

BUA FOODS DECLARE 111.5 BILLION NAIRA PROFIT BEFORE TAX FOR YEAR ENDING DEC. 2023

BUA Foods Plc has declared profit after tax of N111.5 billion for the year ended December 31, 2023. The Company's results declared on the Nigerian Exchange Limited revealed that revenue grew by 74 per cent to N728.5 billion in 2023 as against N418.3 billion in 2022. Increase in cost of sales up by 67 per cent to N477.14 billion in 2023 from N285.55 billion, driven by an increase in raw materials cost and energy cost. While gross profit for the period under review increased by 89 per cent to N251.32 billion in 2023 from N132.79 billion.

Selling and distribution expenses also increased by 98 per cent to N28 billion in 2023 higher than N14.1 billion, due to huge increase in the cost of diesel within the period. Administrative expenses also declined by 38 per cent to N11.6 billion from N21 billion, while total operating expenses increased by 20 per cent to N39.7 billion from N32.9 billion. EBITDA rose by 81 per cent to N223.3 billion in 2023 from N123.3 billion, driven by growth in gross profit.

Profit after tax grew by 22 per cent to N111.5 billion in 2023 from N91.3 billion, while the Earning per Share (EPS) grew by 22 per cent to N6.20 in 2023 from N5.07 in the corresponding period. Total assets of the Company stood at N734 billion, an increase of 21 per cent, driven largely by strategic transactions



in trade and other receivables.

Speaking on the results, the managing director of BUA Foods, Engr. (Dr.) Ayodele Abioye said, "this is a solid performance in the face of an unending challenging macro environment. "BUA foods delivered strong growth despite the persistent devaluation of the naira during the period, which led to a substantial and negative impact of foreign exchange losses. Despite the margin squeeze on operating profit to 82 per cent, our business remained resilient to deliver bottom line growth of 22 per cent to N111.5 billion." Abioye added that, "our expansion strategies across all frontiers continue to crystallize in supporting growth. We remained committed to accelerating delivery in alternative and local raw materials sourcing across all our operating units, this is including the BIP project for sugar development as a softening opportunity to rely less on forex.

"As we look ahead, our integrated supply chain execution strategy will continue to be strengthened to sustain the delivery of growth across our financial metrics. We are confident in our plans for the year 2024 in the face of the business climate uncertainties. "We remain committed to creating long term value to all our stakeholders and staying true to our creed of nourishing lives."

