



Leading With Purpose

Investor and Analyst Call - Full Year 2022 Performance

12th APRIL 2023

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Presenters



Engr. Ayodele Abioye (MNSE)
Managing Director

+30 years combined Industry experience in the following sectors.

- ❑ Automobile -ASA Workshop
- ❑ Construction – Servetek Engineering Ltd.
- ❑ Foods and Beverages
 - ❖ Nigerian Bottling Co.
 - ❖ Royal Beverages
 - ❖ Seven up Bottling Company
 - ❖ The Coca-Cola Company
- ❑ FinTech –. SecureID Smart Card Manufacturing Ltd
- ❑ Foods/Agro Allied/FMCG
 - ❖ Savanah Sugar Co. Ltd.
 - ❖ Dansa Foods Ltd.
 - ❖ BUA Foods Plc



Mr. Abdulrasheed Olayiwola
Chief Financial Officer

+ 30 yrs combined industry experience in the following sectors

- ❑ Professional Services – Auditing and Consultancy
 - ❖ Oghene Omavuezi & Co. (Chartered Accountants)
 - ❖ PricewaterhouseCoopers (PwC)
- ❑ Public Sector
 - ❖ Nigerian Security Printing & Minting Plc
 - ❖ Shelter-Afrique, (The Company for Habitat and Housing in Africa),Kenya
- ❑ Foods/Agro Allied /FCMG
 - ❖ BUA Sugar Refinery Ltd,
 - ❖ Lafiagi Sugar Company Ltd,
 - ❖ BUA Foods Pc

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SECTION 1: Company Overview and Year 2022 Review



OUR PHILOSOPHY

VISION

To fulfill Africa's food demands by promoting food security and nourishing lives



MISSION

To provide high quality foods with a focus on creating long-term value for all stakeholders



Our Core Values

Respect

Give it!
Get it!

Innovation

It's all about
impact!

Commitment

We take our
values seriously.

Excellence

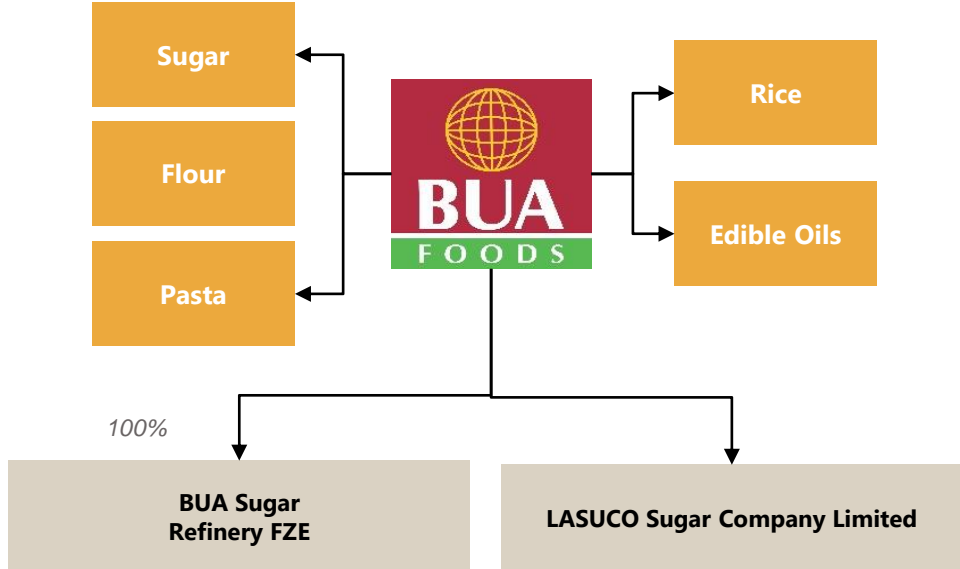
We will always go
all the way.



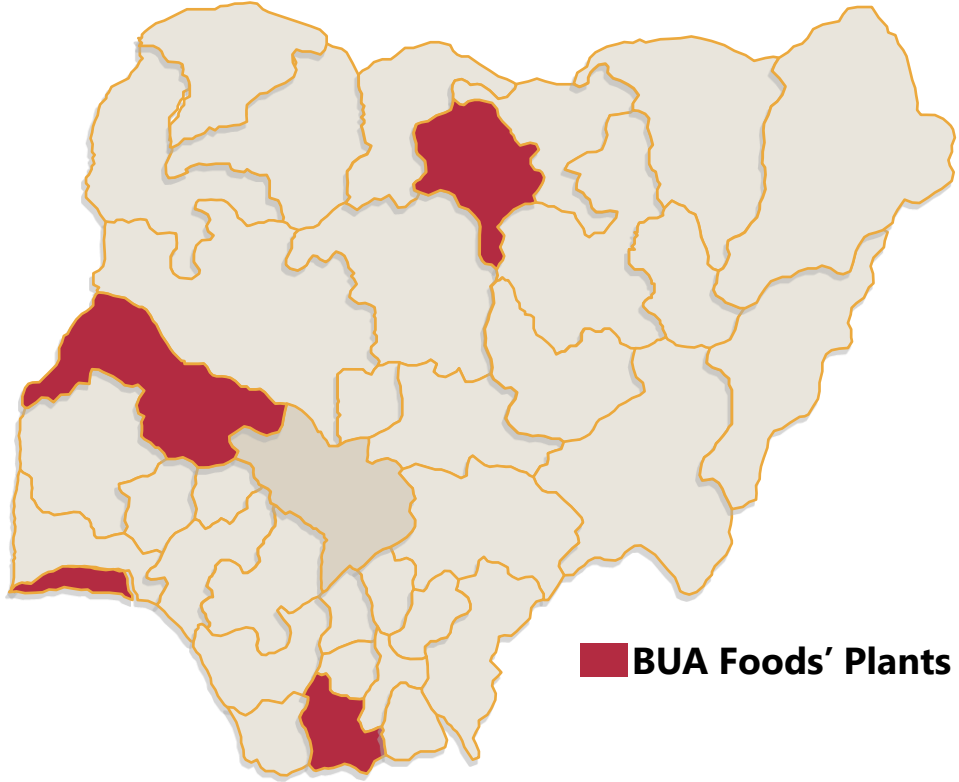
Our Business and Result at a glance



Company Structure



Plants Locations



5
Business divisions

2
Wholly owned Subsidiaries

8
Plants across the country

#2
Largest sugar refinery in West Africa

>20
Years combined operational experience

#5
Largest Listed company on NGX¹ by market capitalisation

18bn
Ordinary shares in issue of 50 kobo each

1.84Tn
Market capitalisation (₦)²

■ BUA Foods' subsidiaries
■ BUA Foods' business divisions

**REVENUE:
N418.3BN**

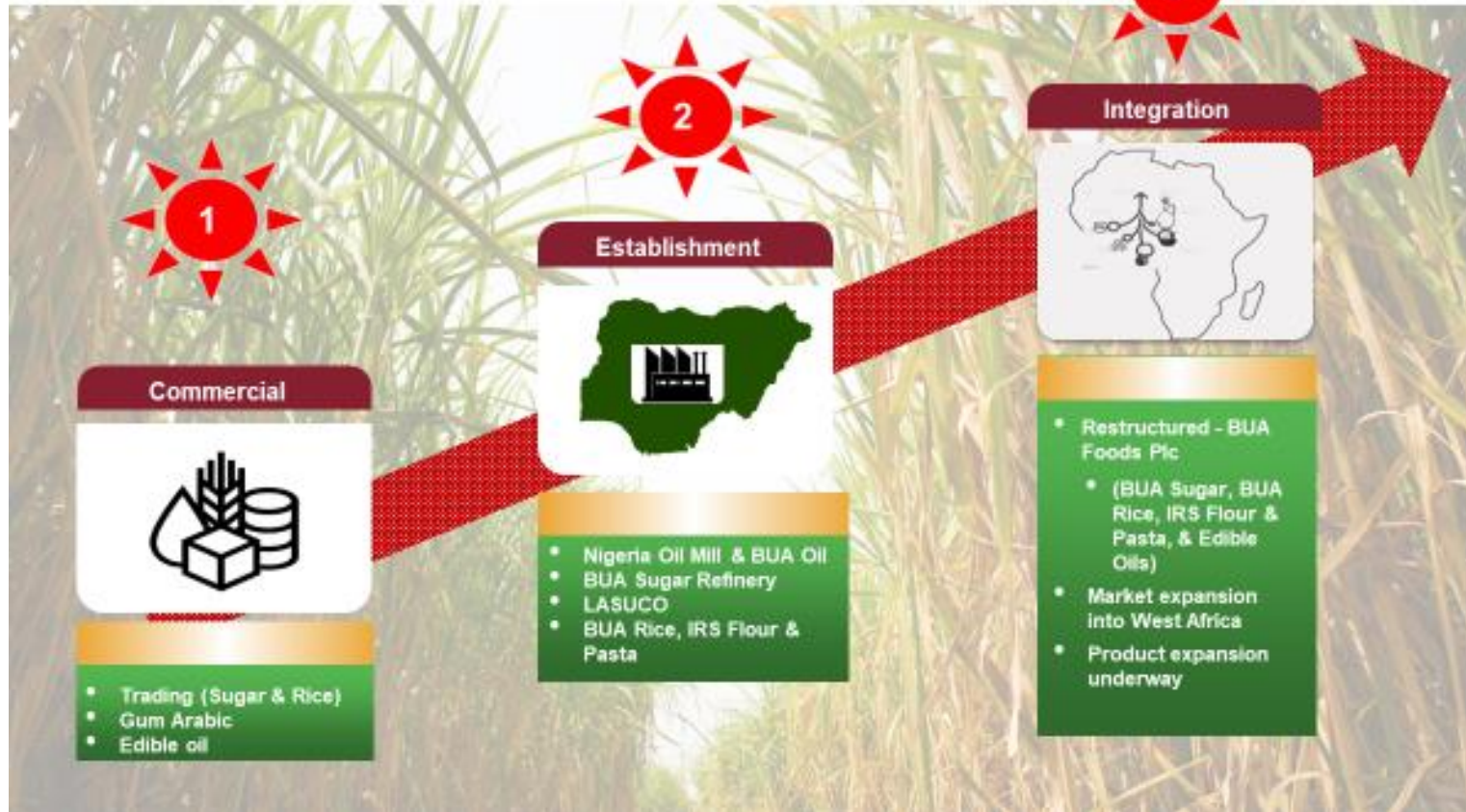
PAT: N91.3BN

**TOTAL ASSET:
N607.2BN**

**CAPACITY
UTILIZATION: 60.6%**



GROWTH Phase 3 is leveraging our integration to deliver sustainable value.



2022 Key Achievements.

1. BUA Foods Plc listed on the main board of the Nigerian Exchange Limited
2. BUA Foods Plc hosts National Sugar Dev. Council in Lafiagi.
3. Successful 1st AGM
4. Commence Export Sales, Enrolled MV Bundu
5. Completed additional 720,000MTPA Flour & 250,000MTPA Pasta plant
6. Completed Upgradation of 200,000MTPA Rice Mill in Kano.

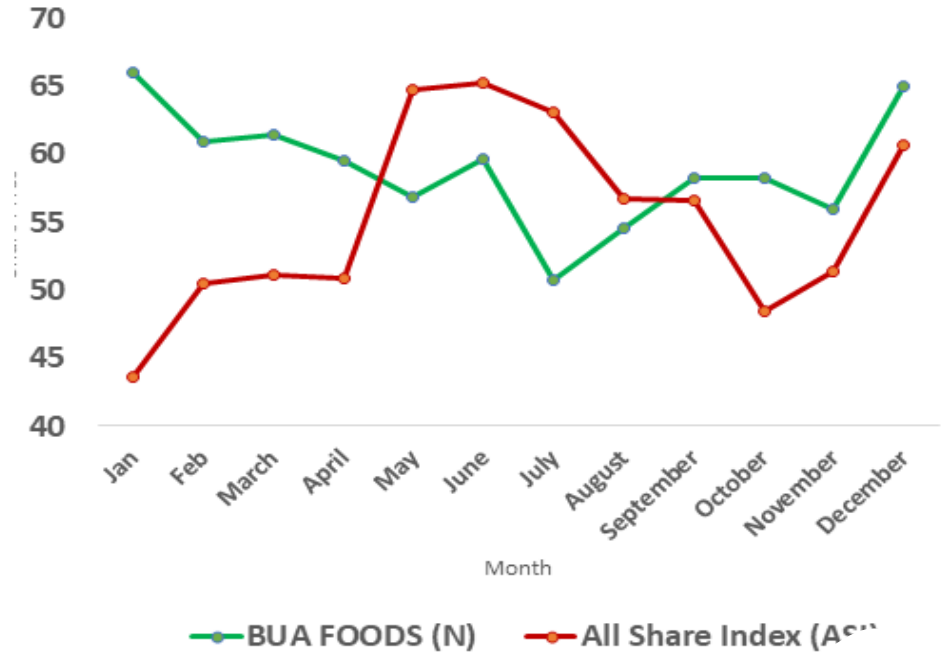
2022 Review:

**Our performance in the capital market
has been very positive**

- Share price grew **62.5%** closing at **N65.00**
- Market Capitalization: **1.17TN** from **720BN**
- Shareholder count closed at **435%** growth
- **Achieved 100% dividend pay out of N63 Billion**

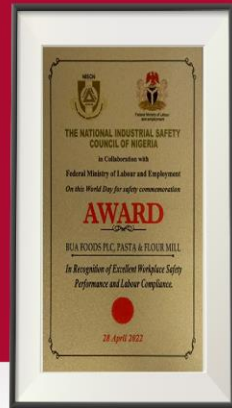


BUA Foods Share Price vs. All Share Index



2022 Review:

Listed as one of the most profitable and valuable business



- ✓ **Business Day Award:**
FMCG Company of the year
- ✓ **NGX Award:**
Listing of the year (EQUITY)
- ✓ **CSR Reporters Award:**
Best Company in Poverty Alleviation
- ✓ **Brand Communicator Magazine:**
Most Outstanding Food Manufacturing Company of the year.
- ✓ **Leadership group:**
Company of the year.



SECTION 2: Macro-Economics Environment



Nigeria- macro-economic environment (Key Highlights)



- **GDP** - Nigeria's annual Gross Domestic Product (GDP) growth rate in 2022 fell to 3.10 per cent from the 3.40 per cent reported in 2021.
 - Although the agriculture sector grew by 2.05 percent in the reference period, its performance was significantly hampered by severe incidences of flood experienced across the country. fourth quarter of 2021 which was 3.58 percent.
 - The service sector stands out, improved by 5.69 percent and contributed 56.27 percent to the country's GDP.
- **INFLATION** - Headline inflation rate quickened to 21.34% YoY in Dec 2022 from 15.63% in prior same period;
 - This is on the back of disruption in food supply increase in energy cost, transportation cost, FX depreciation and increases in import costs.
 - Whilst core inflation rose 18.5% in December, Food inflation accelerated to 23.8%.
 - **Monetary Policy**
 - The CBN hiked MPR five-consecutive time YTD March 2023 to 18.0%, in a sustained move aimed at taming accelerating inflation, achieving price stability and stimulating business growth. On the T-bills market, 1-year T-bills rate closed at 8.5% in 2022, compared to 4.9% the 2021.
- **Forex** - Nigerian naira weakened by 8.9% to ₦482.1/\$1 in 2022 at the official window, as the increasing demand for dollar asset continue to weigh on the domestic currency.
 - With increasing drop in dollars flows from decline in Oil earning, diaspora flows, foreign investments and increasing oil theft, the outlook for FX stability is not in rear term.
 - According to FDC Think Tank, Manufacturers only get 5% of FX demand from official window. Others are sourced from the parallel market.
- **OIL** - Nigeria's oil production averaged 1.14mb/d in 2022, down by 18.4% from the average production of 1.4mb/d in 2021.



SECTION 3: Value creation for shareholders



Business Performance Highlights

Sustained value creation with strong performance.



REVENUE: N418.3BN

26% ▲

PROFIT AFTER TAX:
N91.3BN

30% ▲

NET PROFIT
MARGINS: 22%

4% ▲



SHARE PRICE: N 65.00

62.5% ▲

RETURN ON
EQUITY: 40%

14% ▲

EARNING PER SHARE:
N5.07.

19.6% ▲

*DIVIDEND PER
SHARE: N4.50

28.6% ▲

*proposed.

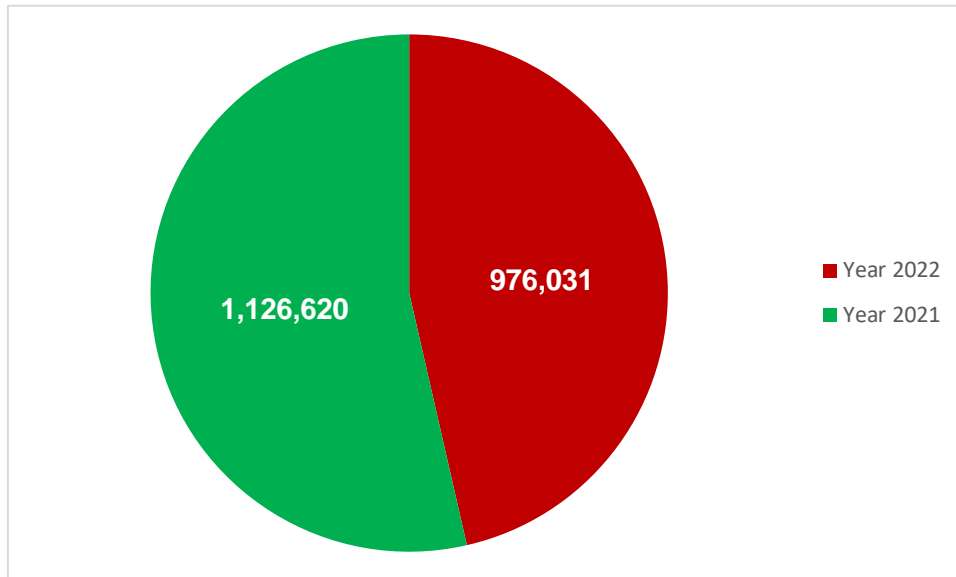
Business Performance Highlights.

We are optimizing our asset utilization despite supply chain challenges



Aggregate Production (million-tons)

***Impacted by energy disruption half year in 2022.**



Aggregate Utilization (%)

***Impacted by energy disruption half year in 2022.**

2022*	60.6%
2021	63.6%

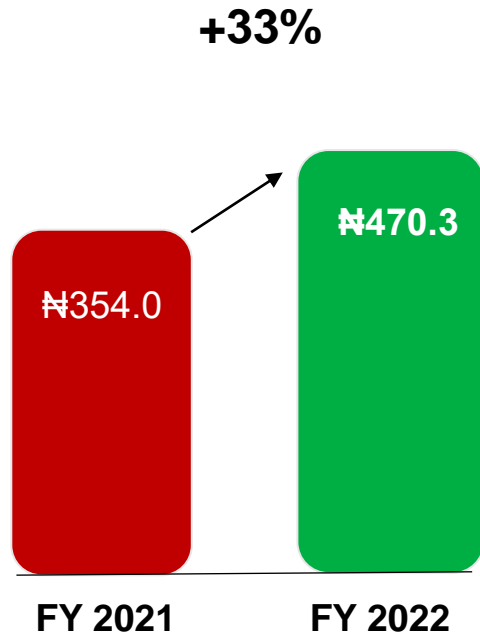


Business Performance Highlights.

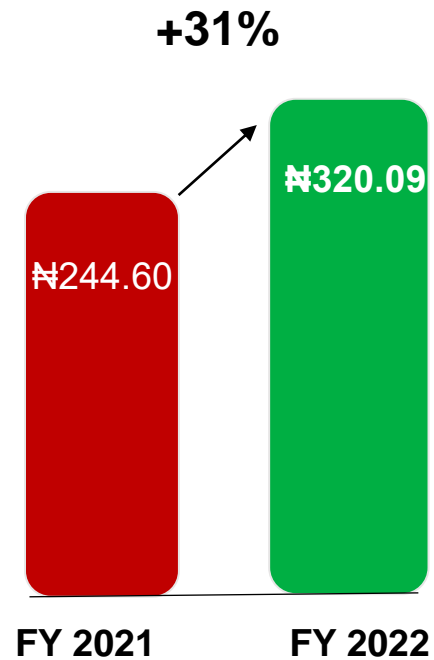
We are balancing rising cost and other headwinds while preserving business profitability margins



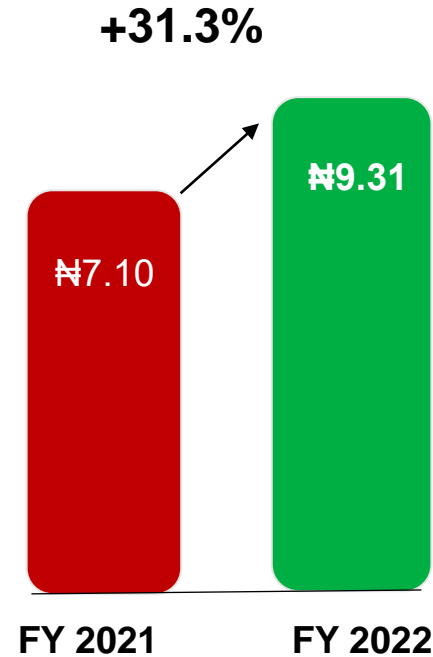
Revenue per tone
(N'000)



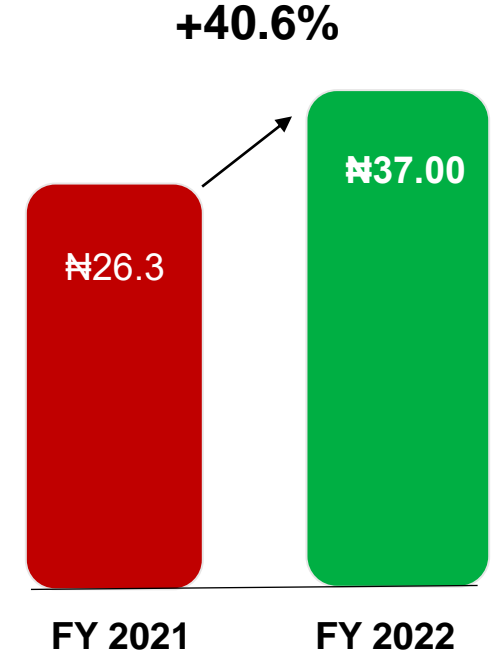
Cost of Sales per ton
(N'000)



Energy Cost per ton
(N'000)



SD &A per ton
(N'000)





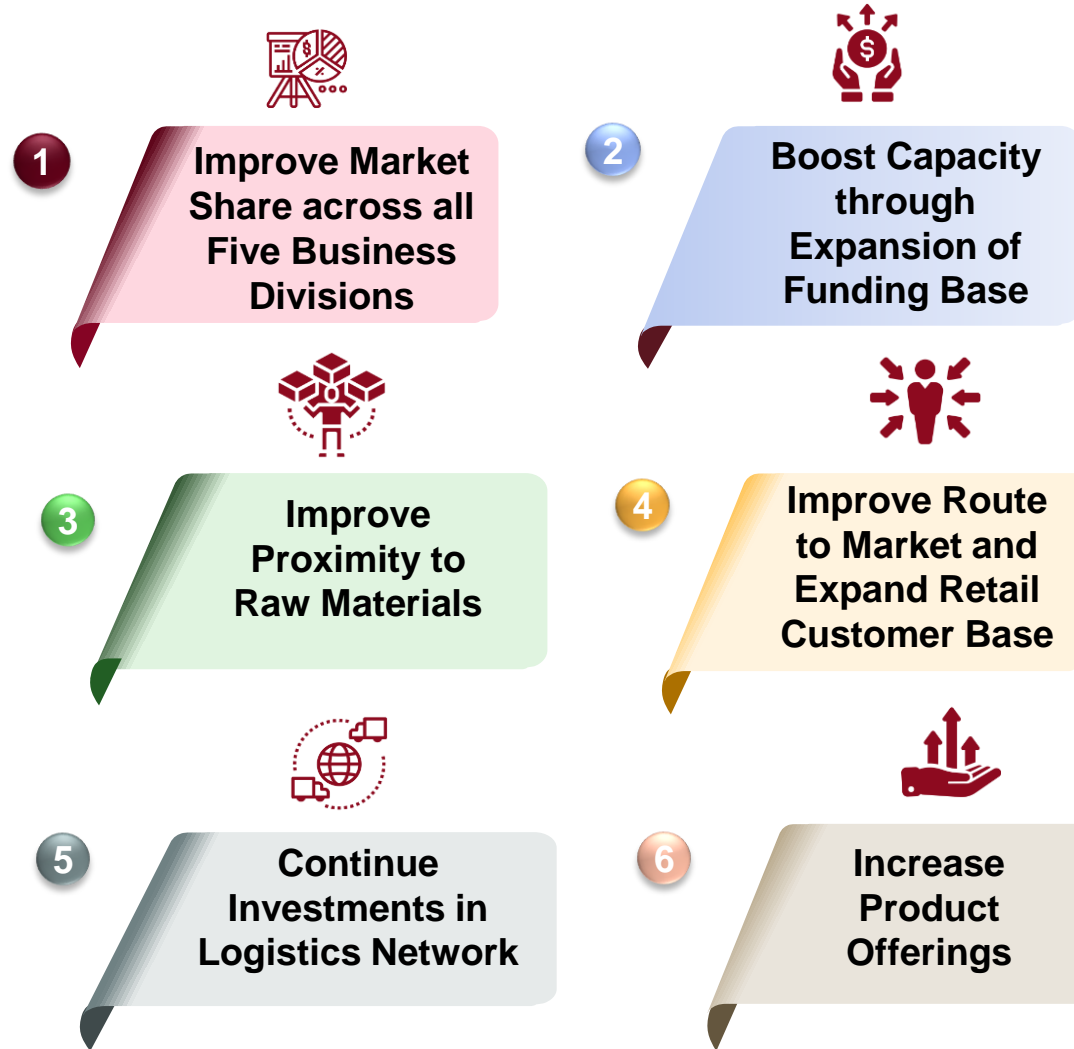
SECTION 4 : Strategic Business Update

Business Growth Strategy - Clear strategic priorities



Short to Medium Term

Long Term





**Additional 720,000MTPA
Flour & 250,000MTPA
Pasta plant**

We completed our capacity expansion plans in Flour and Pasta Divisions.



**200KMPA Rice Mill in
Kano.**

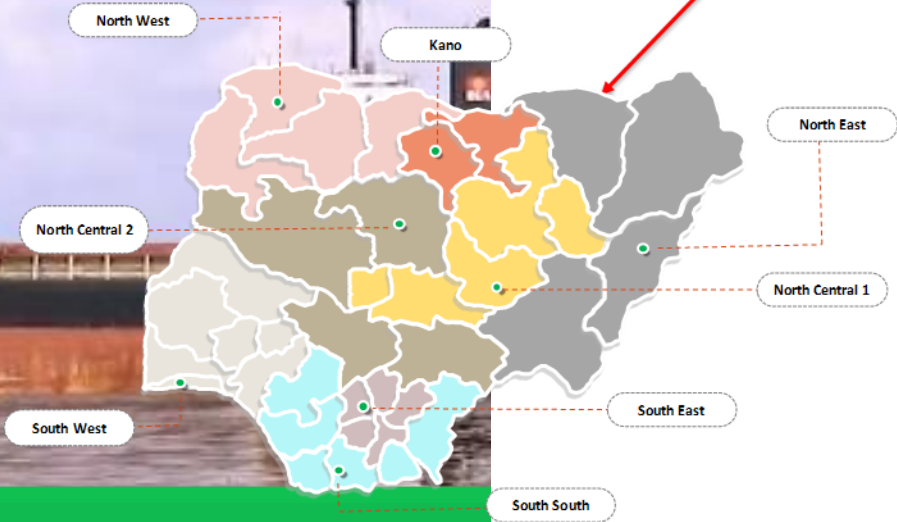
We completed our Rice Mills upgradation

#NourishingLIVES



SUB-SAHARAN

WEST AFRICA



Market Expansions.

Expanded our market into the subregion. As we continue to develop new products offerings.

Driving through Sustainability.

We remain committed to responsible production and environmental stewardship



shutterstock.com - 2123836310

GHGe(KgC/ton):

2022: 191

2021: 205



Water Economy (m3/ton):

2022: 2.5

2021: 3.24



Air Quality (ppm):

2022: 0.49

2021: 0.58



Noise Pollution (decibel):

2022: 78

2021: 84



Our social impact investment increased 750% to 105mN.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION





SECTION 5: Financial Highlights

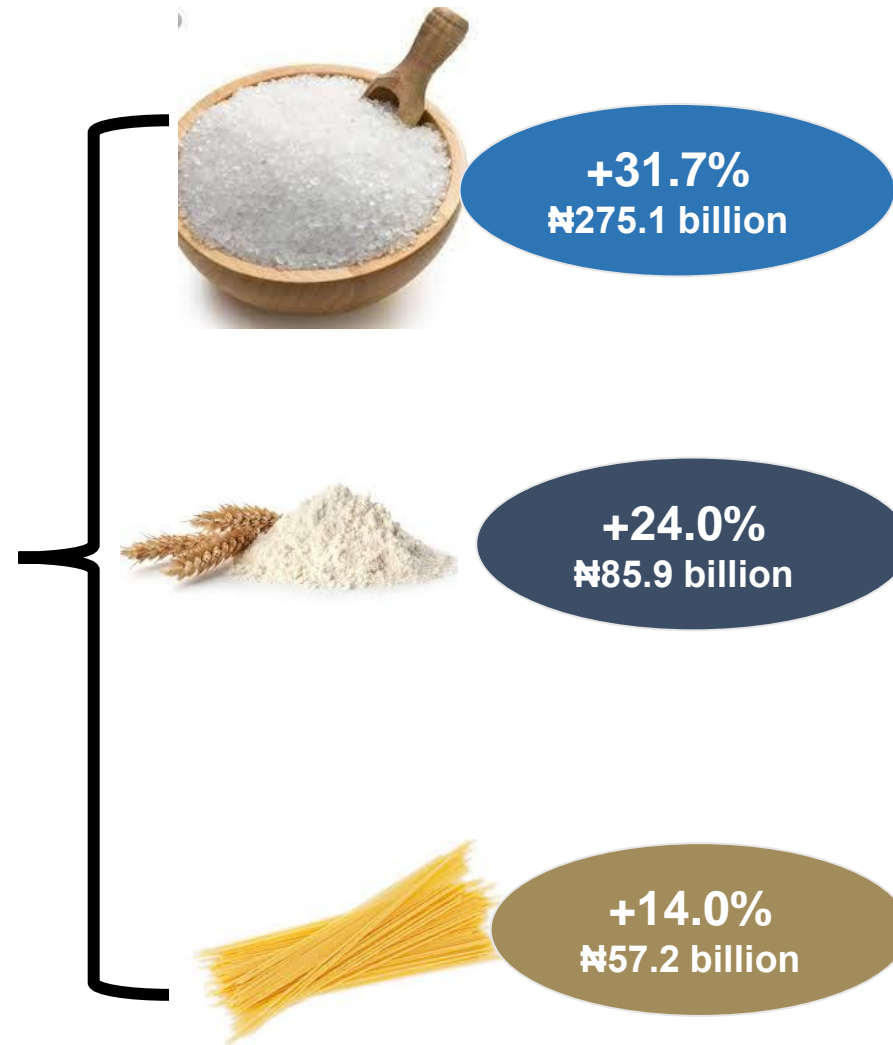
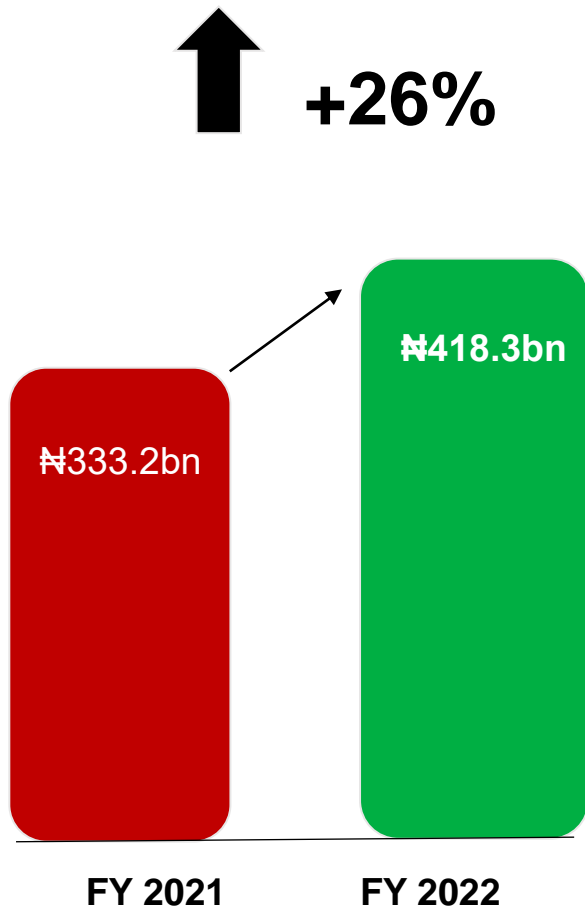


BUA Foods maintained double digit growth and strong performance in FY 2022



	Group		
<i>In thousands of naira</i>	FY 2022	FY 2021	Δ
Revenue	418,347,770	333,272,234	26%
Cost of Sales	285,555,236	230,312,612	24%
Gross Profit	132,792,534	102,959,622	29%
Gross Margin (%)	31.8%	30.9%	90bps
Selling and distribution expenses	14,185,483	10,135,699	40%
Administrative expenses	18,733,919	14,626,871	28%
Total operating expenses	32,919,403	24,762,570	33%
Opex to Income (%)	7.9%	7.4%	50bps
Operating Profit	117,492,293	79,894,875	47%
Operating profit margin	28%	23%	500bps
Other income	15,242,660	1,554,540	980%
Finance cost- net	8,682,060	2,155,627	303%
Profit before income tax	107,229,702	77,468,721	38%
PBT Margin (%)	26%	23%	300bps
Income Taxes	15,885,684	7,700,636	106%
Effective tax rate (%)	15%	10%	490bps
Profit for the period	91,344,018	69,768,085	31%
Earnings Per share (Kobo)	5.07	4.24	20%
Return on Equity (%)	40%	35%	14%
Return on Assets (%)	15%	12%	25%
Total assets	607,224,625	593,469,515	2.3%
Total equity	230,961,332	200,718,673	15.1%
Total liabilities	376,263,289	392,750,842	-4.2%

Underlying revenue growth from pricing, product mix and export sales strategy



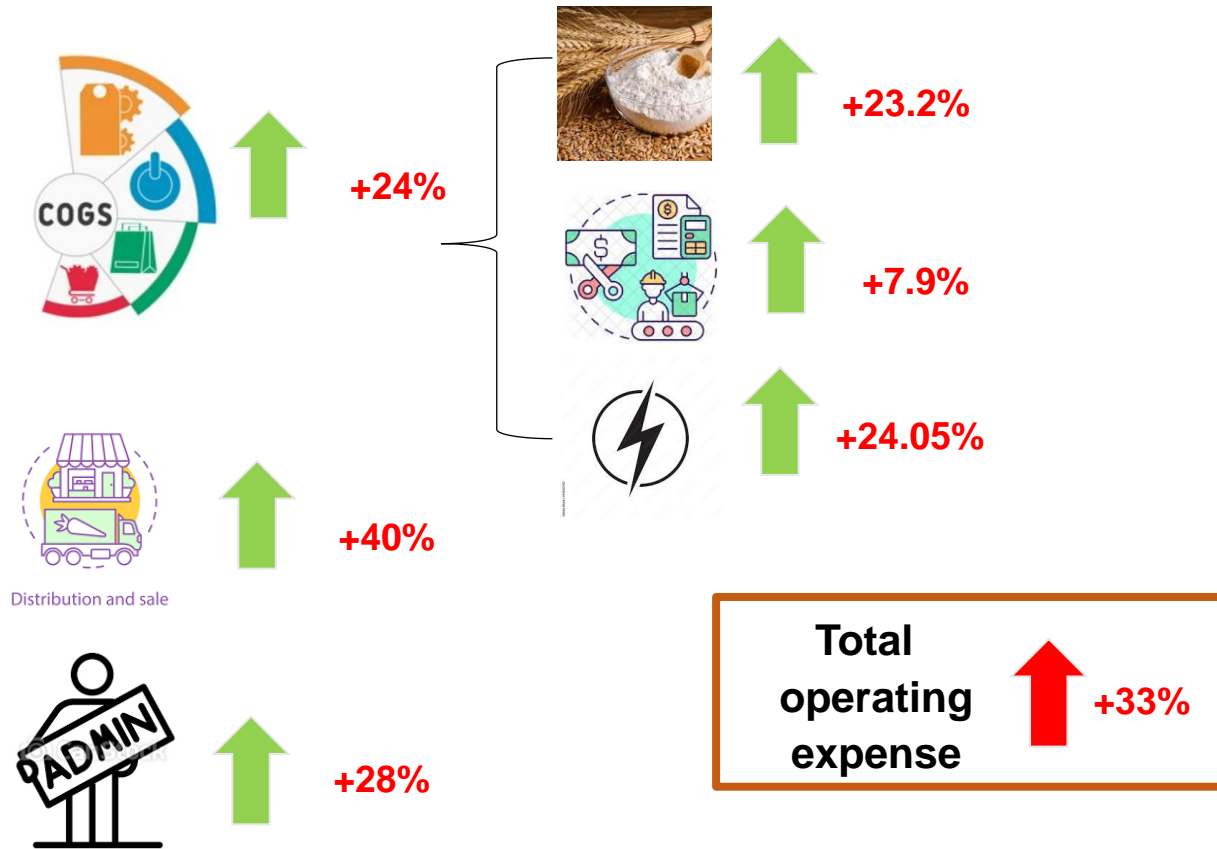
- ❑ Strategic Price adjustment to reflect the rise in input cost
- ❑ Export sales impacting the west African market for growth
- ❑ Managing volume mix dynamics to meet up with our business growth strategy

Effective management of costs across the business divisions, despite marginal volume decline



Inflationary Pressure

Levers deployed to manage such pressure



Revenue growth management – volume planning, pricing actions to reflect market realities



Raw material & FX sourcing dynamics



Energy Sourcing mix for production



Supply chain synergy

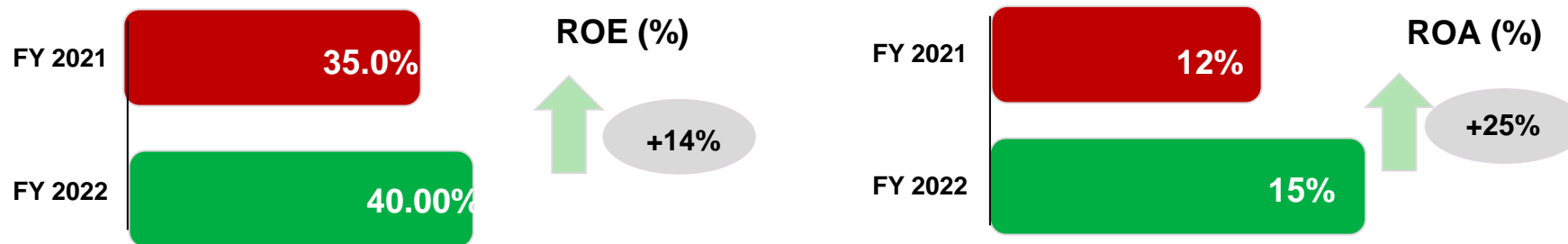
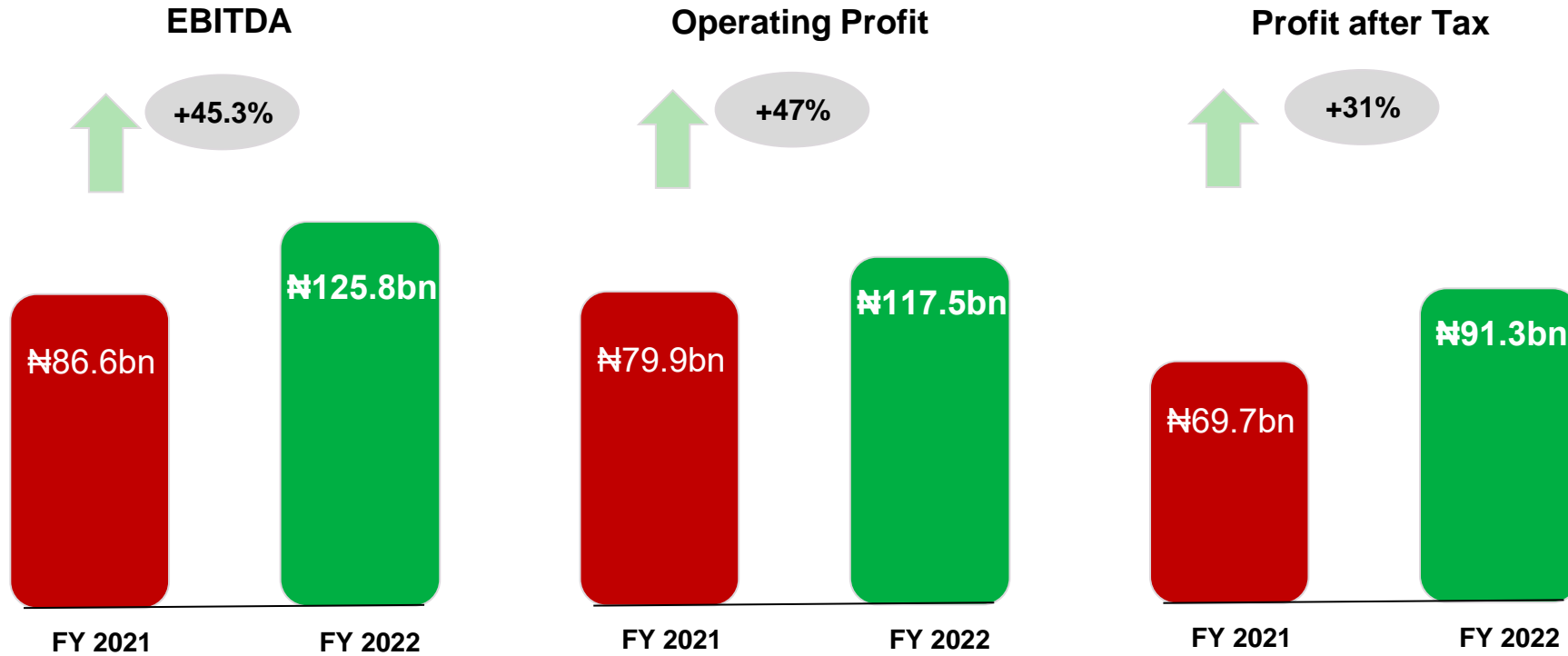


Trade promotions effectiveness



Diversified long-term suppliers

Positive impact of growth strategy



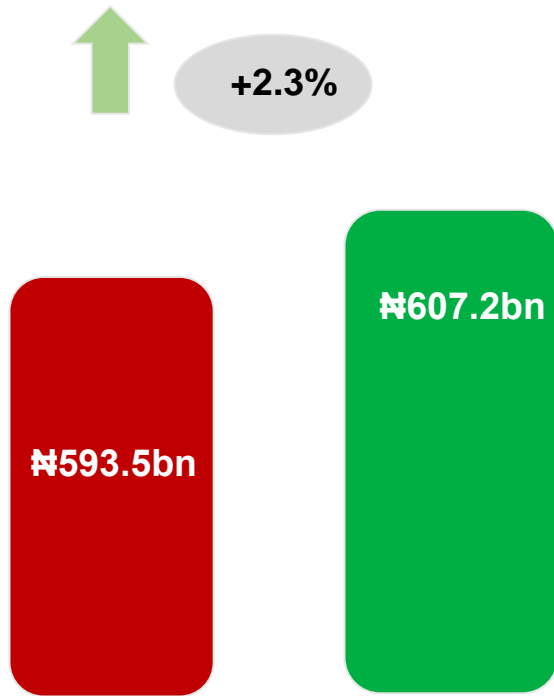
We remain committed to strengthening our balance sheet



Strong total asset with decent growth

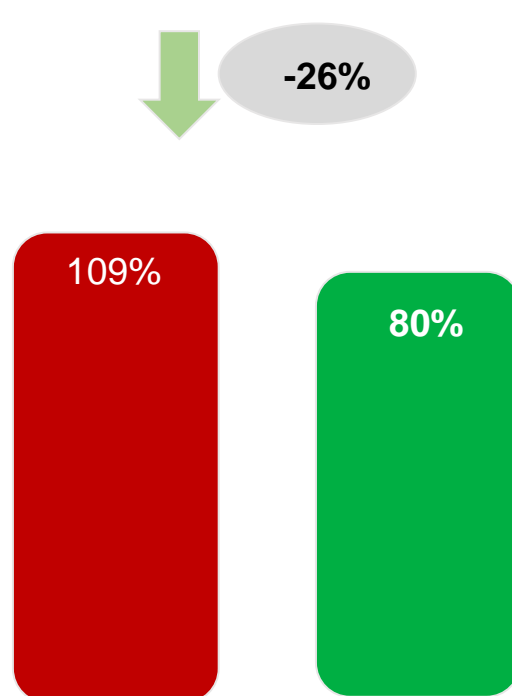
Capital risk management by Reducing Net Term Borrowing with improved Gear Ratio

Continuous growth of Retained Earnings



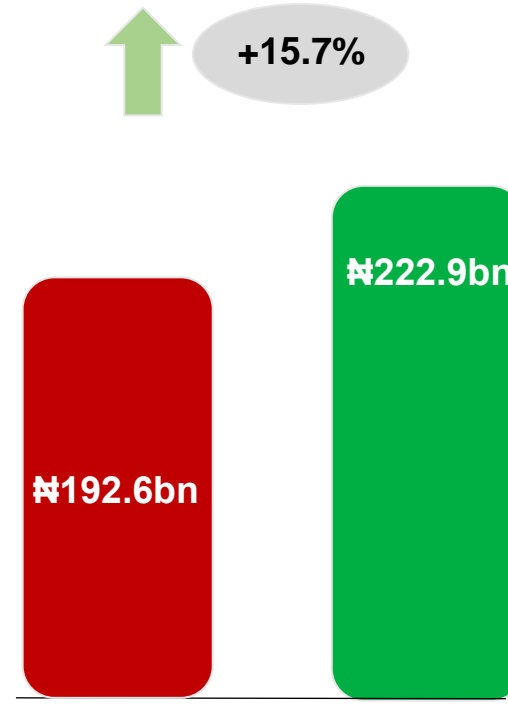
FY 2021 FY 2022

Asset Ratios



FY 2021 FY 2022

Gearing Ratios



FY 2021 FY 2022

Retained Earning





SECTION 6: 2023 Outlook



Outlook for 2023.

We remain committed to deliver superior value to our shareholders in the mid to long-term leveraging our Unique Strategic Business Model.



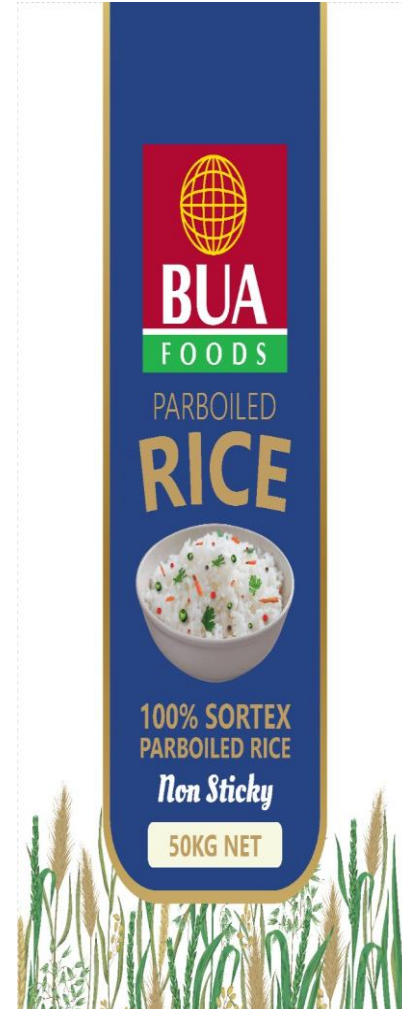
FY 2023 Growth Targets

Grow	Grow Revenue - commercialization of Rice, Flour and Pasta additional capacities.
Expand	Expand Market Frontiers - we are positioning to gain more market share across local and African market.
Drive	Drive New products innovations as we continue to nourish lives.
Manage	Manage Cost - optimize our operation, drive down cost and improve profitability

Double digits growth in Revenue

Double digits growth in PAT

EPS growth by minimum of 10%



THANK YOU



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Q&A



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