



**DANGOTE SUGAR REFINERY PLC
AUDITED RESULTS FOR THE YEAR ENDED
31ST DECEMBER, 2018
PRESENTATION**

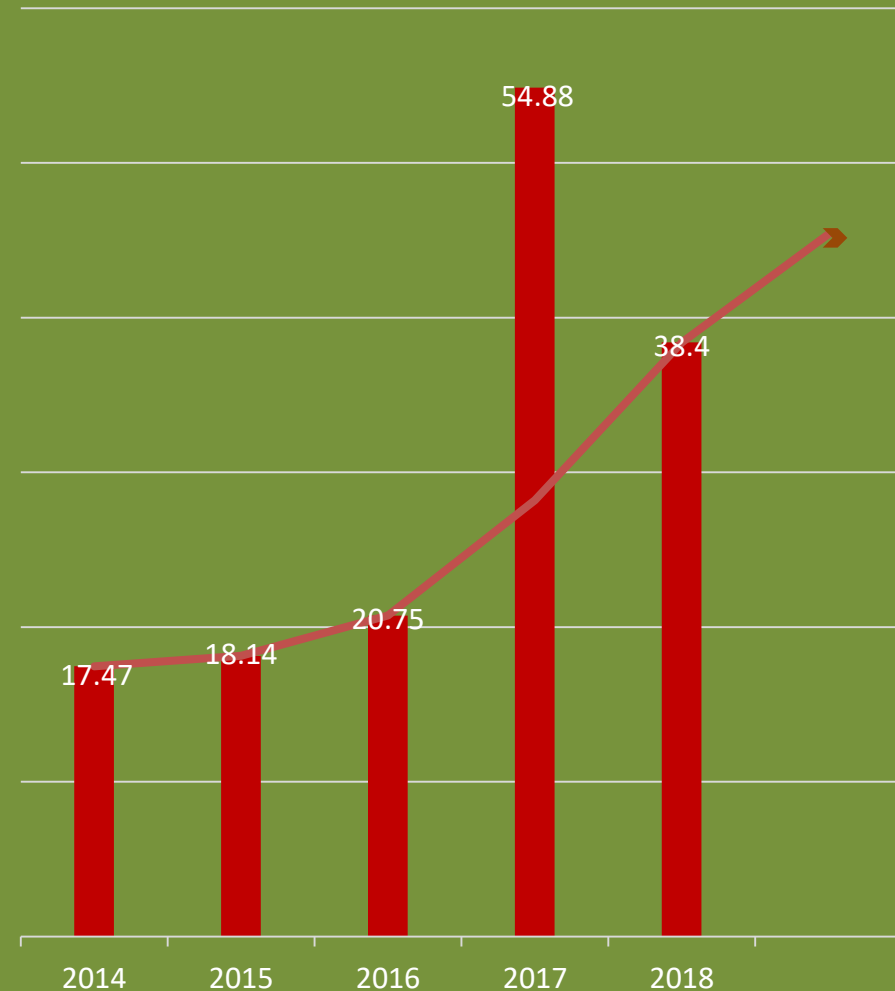
THURSDAY, 4TH APRIL, 2019

COMPANY OVERVIEW

- **Largest Sugar Refinery sub Saharan Africa**
 - One of the largest sugar refineries in the world
 - 1.44m MT/PA refining capacity at one location
 - Dominant player in the Nigerian sugar market with about 60% market share
 - Over 1,500 employees
- **Efficient Operations**
 - Dedicated jetty at Apapa ports for efficient receipt of raw sugar imported from Brazil
 - Warehouses strategically located across the country for efficient distribution
 - Currently achieving 95% production yield
- **Listed and traded on the NSE since March 2007**
 - Best Performing Stock on the NSE in 2017

STRONG FINANCIAL PERFORMANCE

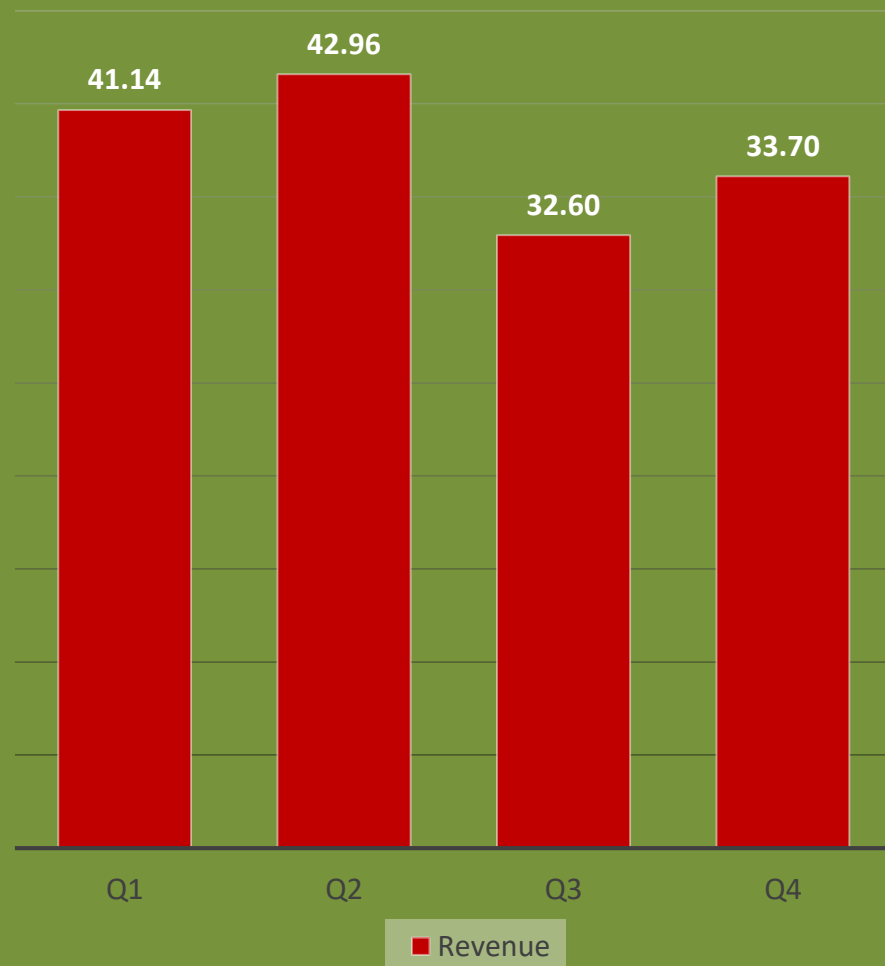
FIVE YEARS PBT TREND ANALYSIS



Financial highlights

- **Group Revenue down by 26% to ₦150.4 billion (2017: N204.4bn).**
 - Lower Average selling price of N14,400/50kg compared to (2017:N16,600/50kg)
 - Average Cost of raw sugar was USD299.22 per mt,
 - Cost of sales was N110.7bn (2017:153.4bn).
- **Gross profit decreased to N39.7 billion, a 22% lower than (2017: ₦50.9 bn).**
- **Gross margin of 26.4% versus 24.9% in the previous year**
- **Group EBITDA down by 27% to ₦37.6 billion, EBITDA margin 25%, (2017: ₦50.0bn)**
- **Profit before tax decreased 35% to ₦34.6 billion (2017: ₦53.5billion)**
- **Profit after tax ₦21.98 billion (2017: ₦39.7bn)**
- **EPS at 185 kobo (2017:331 kobo)**
- **Proposed dividend ₦1.10k (2017: ₦1.75k)**

₦ billions



	31-12-2018	31-12-2017	% change
Refined Sugar Produced (MT)	577,160	671,893	-14
Refined Sugar Sold (MT)	581,504	657,775	-11
Average Price per 50kg bag (₦)	14,400	16,600	
	N'billion	N'billion	
Revenue	150.4	204.4	-26
Gross Profit	39.7	50.9	-22
Gross margin (%)	26.4%	24.9%	+6
EBITDA	37.6	51.4	-26
EBITDA margin (%)	25%	25.1%	-1
Profit Before Tax	34.6	53.6	-35
Profit After Tax	21.98	39.7	-44
EPS (NAIRA)	1.85	3.31	-44

Financial Position	31 – 12- 2018 N'billion	31 – 12 – 2017 N'billion
Non-Current Assets	71.4	66.6
Current Assets	103.7	128.5
Total Assets	175.1	195.1
Total Equity	98.98	92.7
Long-Term Debts		
Non-Current Liabilities	6.74	6.7
Current Liabilities	69.4	95.7
Total Liabilities	76.1	102.3

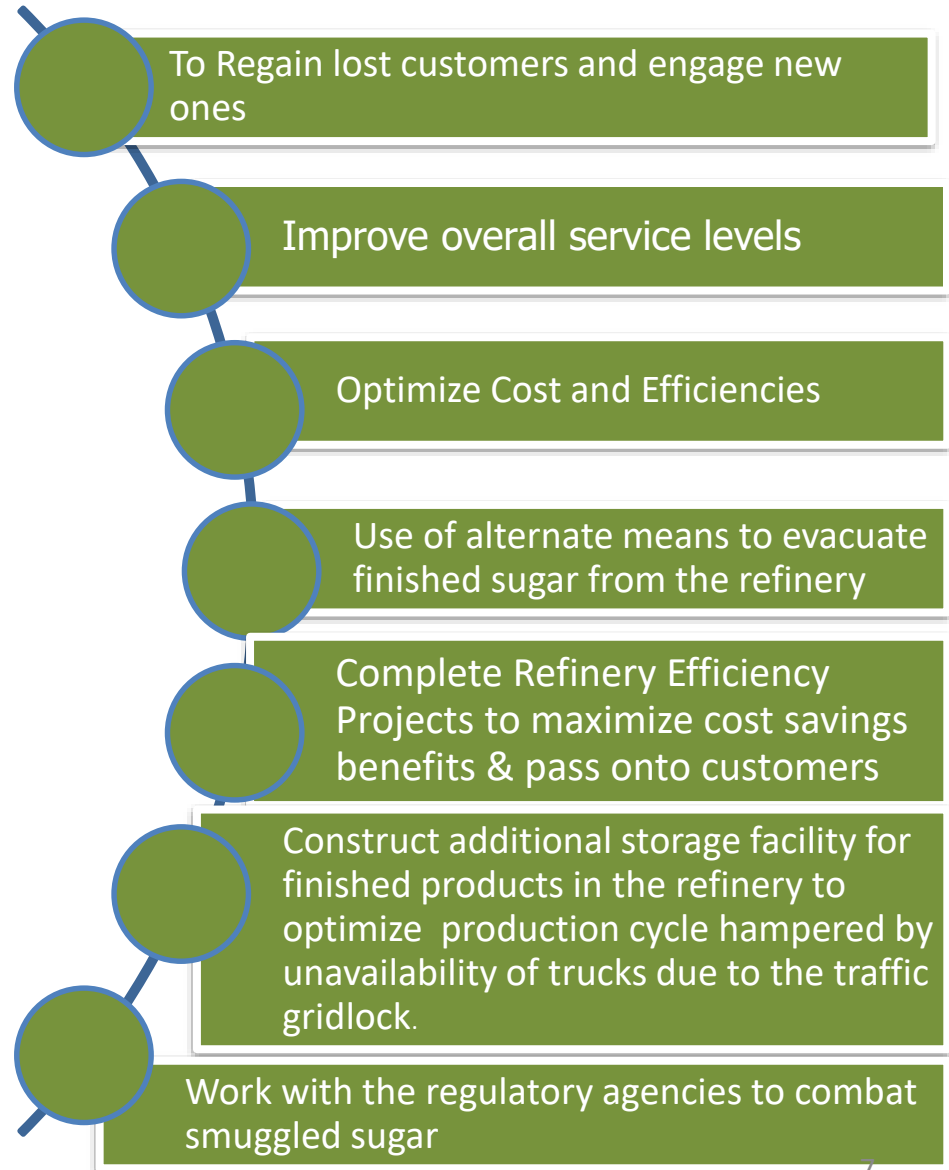
Cash flows	31-12-2018 N'billion	31-12-2017 N'billion
Cash at beginning of the year	41.4	34.9
Cash from Operations	3.5	25.9
Capital Expenditure and other investing activities	(8.2)	(6.3)
Dividend payment	(15.0)	(13.2)
Loans Obtained	0	0
Loan Repayment	(0.07)	0
Cash at end of the year	21.6	41.4

KEY ISSUES THAT IMPACTED FY18 PERFORMANCE

**Sales and
Production
volumes
were
constrained
during the
year
majorly by
these
challenges**

- **Influx of lower quality, unlicensed sugar smuggled in to key markets nationwide, which continued gain grounds, with the attendant downward pressure on trade selling prices.**
- **The Apapa Traffic Gridlock, closure of key exit routes (ijora western avenue link bridge), which constrained our logistics operations, primary and secondary distribution; and consequently delivery to our customers.**

2019 FOCUS



DANGOTE SUGAR FOR NIGERIA PROJECT MASTER PLAN

Dangote Sugar Backward Integration Projects plan to produce 1.08M MT/PA refined sugar from locally grown sugarcane in 6 years across various sites, and eventually 1.5M MT in 10 years.

- 5 large sugar factories
- 108,000 Ha of land under cultivation
- 1.08 million MT/PA of refined sugar from locally grown sugarcane p.a.
- 100 million liters of ethanol potential across all sites
- Animal feed and surplus power generation capacity to be sourced from cane fiber
- Generate over 75,000 jobs



SAVANNAH SUGAR COMPANY LTD

Savannah Sugar Company Ltd, is a 32,000ha Dangote Sugar brownfield Sugar Backward Integration estate, located in Numan, Adamawa State. Rehabilitation & Expansion is still ongoing, while Production and planting for the 2018/2019 crop season commence in December, 2018 and will end in April 2019.

The Agricultural and production summary as at 31st December, 2018 are below: -

- Total field Area - 6,231ha
- Fallow area - 367ha
- Area under Cane - 5,864ha
- Production – 247,500 bags (2017: 345,180 bags)
- Sales - 262,051 bags (2017: 371,420 bags)

Savannah Sugar's performance during the period under review was affected by the poor cane quality; due to multiplier effect of the 2-month closure of the company in Q217; and communal clashes in Q118. Consequently, agricultural activities were hindered, which led to suppressed cane growth resulting in low yield from the harvest.

Savannah is still the only company producing sugar in Nigeria today.

VARIETY: M1400



NASARAWA SUGAR COMPANY (TUNGA SUGAR PROJECT) LTD

Nasarawa Sugar Company Limited, Tunga, Awe LGA of Nasarawa State. A 68,000ha greenfield Project. Focus is on development beyond the 600 HA B nursery.

- The central pivot system for "A" Nursery (65ha) commissioned and the system is now in operation
- Planting of the 35HA "A" nursery postponed to March 2019 to avoid over-grown cane for planting in the "B" nursery, commenced as scheduled.
- Bush clearing of the "B" nursery of 600 HA is underway
- Road construction for the "B" nursery is underway
- Planting of the "B" nursery is scheduled for November 2019
- Housing and infrastructure for phase 1 agricultural development is in progress. The housing will be completed in August 2019.
- Relocation of communities from the areas for phase 1 development is in progress



LAU/TAU PROJECT SITES

Lau/Tau Sugar Project, is a 25,000ha Dangote Sugar greenfield Sugar Backward Integration Project, located at Lau/Tau areas of Taraba State.

- The has been no action by the State Govt. on alleged unpaid land compensation by the community and the attack on our workers.
- Management continued to maintain the 68ha seed cane farm at Lau, and will renew efforts at resolving the issues once the new govt. takes over in May 2019.
- Plans are underway for the development of additional 200ha seed cane farm this year



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