



PRESS RELEASE

Regulated information

Unaudited Financial Results for the Fourth Quarter and Twelve Months Ended 31st December 2021

Lagos, 27 January 2022 – Chemical and Allied Products Plc (“**CAP**” or the “**Company**”), Nigeria’s leading paints and decorative companies, announced its unaudited results for the fourth quarter and twelve months ended 31st December 2021.

Commenting on the unaudited full year performance, **Managing Director, Bolarin Okunowo**, stated:

“We recorded several key achievements in 2021, despite the difficult operating environment.

- *The merger with Portland Paints and Products Nigeria Plc was concluded on the 1st of July, making CAP the leading paint company in Nigeria.*
- *Significant revenue growth of 59% driven by strong demand for our resident products and positively impacted by additions to our portfolio following the merger.*
- *Expansion of our distribution network, with 17 retail stores opened.*
- *Returned ₦1.47 billion in form of dividends to our shareholders.*

However, we experienced significant margin compression in the earlier part of 2021 due to raw material supply challenges coupled with sustained raw material inflation. Corrective pricing actions were implemented in the fourth quarter, which improved our gross margin.

The pace of recovery in raw material availability and moderation of raw material prices remain uncertain. We will continue to work closely with our suppliers to improve our sourcing capabilities and focus on production and operating efficiencies to protect margin.

Q4 2021 Summary

- Revenue increased 76% to ₦4.9 billion.
- EBIT increased 36% to ₦648 million.
- Profit Before Tax increased 27% to ₦677 million.

FY 2021 Highlights

- Revenue of ₦13.9 billion, higher than prior year by 59%.
- EBIT of ₦1.4 billion, with EBIT margin of 10%.
- Profit Before Tax of ₦1.5 billion, with PBT margin of 11%.
- Total Profit for the Year was ₦1.1 billion. Earnings per share for the year of 136 kobo.

Key Financial Highlights

In million ₦, unless otherwise stated	Q4 2021	Q4 2020	YoY	FY 2021	FY 2020	YoY
Revenue	4,850	2,748	76%	13,905	8,735	59%
Gross Profit	1,840	1,064	73%	4,535	3,742	21%
Gross Margin (% of Revenue)	38%	39%	(78 bps)	33%	43%	(1,023 bps)
Other Operating Income	42	23	85%	296	89	233%
Selling & Marketing expenses	(495)	(174)	185%	(986)	(565)	75%
Administrative expenses	(739)	(438)	69%	(2,487)	(1,709)	46%
Operating Expenses	(1,234)	(612)	102%	(3,473)	(2,274)	53%
Operating Expenses (% of Revenue)	25%	22%	319bps	25%	26%	(106 bps)
EBIT	648	475	36%	1,358	1,557	(13%)
EBIT Margin (% of Revenue)	13%	17%	(392 bps)	10%	18%	(806 bps)
Finance Income	35	58	(39%)	177	250	(29%)
Finance Cost	(7)	(1)	660%	(8)	(1)	483%
Net Finance Income	29	57	(50%)	170	248	(32%)
Profit Before Tax	677	532	27%	1,528	1,806	(15%)
Profit before Tax Margin (% of Revenue)	14%	19%	(540bps)	11%	21%	(969 bps)
Income Tax Expense	(217)	(170)	(27%)	(454)	(583)	(22%)
Profit After Tax	460	362	27%	1,074	1,223	(12%)
Profit after Tax Margin (% of Revenue)	9%	13%	(367 bps)	8%	14%	(628 bps)
Basic and Diluted Earnings Per Share (Kobo)	58	52	12%	136	175	(22%)

In million ₦, unless otherwise stated	Dec-21	Dec-20	YoY
Non-current Assets	1,592	848	88%
Current Assets	10,093	7,668	32%
Assets Held for Sale	242	10	2,320%
Total Assets	11,927	8,526	40%
Non-current Liabilities	127	166	(23%)
Current Liabilities	7,438	4,616	61%
Total Liabilities	5,317	2,201	58%
Equity	4,361	3,745	16%
Total Liabilities and Equity	11,927	8,526	40%

For further information, please contact:

Lolade Bashiru

Investor Relations

investorrelations@capplc.com

+234 816 446 6440

About CAP Plc

Chemical and Allied Products Plc (CAP) is a leading paints and coatings company in Nigeria with globally recognised brands such as Dulux, Sandtex, Caplux and Hempel. CAP manufactures and sells decorative paints and industrial coatings. CAP is the sole technological licensee of Akzo Nobel Coatings International B.V. and is the Nigerian representative of Hempel Paints South Africa (Pty) Limited. CAP pioneered the colour centre concept in Nigeria in 2005, which resulted in the evolution of the Nigerian paint industry. Today, CAP has 101 branded retail stores (Dulux Colour Centres, Sandtex Experience Centres and Dulux Colour Shops) across 31 states. CAP is a public company listed on The Nigerian Stock Exchange. It is a subsidiary of UAC of Nigeria PLC which holds 56.54% of the company's shares. For more information visit <https://www.capplc.com/>

CAP's Investors Portal

CAP has a dedicated investors' portal on its corporate website which can be accessed via this link: <https://www.capplc.com/>. This Earnings Press Release should be read in conjunction with the Unaudited Financial Statements for the period ended December 31, 2021 available on our website. For any investment related enquiry, please contact Lolade Bashiru, Investor Relations by electronic mail at investorrelations@capplc.com or telephone on: +234 816 446 6440.

Disclaimer

This announcement contains or will contain forward-looking statements which reflect management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend" "estimate", "project", "target", "risks", "goals" and similar terms and phrases have been used to identify the forward- looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. Chemical and Allied Products Plc cautions readers that several factors could cause actual results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully, and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the Company's disclosure materials filed from time to time with Securities and Exchange Commission of Nigeria. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise.