

## Unilever Nigeria Plc Reports 115% PAT Decline in HY-2020

Unilever Nigeria Plc. HY'2020 results showed that revenue declined by 35.91% from N42.66 bn in HY'2019 to N27.34 bn in the current period. This decline was due to the slowdown witnessed in both their food products and home/personal care revenue sources, as their performance was hampered by the weakened purchasing power of consumers in the economy. Similarly, gross profit fell by 45.74% to N6.16 bn in HY'2020 from N11.35 bn in HY'2019, despite a 32.35% decline in cost of sales. The firm recorded a decline of 136.62% in operating profit from N3.85 bn in HY'2019 to -N1.41 bn in the current period, and this was majorly driven by a 196.80% increase in impairment loss. Profit before tax declined by 112.07% to -N566.80 mn in the current period from N4.70 bn in HY'2019, due a 29.33% decline in finance income. Consequently, profit after tax fell by 114.77% from N3.52 bn in HY'2019 to -N519.11 mn in the current period. The firm recorded an 114.75% decline in earnings per share from N0.61 in HY'2019 to -N0.09 in the current period. The stock currently trades at N12.25.

### Financial Highlights

Financials	HY-2020 (N' 000)	HY-2019 (N' 000)	% Change
Revenue	27,337,337	42,657,499	-35.91%
Cost of Sales	-21,181,257	-31,311,411	-32.35%
<b>Gross Profit</b>	6,156,080	11,346,088	-45.74%
Selling and distribution expenses	-1,753,596	-1,907,893	-8.09%
Marketing and administrative expenses	-5,215,579	-5,396,101	-3.35%
(Impairment loss)/ write-back on trade	-646,433	-217,803	196.80%
Other income	48,544	28,910	67.91%
<b>Operating (loss) profit</b>	-1,410,984	3,853,201	-136.62%
Finance income	849,347	1,201,911	-29.33%
Finance cost	-5,167	-357,316	-98.55%
<b>(Loss)/profit before taxation</b>	-566,804	4,697,796	-112.07%
Taxation	47,692	-1,183,000	-104.03%
<b>(Loss)/profit after taxation</b>	-519,112	3,514,796	-114.77%
<b>Basic EPS</b>	-0.09	0.61	-114.75%

### Key Multiples/Ratios

▪ Book Value Per Share-	N11.49
▪ Gross Profit Margin	22.52%
▪ Net Profit Margin-	-1.90%
▪ OPEX Margin-	10.78%
▪ Return on Equity-	-0.79%
▪ Return on Asset-	-0.49%
▪ Price to Book Value-	1.07%
▪ Price to Earnings Ratio-	n/a
▪ Current Shares Outstanding-	5.75 billion

### MBC Securities Limited

11th Floor, St. Nicholas House,  
26, Catholic Mission Street,  
Lagos Island, Lagos  
Nigeria  
+234 1 2708003/4  
[www.mbcgroup.com.ng](http://www.mbcgroup.com.ng)

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