



**UNAUDITED GROUP RESULTS FOR THE SECOND QUARTER ENDED
30TH JUNE 2020**

Lagos, 29th July 2020: Dangote Sugar Refinery PLC (Bloomberg: DANGSUGA-NL), Nigeria's largest sugar producer, announces unaudited group results for the half year ended 30th June 2020.

FINANCIAL HIGHLIGHTS

	Group June 30, 2020	Group June 30, 2019	% change
	₦ Billion	₦ Billion	
Revenue	103.23	80.36	+28.5
EBITDA	22.82	19.23	+18.7
EBITDA Margin (%)	22.1%	23.9%	-7.6
Profit before taxation	17.04	17.03	+0.0
Profit for the period	11.58	10.98	+5.5
EPS – (Naira)	0.97	0.92	+4.6

OPERATING HIGHLIGHTS

	June 30, 2020	June 30, 2019	
Production	Tonnes	Tonnes	% change
Group Refined Sugar Produced	375,276	338,688	+10.8
Apapa Refined Sugar Produced	353,196	324,440	+8.9
Savannah Refined Sugar Produced	22,080	14,248	+55.0
Sales			
Group Refined Sugar Sold	382,917	337,213	+13.6
Apapa Refined Sugar Sold	355,233	331,598	+7.1
Savannah Refined Sugar Sold	27,684	5,615	+393.0

Commenting on the performance of the company in the first half year of 2020, the Ag. Managing Director, Mr. Ravindra Singhvi said:

We are pleased to announce a topline growth in revenue of 28.5% when compared to same period in 2019. On the heels of first quarter sales volume we had a strong performance in the 2nd quarter 2020 with the delivery of 382,917 tonnes, which translated to a 13.6% growth over the same period in 2019. Revenue growth of 28.5% forged ahead of volume growth due to pricing benefits on the back of rise in FX rate. The 1st half of the year performance reflects our drive for topline growth, despite the continued grid gridlock in Apapa; in addition to rising inflation and the deplorable state of roads to our key markets nationwide.

However, we witnessed an increase in cost of sales driven by FX losses and a rise in cost of input materials and the increase of VAT from 5% to 7.5%. The Company's performance during the period under review was impacted by COVID-19 pandemic which caused disruption to the global economy, availability of foreign exchange, oil prices, consumer demands and social interactions. This led to the enormous FX shortage in Nigeria, and the huge backlog of FX demands, due to the constricted ability by the CBN to meet FX demands. The unprecedented impact of COVID-19 in the 2nd quarter is far reaching and has continued, as governments across the globe make concerted efforts to curb its spread with partial and complete lockdown restrictions, amongst other measures.

As the economy gradually rebounds, we will continue to pursue key initiatives to improve market share, volume growth and operational efficiency; as we continue to deploy more efforts, towards the realisation of our revised Sugar Backward Integration Project target to produce 550,000MT of refined sugar by 2024, from our BIP sites.

COMMENTS ON PERFORMANCE INDICATORS

Group sales volume increased in the first half of year 2020 by 13.6% to 382,917 tonnes (2019: 337,213 tonnes). Growth continued to benefit from the sustained efforts to drive customer base expansion and several trade initiatives and investments. Group production volume also increased by 10.8% to 375,276 tonnes (2019: 338,688 tonnes) helped by our operations optimization strategy.

Group revenue increased by 28.5% to N103.23 billion (2019: N80.36 billion). Growth in revenue forged ahead of volume growth due to price increases in the first half of the year. EBITDA increased by 18.7% to N22.82 billion (2019: N19.23 billion) on account of increased earnings. Group profit after taxation for the period increased by 5.5% to N11.58 billion (2019: N10.98 billion).

CONFERENCE CALL DETAILS

A conference call for analysts and investors will be held on **Tuesday August 4th, 2020** at **1.00pm** Lagos time.

Participants are advised to pre-register for the call beforehand to avoid any interruptions. The dial-in details are as follows: -

Call Title	Dangote Sugar Refinery Plc Quarter Two 2020 Financial and Performance Report
Call Date	Tuesday 4 th August, 2020
Call Time	13:00 UK (BST)/ 13:00 Lagos
Participants registration Link	Dangote Sugar Refinery Plc Quarter Two 2020 Financial and Performance Report
Speakers Code	59884 #
Access numbers	(UK) +44 (0)20 7043 4129 or (South Africa) 0800 982 759 or (USA) 1-866-840-9752 or (USA) 1-646-663-7922 or (Nigeria) +234 (0)18889001
Recording Playback code	639479 #

The presentation slides will be available a few hours before the conference call on:

<https://dangotesugar.com.ng/investors>

Speakers: Ravindra Singhvi, Ag. Managing Director

Debola Falade, Chief Finance Officer

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ABOUT DANGOTE SUGAR REFINERY

Dangote Sugar Refinery is Nigeria's largest producer of household and commercial sugar with 1.44M MT refining capacity at the same location. Our refinery located at Apapa Wharf Ports Complex, refines raw sugar imported from Brazil to white, Vitamin A fortified refined granulated white sugar suitable for household and industrial uses.

Our Backward Integration goal is to become a global force in sugar production, by producing 1.5M MT/PA of refined sugar from locally grown sugar cane for the domestic and export markets.

To achieve this, Dangote Sugar Refinery Plc acquired Savannah Sugar Company Limited, in December 2012, and embarked on the ongoing rehabilitation of its facilities and expansion of its sugarcane estate. Located on 32,000 hectares, the Savannah Sugar estate has considerable opportunity for expansion, which is underway and will be augmented with the

additional sites acquired at Tunga in Nasarawa State and Lau/Tau in Taraba State. These companies have a combined land mass for agriculture of about 110,000 hectares.

The Nasarawa Sugar Company Limited, is the registered subsidiary of Dangote Sugar Refinery Plc. The 78,136 hectares Sugar Project Site is located at Tunga, Awe Local Government Area, of Nasarawa State. Massive developments in agriculture, irrigation infrastructure amongst others is ongoing at the site. Unfortunately, Lau/Tau project is on hold following the lingering compensation issue between the communities and Taraba state government.

Dangote Sugar Refinery was listed on the Nigerian Stock Exchange in March 2007.

www.dangotesugar.com.ng

OUTLOOK

As we navigate the rest of the year, we remain positive and focused on delivering stronger performance. We are confident and will continue to strengthen our efforts towards optimizing our market channels as the economy rebounds, with bold execution of our various innovative trade initiatives. Several actions aimed at providing trade support to our esteemed customers are being executed and we are expectant of enduring yields, while recruiting new customers and gaining access to new markets.

We remain confident of the huge benefits the Backward Integration Programme would deliver and the positive impacts it will have on the economy. These include saving the country from significant FX outflow and employment generation along the value chain amongst other benefits. We will continue to make CAPEX investments in this regard.

Due to the underlying impact of COVID-19, we anticipate an increase in cost-to-completion in Naira terms, of the company's Backward Integration Programme given that the equipment for this programme are largely imported. Possible delays in establishment of Letters of Credit for importation are anticipated which may have a knock-on impact on the programme timelines. This was witnessed in the 1st half of the year, a rise in cost of raw materials, energy costs and other OPEX due to rising inflation and high FX rate is anticipated going into the balance of the year.

Despite these uncertainties, achievement of our Sugar for Nigeria Backward Integration Project goal remains a key priority. The focus is to achieve the Federal Government's revised sugar production target of 550,000 metric tonnes annually by 2024.

We have recently completed the scheme of merger with one of our subsidiaries, Savannah Sugar Company Limited to achieve operational and governance efficiencies.

Ends...