant and Equipment	5	363,040,685	357,991,862	267,993,926	263,431,837
Right of Use Assets	6	114,573	30,324	114,573	30,324
Investment in Subsidiaries		-	-	407,670	407,670
Total Non-Current Assets		363,155,258	358,022,186	268,516,170	263,869,831
Current Assets					
Inventories	7	86,834,070	112,276,641	53,953,072	81,405,116
Trade and other receivables	8	112,728,188	151,156,115	108,322,002	159,882,145
Due from Related Companies		462,606,516	348,860,131	523,250,002	582,047,214
Cash and Short-Term Deposits	9	57,181,427	100,124,789	57,101,405	100,086,530
Total Current Assets		719,350,131	712,417,676	742,626,481	923,421,005
Total Assets		1,082,505,390	1,070,439,862	1,011,142,650	1,187,290,836
Liabilities and Equity					
Equity					
Share Capital	10	9,000,000	9,000,000	9,000,000	9,000,000
Reorganization and other reserves		(943,228)	(943,228)	391,961	391,961
Retained Earnings		309,824,658	254,002,061	278,172,101	249,827,276
Total Equity		317,881,430	262,058,833	287,564,062	259,219,237
Liabilities					
Non-current liabilities					
Deferred Tax Liabilities		26,385,047	22,306,746	26,385,047	22,306,746
Borrowings		1,243,699	1,377,286	1,243,699	1,377,286
Lease Liabilities		102,612	32,650	102,612	32,650
Government Grants		70,211	70,211	70,211	70,211
Total Non-Current Liabilities		27,801,569	23,786,893	27,801,569	23,786,893
Current Liabilities					
Contract Liabilities		127,030,914	68,950,583	127,276,843	68,950,583
Current Income Tax Liabilities		18,473,799	16,012,672	18,473,799	16,012,672
Lease Liabilities		8,341	5,073	8,341	5,073
Bank Overdraft	9	671,678	573,175	671,678	573,175
Borrowings	11	504,431,422	649,699,556	504,431,422	649,699,556
Due to Related Companies		-	-	-	137,765,997
Trade and Other Payables	12	86,136,355	49,283,195	44,845,054	31,207,768
Government Grants		69,882	69,882	69,882	69,882
Total Current Liabilities		736,822,391	784,594,136	695,777,019	904,284,706
Total Liabilities		764,623,960	808,381,029	723,578,588	928,071,599
Total Liabilities and Equity		1,082,505,390	1,070,439,862	1,011,142,650	1,187,290,836

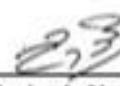
The financial statements and notes on pages 9 to 17 were approved by the Board of Directors on 22nd April, 2024 and signed on its behalf by:



Abdul Samad Babu CHL.COM
Chairman
FRC/2014/KODN/0000010111



Ayodele Abioye
Managing Director
FRC/2022/PRO/FORM/C07/003/00000023864



Abdulsheed Olayiwola
Chief Finance Officer
FRC/2014/ICAN/0000010407

Definition of terms

Gross profit refers to revenue minus cost of sales.

Gross profit margin corresponds to gross profit as a % of revenue.

Operating expenses corresponds to Selling and distribution expenses, Administrative expenses and Other operating expenses.

EBITDA refers to earnings before interest, tax, depreciation and amortization.

EBITDA margin corresponds to EBITDA as a % of revenue.

Operating profit refers to gross profit minus operating expenses plus other operating income.

Operating profit Margin corresponds to EBIT as a % of revenue.

Profit before Tax corresponds to EBIT minus net finance (cost)/income and plus share of profit of associates and joint venture using the equity method.

Profit before tax margin corresponds to profit before tax as a % of revenue. **Return on equity**

corresponds to net profit reported to average total equity. **Return on assets** corresponds to net profit reported to average total assets.

Earnings per share is profit after tax from continuing operations reported to weighted average number of shares.

About BUA Foods Plc

BUA Foods Plc (NGX: BUAFOODS) is a leading food business with well diversified and scalable operations producing sugar, flour, pasta, rice and edible oils. The Company owns strategically located plants across Nigeria, in addition to a cordial alliance with local stakeholders in host communities. Additionally, BUA Foods is a resilient business built on a strong brand proposition and is an operator that has a well-known reputation for delivering high-quality products.

BUA Foods continues to invest in modern technology for efficient food production, innovatively expanding with strategic partners across the value chain. The Company is also well positioned to leverage significant export potentials across West Africa and the larger African continent.

Headquartered and listed in Nigeria, BUA Foods is one of the most capitalized companies on the NGX Exchange and a leading consumer goods firm by market value.

For more information visit <https://www.buafoodsplc.com/overview/>