

# 2021 Full Year Results

PRESENTATION



# DISCLAIMER

This presentation contains forward-looking statements with regard to the financial position and results of Nigerian Breweries activities. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements.

Many of these risks and uncertainties relate to factors that are beyond Nigerian Breweries ability to control or estimate precisely, such as future market and economic conditions, the behaviour of other market participants, changes in consumer preferences, costs of raw materials, interest rate and foreign exchange fluctuations, change in tax rates, changes in law, changes in pension costs, the actions of government regulators and weather conditions.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Nigerian Breweries does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of these materials.

Market share estimates contained in this presentation are based on outside sources in combination with management estimates.

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A Legacy Worth Celebrating:

Nigerian Breweries at 75





# Celebrating NB at 75



Anniversary  
Media Parley  
(Logo Unveil)



Nationwide  
Media blitz



Anniversary-themed  
Consumer activations &  
Sponsorships



Social Media  
campaign



Launch of new NB website



Employee Celebrations (Tree  
planting, staff parties, long  
service awards)





Celebrating a special moment with our happy, *Naija 4 life* team!

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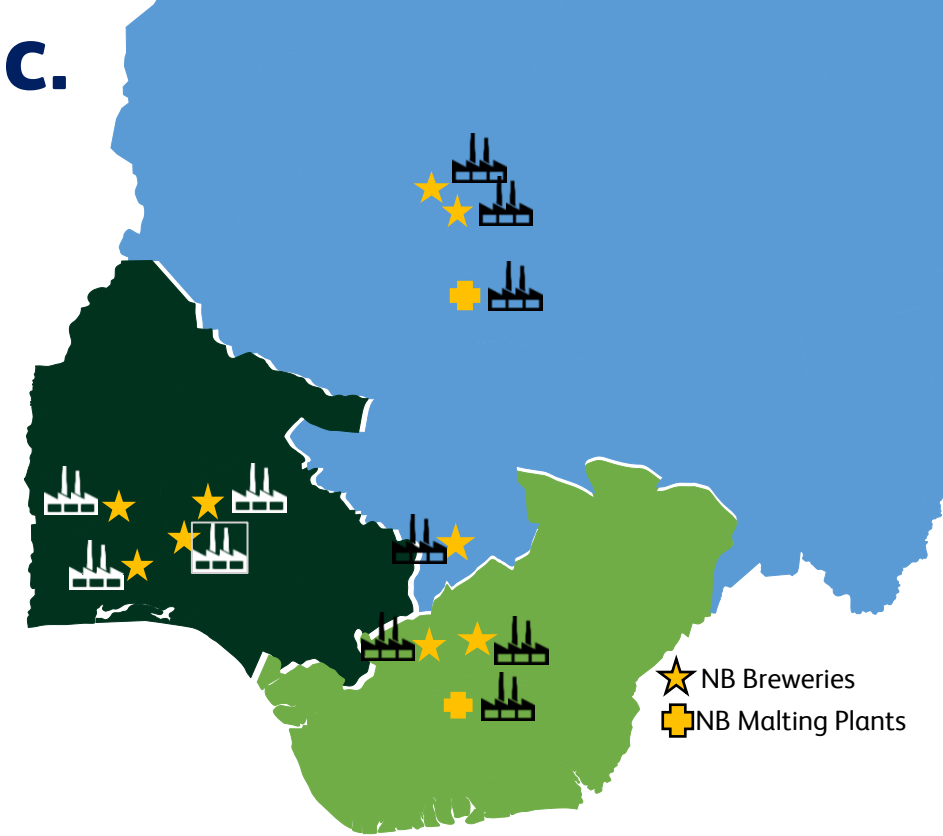




# Nigerian Breweries Plc. at a glance

**18 Sales regions**  
with National Coverage

#1 in Lager, #1 in Malt, #2 in Stout



**₦437.2bn**

Net revenue

**₦172.1bn**

Net assets

**₦41.5bn**

Operating profit

**1.2x**

Net debt/EBITDA

**2,740**

Employees

Market Capitalisation  
(Naira)

**₦404bn**

Market Capitalisation  
(US Dollar)

**\$951m**

Number of Shareholders

**110,856**

Heineken N.V.  
Shareholding

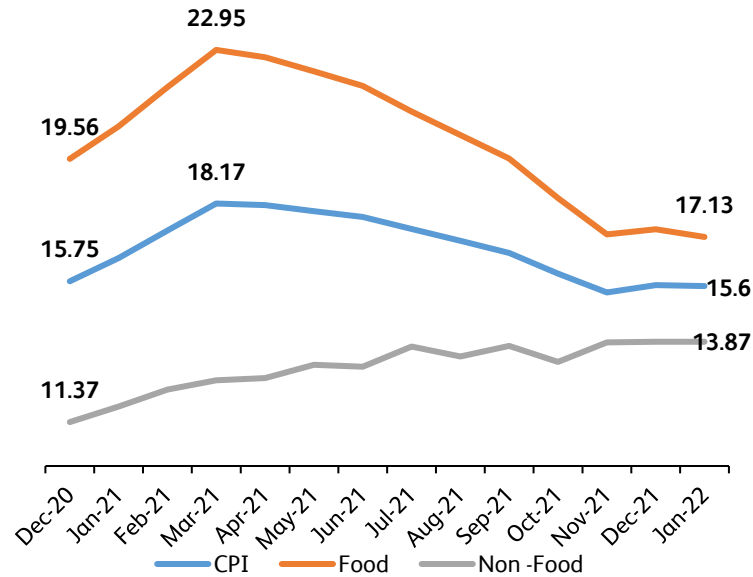
**56.33%**



# Despite FX challenges, economic growth is on the horizon again, with inflationary pressures flattening out

## Annual headline inflation

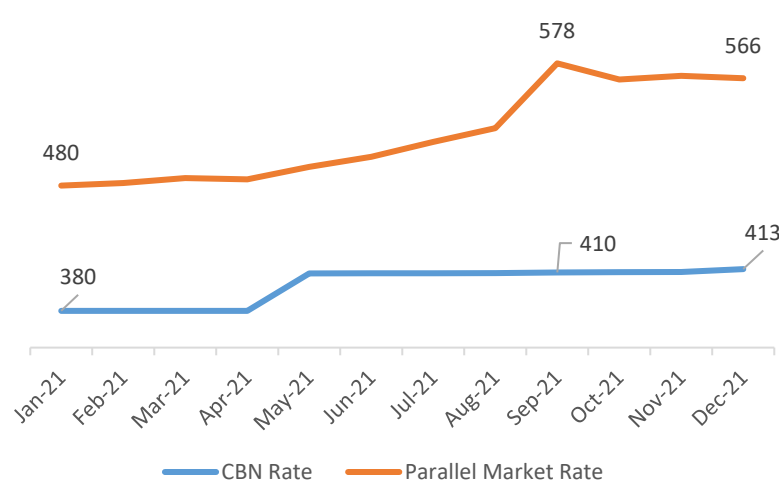
(y-o-y Percent)



**Stable and declining inflation rate**

## Naira vs dollar devaluation in 2021

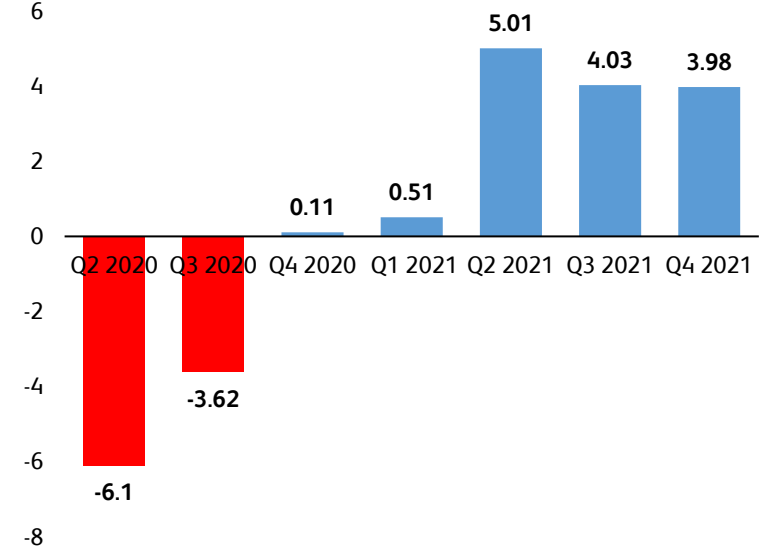
(Naira per 1 dollar)



**Foreign currency remains Scarce**

## Nigerian Real GDP growth rate

(q-o-q Percent)



**Nigeria is officially out of a recession, and the economy is growing again**



# Exciting the Consumer - Premium Lager

18+

NO TIME TO DIE

007

IN CINEMAS OCTOBER 1

The secret to being Bond  
**Stay cool**



Heineken

ENJOY RESPONSIBLY. NOT FOR SALE TO PERSONS UNDER THE AGE OF 18.

18+

LIVE UNCAGED

ALWAYS BOLD. ALWAYS REFRESHING.

Tiger

ENJOY RESPONSIBLY. NOT FOR SALE TO PERSONS UNDER THE AGE OF 18

18+

AGU!  
BIBE NDU GI

ALWAYS BOLD. ALWAYS REFRESHING.

Tiger





# Exciting the Consumer - Mainstream Lager

*Launched a 360 degree campaign & brand first TVC*



*Amplified the Isedowo Platform to drive emotional reconnection.*



*Leverage storytelling to connect more with our TG – Turu Ugo Lota TVC*



*Amplified the Niger Bridge Iconicity*



*Elevated local festivals & cultural Sponsorship*



*Reconnected with younger consumers through Music.*



*Crowned 'Mmanyá Oganiru' – Beer for Progress*

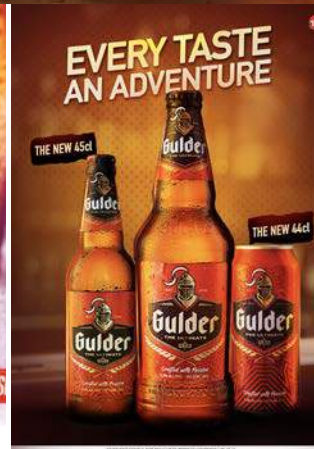


*Elevated consumer experiences through differentiated activations across the regions*





# Exciting the Consumer - Beyond Beer



Enjoy Responsibly. Not for Sale to Persons Under the Age of 18.



Enjoy Responsibly. Not for Sale to Persons Under the Age of 18.



Enjoy Responsibly. Not for Sale to Persons Under the Age of 18.



Enjoy Responsibly. Not for Sale to Persons Under the Age of 18.



Enjoy Responsibly. Not for Sale to Persons Under the Age of 18.







Nigerian Breweries Plc



# Highlights of our Brew a Better World Commitments in 2021

We are raising the bar on our environmental, social and responsible actions through thought leadership and strategic collaborations- internally and externally. We are working with guided road maps and clear accountability frameworks to bridge gaps.



### Ibadan Solar Project -

We accelerated our Green Ambition with the installation of 663.6kW Solar Power System in Ibadan Brewery which was commissioned in May 2021.



### MTOTY 2021

The Malta Teacher of the Year Awards was held in October 2021 following over 1000 entries. 30 state champions emerged and Mr. Taiye Abanike from Delta state was announced our 2021



### Olokemeji Project -

Our reforestation project which is aimed at protecting watershed in four water-stressed areas kicked off recently and we have planted 30,500 trees so far.



### NB Recycles Project -

Working with the FBRA, we have been able to recover over 15700 MT of plastics in 2021. We are also complementing these efforts with NB Recycles, an internal plastic recovery project for employees. The Project has been launched in Lagos HQ and plans are underway to launch in Ota this year.



### SMASHED Campaign -

As part of our efforts to promote responsible consumption, we have sensitized 15,959 under 18 students through the SMASHED Campaign with the Beer Sectoral Group.



### NB Empowerment Programme

Over 400 women and Youths resident in our host communities have been empowered with entrepreneurial skills and resources to kickstart their own businesses and gain jobs.



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- Full Year 2021  
Financial results

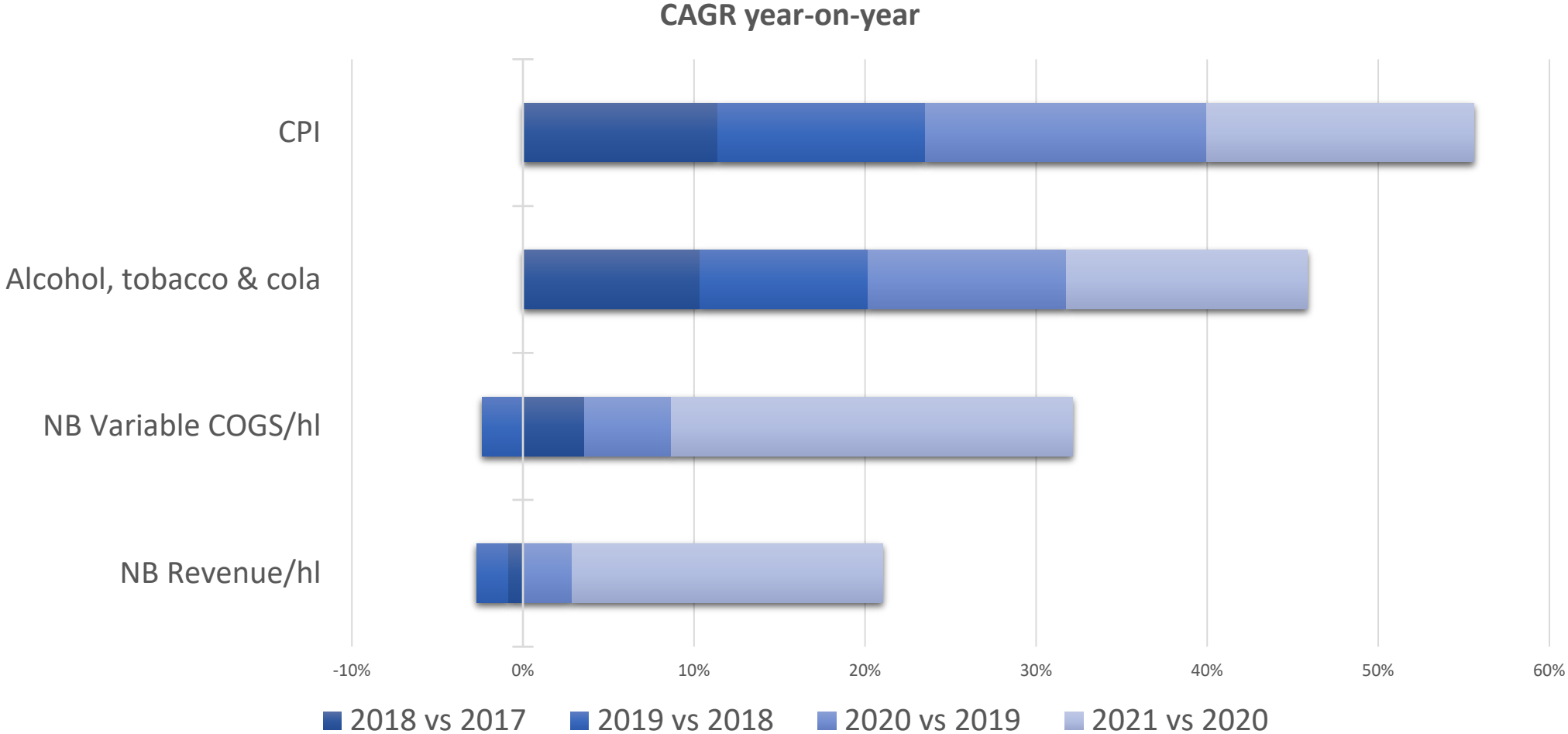


# Financial Overview FY 2021

P&L Key financials	FY 2021 (₹ billion)	FY 2020 (₹ billion)	Change (%)
Revenue	437.2	337.0	29.7
Cost of Goods Sold	276.9	218.4	-26.8
Gross Profit	160.3	118.7	35.1
Result from Operating activities	41.8	29.8	40.2
Operating Profit Margin	9.6%	8.8%	72bps
Net Finance Expenses	17.9	18.1	1.3
Net Profit	12.9	7.5	71.8
EPS (kobo)	161	94	71.3



# Pricing strategy to mitigate impact of input costs



• Source: National Bureau of Statistics

# Price and mix mitigating the increase in input costs

Operating profit bridge	(₹' billion)
Operating profit 2020	29.8
Increase in net revenue	100.2
Increase in raw materials and consumables	-54.4
Increase in advertisement and sales promotions	-14.6
Increase in employee benefits	-5.3
Impact of redundancy	-3.3
Impact of lease and right-of-use asset derecognition	2.9
Net movement other costs and other income	-13.5
Operating profit 2021	41.8



# Income Tax impacted by derecognition of leased trucks

Net profit bridge	(¥ billion)
Net profit 2020	7.5
Increase in operating profit	12.0
Effect of derecognition of deferred tax on ROUA	-4.4
Increase in income tax expense	-2.8
Decrease in interest cost	2.5
Increase in foreign exchange losses	-2.3
Others	0.4
Net profit 2021	12.9

# Financial Position 2021

Key balance sheet items	FY 2021 (N' billion)	FY 2020 (N' billion)	Change (%)
Property, Plant & Equipment	255.6	212.4	20.4
Right of Use Assets	12.4	42.8	-71.1
Inventories	62.1	36.0	72.4
Trade and other Receivables	25.8	11.4	127.4
Cash	16.7	30.3	-44.9
Other Assets	110	111.5	-1.4
<b>TOTAL ASSETS</b>	<b>482.6</b>	<b>444.4</b>	<b>8.6</b>
Non Current Liabilities	34.2	34.6	-0.9
Borrowings	31.4	91.4	-65.7
Trade and Other Payables	223.4	137.9	62
Other Liabilities	21.5	19.4	10.8
Equity	172.1	161.2	6.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>482.6</b>	<b>444.4</b>	<b>8.6</b>

# Cash Flow

(N' billion unless otherwise stated)	FY 2021	FY 2020	Change
Cash flow from operations (before changes in working capital)	73.1	67.1	6.0
Cash generated from operating activities	128.4	120.0	8.5
Net cash from operating activities	90.8	84.8	6.0
Net cash used in investing activities	-60.1	-37.9	-22.2
Net cash used in financing activities	-44.3	-22.9	-21.4
Net increase in cash and cash equivalents	-13.7	24.0	-21.4
Cash and cash equivalents @ 1 <sup>st</sup> January	30.3	6.4	24.0
Cash and cash equivalents @ 31 <sup>st</sup> December	16.7	30.3	-13.7
Net debt / EBITDA ratio*	1.2x	1.6x	
Interest coverage ratio**	2.1x	2.0x	

\* Note: interest coverage is calculated as operating profit over interest expense.



# Proposed Dividend

- 100% payout ratio
- Total dividend ₦12.9bn (2020: ₦7.5bn )
- Interim dividend paid @ ₦0.40 per share (₦3.23bn)
- Proposed final dividend @ ₦1.20per share (₦9.70bn)
- Total proposed dividend ₦1.60 per share (2020: ₦0.94)
- Shareholders can elect to have new shares instead of final dividend in cash
- Earnings per share is ₦ 1.61 for 2021
- Annual General Meeting to approve final dividend and election scheme: April 22, 2022.

# Outlook for 2022

- The Nigerian beer market fundamentals remain strong with a high growth potential.
- We have the pricing strategy as well as the Cost & Value agenda to maintain leadership in the market, including driving profitability.
- Country volatility remains a high risk on macro-economic indicators, security and infrastructure. Excise Duty has just been introduced on non-alcoholic drinks and we aim to pass these on in the most optimal way possible. It is also a pre-election year with pre-election spend expected to translate to increased consumer spend.
- We have the history, footprint, brand portfolio and people to capture the expected growth in Nigeria. In 2022, we aim to complete our capacity extension enabling us to meet more of the customer and consumer demand.
- We remain committed to long term value creation for our Shareholders and have the right strategy to achieve this.



Q & A

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