

Despite rough business climate: **BUA Foods sustain earnings boost 2022 profit, dividends payout**

BUA Foods Plc, in its audited financials for the year ended December 31, 2022, has showed an impressive performance driven by strong revenue and other income.

The food company's audited earnings report for 2022 showed that its growth in revenue impacted on profit and dividend payout to shareholders. Details of the result showed that BUA Foods' revenue rose 26 per cent to N418.35 billion revenue in 2022 from N333.27 billion in 2021. Cost of sales grew to N285.555 billion as against N230.313 billion in 2021, while gross profit stood at N132.793 billion from N102.960 billion in 2021. Profit after tax increased by 31 per cent to N91.34 billion in 2022 from N69.77 billion reported in 2021, while the Group's earnings per share stood at N5.07 in 2022 from N4.22 in the corresponding period.

The board of directors recommended for the approval of shareholders a payment of N4.50 dividend per 1 ordinary share of 50 kobo each, out of the profits declared in the financial year ended December 31, 2022, higher than N3.50 dividend paid in 2021. From the profit & loss figures, the growth in BUA Foods's sugar revenue was driven by price adjustments and export sales within the period. Revenue from Sugar (Non-fortified) closed 2022 at N145.16 billion, representing an increase of 83 per cent from N79.15 billion in 2021, while revenue from Sugar (Fortified) stood at N129.24 billion in 2022, a decline of 0.45 per cent from N129.84 billion reported in 2021.

Revenue from molasses, thus, increased by 69.25 per cent to N743.03 million in 2022 from N439.02 million in 2021. For the Flour division, Bakery Flour revenue stood at N79.68 billion in 2022 from N64.19 billion in 2021, as Pasta reached N57.24 billion in revenue from N54.4 billion reported in 2021. In addition to BUA Foods revenue, sales from Wheat Bran hit N6.26 billion in 2022, an increase of 19.4 per cent from N5.24 billion in 2021.

Selling and distribution expenses rise to N14.19 billion in 2022 from N10.14 billion in 2021, while administrative expenses closed 2022 at N18.13 billion from N14.63 billion in 2021.

The Group's total operating expenses increased by 33 per cent to N32.92 billion in 2022 from N24.76 billion in 2021 over increase in selling and distribution cost along the supply chain to customers. Operating profit grew by 47 per cent to N117.49 billion in 2022 from N79.89 billion in 2021, benefitting from top line growth coupled with lower administrative expenses.

Finance charges increase by 72.7 per cent to N8.72 billion in 2022 as against N5.05 billion reported in 2021, due to efficient funding mix along business transaction. Total assets increased by 2.32 per cent to N607.22 billion in 2022 audited results from N593.46 billion reported in 2021 full financial year, while total equity increased by 15 per cent to N230.96 billion in 2022.

The chairman of the Board of BUA Foods, Abdulsamad Rabi, at the 2021 annual general meeting said, "After years of revisioning and planning, BUA Foods with a vision to fulfil Africa's food demands by promoting food security and nourishing lives, charted a new path during the year having successfully merged and restructured its different food businesses into one business having five divisions; Sugar, Flour, Pasta, Rice, and Edible oils and two wholly owned subsidiaries, thereby creating a more productive and efficient value chain Company.

"Prior to the restructuring, Sugar, Flour, Pasta, Rice, and Edible oils were processed, manufactured, and distributed by individual entities within the BUA Group structure with individual leadership in the food and fast-moving consumer goods (FMCG) industry."

He stated that to build on the success and efficiency recorded, the Company completed a listing by introduction of its shares on the Main Board of Nigerian Exchange Limited on January 5, 2022 and became the second largest company by market capitalization in the consumer goods sector; having listed a total of 18 billion shares at N40.00 per share, representing the Company's total issued share capital.

According to Rabi, BUA Foods is playing a critical role in the FMCG industry with a strong commitment to nourishing lives



and creating value. The Company has continued to expand its plant capacities across the entire business while also investing in a backward integration program for sugar. He said, "Currently, BUA Foods is developing a 20,000-hectare sugar plantation in Lafiagi, Kwara State, with the aim of creating a steady supply of raw materials to reduce reliance on importation in order to save on input cost."

He also pointed out that the Company commenced 2022 as a restructured business with good growth momentum and with all its brands performing excellently in the market, saying the expansion plans that the Company has put in place will provide a more diversified revenue stream in the years ahead, with a positive and demonstrable impact on relevant stakeholders. "The recommencement of the rice division during the year and edible oils in 2024 will help to further accelerate revenue generation.

Managing director of BUA Foods, Ayodele Abioye said that Nigeria's population and consumption per capita present significant opportunities for growth in the FMCG industry,

saying Africa has an average per capita consumption of 56.9kg, while Nigeria's current per capita consumption stands at 35kg, reflecting a huge opportunity to raise productivity and increase local production. "We also see significant opportunities in the rice value chain considering the gap between local production and consumption with a supply deficit of 2.2 million metric tonnes in 2021. We are focused on driving faster growth from our strong portfolios. We will complete our expansion projects in the Flour, Pasta and Rice Divisions while edible oil is targeted to recommence operations in 2024," Abioye said.

BUA Foods is a member of BUA Group, a conglomerate in Nigeria with business interests spread across the food and infrastructure sectors. BUA Foods' products currently include fortified and non-fortified industrial sugar, flour, and pasta. In addition, the Company expects to commence the processing, manufacturing, and distribution of rice in 2022 and edible oils by 2024. Its business operations comprise of five divisions, including Sugar, Flour, Pasta, Rice, and Edible Oils.

Abdul Samad Rabiou's ASR Africa donates 5.5 billion Naira Grant to 22 Nigerian Universities.

A total of 22 Nigerian universities have been awarded further educational grant of N5.5 billion grant by ASR Africa Initiative founded by Billionaire industrialist and philanthropist, Abdul Samad Rabiou. Each of the institutions received N250 million to develop infrastructure. The latest grant brought the total donations to education in Nigeria by the ASR to N11 billion in the last couple of months. The University of Lagos (UNILAG) alongside 21 other tertiary institutions in Nigeria has secured a grant of N5.5 billion from the Abdul Samad Rabiou Africa initiative (ASR Africa). The grant is targeted at boosting infrastructure development in the institutions. According to ASR Africa, each of the 22 institutions got N250 million, under the ASR Africa Tertiary Education Grant Scheme (TEGS).

ASR Africa, Social Development Specialist, Edidiong Idang, said the initiative would continue to partner with Government and the private sector institutions in Nigeria and across Africa to support education and improve its commitment to standard education. While noting that education is one of the three core areas of intervention for ASR Africa, the other two being health and social development, Idang said:

"ASR Africa has donated a total of 11 billion Naira in infrastructure and educational services to 28 tertiary schools in Nigeria in the last couple of months. This is because ASR Africa believes in raising the standard of our educational systems in Africa." Other institutions that benefitted from the grant include Bayero University Kano; Adamawa State University; Federal University of Technology Owerri and Federal University of Petroleum Resources Effurun.

Others are Nigerian Law School (Lagos); University of Uyo; University of Jos; Federal College of Education Technology, Gusau; Federal University Lokoja; Nasarawa State University; University of Port Harcourt, and Federal University of Technology

Minna and Uthman Dan Fodio University.

Michael Okpara University of Agriculture, Umudike; Crescent University; Babcock University; Al-Qalam University; Baze University; Nigerian Defence Academy; Federal University Gashua, and the National Institute for Policy and Strategic Studies, Kuru were also selected.

Idang said ASR had also been working with the National Government and CSO in In Niger and Ghana, via infrastructure grants of \$500,000.00 and \$ 3 million dollars respectively, in increasing access to education for the girl child, especially in hard-to-reach rural communities. She said ASR was set up with an annual pledge of \$100 million dollars dedicated to health, education, and social development issues within the African continent.

"Our belief is that Africans need to rise to provide solutions to African problems. We focus our intervention in Africa and this is expressed mainly on infrastructure development, equipping facilities, and capacity building for researchers, healthcare practitioners, and community-level service providers. "We also support the efforts of various Governments in Nigeria and Sub-Saharan Africa across our three thematic areas. The Initiative provides both technical and financial resources to partners," she said. In addition, Idang said that the organization's internal goal is to be the most impactful philanthropic institution in Africa.

The Abdul Samad Rabiou Africa Initiative (ASR Africa) is the brainchild of the African Industrialist, Philanthropist, and Chairman of BUA Group, Abdul Samad Rabiou. It was set up in 2021 to provide sustainable, impact-based homegrown solutions to developmental issues affecting health, Education, and Social Development within Africa through its annual USD100 million Africa Fund for Sustainable Development and Renewal.