

BUA FOODS PLC

Analyst Presentation – Q1 2022 and FY 2021

May 2022

Disclaimer *(1/2)*

- This presentation has been prepared by BUA Foods PLC ("BUA Foods" or the "Company") to provide an overview of the Company. "Presentation" means this document, its contents or any part of it, any oral presentation, any question or answer session and any written or oral material discussed or distributed during the presentation meeting or otherwise in connection with it.
- This document is being supplied to you solely for your information and for use at the Company's presentation. No information made available to you in connection with the presentation may be passed on, copied, reproduced, in whole or in part, or otherwise divulged or disseminated, directly or indirectly, to any other person. Neither this document nor the meeting at which it is presented constitute a recommendation regarding securities, financial instruments or any rights attaching to any securities or financial instruments of the Company or any of its subsidiaries or affiliate companies.
- This presentation is not, and should not be construed as, a prospectus, is not intended for potential investors and does not constitute or form part of, and should not be construed as, an offer or the solicitation of an offer to subscribe for or purchase securities of the Company, and nothing contained therein shall form the basis of or be relied on in connection with any contract or commitment whatsoever. In particular, it must not be used in making any investment decision. Any decision to purchase securities in any offering should be made solely on the basis of the information contained in any prospectus or offering circular that may be published by the Company in final form in relation to any proposed offering. This presentation does not take into account any investor's particular objectives, financial situation or needs:
- The communication of this presentation may be subject to legal restrictions; it is not directed at any person in, any jurisdiction where its availability, access, distribution or use by any person or entity in that jurisdiction nor to any person for whom by reason of nationality or residence it may also be restricted. In particular, this document and its contents may not be viewed by persons within the United States (within the meaning of Regulation S under the Securities Act) other than (i) by QIBs or (ii) in "offshore transactions" within the meaning of Regulation S Any securities referred to herein have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"), and may not be offered or sold in the United States absent registration under the Securities Act except to persons reasonably believed to be qualified institutional buyers ("QIBs") as defined in Rule 144A under the Securities Act or another exemption from, or in transactions not subject to, the registration requirements of the Securities Act. . Any person into whose possession this Presentation comes should inform themselves about, and observe, any restrictions applicable to them or to their jurisdiction.
- This presentation speaks as of the date hereof and has not been independently verified and no representation, warranty, or undertaking, express or implied, is made by the Company, its shareholders or any of their respective affiliates, directors, officers, employees or agents as to the fairness, accuracy, completeness or correctness of the information or the opinions contained in this document or provided at the presentation. No reliance should be placed on the accuracy, completeness or fairness of such information or opinions for any purpose whatsoever, including but not limited to any investment considerations. To the fullest extent permitted by law, none of the Company, its shareholders or any of their respective advisors, representatives, affiliates, directors, officers, employees or agents shall have any responsibility or liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents, or from any use of any information provided at the presentation or otherwise arising in connection with this document or the presentation at which it was presented. No reliance should be placed on any communication (written or oral) as investment advice or as a recommendation regarding any loans or securities of the Company or any of its subsidiaries or affiliate companies.

Disclaimer *(2/2)*

- The presentation includes market share and industry data obtained by the Company from industry publications and surveys and internal surveys. BUA Foods may not have access to the facts and assumptions underlying the numerical data, market data and other information extracted from publicly available sources. As a result, none of the Company, its shareholders, or any of its or their respective advisors, representatives, affiliates, directors, officers, employees or agents are able to verify such numerical data, market data and other information and assume no responsibility for the correctness of any market share or industry data or other information included in this document or provided at the presentation. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this presentation. All information in this document and provided at the presentation is subject to update, revision, verification, correction, completion, amendment and may change materially. Neither the Company nor any of its advisers, representatives, affiliates, directors, officers, employees or agents undertake any obligation to amend, correct or to provide the recipient with access to any additional information or to update this document or any information provided at the presentation or to correct any inaccuracies in any such information.

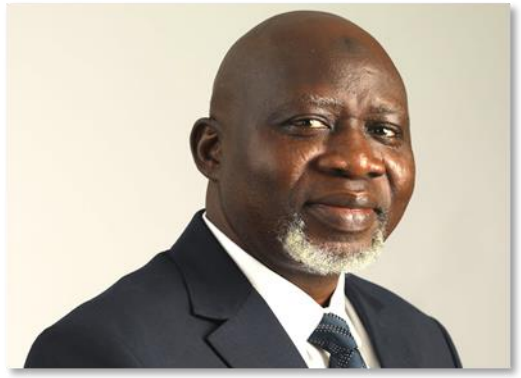
- Matters discussed in this document, at the presentation and any materials distributed in connection with the presentation may constitute or include forward-looking statements. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believes”, “expects”, “anticipates”, “intends”, “estimates”, “will”, “may”, “continues”, “should” and similar expressions. These forward-looking statements reflect, at the time made, the Company’s beliefs, intentions and current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth and strategies. Forward-looking statements include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; developments of the Company’s markets; the impact of regulatory initiatives; and the strength of the Company’s competitors. Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The forward-looking statements in this document and the presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in the Company’s records (and those of its affiliates) and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Forward-looking statements are not guarantees of future performance and such risks, uncertainties, contingencies and other important factors could cause the actual results of operations, financial condition and liquidity of the Company and its affiliates or the industry to differ materially from those results expressed or implied in this document or the presentation by such forward-looking statements. No representation is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved. Forward-looking statements speak as of the date of this presentation and no one undertakes to release any update or revision of any such forward-looking statement, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on any forward-looking statement. Past performance is not indicative of future results.

- By attending the presentation and/or accepting a copy of this document, you agree to be bound by the foregoing limitations and conditions and, in particular, will be taken to have represented, warranted and undertaken that (i) you are a person to whom this presentation and the information contained in it may lawfully be communicated; (ii) you have read and agree to comply with the contents of this notice; and (iii) you will not at any time have any discussion, correspondence or contact concerning the information in this document with any of the directors or employees of the Company or its subsidiaries nor with any of their suppliers in respect of the Company or its subsidiaries without the prior written consent of the Company.

Presenters



Engr. Ayodele Abioye (MNSE)
MANAGING DIRECTOR



Mr. Abdulrasheed Olayiwola
CHIEF FINANCE OFFICER

Contents

Sections	
1	**Introduction**
2	**Key Messages**
3	**Q1 2022 and FY 2021 Overview & Strategic Priorities**
4	**Q1 2022 Results**
5	**Summary & Outlook**



1 Introduction



Our Philosophy

Our Vision

To fulfil Africa's food demands by promoting food security and nourishing lives

Our Mission

To provide high quality foods with a focus on creating long-term value for all stakeholders

NOURISHING
LIVES

www.buafoodsplc.com

We evolved as a leading foods business, with diversified and scalable operations, producing quality and competitive consumer products

5 Business divisions

8 Plants across the country

2 Wholly owned Subsidiaries

#2 Largest sugar refinery in West Africa

>18 Years combined operational experience from restructured entities

18bn Ordinary shares in issue of 50 kobo each

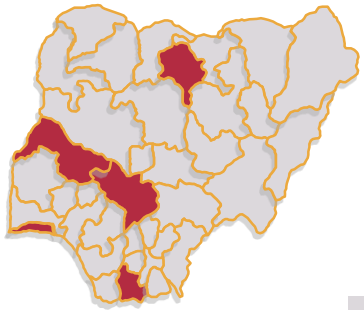
1.04trn Market capitalisation (₦)[2]

Top 6 Listed company on NGX[1] by market capitalisation

Installed capacity and utilisation

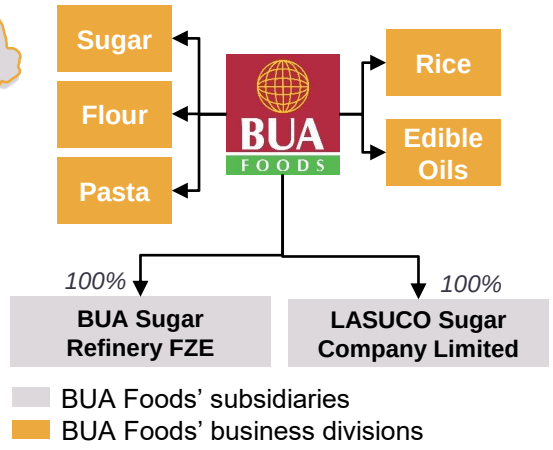
Divisions	Installed Capacity[3]	Capacity Expansion	Capacity Utilisation
Sugar	1.5mn MTpa	220,000 MTpa	75%
Flour	500,000 MTpa	720,000 MTpa	84%
Pasta	250,000 MTpa	250,000 MTpa	54%
Rice	200,000 MTpa	800,000 MTpa	2022**
Edible Oil	250,000 MTpa	300,000 MTpa	2024**

Plants Locations



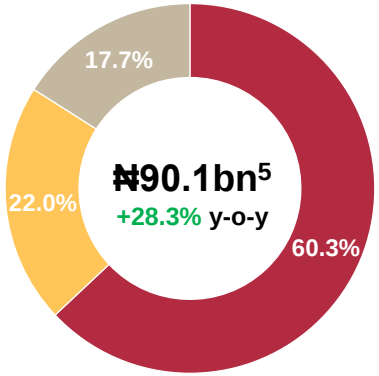
BUA Foods' Plants

Company Structure



BUA Foods' subsidiaries
BUA Foods' business divisions

Revenue Distribution[4]



Sugar Flour Pasta

Awards & Certifications

Award of recognition in safety matters to BUA Sugar Refinery (2016 & 2017)

Mandatory Assessment Certificate Programme (MANCAP)

All products are certified by the NAFDAC[6]

Halal certification for sugar

GERMAN CERT

Quality Management System (ISO 9001:2008)
Environmental Management System (ISO 14001:2004) Food Safety Management System (ISO 220000:2005)

We delivered strong performance in FY 2021 and Q1 2022, driven by volume and price growth, respectively

Revenue

Improved performance and positive outlook fortified by strong demand in the foods industry.

Q1 2022: ₦90.1bn (+28.3%)
FY 2021: ₦333.3bn (+73.0%)

EBITDA

EBITDA +21.4% to ₦27.7 billion in Q1 2022,

+53.2% to ₦86.6 billion in FY 2021

EBITDA margin
Q1 2022: 30.7% (-180.0bps)
FY 2021: 25.9% (-340bps)

Profit after Tax

Profit after Tax +18.6% to ₦22.8 billion in Q1 2022,

+97.0% to ₦69.8 billion in FY 2021

PAT margin
Q1 2022: 25.4% (-210.0bps)
FY 2021: 20.9% (+250bps)

EPS

Earnings per Share +18.6% to 127 kobo in Q1 2022,

+115.0% to 424 kobo in FY 2021

Expansion Drive

- Rice division to recommence in Q4 2022
- Took delivery of a ~20MT average capacity vessel (MV Bundu) bolstering our current exports into West African markets
- Ongoing construction of:
  - ~720,000 Mtpa flour milling plant
  - ~250,000 Mtpa pasta processing plant
  - ~800,000 Mtpa rice milling plant

Sustainability

Activities guided by sustainable practices, in line with the UN Sustainable Development Goals

CO_2 Emission
Q1 2022
50.79 kgCo2e/Ton

Dust Emission (Air Quality)
Q1 2022
0.37 PPM(part per million)

Water Usage
Q1 2022
4.60m^3/Ton

Noise Pollution
Q1 2022
91.00 db (decibel)



2 Key messages

BUA Foods, over the last two decades, has achieved key milestones in its evolution to become a brand of choice

Commercial



STAGE 1

- Trading (Sugar & Rice)
- Gum Arabic
- Edible oil

Establishment



STAGE 2

- Nigeria Oil Mill & BUA Oil
- BUA Sugar Refinery
- LASUCO
- BUA Rice, IRS Flour & Pasta

Integration



STAGE 3

- Restructured - BUA Foods Plc
  - (BUA Sugar, BUA Rice, IRS Flour & Pasta, & Edible Oils)
- Market expansion into West Africa
- Product expansion underway

We operate from strategic locations across Nigeria to capture opportunities

LASUCO Sugar Company Limited ("LASUCO Sugar") (North Central)





Oil Mill (South West)



Sugar Refinery (South West)

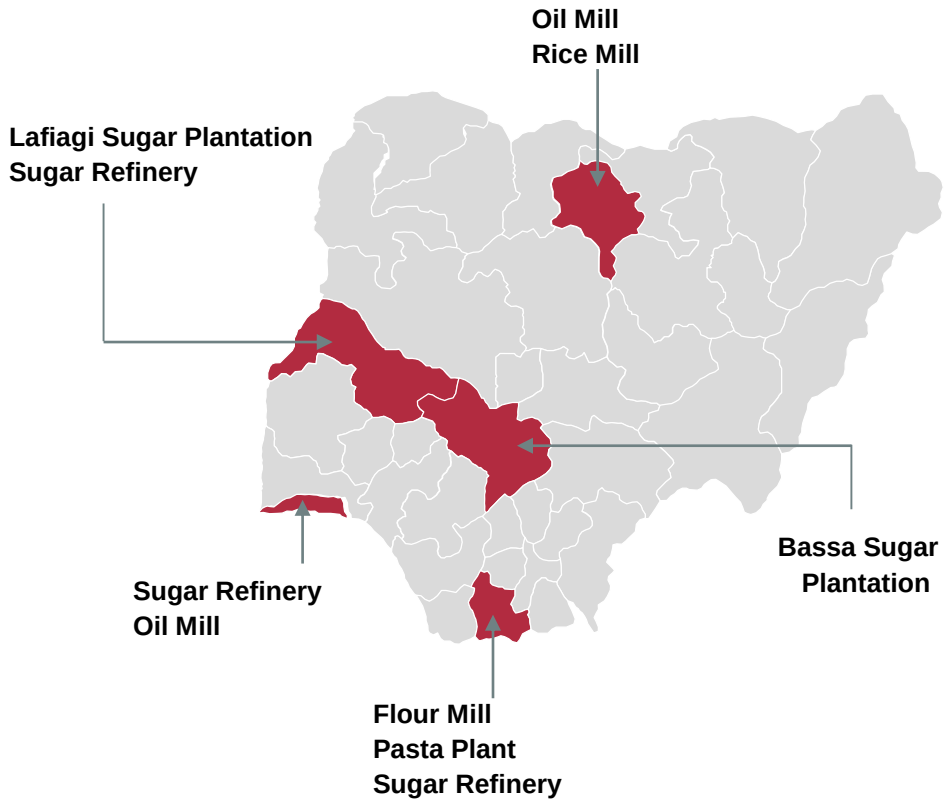


Rice Mill (North West)



Oil Mill (North West)





Industrial Complex (South South)



Sugar Refinery



Flour Mill & Pasta Plant



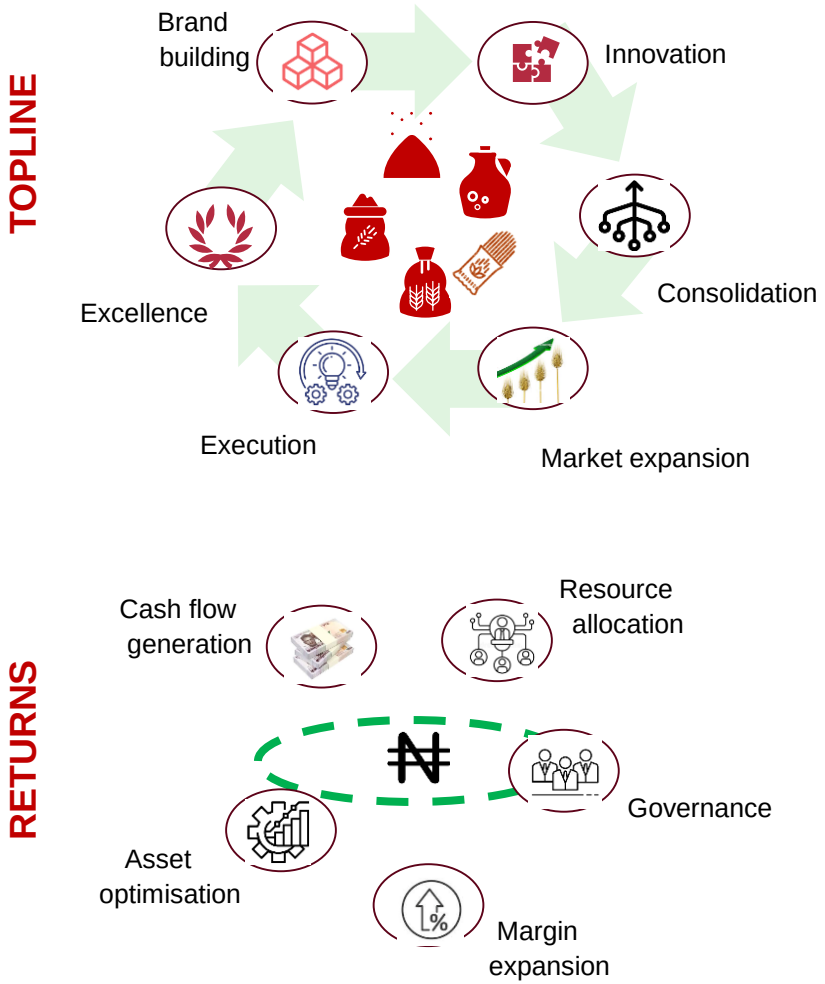
Pasta machinery



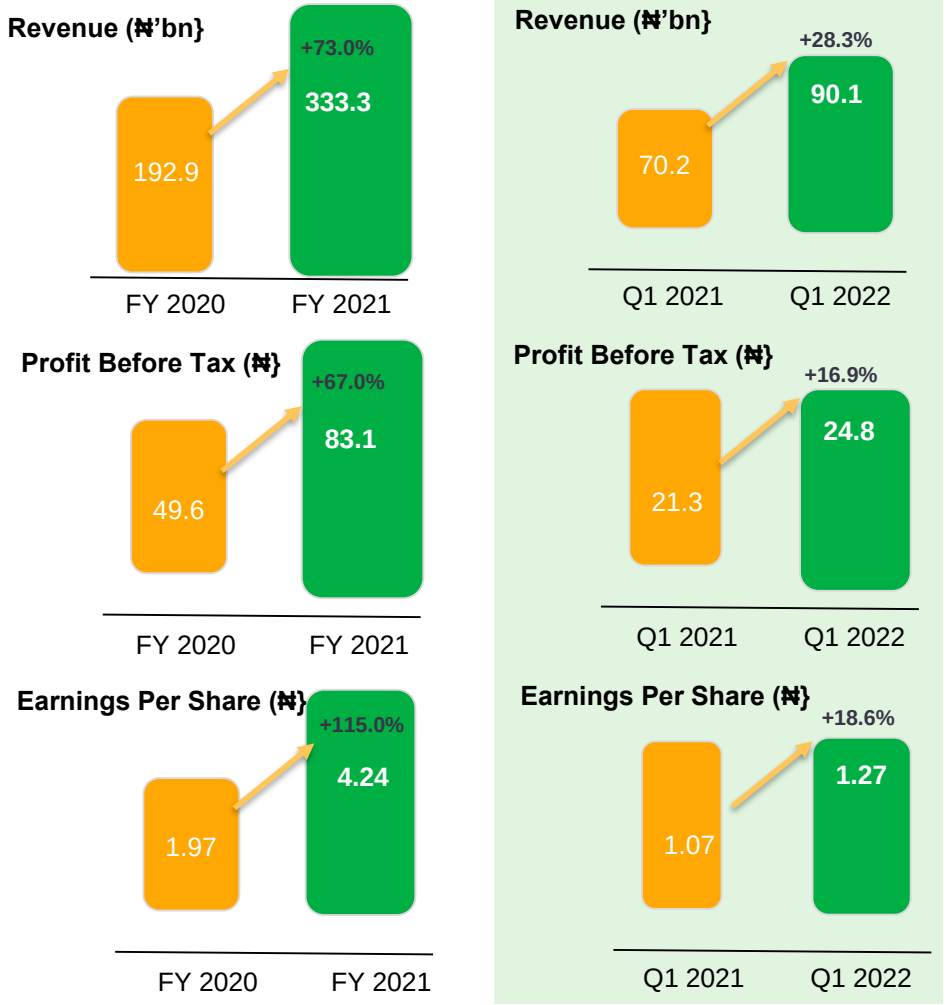
Warehouse

BUA Foods emerged stronger and will continue to…

Our Strategy is on Track



Ahead of Pre-Pandemic Levels



Sustainability is at the core of how we nourish lives

Environmental Responsibility

BUA Foods understands the essence of sustainable practices to current and future generations on a local and global scale

Compliance

- ✓ Maintains an ISO 14001:2015 certified Environmental Management System
- ✓ Regularly reviews and adopts best practices
- ✓ Monitoring exercise carried out at least annually
- ✓ As a result, the Company has not been subject to regulatory action involving non-compliance with environmental regulations

Clean Energy Sources

Recycling of operational waste

Noise, Dust and Water Pollution

CO_2 Emission kgc02e/T

Q1 2022
50.79

Dust Emission PPM.

Q1 2022
0.37PPM

Water Usage

Q1 2022
4.60m^3/T

Noise Pollution

Q1 2022
91.0 dB

Social Responsibility

In addition to environmental sustainability, BUA Foods has continued to make contributions to its host communities

Q1/2022 Up to ₦17mn in food donation* made to some selected host communities



Targets 40% of the Company's employment and other contracts to members of its host communities

Robust out-growers scheme targeting over 100,000 farmers in Kwara, Kano, Niger and Jigawa States

**Donations made in conjunction with BUA Foundation*



3

Q1 2022 Overview & Strategic Priorities

Clear strategic priorities

Short to Medium Term



Long Term

1. Improve Market Share across all Five Business Divisions
2. Boost Capacity through Expansion of Funding Base
3. Improve Proximity to Raw Materials
4. Improve Route to Market and Expand Retail Customer Base
5. Continue Investments in Logistics Network
6. Increase Product Offerings

1. Improving market share across all five business divisions

Leveraging additional capacity to be onboarded and increasing demand in the consumer market and product offerings

Divisions

1 Sugar

Installed: 1.5mn MTpa
Planned: 220,000 MTpa

- Leading producer of fortified and non-fortified sugar in West Africa
- Operates the second-largest sugar refinery in West Africa, with a total refining capacity of 1.5mn MTpa
- Sugar refineries in Lagos and Port Harcourt, Rivers State



Non-fortified Sugar





Fortified Sugar

2 Flour

Installed: 500,000 MTpa
Planned: 720,000 MTpa

- Produces flour and bran for large-scale and small-scale use
- Owns flour milling plant with a capacity of 500,000 MTpa; operating at 84% capacity
- Current flour mill located in the Industrial Complex in Port Harcourt, Rivers State



Wheat Flour



Wheat Bran

3 Pasta

Installed: 250,000MTpa
Planned: 250,000 MTpa

- Processes, manufactures and distributes pasta
- Owns pasta plant with current capacity of 250,000 MTpa; operating at 54% capacity
- Current pasta plant located in the Industrial Complex in Port Harcourt, Rivers State


Spaghetti 500g Single Pack X 20



Spaghetti 500g Single Pack

4 Rice

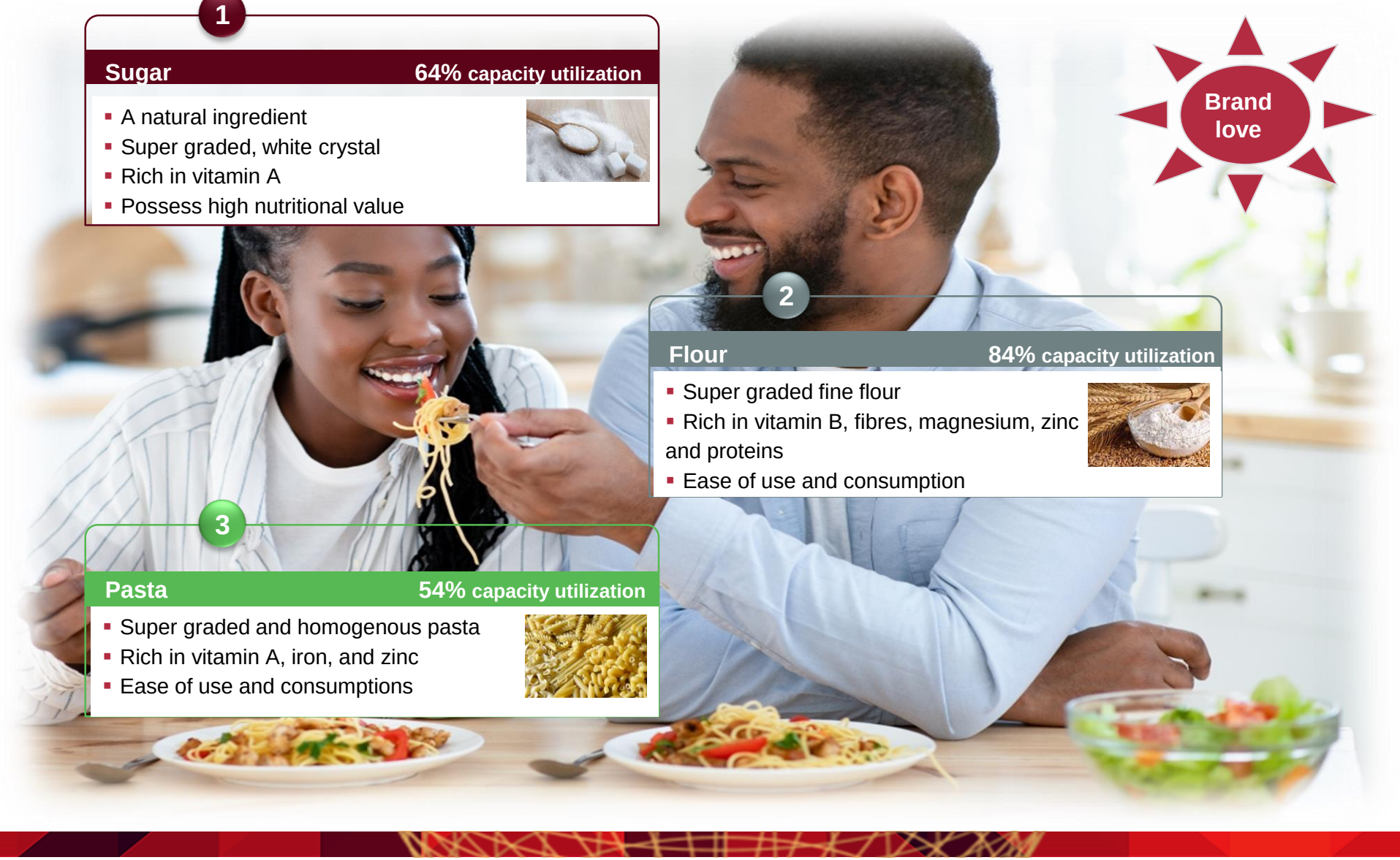
- Owns **200,000 MT per annu**m rice milling plant
- Operations to recommence in 2022

5 Edible Oils

- Owns two oil mills with total capacity of **250,000 MTpa**
- Operations to recommence in 2024

Yet to recommence operations

2. Delivering high quality products at competitive pricing



1

Sugar — **64% capacity utilization**

- A natural ingredient
- Super graded, white crystal
- Rich in vitamin A
- Possess high nutritional value

2

Flour — **84% capacity utilization**

- Super graded fine flour
- Rich in vitamin B, fibres, magnesium, zinc and proteins
- Ease of use and consumption

3

Pasta — **54% capacity utilization**

- Super graded and homogenous pasta
- Rich in vitamin A, iron, and zinc
- Ease of use and consumptions

Brand love

3. Boosting capacity through expansion of funding base

NGX Listing

18bn
Ordinary shares in issue of 50 kobo each

1.04trn
Market capitalisation (₦)[1]

Top 6
Listed company on NGX by market capitalisation[1]

Retained Earnings

Q1 2022
₦215.5bn
+11.8%

FY 2021
₦192.7bn
+46.1%

Borrowings

Q1 2022
₦223.2bn[2]
-9.3%

FY 2021
₦246.1bn
+92.0%

1. Market capitalisation as at 25 May 2022
2. Q1 2022: long term borrowings (₦4.9bn) + short term borrowing (₦218.3bn); FY 2021: long term borrowings (₦4.9bn) + short term borrowing (₦241.2bn)

4. Improving proximity to raw materials

Proximity of manufacturing plants to three major Nigerian port complexes (Lagos Port Complex, Tin Can Island Port and Rivers Port Complex)

Presence in Free Trade Zone resulting in efficient production cost and other benefits

DUTY FREE

Integrated Port Complex in Port-Harcourt resulting in seamless flow of raw materials across the pasta, flour and sugar divisions

Over **60,000 MT** **warehouse storage capacity** strategically located in key states, Lagos and Kano

~220,000 MTpa

Estimated sugar refinery capacity under construction on the Lafiagi sugar plantation site

~100,000

Farmers to benefit from a robust out-grower scheme in Sugar and Rice farming

20,000 hectares sugar plantations in Lafiagi, Kwara State

5. Leveraging market expansion and expanding retail footprints

Number of trade and corporate customers	Maintain existing relationship with corporate and trade customers but also expand retail customer base
Utilise existing integrated wholesalers' partnership for distribution in the retail segment	Number of integrated wholesalers

Retail market strategy

Sugar

- Retail size packaging by Q4 2022
- Potential +5% contribution to revenue

Export market strategy

- Exploring prospect of new markets to improve sales, profits and a greater spread of customers
- Took delivery of MV Bundu for export into West Africa

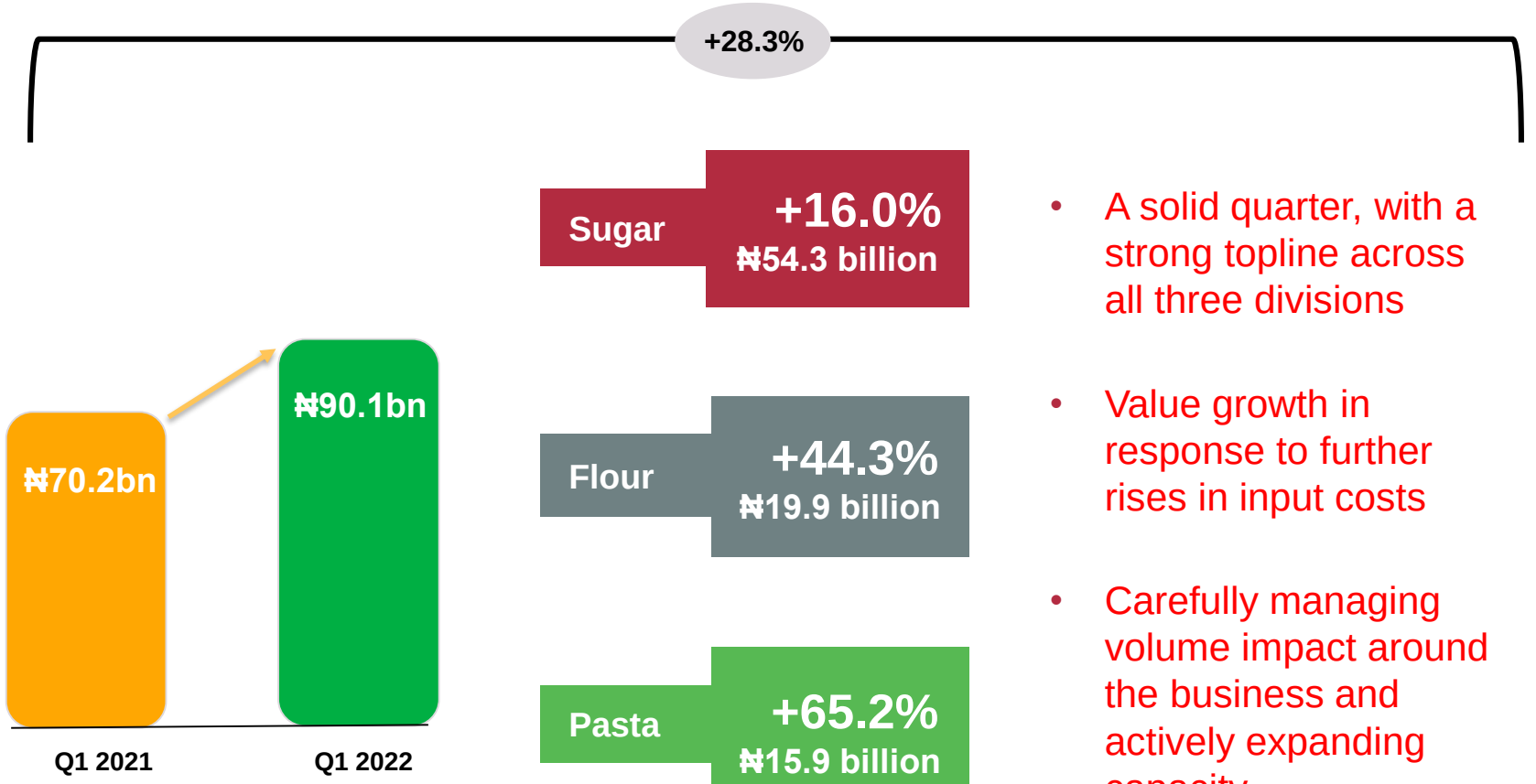


4 Q1 2022 Results

BUA Foods recorded positive performance in Q1 2022

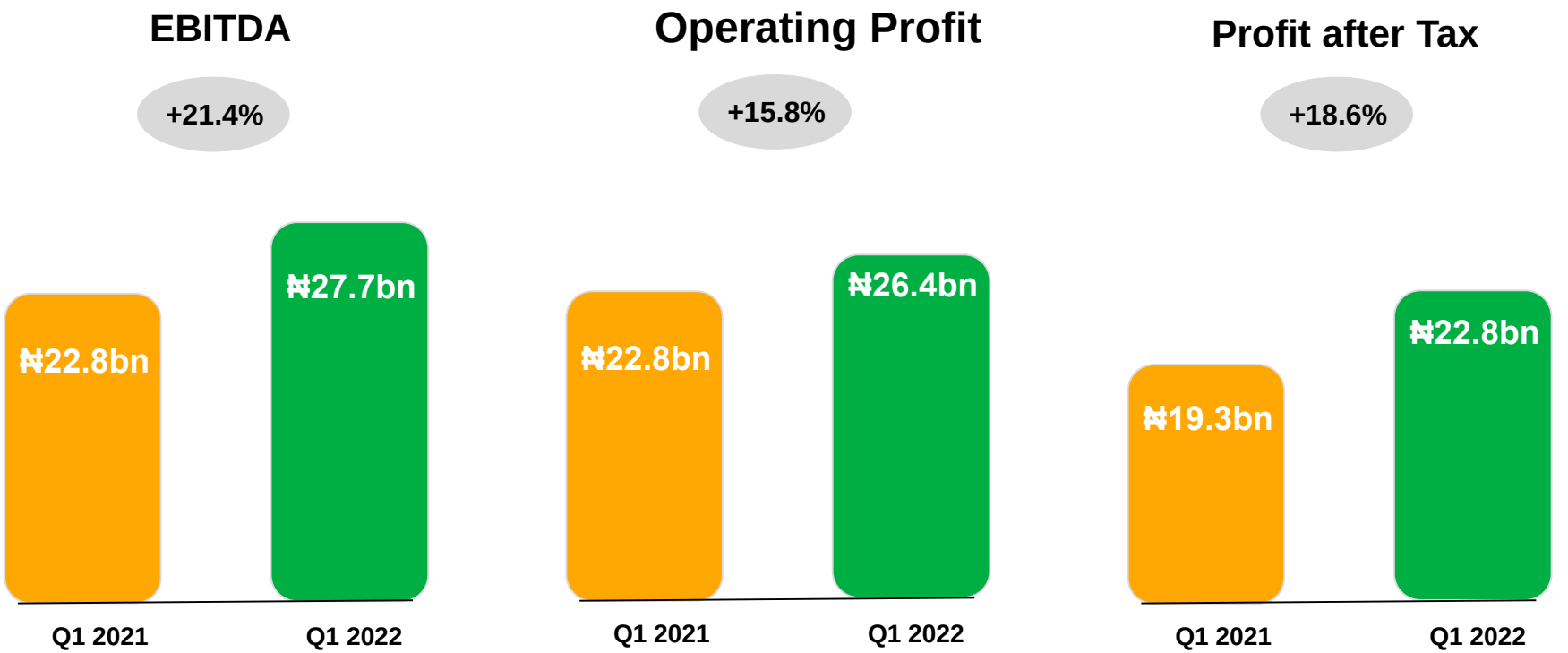
	Group		Company		Grp	Coy
Description	31st Mar. 2022	31st Mar. 2021 (Unaudited)	31st Mar. 2022	31st Mar. 2021 (Unaudited)	Δ%	Δ%
₦'000	(Unaudited)		(Unaudited)			
Net Revenue	**90,066,980**	**70,202,853**	**65,875,778**	**46,588,136**	**28.3**	**41.4**
Cost of Sales	-61,736,953	-45,561,700	-48,896,944	-32,129,033	35.5	52.2
Gross Profit	**28,330,027**	**24,641,153**	**16,978,833**	**14,459,103**	**15.0**	**17.4**
Operating Profit	26,494,653	22,812,751	15,597,321	12,825,776	16.1	21.6
Operating Profit Margin	29%	32%	24%	28%	-9.5	-14.0
Profit Before Tax	24,839,008	21,252,811	14,022,373	11,265,836	16.9	24.5
Profit After Tax	**22,844,491**	**19,260,021**	**12,027,856**	**9,273,046**	**18.6**	**29.7**
Total Comprehensive Income	22,844,491	19,260,021	12,027,856	9,273,046	18.6	29.7
Comprehensive Income Margin	25%	27%	18%	20%	-7.5	-8.3
Earnings Per Share(₦)	1.27	1.07	0.67	0.52	18.7	28.8

Underlying revenue growth from pricing and efficiency



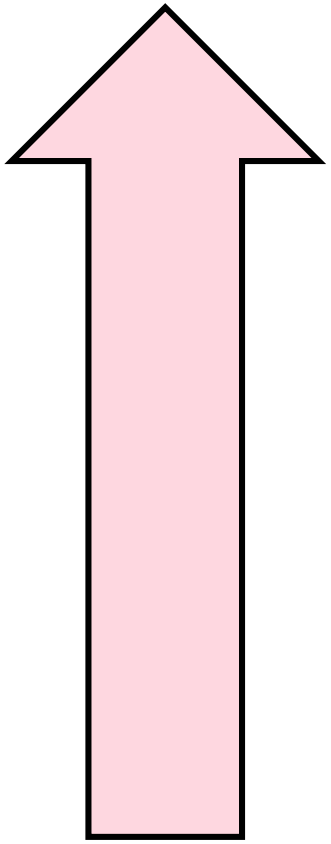
- A solid quarter, with a strong topline across all three divisions
- Value growth in response to further rises in input costs
- Carefully managing volume impact around the business and actively expanding capacity

Positive impact of our growth strategy



Managing rising costs across the business divisions

Inflationary Pressure



Cost of Goods Sold
Driven by raw materials cost (+37.1% y-o-y) and energy cost (+11.7%)

General Expense
Rising maintenance and repairs costs

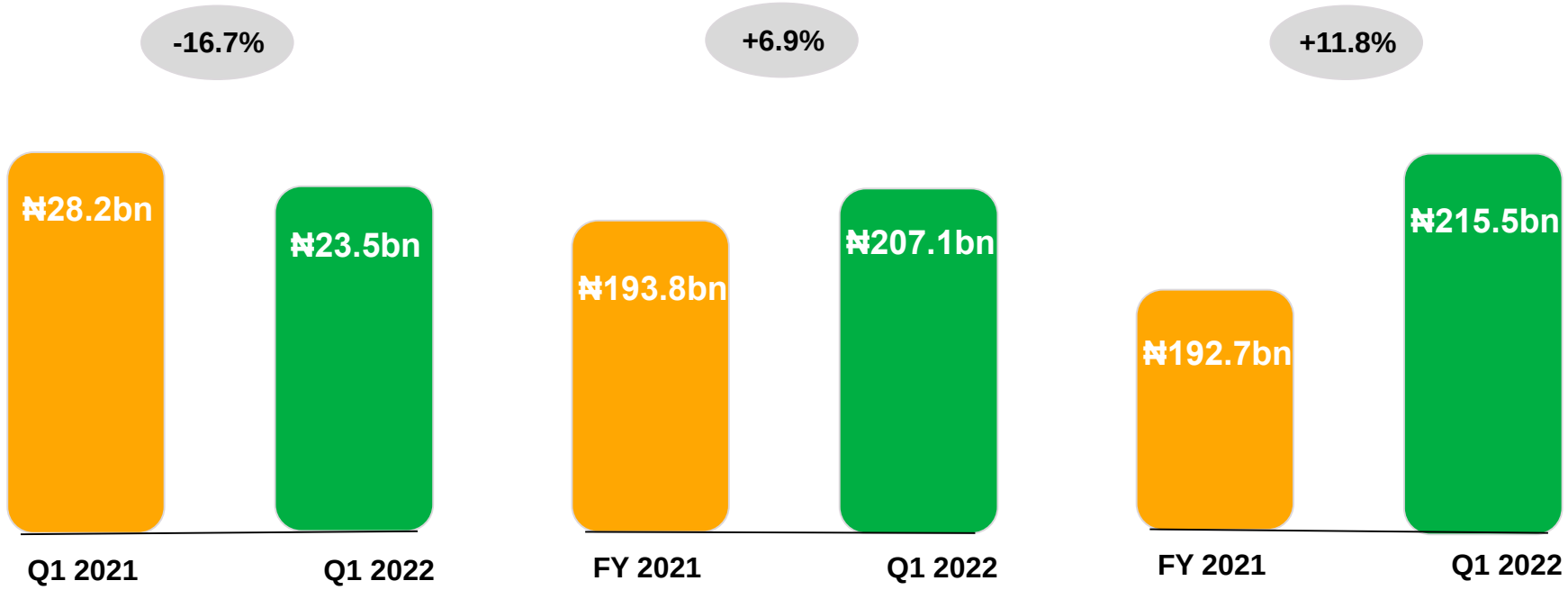
Freight & Logistics
Supply and demand dynamics; haulage of sugar

Operating Expense
Increasing salaries, wages and benefit; rising maintenance and repairs costs; general expenses

Levers to Manage

- Revenue growth management – volume planning, pricing actions, and new product innovation
- Route optimization
- Sourcing locally
- Supply chain synergy
- Trade promotions effectiveness
- Diversified long-term suppliers

Continuing to strengthen our balance sheet



Strong Net Cash from Operations is a Catalyst for Growth

Net Debt within Long-Term Target with Flexibility To Manage Liquidity

Strong Growth of Retained Earnings

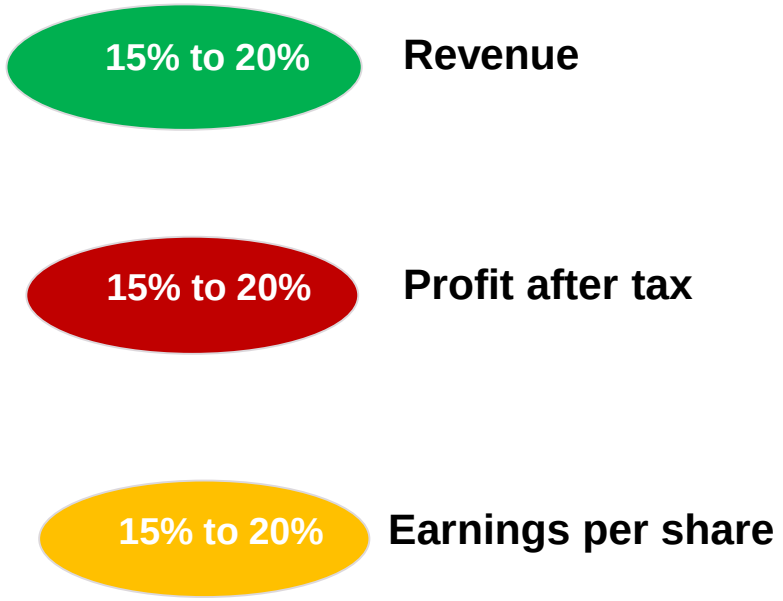


5 Summary & Outlook

Summary and outlook

- Our Q2 2022 guidance is driven by topline growth in line with our growth model
- We are investing in capacity expansion for sustained growth
- We have multiple margin levers to drive profitability
- We are a more effective and efficient organization leveraging synergies from the successful restructuring and our human capital
- Strong balance sheet and cash flow are giving us more opportunities
- We are deliberate about our sustainability initiatives and host community engagements

FY 2022 Growth Targets





Thank You

Investor Relations Contact:

Adewunmi Desalu
Director, Marketing & Corporate Communications
BUA Foods PLC
BUA Towers, PC 32, Churchgate Street
Victoria Island, Lagos
Tel: +234 1 461 0669 ; +234 1 262 3535
Email: ir@buafoodsplc.com



Q&A