



# Conference Call: Full Year 2022 Results



# 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.

# CONTENT

1. Nigerian Breweries Plc.
2. Market Overview
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4. BaBW
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The logo of Nigerian Breweries Plc. (NBB) is partially visible on the right side of the slide. It features a large, stylized 'NB' in blue, with a white swoosh element that forms part of the letter 'B'. The logo is set against a background of blue and white curved lines.

# Nigerian Breweries Plc. at a glance



**18 Sales regions**  
with National Coverage

**9 Breweries**  
1 Malting Plant

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

**2,685**  
Employees

Market Capitalisation  
(Naira)

**₦337.1bn**

Market Capitalisation  
(US Dollar)

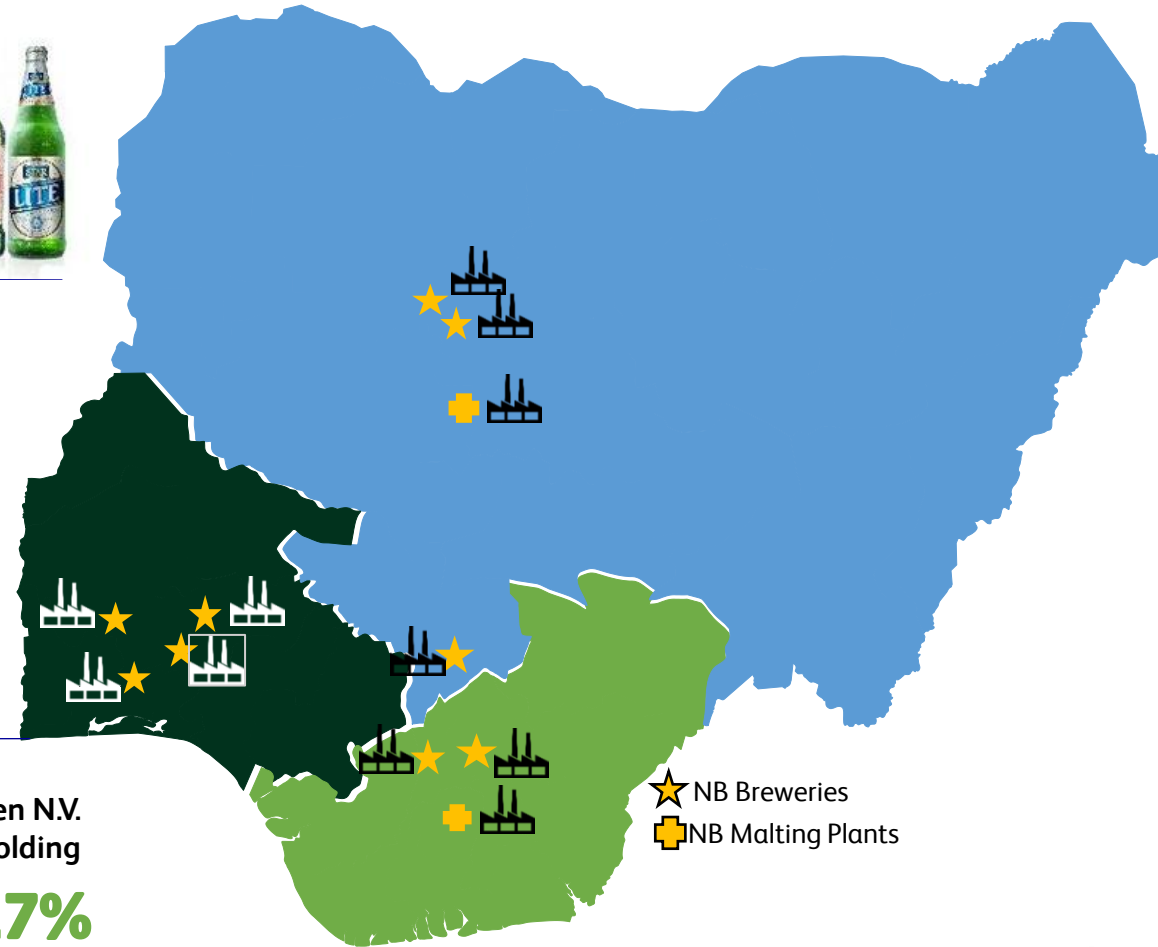
**\$684mln**

Number of Shareholders

**111,854**

Heineken N.V.  
Shareholding

**56.7%**



Figures as at Dec 2022



# 2022: A Challenging year with various social and economic headwinds

Forex scarcity



Inflation & Currency  
Devaluation



Energy Crisis



Flooding



Widespread Insecurity

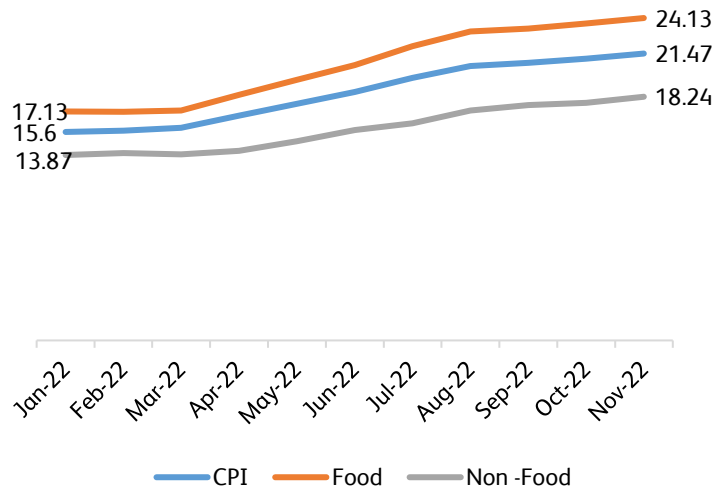


Spiraling brain drain<sub>5</sub>

# Short term, the Nigerian business environment remains turbulent

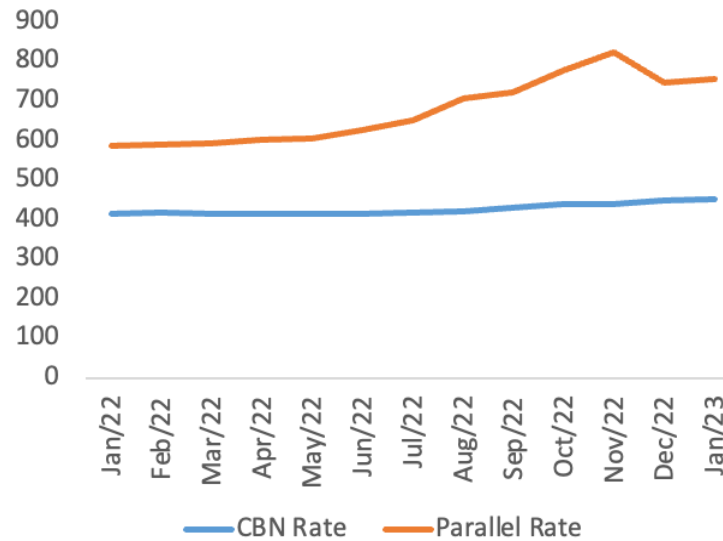
Annual headline inflation

(y-o-y Percent)



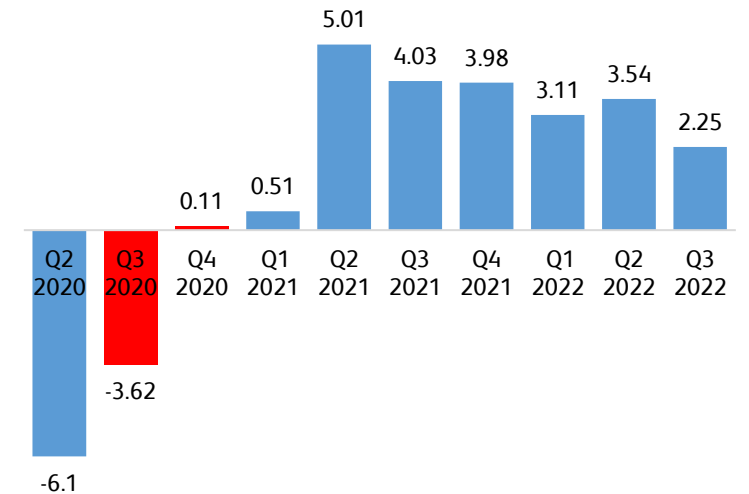
Naira vs dollar devaluation in 2022

(Naira per 1 dollar)



Nigerian Real GDP growth rate

(q-o-q Percent)

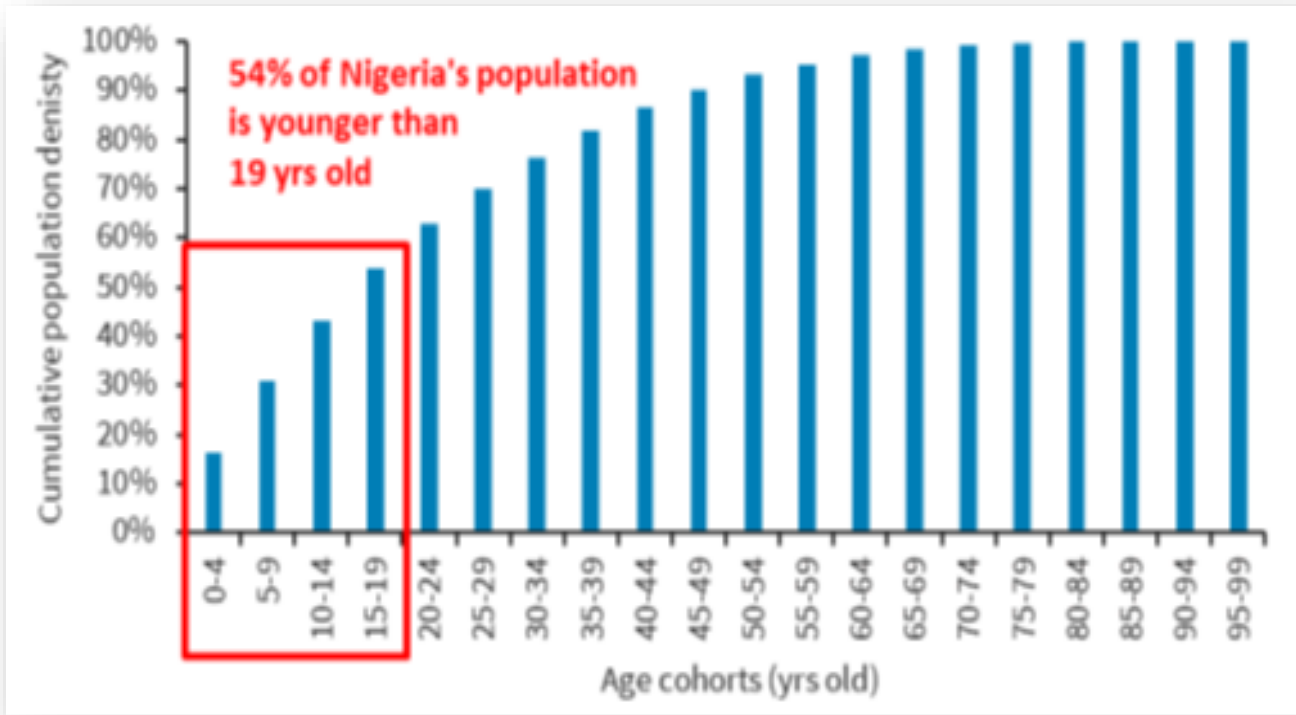


Nigeria is experiencing the highest inflation in rate in 25 years

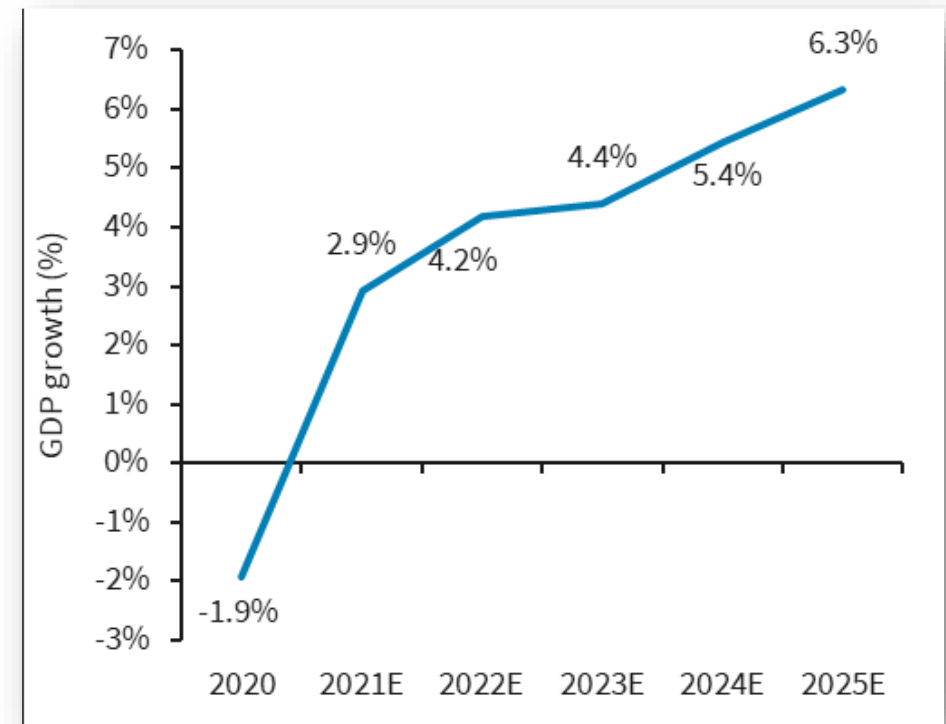
Foreign currency scarcity not improving as expected

The Nigerian economy continues to experience growth although at a slower pace, with a softer growth experienced in Q3

# Long term, the fundamentals of Nigeria remain positive



Nigeria has a teeming young population that will continue to serve as a huge addressable market now and in the future



In the medium to long term, Nigeria's GDP is still set to grow despite the various hurdles it faces



# **Our strategy to win**

**Lead and Accelerate Premium Lager  
led by Heineken®**

**Create Value in Mainstream Lager with our Regional Brands**

**Intentionally Expand Beyond Beer  
(NADs and Adjacencies)**

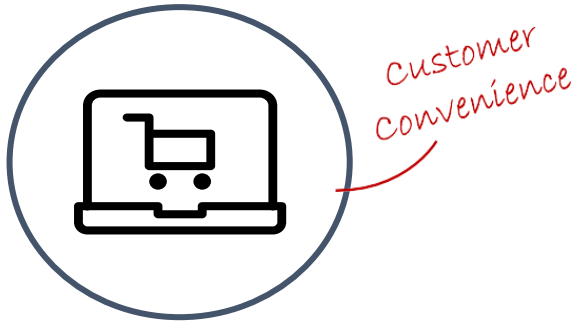
**Enhance RtC whilst improving Customer Experience**

**Build Compliant Value Creating  
Digital Eco-System**



# Our Route to Consumer continues to expand

## B2B (Quickdrinks)

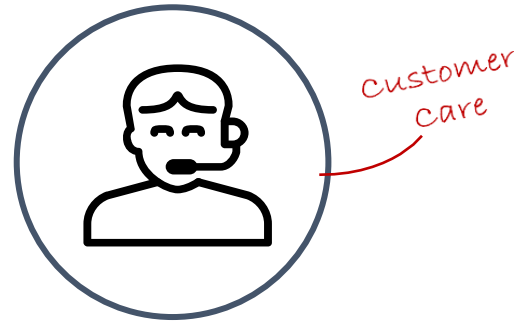


Most of our digitally savvy customers will use B2B as their **first point of contact** with NB, engaging with us at their convenience 24/7 and have access to all services

136% growth in 2022



## Telesales

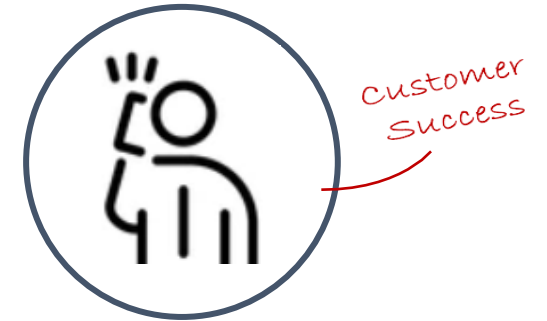


Become modal touchpoint and provide full suite of issue management services that **seamless resolves customer issues**

515% growth in 2022



## Presales (Sales Rep)



Our front-line will become trusted **business advisors to drive customer growth** leveraging data driven recommendations & digital tools



With our premium portfolio, we continue to leverage global platforms that resonate with consumers



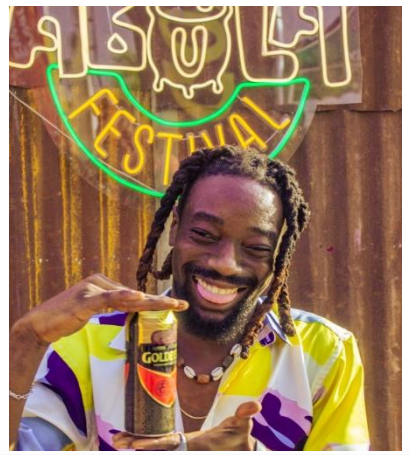


# Our regional mainstream brands continue to promote cultural cues blended with modernity

*Omoluabi Take Over Party '22*



*Ijakumo The Movie '22*



*Goldberg Osun Osogbo Festival '22*

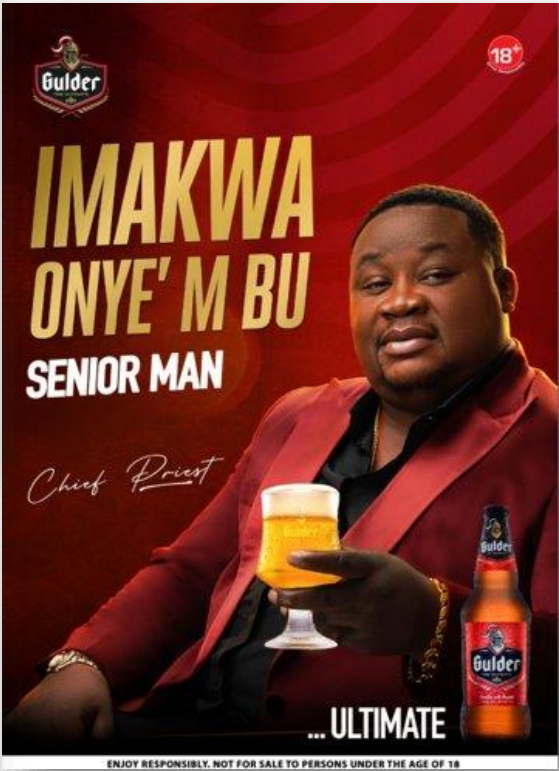
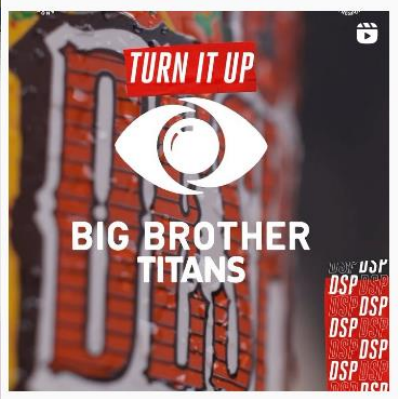
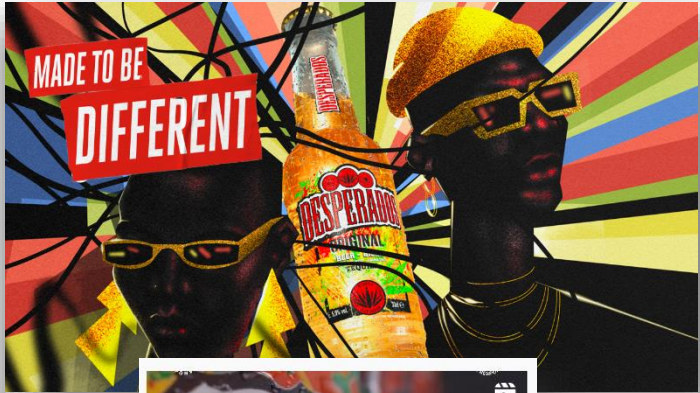
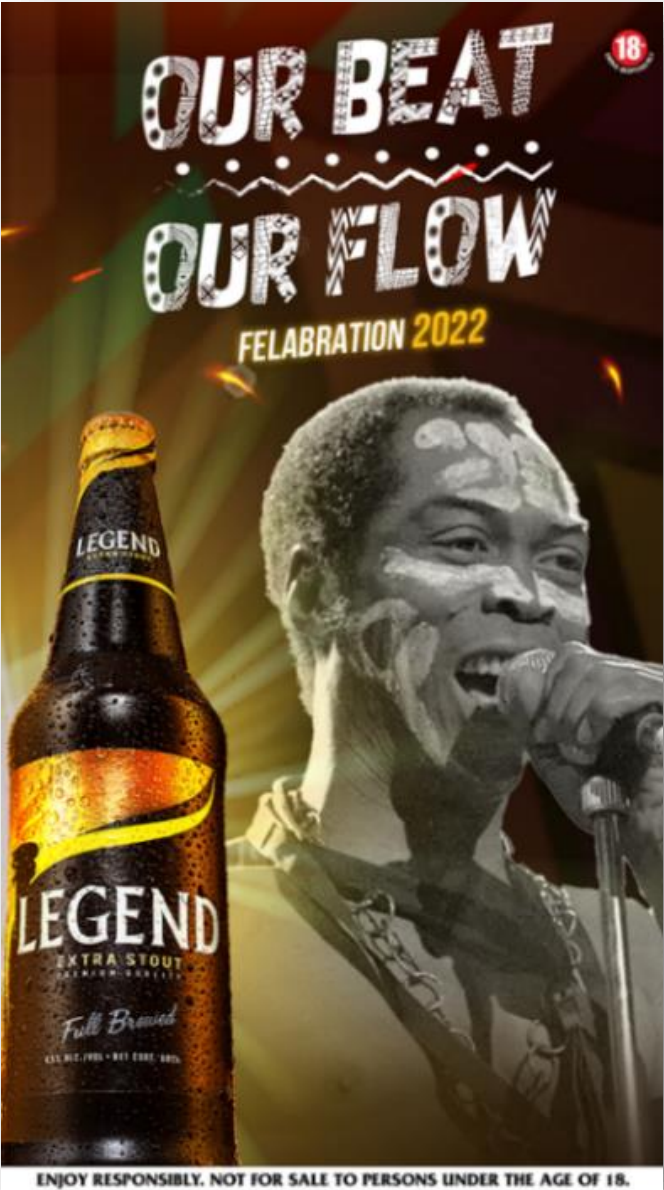


*LIFE - AMBASSADOR CONTRACT SIGNING*





Our flavoured and non lager brands continues to excite consumers through differentiated messaging and high energy platforms





**We continue to lead with our Non – Alcoholic portfolio, driving differentiation with the launch of our new Energy-Malt, Zagg**





# The Ama (Enugu) Brewery Expansion

- Operational and online. 1st brew in October 2022
- Improved our production capacity from 3 million hectolitres to 4.8mhl
- Key enabler to drive our Premium agenda
- Expansion improving economic activities to the state
- Expansion work is in full compliance with international safety standards to protect our environment and our people





# Brew a Better World 2022 Progress

We continue to make steady progress on our Brew a Better World agenda focusing on three areas:

1. Raising the bar on **climate action**
2. Accelerating our **social sustainability** agenda through community impact
3. Advocating the **moderate consumption** of alcohol



## KEY PROGRESS HIGHLIGHTS



### Carbon

**21**

Carbon & Water-reducing initiatives completed in 2022



### Water

**61,024**

trees planted in 2022 at Olokemeji Forest Reserve



### Gender

**1**

NGX- listed Company with highest number of female board members



### Responsible

**16,914**

students educated against alcohol abuse



VP Osinbajo presenting award to the 2022 winner of the Maltina Teacher of the Year award in Lagos



# Key milestone towards zero carbon emission recorded in 2022

## Hydro & Solar Power Project

- NB and Konexa signed a Power Purchase Agreement to provide 100% renewable electricity to 2 Kaduna breweries through hydro power
- NB & Cross boundary signed a \$10m renewable energy contract (solar and battery storage hybrid) for our Ibadan and Ama breweries in Oyo and Enugu States.
- 114,600 tonnes of CO<sub>2</sub> emissions would be saved annually from Kakuri, Kudenda, Ibadan and Ama breweries

## Solar panel installation in Enugu



## Konexa Power Purchase Agreement Signing



## Crossboundary Solar Power Agreement Signing





# Empowering Youth and Women in 2022



- An intensive 3-month training programme in our host communities
- Facilitated by local experts in youth capacity development
- Graduation ceremony held simultaneously across all 6 locations in November

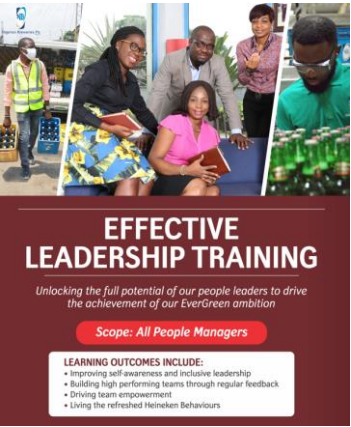




# Unlocking the Full Potential of Our People

We are investing in targeted capability building across different leadership categories and employee groups to guarantee business continuity.

## Leadership (People Managers)



**EFFECTIVE LEADERSHIP TRAINING**

Unlocking the full potential of our people leaders to drive the achievement of our EverGreen ambition

Scope: All People Managers

LEARNING OUTCOMES INCLUDE:

- Improving self-awareness and inclusive leadership
- Building high performing teams through regular feedback
- Driving team empowerment
- Living the refreshed Heineken Behaviours

## Functional (All Employees - Sales & Supply Chain Academies)



## Health & Wellbeing (All Employees)



**FOSTERING MENTAL WELLBEING IN THE WORKPLACE**

**SPEAKER**

**Dr. Fatimah Irekoya**  
Clinical Psychologist  
Pinnacle Medical Services

**SPEAKER**

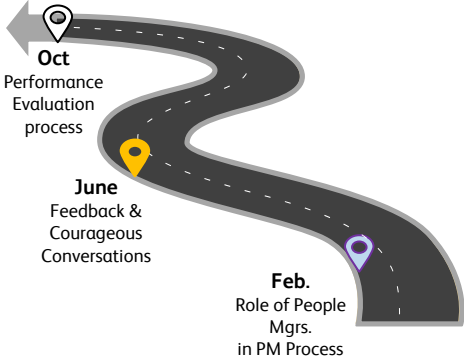
**Dr. Deborah Oluwaniyi**  
Medical Officer  
Pinnacle Medical Services

**HOST**

**Dr. Olutomi Bamigboje**  
Company Medical Adviser

11TH OCT. 3.00PM - 4.30PM

## Performance Mgt. Capabilities (All Employees)

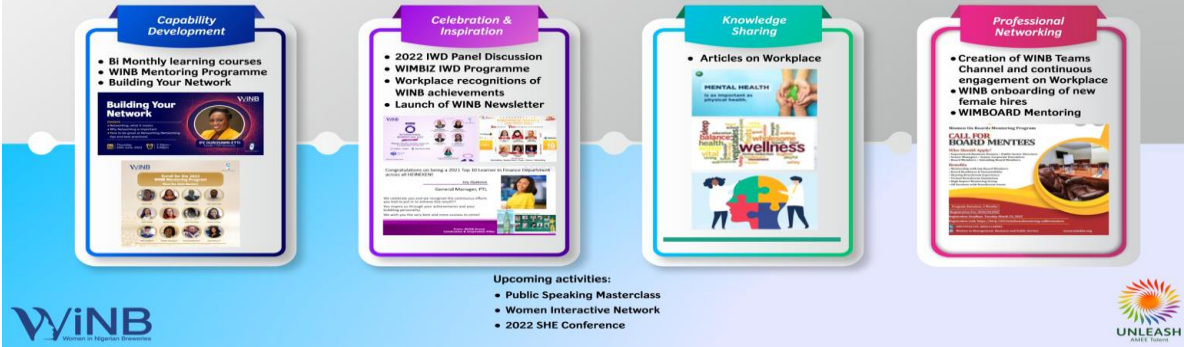


## Talent Development (Successors)



## Developing Women in NB

**Objective:** To unlock the full potential of the Women in Nigerian Breweries through platforms that help them to connect and engage



**Capability Development**

- BI Monthly learning courses
- WINB Mentoring Programme
- Building Your Network

**Celebration & Inspiration**

- 2022 IWD Panel Discussion
- WIMBIZ IWD Programme
- Workplace recognitions of WINB achievements
- Launch of WINB Newsletter

**Knowledge Sharing**

- Articles on Workplace

**Professional Networking**

- Creation of WINB Teams Channel and continuous engagement on Workplace
- WINB onboarding of new female hires
- WIMBOARD Mentoring

**Upcoming activities:**

- Public Speaking Masterclass
- Women Interactive Network
- 2022 SHE Conference

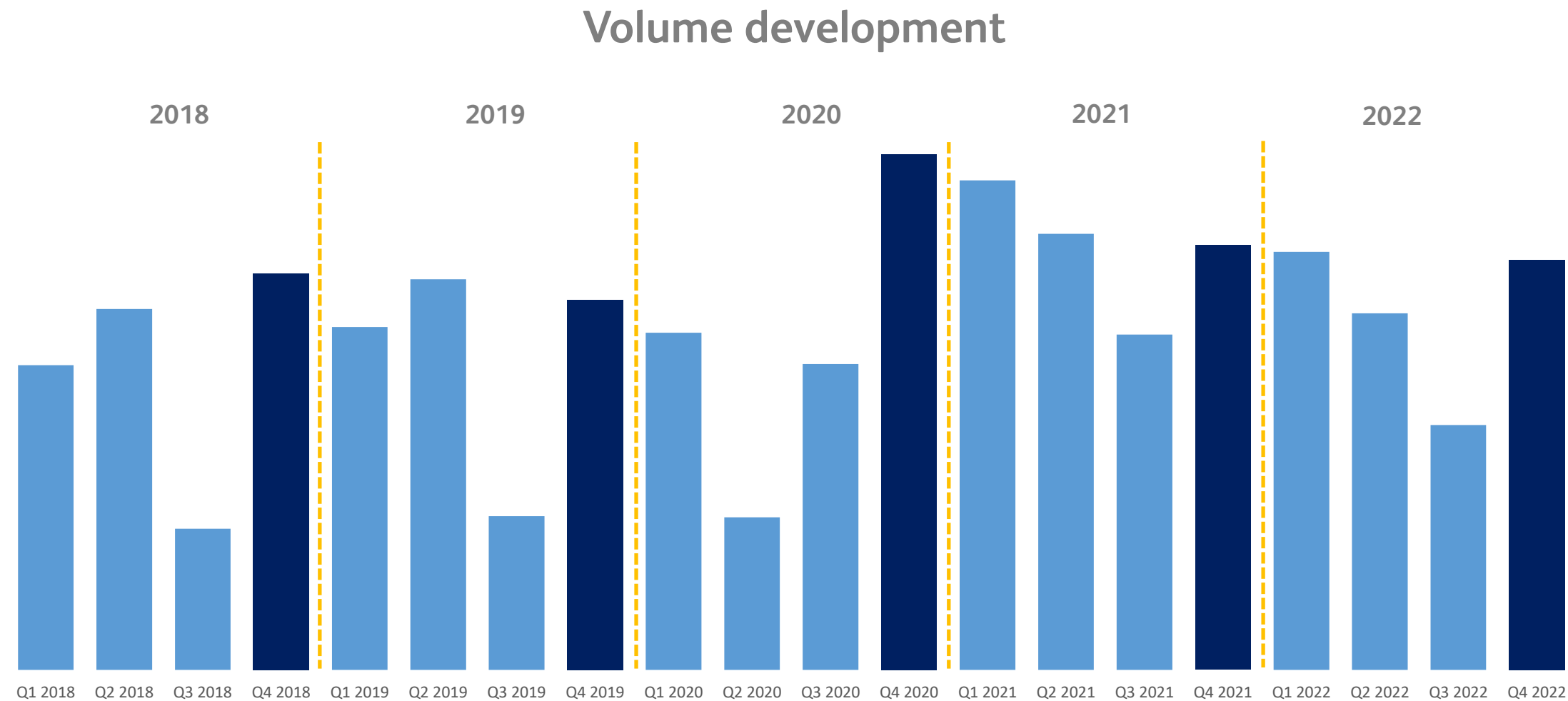
...Including globally **mandatory courses** from HEINEKEN for all employees (Code of Business Conduct (COBC) training, All Inclusive e-learning, Data Privacy, Life Saving Commitments, etc.)

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- Full Year 2022  
Financial results

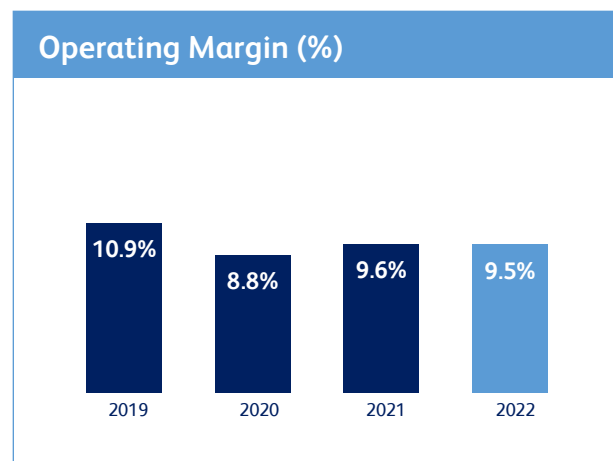
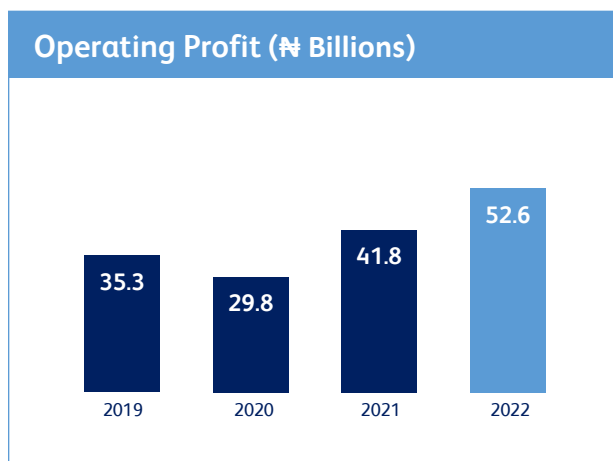
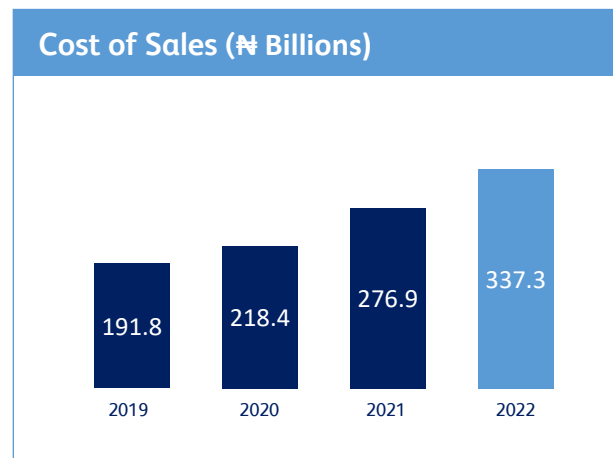
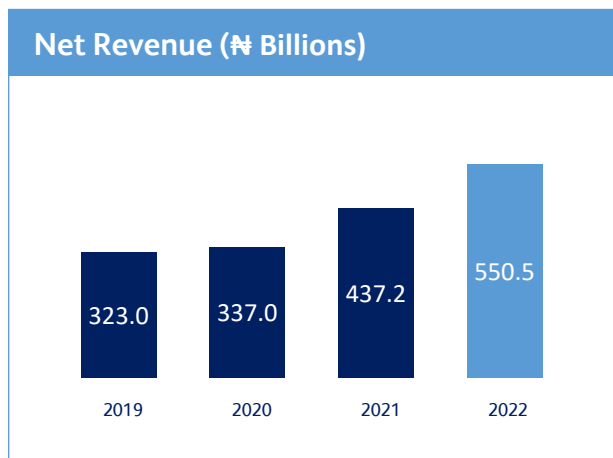


# Volume seasonality has returned after 2021





# Key financial indicators



## Highlights

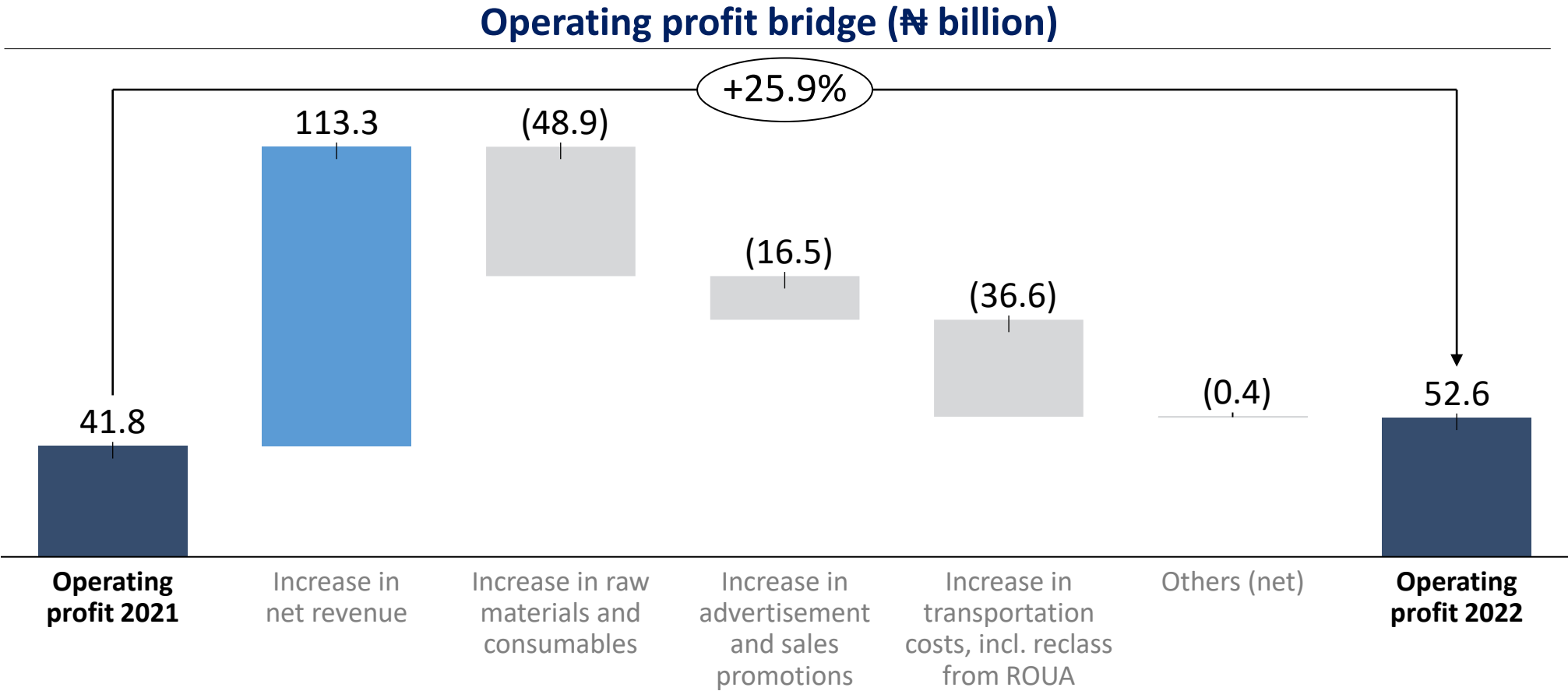
- Pricing strategy has mitigated margin pressures from input costs
- Cost leadership strategy has secured Cost of Sales growth at par with inflation
- Operating Profit growth over 25% while margins are steady
- Margins continue to be under pressure mainly from lower disposable income, inflationary pressure on input costs and naira devaluation

\* All indicators are related to full year displayed

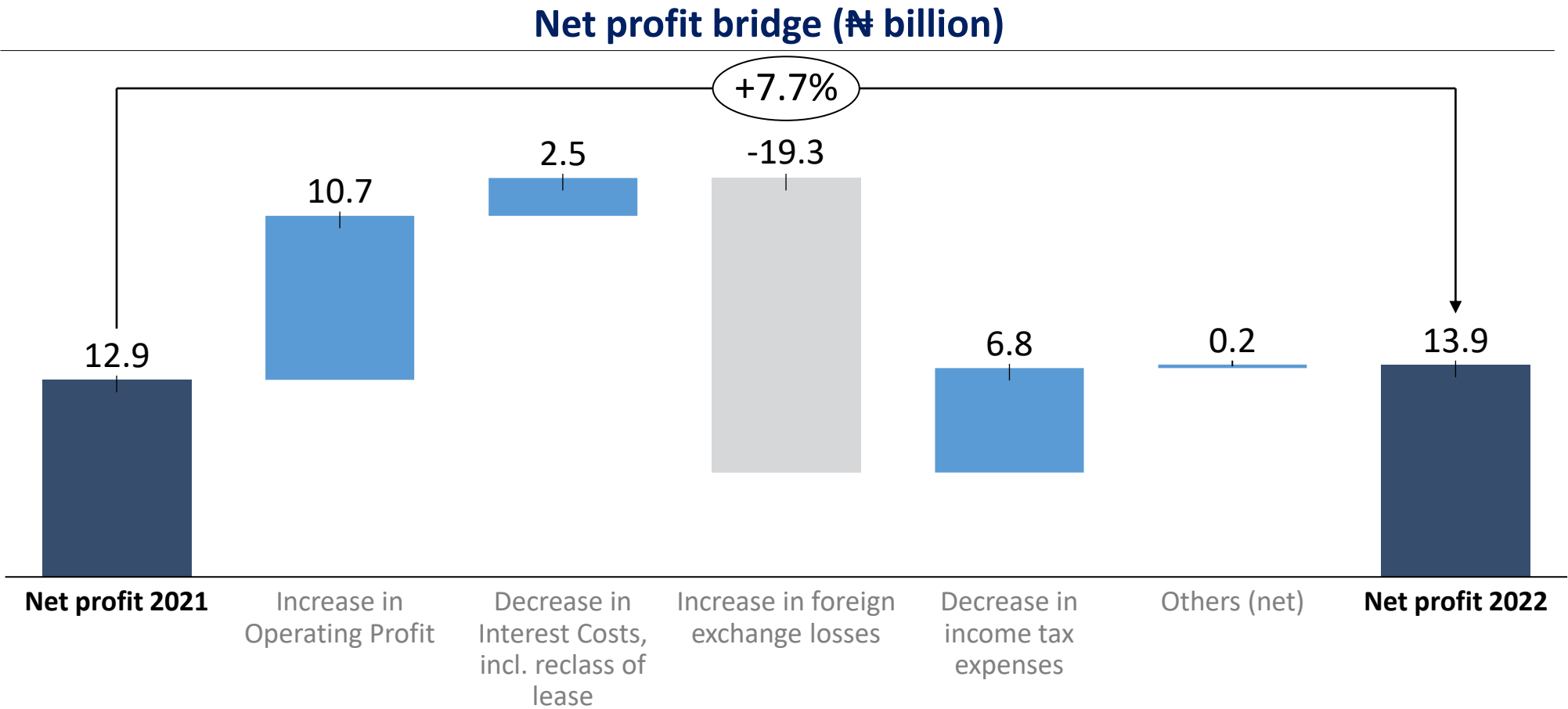
# Financial Overview

Summary of Profit or Loss (₹ Billions)	FY 2022	FY 2021	Change in %
Revenue	550.5	437.2	25.9%
Cost of Sales	(337.3)	(276.9)	21.8%
<b>Gross Profit</b>	<b>213.2</b>	<b>160.3</b>	<b>33.0%</b>
<b>Operating Profit</b>	<b>52.6</b>	<b>41.8</b>	<b>25.7%</b>
Net financing expenses	(34.5)	(17.9)	92.7%
<b>Profit Before Tax</b>	<b>18.1</b>	<b>23.9</b>	<b>-24.4%</b>
Taxation	(4.2)	(11.0)	-62.1%
<b>Results after Tax</b>	<b>13.9</b>	<b>12.9</b>	<b>7.7%</b>
<b>EBITDA</b>	<b>91.6</b>	<b>77.2</b>	<b>18.7%</b>
Operating Profit Margin %	9.5%	9.6%	-2 bps

# Pricing mitigating the increase in input costs



# Naira devaluation pressuring net profit





# Financial Position

Summary of Financial Position	2022	2021	Change in %
Property, Plant & Equipment	357.9	255.6	40.0%
Right of Use Asset	9.8	12.4	-20.5%
Inventories	83.3	62.1	34.3%
Trade and Other Receivables	42.8	24.7	73.3%
Cash	22.2	16.7	32.5%
Other Assets	105.2	111.1	-5.3%
<b>TOTAL ASSETS</b>	<b>621.3</b>	<b>482.6</b>	<b>28.7%</b>
Non Current Liabilities	32.3	41.1	21.4%
Borrowings	119.8	24.5	-388.2%
Trade and Other Payables	264.6	223.9	-18.2%
Other Liabilities	23.8	21.0	-13.3%
Equity	180.9	172.1	5.1%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>621.3</b>	<b>482.6</b>	<b>28.7%</b>
Interest Cover	6.2	3.7	
Net debt / EBITDA ratio	1.1	0.2	

# Proposed Dividends

- ❑ 100% payout ratio
- ❑ Total dividend ₦13.9bn (2021: ₦12.9bn)
- ❑ Interim dividend paid @ ₦0.4 per share (₦3.29bn)
- ❑ Proposed final dividend @ ₦1.03 per share (₦10.58bn)
- ❑ Annual General Meeting to approve final dividend and election scheme:  
April 26, 2023

## Key messages

- The Nigerian beer market fundamentals remain strong with a high growth potential.
- Country volatility remains a high risk on macro-economic indicators, security and infrastructure. A peaceful political transition is expected despite intense campaigns ahead of the general elections.
- Lower disposable income and high input costs as a result of inflation and naira devaluation are putting margins under pressure. Uncertainty on excise burden in 2023 is likely to impact our business. Pressure on forex availability is expected to remain in 2023.
- We have the pricing strategy as well as the Cost & Value agenda to maintain leadership in the market, including driving profitability.
- We have the history, footprint, brand portfolio and people to capture the expected growth in Nigeria. With the capacity expansion in AMA, we are ready to capture the movements of the market.
- 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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**Thank You!**

