

Dangote Sugar Plc. Posts Highest Profit in 7yrs for 9M' 2020 result

Dangote Sugar Plc. sustained its strongest momentum during 9M'2020 as it reported its highest profit in 7years at 26.63 billion, 81% higher than its 9M'2019 PAT. Revenue was also up in the period by 36.69% from 117.43 billion in 2019 to 160.51 billion in 2020. The profit jump was as a result of a combination of factors: strong revenue growth triggered by increased demand, higher tax credit, increased prices across all products and a reduction in cost of raw materials aided by the acquisition of Savannah Sugar Company in July 2020. Despite the 10.73% increase recorded in Administrative expenses, Operating profit grew by 21.73%. Consequently, PBT increased by 26.60%. EPS grew by 76.61% y/y from N1.24 in 9M'2019 to N2.19 in 9M 2020.

Financial Highlights

	9M-2020	9M-2019	
Financials	(N' Million)	(N' Million)	% Change
Revenue	160,514	117,425	36.69%
Cost of Sales	(126,368)	(88,406)	42.94%
Gross Profit	34,146	29,019	17.67%
Other Income	464	122	280.33%
Selling and Distribution Expenses	(496)	(607)	-18.29%
Administrative expenses	(6,235)	(5,631)	10.73%
Impairment gains/(losses) on financial assets	-	-	
EBIT/operating profit	27,879	22,903	21.73%
Net finance income/(expenses)	(1,948)	(85)	2191.76%
Investment Income	543	593	-8.43%
Fair value adjustment	2,604	(443)	-687.81%
Profit before taxation	29,078	22,968	26.60%

Key Multiples/Ratios

▪ Book Value Per Share-	10.13
▪ Gross Profit Margin-	21.27%
▪ Net Profit Margin-	16.59%
▪ Return on Equity -	21.91%
▪ Return on Asset-	9.85%
▪ Cost of Sales Margin-	78.73%
▪ Price to Book Value-	1.34x
▪ Year-to-Date Change-	47.06%
▪ Current Shares Outstanding-	12 billion

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