



**BUA Foods Plc 9M 2025 Results: Rides Declining Food Inflation as Revenue Growth Drives Net Profit Up by +100.24%.**



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Issue Date:  
**Monday, November 24, 2025**

A Market Intelligence and  
Strategic Advisory Group Report

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**Fundamentals.**

Growing population, urbanisation, and changing consumer preferences for convenience and health have shaped global food manufacturing in 2025, alongside increased investment in automation and sustainability. The Food and Agriculture Organisation of the United Nations (FAO), in its June 2025 outlook, highlighted rising production and trade for most food commodities (except sugar). Meanwhile, primary industry analyses emphasise key themes for 2025, including product reformulation, automation, and sustainability/traceability. These trends will enhance scale advantages for agile firms and generate cost pressures from energy, logistics, and compliance, which are expected to affect 2025 earning margins. In other words, BUA, one of Nigeria’s major food production companies, may see a few costs rise persistently as its electricity expenditure increases significantly year-on-year (Y-o-Y). For example, between 9M 2024 and 9M 2025, BUA’s electricity costs rose by 32.57%; however, logistic costs fell, with fuel and diesel expenses dropping by 17.62% and total energy costs sliding down by 16.95%. Nevertheless, this was met by travelling and transport expenses, which rose by 26.95%.

On the demand side, long-term food demand in Africa is expected to remain strong due to population growth, urbanisation, and rising incomes, which are anticipated to boost processed food consumption. Growth, however, varies by region and faces challenges such as low agricultural productivity, logistical constraints, and foreign-exchange risks. OECD-FAO outlooks for 2025-2034 highlight increasing intra-regional demand and potential for local value addition. Supply issues, weather, input costs, security concerns, and infrastructure challenges contribute to volatility for food producers. In Nigeria, processors benefit from high demand but face risks such as crop volatility, currency

fluctuations, and infrastructure constraints, which raise costs. Policies promoting local value addition, such as restrictions on raw exports, affect input availability and prices.

BUA Foods Plc, part of the BUA Group conglomerate, is an FMCG and manufacturing company with operations covering sugar refining, flour milling, pasta production, rice milling, and the growing edible oils sector. The company has strong backwards integration in sugar, as well as in flour and rice, positioning it to benefit from Nigeria's substantial domestic food demand, import-substitution policies, and scale advantages. Its sugar refineries have an installed capacity of 1.5 million metric tonnes per annum (MMTPA). The strategic focus on multiple staple categories, combined with Nigeria's underdeveloped food manufacturing sector, offers BUA Foods a robust structural growth outlook. As part of its expansion strategy, BUA Foods expanded its product lines with 25kg bags of macaroni and sugar, up-scaled its rice mill, and launched the I-rice project. As a result, the company's market capitalisation has increased to N12.47 trillion, with its stock price currently at N692.50 (see chart 1).

Chart 1:



## Financials.

BUA Foods' performance in 9M 2025 demonstrates how an integrated African food producer uses structural dynamics to boost growth and reduce risk. Revenue reached N1.42trn in 9M 2025 from N1.07trn in 9M 2024, a rise of +32.68% year-on-year (Y-o-Y), supported by segment growth in Sugar (N598.35bn), Flour (N587.91bn), Pasta (N150.49bn), and Rice (N79.51bn), with rice experiencing significant growth (from N1.59bn in 9M 2024) after upgrades. Margins and profits also grew due to higher volumes, improved mill utilisation, and vertical integration.

### Key Highlights in 9M 2025.

BUA Foods delivered a robust set of results in 9M 2025. The food producer's cost of sales rose by +22.13% to N900.09bn in 9M 2025 from N736.98bn in 9M 2024, resulting in gross profit growth of +55.97% to N520.65bn in 9M 2024 from N333.82bn in 9M 2024. This improvement reflects strong volume growth. Finance income decreased by -30.54% to N7.05bn in 9M 2025 from N10.15bn in 9M 2024. Similarly, finance costs also fell by -45.01% from N21.66bn in 9M 2024 to N11.91bn in 9M 2025, indicating improved leverage.

Operating expenses increased by +90.68% to N83.65bn in 9M 2025 from N43.87bn in 9M 2024, driven by a +109.14% rise in administrative costs, while operating income grew by +29.69% to N1.42trn in 9M 2025 from N1.10trn in 9M 2024. Consequently, profit before tax (PBT) rose by +100.58% from N215.66bn in 9M 2024 to N432.58bn in 9M 2025, while profit after tax grew by +101.24% to N405.27bn in 9M 2025 (vs N201.39bn in 9M 2024), driven by a combination of substantial volumes/price mix and lower net finance cost.

Total assets expanded by +16.00% from N1.07trn in 9M 2024 to N1.24trn in 9M 2025, while shareholders' equity increased +64.72% to N600.33bn (vs N364.45bn in 9M 2024), supported by retained earnings growth of +66.19% (N592.27bn). Borrowings increased slightly by +0.81% from N316.66bn in 9M 2024 to N319.22bn in 9M 2025 (see table 1).

Table 1:

Key Highlights	9M 2024 (Nbn)	9M 2025 (Nbn)	Growth Rate (%)
Turnover	1,070.80	1,420.73	32.68%
Cost of Sales	736.98	900.09	22.13%
Gross Profit	333.82	520.65	55.97%
Finance Income	10.15	7.05	-30.54%
Finance Costs	21.66	11.91	-45.01%
Operatin Profit	315.13	437.58	38.86%
Operating Income	1095.97	1421.32	29.69%
Operating expenses	43.87	83.65	90.68%
Profit Before Tax	215.66	432.58	100.58%
Profit After Tax	201.39	405.27	101.24%
Total Assets	1,071.12	1,242.53	16.00%
Shareholder's Equity	364.45	600.33	64.72%
Retained Earnings	356.39	592.27	66.19%
Cash and Short Term Deposits	60.97	40.64	-33.34%
Trade and Other Payables	106.50	141.48	32.85%
Trade and Other Receivables	68.91	30.56	-55.65%
Inventories	65.31	76.73	17.49%
Borrowings	316.66	319.22	0.81%
Earnings Per Share (N)	11.19	22.52	101.25%

## Financial Ratios.

BUA Foods' gross margin improved from 31.17% in 9M 2024 to 36.65% in 9M 2025. Net profit margin rose from 18.81% in 9M 2024 to 28.53% in 9M 2025, while return on equity increased from 55.26% in 9M 2024 to 67.51% in 9M 2025 and return on assets from 18.80% in 9M 2024 to 32.62% in 9M 2025. These improvements reflect strong volume growth, improved operational leverage, and higher downstream margins. Liquidity metrics improved as the current ratio rose to 1.42x in 9M 2025 from 1.04x in 9M 2024, the quick ratio increased from 0.94x in 9M 2024 to 1.29x in 9M 2025, and the leverage ratio fell from 0.87x in 9M 2024 to 0.53x in 9M 2025 (see table 2).

Table 2: ▶

Table 2:

BUA FOODS FINANCIAL RATIOS		
Financial Ratios	9M 2024	9M 2025
Gross Profit Margin	31.17%	36.65%
Net Profit Margin	18.81%	28.53%
Return on Equity	55.26%	67.51%
Return on Asset	18.80%	32.62%
Cost-to-Income Ratio	4.00%	5.89%
Current Ratio	1.04x	1.42x
Quick Ratio	0.94x	1.29x
Inventory Turnover	11.28x	11.73x
Asset Turnover	1.00x	1.14x
Leverage Ratio	0.87x	0.53x

Source: Financial Statement, Proshare Research

### Valuation.

The food manufacturer's price-to-earnings (P/E) ratio declined to 27.96x in 9M 2025 from 35.29x in 9M 2024, while the price-to-book (P/B) ratio fell from 19.50x to 18.88x over the same period, indicating the investor's willingness to pay for BUA's growth and quality (see table 3).

Table 3:

BUA FOODS PLC'S VALUATION		
Valuation	9M 2024	9M 2025
Price-to-Earnings (P/E)	35.29x	27.96x
Price-to-Book (P/B)	19.50x	18.88x

Source: Financial Statement, Proshare Research

### Technical.

The share price of BUA Foods has shown solid momentum. As of November 7, 2025, the share price stood at N692.50, representing the upper bound of its 52-week range (N373.50 to N692.50). This implies a near-all-time high for the stock, underscoring investor optimism. The trajectory from N394.9 in late 2024 to N692 within a year (75.63% gain) reflects both improved fundamentals and positive sentiment. The market cap now stands at N12.47trn, underscoring major investor recognition of the business. Breaking through previous resistance around mid-N600s suggests bullish momentum, although being at the high end of the range also raises the potential for consolidation or pull-back (See chart 2).

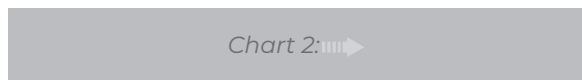


Chart 2:



### Opinion.

BUA Foods' 9M 2025 results demonstrate its ability to effectively translate strategic fundamentals into financial performance, recording a +32.68% year-on-year increase in revenue to N1.42trn and a +101.25% rise in net profit to N405.27bn, reflecting its resilient market positioning and sustained consumer demand across product categories. The company's solid earnings, efficient cost management, and expanding distribution network reinforce its competitive advantage in Nigeria's food manufacturing sector.

With margin improvement and strong cash flow, BUA Foods remains well-positioned to deliver long-term value. However, analysts are split on a buy or sell recommendation for BUAFODS, as investors seek exposure to defensive stocks.

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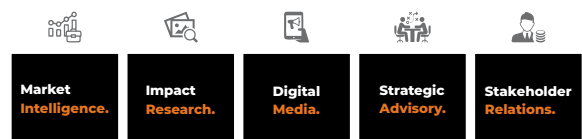
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