



**UNAUDITED GROUP RESULTS FOR THE NINE MONTHS ENDED
30 SEPTEMBER 2021**

Lagos, 29 October 2021: Dangote Sugar Refinery PLC (Bloomberg: DANGSUGA-NL), Nigeria's largest sugar producer, announces unaudited group results for the nine months ended 30 September 2021.

FINANCIAL HIGHLIGHTS

	Group September 30, 2021	Group September 30, 2020	
	₦ Billion	₦ Billion	% change
Revenue	195.50	160.61	↑ +21.7
Gross Profit	36.75	34.15	↑ +7.6
Gross Margin (%)	18.8%	21.3%	↓ -2.5
EBITDA	35.26	36.20	↓ -2.3
EBITDA Margin (%)	18.0%	22.6%	↓ -4.6
Net Finance Cost	(5.45)	(1.41)	↑ +286.5
Profit before taxation	23.11	29.08	↓ -20.5
Taxation	(7.59)	(2.45)	↑ +209.8
Profit for the period	15.51	26.63	↓ -41.8
EPS – (Naira)	1.28	2.22	↓ -42.3

OPERATING HIGHLIGHTS

	September 30, 2021	September 30, 2020	
Production	Tonnes	Tonnes	% change
Group Refined Sugar Produced	565,251	569,043	↓ -0.7
Sales			
Group Refined Sugar Sold	608,447	569,079	↑ +6.9

COMMENTS ON PERFORMANCE INDICATORS

Group revenue increased 21.7% year on year to N195.50 billion (2020: N160.61 billion) in the nine months period on the heels of a very strong growth trajectory recorded in the first half of the year. Gross profit grew at 7.6% year on year to N36.75 billion (2020: N34.15 billion) due to better topline performance. EBITDA decreased 2.5% year on year to N35.26 billion (2020: N36.20 billion) due to cost pressure. Group profit after taxation decreased 41.8% year on year to N15.51 billion (2020: N26.63 billion) on the back of higher finance cost and taxation.

Group sales volume increased 6.9% year on year to 608,447 tons (2020: 569,079 tonnes). Growth supported by 18.1% expansion witnessed in Q3 as the market responded positively to key trade interventions introduced in the period. Group production volume however decreased marginally by 0.7% year on year to 565,251 tonnes (2020: 569,043 tonnes) on the back of operational hiccups which included the Apapa traffic gridlock situation.

Commenting on the Company's Nine Months 2021 performance, the Group Managing Director/CEO, Ravindra Singhvi said:

We continued on a strong footing with impressive performance in the 9 months period with a year on year topline growth shown in the financial results.

During the period under we concluded integration of our new 50kg packaging for the fortified and non-fortified sugar bags in the market, and finalising the process for the Retails packs and the DSR Numan packaging. This refreshed our brand personality and led to a deeper connection to the Dangote Sugar brand among our valued customers and consumers, whilst sustaining our market presence and leadership with the product quality.

We also continued on our Sustainability journey with the inclusion of United Nations Goal 13 to the Dangote Sugar Strategic Priority SGDs 2, 4, 6, 8 and 12 to ensure we contribute and make meaningful impact to the society. Our Supply Chain Management process is being certified to ISO 40200 (Sustainable Procurement), and Bonsucro Certification is in view. Enhancement of our Outgrower Management at the Sugar Backward Integration sites to a more robust scheme is still ongoing. Our aim is to support the economic growth of the immediate communities where we operate with about 5,000 outgrowers when the projects have fully taken off.

The Health and Safety of our people and partners remains a top priority. The Apapa Refinery and Backward Integration Operations in Numan, Adamawa State and Tunga, Nasarawa State continue to operate in compliance with our health and safety protocols while maintaining our commitment to the environment and sustainable business practices.

Our key focus is achievement of the Dangote Sugar Backward Integration Projects targets. We are resolute and will continue in our quest to put Nigeria on the path of sugar self sufficiency and on the world sugar map.

The team is committed to navigate the fourth quarter of the year purposefully, and hopeful that despite the prevalent challenges in the environment our current performance will be sustained by the end of the period and 2021 business year.

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 DSR Numan Operations (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 Company Limited 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 of the Numan 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 development 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.

www.dangotesugar.com.ng

OUTLOOK

As we navigate the challenging business environment ranging from heightened insecurity, resurgence of COVID-19 pandemic (3rd wave), to high inflation rate and foreign currency challenges, we will sustain the several value creation activities and partnership targeted at growing our customer base. We would strengthen brand awareness in trade through

our newly launched packaging bag designs as we continue to engage and bond with our trade and channel partners.

Inflationary pressures continue to affect cost of raw materials, energy costs and other input costs. Despite these uncertainties, achievement of our Sugar for Nigeria Backward Integration Project goal remains a key priority, though we anticipate increase in cost to completion in Naira-terms. 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.

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