



**UNAUDITED GROUP RESULTS FOR THE HALF YEAR ENDED
30 JUNE 2021**

Lagos, 30 July 2021: Dangote Sugar Refinery PLC (Bloomberg: DANGSUGA-NL), Nigeria's largest sugar producer, announces unaudited group results for the half year ended 30 June, 2021.

FINANCIAL HIGHLIGHTS

	Group June 30, 2021	Group June 30, 2020	
	₦ Billion	₦ Billion	% change
Revenue	131.95	103.23	↑ 27.8
Gross Profit	28.59	20.82	↑ 37.3
Gross Margin (%)	21.7%	20.2%	↑ 7.4
EBITDA	27.57	22.82	↑ 20.8
EBITDA Margin (%)	20.9%	22.1%	↓ 5.4
Profit before taxation	18.76	17.04	↑ 10.1
Profit for the period	12.61	11.58	↑ 8.9
EPS – (Naira)	1.04	0.97	↑ 7.2

OPERATING HIGHLIGHTS

	H1 Tonnes	H1 Tonnes	% change
Production			
Group Refined Sugar Produced	403,846	375,276	↑ 7.6
Sales			
Group Refined Sugar Sold	388,589	382,917	↑ 1.5

COMMENTS ON PERFORMANCE INDICATORS

Group revenue increased 27.8% year on year to N131.95 billion (2020: N103.23 billion) in the first half of the year on the heels of a very strong growth trajectory recorded in Q1. Gross profit grew double digit at 37.3% year on year to N28.59 billion (2020: N20.82 billion) due to better topline performance. Gross Margin expanded 740bps to 21.7% (2020: 20.2%). EBITDA increased 20.8% year on year to N27.57 billion (2020: N22.82 billion) due to increased earnings, however, EBITDA margin contracted 540bps to 20.9% (2020: 22.1%). Group profit after taxation increased 8.9% year on year to N12.61 billion (2020: N11.58 billion).

Group sales volume increased 1.5% year on year to 388,589 tonnes (2020: 382,917 tonnes). H1 growth was impacted by a contraction witnessed in Q2 as the market responded to macro-economic changes. Group production volume also increased 7.6% year on year to 403,846 tonnes (2020: 375,276 tonnes) on the back of operations optimization drive. The challenges with the Apapa traffic gridlock situation have however continued to persist.

Commenting on the Company's half year 2021 performance, the Group Managing Director/CEO, Ravindra Singhvi said:

We commenced the year on a strong footing with impressive performance in first half as the financial results have shown, with a stronger Q1 topline growth and a robust Q2 topline growth year on year.

During the period under review we launched our new packaging designs for the 50kg fortified and non-fortified sugar bags theme "Dangote Sugar has a New look....Same Great Quality". The theme reaffirms the quality of our product and inspires a deeper connection to the Dangote Sugar brand among our valued customers and consumers, whilst refreshing our market presence as the leading sugar brand in Nigeria.

As part of our Supply Chain Management Sustainability journey, we continued to enhance our Outgrower Scheme. The technical and agriculture support provided for them over time has led to the improved yield from our Outgrowers sugarcane farms at the Numan Sugar Estate. This effort will be sustained to ensure the socioeconomic growth of our immediate communities and improved sugar cane supply for production.

The team is committed to navigate the second half of the year, keeping the health and safety of our people and partners as top priority. Our Refinery in Apapa and Backward Integration Operations in Numan, Adamawa State and Tunga, Nasarawa State continue to operate in compliance with our health and safety protocols while ensuring our commitment to the environment and sustainable business practices are maintained.

The recurrent challenges with Apapa traffic gridlock persisted during the 1st half of the year. We are however optimistic that the truck call up system will address the situation.

Achievement of the Dangote Sugar Backward Integration Projects targets remains our focus. We are resolute and will continue in our quest to put Nigeria on the path of sugar self sufficiency and on the world sugar map.

ABOUT DANGOTE SUGAR REFINERY

Dangote Sugar Refinery 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 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 Refinery Plc acquired DSR Numan Operations (Savannah Sugar Company Limited), located in Numan, Adamawa State in December 2012, and embarked on the ongoing rehabilitation of its facilities and expansion of its 32,000 hectares' sugarcane estate. In September 2020, the scheme of merger between DSR and Savannah Sugar Company Limited was completed which gave birth to a bigger and stronger business with considerable opportunity for growth and delivery of superior benefits to all stakeholders. The expansion of the sugar estate is still ongoing as well as the development of the greenfield site acquired at Tunga, Nasarawa State for the achievement of DSR's sugar for Nigeria development master plan.

The Nasarawa Sugar Company Limited is the registered subsidiary of Dangote Sugar Refinery Plc. The 78,136 hectares Sugar Project Site is located at Tunga, Awe Local Government Area, of Nasarawa State. Massive development in agriculture, irrigation infrastructure amongst others is ongoing at the site. Unfortunately, Lau/Tau project is still on hold following the lingering compensation issue between the communities and Taraba state government.

Dangote Sugar Refinery was listed on the Nigerian Stock Exchange in March 2007.

www.dangotesugar.com.ng

OUTLOOK

Amidst the various challenges, being faced in the business environment ranging from heightened insecurity, resurgence of COVID-19 pandemic (3rd wave), to high inflation rate and foreign currency challenges, we continue the drive to increase our customer base with value creation activities and partnership to enhance growth through bold

execution of our various innovative trade initiatives. We would sustain brand awareness in trade through our newly launched packaging bag designs as we continue to engage and bond with our trade and channel partners.

Inflationary pressures continue to impact cost of raw materials, energy costs and other input costs as the economy experiences the third consecutive decline in headline inflation. Despite these uncertainties, achievement of our Sugar for Nigeria Backward Integration Project goal remains a key priority, though we anticipate increase in cost to completion in Naira-terms. The focus is to achieve the Federal Government's revised sugar production target of 550,000 metric tonnes annually by 2024. We remain confident of the huge benefits the Backward Integration Programme would deliver and the positive impacts it will have on the economy.

WEBCAST EVENT / CONFERENCE

A webcast event for investors and analysts will hold on **Thursday August 05, 2021**, at **1.00pm** Lagos time.

Participants are to register for the conference by navigating to the webcast URL and providing requested information for registration. Registered participants will receive their webcast link upon registration.

The webcast/conference information is as follows: -

Event Title	Dangote Sugar Refinery Plc 2021HY Financial and Performance Report
Event Date	Thursday August 05, 2021
Event Time	13:00 UK (BST)/ 13:00 Lagos/ 14:00 SAST
Participants link (Webcast URL)	https://services.choruscall.za.com/DiamondPassRegistration/register?confirmationNumber=7638580&linkSecurityString=cc2bd936c

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