



Nestlé Good food, Good life

Press Release

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FOR IMMEDIATE RELEASE

Nestlé Nigeria PLC: Jan-March 2024 Financial Results

Highlights:

- *Revenue increased by 43% reaching N183.5 billion versus Jan-March 2023.*
- *Operating profit was N20.9 billion.*
- *Profit after Tax negatively impacted by the devaluation of the Naira.*

Nestlé Nigeria PLC's sales grew by 43.4% in Q1 2024, with earnings of N183.5 billion, an increase of N55.5 billion over Jan-March 2023 quarter. Gross profit was N49.1 billion vs. N51.6 billion in the same period of 2023. Operating profit stood at N20.9 billion. Further devaluation of the Naira in Jan-March 2024 led to the revaluation of our foreign currency obligations which had an adverse impact on the Profit after Tax resulting in a net loss of -N142.7 billion for the quarter.

The Board of Directors has approved a change in the measurement of Land, Building, Plant and Machinery from the historical cost model to the revaluation model with effect from 16th of March 2024. Accordingly, from this quarter, the company has adopted the revaluation model for Land, Building, Plant and Machinery at fair value less accumulated depreciation and impairment losses. Going forward, the revaluation of these assets will be performed every 3 years through an independent certified valuer to ensure that the carrying amount of the assets does not differ materially from its fair value. Furthermore, the assets which are under construction i.e., Capital Work in Progress (CWIP) will also follow the revaluation model at the time of the capitalization.

Results:

	Jan - Mar 2024	Jan - Mar 2023
	N'000	N'000
Revenue	183,484,159	127,970,319
Cost of Sales	(134,415,401)	(76,317,227)
Gross Profit	49,068,758	51,653,092
Marketing and Distribution expenses	(19,738,538)	(19,336,354)
Administrative expenses	(8,286,199)	(3,625,207)
(Write back)/impairment of financial assets	(122,311)	(38,809)
Results from operating activities	20,921,710	28,652,723
Finance income	1,760,814	1,594,709
Finance costs	(218,768,480)	(5,344,119)
Net finance costs	(217,007,666)	(3,749,410)
(Loss)/profit before income tax	(196,085,956)	24,903,313
Income tax credit/ (expense)	53,401,549	(8,694,124)
(Loss)/profit for the period	(142,684,407)	16,209,189

Commenting on the results, Mr. Wassim Elhousseini, the CEO/MD of Nestlé Nigeria PLC said, "Our first quarter sales reflect a positive growth momentum despite a challenging business environment. The broad-based growth across our portfolio is a testimony to the resilience, adaptability, and commitment that are embedded in our business.

I would like to express my heartfelt appreciation to our employees, whose unwavering dedication has been instrumental in achieving these results. I also extend my appreciation to our loyal customers, business partners and shareholders for their continued support.

Looking ahead into the rest of 2024, our focus remains on optimizing our operations to ensure the availability and accessibility of high-quality food and beverages for our loyal consumers. We will continue to invest in efforts that help build thriving communities and deliver long-term value to our stakeholders. This includes enhancing the capabilities of our people and implementing innovative marketing initiatives to drive sustainable growth and maintain our competitive edge in the market.

With our strong foundation and commitment to delighting our consumers, I am confident in our ability to deliver long-term value to our shareholders while creating value for our communities."

The complete financial results can be accessed online at <https://www.nestle-cwa.com/en/investors/nigeria>.

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About us:

Nestlé Nigeria is Africa's top food and beverage company, known for its quality, excellence, and commitment to creating shared value. With a heritage of more than 63 years in Nigeria and its house-hold brands, the firm continues to ensure the availability and accessibility of nutritious food and beverage products. In addition, the firm supports the communities closest to its operations and takes action to safeguard the environment through sustainable business practices.

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