



**AUDITED GROUP RESULTS FOR THE FINANCIAL YEAR ENDED
31ST DECEMBER 2020**

Lagos, 1st March 2021: Dangote Sugar Refinery PLC (Bloomberg: DANGSUGA-NL), Nigeria’s largest sugar producer, announces audited group results for the financial year ended 31st December 2020.

FINANCIAL HIGHLIGHTS

	Group December 31, 2020	Group December 31, 2019	% change
	₦ Billion	₦ Billion	
Revenue	214.30	161.09	+33.0
Gross Profit	53.75	38.29	+40.4
Gross Margin (%)	25.1%	23.8%	+5.5
EBITDA	55.41	35.57	+55.8
EBITDA Margin (%)	25.9%	22.1%	+17.1
Profit before taxation	45.62	29.82	+53.0
Profit for the year	29.78	22.36	+33.2
EPS – (Naira)	2.45	1.87	+31.0

OPERATING HIGHLIGHTS

	December 31, 2020	December 31, 2019	
Production	Tonnes	Tonnes	% change
Group Refined Sugar Produced	743,858	654,071	+13.7
Apapa Plant Refined Sugar Produced	721,778	638,686	+13.0
Numan Plant Refined Sugar Produced	22,080	15,385	+43.5
Sales			
Group Refined Sugar Sold	731,701	684,487	+6.9
Apapa Plant Refined Sugar Sold	703,890	673,462	+4.5
Numan Plant Refined Sugar Sold	27,811	11,025	+152.3

Commenting on the performance of the company for the year 2020, the Group Managing Director/Chief Executive Officer, Mr. Ravindra Singhvi said:

Amidst the socio-economic uncertainties occasioned by COVID-19 pandemic during the year under review, we continued on the growth path with our commitment to improve our performance and generate value for all stakeholders.

This was reflected in the sales volume delivery of 731,701 tonnes, and production of 743,858 tonnes being 6.9% and 13.7% increase in volumes over the comparative year 2019.

Our focus on the implementation of our key strategies in the face of the several challenges posed by the COVID Pandemic, the peculiarities of the Apapa traffic situation amongst others we achieved a topline growth in revenue of N214.30 billion, a 33.0% increase over 2019; a 53% YOY increase in PBT, and 33.2% increase in PAT.

2020 was indeed very eventful for our company ranging from the weak macro-economic fundamentals caused by the underlying impact of COVID-19 pandemic which saw to the steady rise in FX rate, high inflation and the significant rise in our cost of production, to the worsening traffic gridlock on the Apapa Wharf road which led to delays and at times disruption of the distribution and deliveries to customers.

To ensure our continued performance, our Business Continuity Management System (BCMS) was activated during the lock down periods due to the COVID pandemic and disruptions caused by EndSARS protests, which helped to minimize the adverse impact the situation had on businesses in the country.

Overall the health and safety of our people and partners remained our priority during the year, and the performance shows the unwavering commitment of our employees, the support of our customers and various stakeholders.

Though the lockdown impacted our Sugar for Nigeria project delivery timelines during the year, we remain resolute in our commitment to ensuring a sustainable future for our business. The key highlights of our actions during the year was the successful completion of the Scheme of Arrangement – merger of Dangote Sugar Refinery Plc (DSR) and Savannah Sugar Company Limited (SSCL) with effect from September 1, 2020 to operate under one unified entity. We are confident the merger will enable us to achieve operational, administrative and governance efficiencies resulting in increased shareholder value.

We will continue to pursue our Backward Integration Projects, and other key initiatives to grow our sales volumes, market share, optimize cost and operational efficiencies.

COMMENTS ON PERFORMANCE INDICATORS

Group sales volume increased in the year by 6.9% to 731,701 tonnes (2019: 684,487 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 13.7% to 743,858 tonnes (2019: 654,071 tonnes) helped by our operations optimization strategy despite disruption caused by civil unrest in last quarter of the year.

Group revenue increased by 33.0% to N214.30 billion (2019: N161.09 billion). Growth in revenue advanced ahead of volume growth due to price increases in the year. Gross profit increased by 40.4% to N53.75 billion (2019: N38.29 billion) on account of better topline performance. EBITDA increased by 55.8% to N55.41 billion (2019: N35.57 billion) on account of increased earnings. Group profit after taxation for the year increased by 33.2% to N29.78 billion (2019: N22.36 billion) reflecting management's unrelenting goal to deliver consistent shareholder value.

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, located in Numan, Adamawa State in December 2012, and embarked on the ongoing rehabilitation of its facilities and expansion of its 32,000 hectares' sugarcane estate. In September 2020, the scheme of merger between DSR and Savannah Sugar estate was completed which gave birth to a bigger and stronger business with considerable opportunity for growth and delivery of superior benefits to all stakeholders. The expansion and rehabilitation of the sugar estate is still ongoing as well as the development of the greenfield site acquired at Tunga, Nasarawa State for the achievement of DSR's sugar for Nigeria development master plan.

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 still 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.

OUTLOOK

As we have continued to witness significant recovery globally from the COVID-19 pandemic amidst the second wave surge and noticeable economic stability, we are confident our strategic initiatives will see to the delivery of stronger future performance. We will continue to strengthen all efforts towards optimizing our market channels and drive value creation activities, while partnering with our customers to enhance growth through bold execution of various innovative trade initiatives to sustain and surpass our performance.

We are mindful of the underlying impact of COVID-19, we anticipate an increase in cost-to-completion in Naira terms, of the company's Backward Integration Programme because the equipment is 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. In year 2020 we witnessed a rise in cost of raw materials, energy costs and other OPEX due to rising inflation and high FX rate. Possible escalation of cost is anticipated in year 2021 given inflationary pressure as the economy limps out recession.

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 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.

WEBCAST EVENT

A webcast event for analysts and investors will be held on **Thursday March 04, 2021** at **1.00pm** Lagos time.

Participants are to view presentation by connecting to the webcast URL and providing requested information for registration.

The webcast information is as follows: -

Event Title	Dangote Sugar Refinery Plc 2020FY Financial and Performance Report
Event Date	Thursday March 04, 2021
Event Time	13:00 UK (BST)/ 13:00 Lagos/ 14:00 SAST
Participants link (Webcast URL)	https://themediiframe.net/dangotesugar10038878

Speakers: Ravindra Singhvi, Group Managing Director/Chief Executive Officer
Debola Falade, Chief Finance Officer

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