



Guinness Nigeria Plc **H1 2025** Report: Staging a Recovery as PBT climbs to N4.11bn.



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Key Highlights.

Guinness Nigeria Plc's H1 2025 result showed a mild recovery with a higher top-line earnings and positive pre-tax profit, posting a **+82.06%** growth in revenue to N259.60bn and **+192.71%** growth in PBT to N4.11bn. The higher product prices increased seasonal demand, and gains on remeasurement of foreign currency compressed the group's cost pressure and slightly improved the bottom-line earnings, especially in Q2 2025. The pre- and post-tax profit increased to N11.86bn and N5.42bn and earnings per share became positive at N5.42k in Q2 2025 from N-2.39k in Q2 2025. However, the deferred tax charge of N4.41bn and +197.8% spike in finance costs to N71.12bn eroded the profit to a negative in H1 2025 at N302.76m, accompanied by a negative EPS of N0.14k. The group's financial position remained threatened with a mild increase in total assets, higher inventories, increased trade receivables, and fall in corporate liquidity (*see table 1*).

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Table 1:

KEY HIGHLIGHT						
	H1-2024 (Nbn)	H1-2025 (Nbn)	Growth Rate (%)	Q2 2024 (Nbn)	Q2 2025 (Nbn)	
Revenue	142.59	259.60	82.06%	83.06	133.72	60.99%
Cost of sales	96.66	200.60	107.53%	55.26	88.97	61.00%
Gross Profit	45.94	59.01	28.45%	27.8	44.75	60.97%
Finance Income	3.05	63.97	1997.38%	2.49	61.53	2371.08%
Profit Before Tax	-4.43	4.11	192.71%	-8.25	20.14	344.12%
Profit After Tax	-5.23	-0.30	94.23%	-7.83	11.86	251.47%
Earnings per share	-2.39	-0.14	94.14%	-2.39	5.42	326.78%
Total Assets	266.08	280.18	5.30%			
Shareholder's Equity	51.70	1.86	-96.40%			
Cash and Cash Equivalent	113.83	18.12	-84.08%			
Inventory	31.73	80.80	154.65%			
Borrowings	60.35	78.33	29.79%			

Source: Financial Statement, Proshare Research

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Ratios

Guinness Nig. Plc's H1 2025 financial ratios showed poor performance, dominated by negative profit margins, lower liquidity, and increased financial risk. However, Q2 2025 ratios showed slight improvement with positive margins and returns for investors (see table 2).

Table 2:

RATIOS				
	H1-2024	H1-2025	Q2 2024	Q2 2025
Gross profit margin	32.22%	22.73%	33.47%	33.47%
Net profit Margin	-3.67%	-0.12%	-9.43%	8.87%
Return on equity	-10.12%	-16.24%	-15.15%	637.63%
Return on assets	-1.97%	-0.11%	-2.94%	4.23%
Current Ratio	0.78x	0.55x		
Acid-Test Ratio	0.69x	0.40x		
Inventory Turnover Ratio	3.05x	2.48x		
Debt-to-equity ratio	4.15x	149.63x		

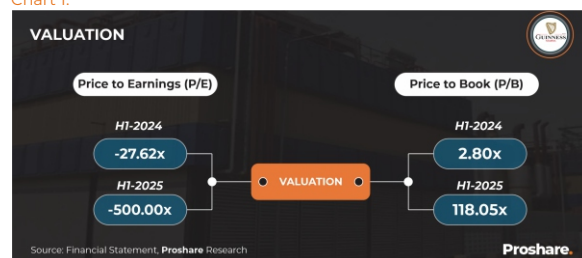
Source: Financial Statement, Proshare Research

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Valuation

The group's price-to-earnings and price-to-book value rose to -500x and 118.05x in H1-2025, implying investors perception diverted from corporate fundamentals (see chart 1).

Chart 1:



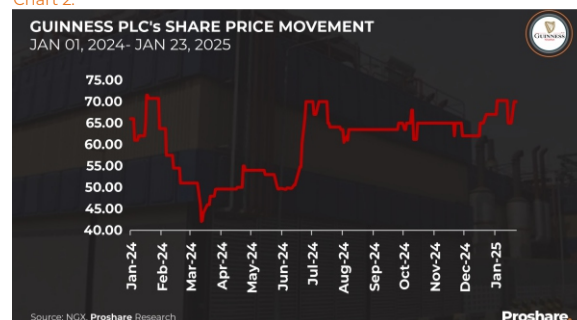
Source: Financial Statement, Proshare Research

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Share Price Movement.

Guinness Nig Plc's share price had a volatile run in 2024, falling to a support level of N42.20k on March 13, 2024 from N66.00k on January 02, 2024. The share price mildly recovered in the second half of 2024, hovering around an average price of N64.24k but still below the 52-weeks high of N71.50k and eventually ended the year at N67.00k in December 2024. Despite the recovery, the share price returned 1.52% in 2024, underperforming the benchmark all-share index return of 37.65% in 2024 (see chart 2).

Chart 2:



Closing Thought.

Consumers declining disposable income and exchange rate depreciation remained a pain point for the Nigerian alcoholic beverage industry in 2024, reflecting in the fragile performance of Guinness Nigeria Plc. Analysts are slightly optimistic about the group's recovery as the coming on board of **Tolaram Group, acquiring 58.02% of the shares**, could spur a strategy to improve operations, and recent exchange rate stability should lessen FX revaluation loss burden, thereby improving bottom-line earnings. However, the liquidity pressure and dampened consumer spending might likely remain a threat in H2 2025.

For further updates on **Guinness Nig. Plc**, follow the company **Proshare Investor Relations (IR) Portal**.

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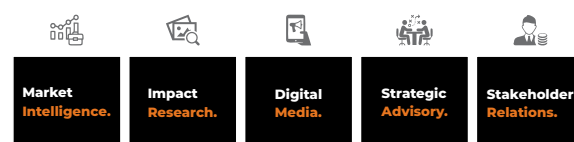
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
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