



UNAUDITED GROUP RESULTS FOR THE THREE MONTHS ENDED 31ST MARCH 2019

Lagos, 29th April, 2019: Dangote Sugar Refinery PLC (Bloomberg: DANGSUGA-NL), Nigeria's largest sugar producer, announces unaudited Group results for the Three months ended 31st March, 2019.

Financial highlights

- Group revenue reduced to ₦38.15bn (2018: ₦41.14bn)
- Gross profit increased by 22% to ₦12.59bn (2018: ₦10.29bn)
- EBITDA increased to ₦10.86bn (2018: ₦8.45bn)
- Profit before tax increased by 27% to ₦10.70bn (2018: ₦8.39bn)
- Profit after tax increased by 33% to ₦7.00bn (2018: ₦5.28bn)

Operating highlights

- Group Sugar sales volume increased to 158,818 tonnes (2018: 153,020 tonnes)
- Group production volume increased to 177,771 tonnes (2018: 131,921 tonnes)
- Apapa Refinery production volume increased to 165,488 tonnes (2018: 123,065 tonnes)
- Apapa Refinery sales volume increased to 157,423 tonnes (2018: 146,615 tonnes)
- Savannah production increased to 12,283 tonnes (2018: 8,856 tonnes)
- Savannah sales volume reduced to 1,395 tonnes (2018: 6,405 tonnes)

Ravindra Singh Singhvi, Chief Operating Officer, said:

Though the challenges due to the impact of unlicensed sugar, smuggled and sold in our key markets nationwide, and the logistics challenges brought about by the continued Apapa traffic gridlock persist; Growing our volumes, improved market share and cost efficiency operations remains our focus in the current year.

We will continue to leverage on our strengths to maximize every growth opportunity, with concerted efforts being made towards our BIPs. Efforts are being made by the regulators

to stem the influx of smuggled sugar into the markets, which has continued to spread further across our key markets in the North East and North West.

Our process optimization and cost efficiency projects are on course, as well as the realisation of our Sugar Backward Integration Projects.

In addition, the Company's balance sheet remains strong with Zero Gearing ratio. DSR has capability to generate enough cash flow to fund its operations and meet the conditions to source the additional funds required for the Backward Integration Projects, being actualised through our subsidiary companies.

KEY PERFORMANCE INDICATORS

	Group	Group	
	30-03-2019	30-03-2018	% change
Refined Sugar Produced (mt)	177,771	131,921	35
Refined Sugar Sold (mt)	158,818	153,020	4
Average Selling Price per bag(N)	12,775	13,054	-2
	N' billion	N' billion	
Revenue	38.15	41.14	-7
Gross profit	12.59	10.29	22
Gross margin (%)	33	25	32
EBITDA	10.86	8.45	28
EBITDA margin (%)	28	21	39
Profit before Tax	10.70	8.39	27
Profit after Tax	7.00	5.28	33
EPS –(Kobo)	59	45	32

Sugar production at our Apapa Refinery and sales volume were constrained by the traffic grid lock that persists in Apapa, which affects the trucks availability and the evacuation of products from the refinery. Average selling price for the period was ₦12,775/50kg bag (2018: ₦13,054/50kg bag).

Group revenue reduced by 7% to ₦38.15 billion (2018: ₦41.14 billion). Gross profit increased by 22% to ₦12.59 billion, (2018: ₦10.29 billion).

Group profit before tax for the period increased by 27% to ₦10.70billion (2018: ₦8.39billion) and Group profit after taxation for the period increased to ₦7.00billion against (2018: ₦5.28billion).

ABOUT DANGOTE SUGAR REFINERY PLC

Dangote Sugar is Nigeria's largest producer of household and commercial sugar with 1.44M MT refining capacity at the same location. Our refinery located at Apapa Wharf Ports Complex, refines raw sugar imported from Brazil to white, Vitamin A fortified refined granulated white sugar suitable for household and industrial uses. Our subsidiary, Savannah Sugar Company Limited, factory located at Numan, in Adamawa State, is an integrated sugar production facility, with an installed factory capacity of 50,000 tonnes. Covering 32,000 hectares, the Savannah estate has considerable opportunity for expansion which is underway as part of the Dangote Sugar for Nigeria Project, campaign.

Our Backward Integration goal is to become a global force in sugar production, by producing 1.5M MT/PA of refined sugar from locally grown sugar cane for the domestic and export markets. To achieve this, Dangote Sugar has acquired other sites at Tunga, Nasarawa State (60,000ha), Lau/Tau, Taraba State (25,000ha) to augment Savannah's 32,000 hectares in Adamawa state. The brown field sites like Savannah Sugar will be integrated sugar production facilities with new plantation and modern facilities that are located closer to the consumers.

Dangote Sugar Refinery was listed on the Nigerian Stock Exchange in March 2007. Dangote Sugar Refinery is QMS, (ISO 9001:2008), FSMS, (ISO 22000:2005), OHSMS, (ISO 18001:2007) and (FSSC 22000) certified.

www.dangotesugar.com.ng

THE BACKWARD INTEGRATION PROJECTS.

SAVANNAH SUGAR COMPANY LTD.

The Agricultural and production summary for the period ended 31st March 2019 are below: -

- Total field Area - 6231.80 Hectares

▪ Fallow area	-	785 Hectares
▪ Area under Cane	-	5446.30Hectares
▪ Total Cane crushed	-	160,144 Tonnes
▪ Sugar Production	-	12,283Tonnes
▪ Molasses Produced	-	9,176 Tonnes

Production and Sales for the period 1st January 2019 to 31st March, 2019 are as follows: -

- Savannah production 245,660 bags (2018: 177,120 bags)
- Savannah sales volume 27,900 bags (2018: 128,100 bags)

Savannah Sugar remains the only company producing sugar from own grown sugarcane in the country and 2018/2019 crop season was concluded in April 2019. The company's performance was impacted by the multiplier effect of the communal clashes between host community and Fulani Herdsmen which led to the closure of the company for over 90days in 2017/2018. The rehabilitation of land and its infrastructure for improved yield and output is still ongoing whilst the increase of the current factory capacity from 3,000TCD to 3,500TCD has been completed. The subsequent increase to 6,000TCD has commenced, and is expected to be completed by 2020, as well as the installation of the new 12,000TCD factory that will be fed with the increased cane supply.

NASARAWA SUGAR COMPANY LTD, TUNGA, NASARAWA STATE

Activities are well underway at Nasarawa Sugar Company Limited, 68,000 hectares Dangote Sugar Project Site in Tunga, Awe LGA of Nasarawa State. Activities ongoing at the project site include the establishment of the cane seed nursery, housing and other basic infrastructure for the project. The total area planned for development in 2019 is 5000HA.

Currently, the project employs about 325 staff, which will increase further by the 4th quarter of 2019; while various CSR projects have been lined up also for execution in the immediate communities in Tunga which caters for over 25,000 beneficiaries.

DANGOTE TARABA SUGAR LTD, LAU/TAU, TARABA STATE

The Dangote Taraba Sugar Limited located at Lau/Tau areas in Taraba State is a 25,000ha Dangote Sugar greenfield Sugar Backward Integration Project. Project activities resumed in Taraba State after the rains in 2018, following the resolution of the issues with the Government and local communities over the Lau/Tau project was presumed resolved. Unfortunately, certain communities in the area maintained that they had not been paid any compensation by the government for the land. Consequently, our employees and those of the contractors engaged to work at the site were attacked

and injured. We were forced to stop all activities at the site till date, while still engaging the State government to resolve the situation. We are hopeful that a final solution will be proffered to enable us commence activities on the site this year.

OUTLOOK

In the year 2019, the focus will be on growing sales volumes and our customer base, cost optimisation initiatives, and improvement in efficiencies of the fleet. Achievement of our Sugar for Nigeria Backward Integration Project goal remains our priority. Efforts are ongoing to ensure that the project targets are delivered on schedule. Concerted efforts are also being made to ensure a very cordial relationship is maintained with the local communities at Savannah Sugar to avoid any disruptions to the operations which will affect the cane yield and production.

Barring any unforeseen circumstance, the Company will achieve its set goals through the continued review and implementation of its initiatives to grow sales and market share.

In addition, the Company's balance sheet remains strong with Zero Gearing ratio. The company has capability to generate required cash flow to fund its operations and will be able to raise any additional fund that may be required for the Backward Integration Projects (BIP).

CONTACT DETAILS

Ngozi Ngene
Head Corporate Affairs

+234 80714 90714
ngozi.ngene@dangote.com

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