

Revenue growth drives 9M'25 earnings

In its unaudited 9M'25 results, BUA Foods Plc (NGX: BUAFOODS, TP: UR*) posted a strong performance with profit after tax (PAT) surging by 101.2% YoY to N405.3 billion. The impressive earnings growth was underpinned by a 32.7% YoY increase in revenue to N1.4 trillion, supported by volume growth across its core product lines, a material decline in net finance costs and an almost complete elimination of foreign exchange losses (-99.8% YoY), reflecting improved currency stability during the review period.

Revenue grew by 32.7% YoY, supported by higher production volumes and strategic price adjustments across product categories. The Flour segment led the topline expansion, surging 45.0% YoY to N556.9 billion (39.2% of total revenue). This was followed by the Fortified Sugar segment, which rose 7.1% YoY to N451.7 billion (31.8% of total revenue), while the Pasta segment advanced 11.6% YoY to N150.5 billion, accounting for 10.6% of total revenue.

On the cost front, cost of sales rose modestly by 22.1% YoY to N900.1 billion, reflecting higher raw material costs (+21.5% YoY) and energy expenses (+25.3% YoY). This cost growth lagged revenue expansion, resulting in a gross margin improvement to 36.6% (vs. 31.2% in 9M'24).

Operating expenses (OPEX), however, jumped 90.7% YoY to N83.7 billion, driven by sharp increases in Selling & Distribution costs (+81.5% YoY) and Administrative expenses (+109.2% YoY to N30.4 billion). Despite this uptick, the operating income rose 38.9% YoY to N437.6 billion, while the EBIT margin expanded 1.4ppts to 30.8%, underscoring improved operational efficiency.

Below the operating line, net finance costs dropped 57.7% YoY, reflecting a 45.0% YoY reduction in finance costs following balance sheet deleveraging. Moreover, FX losses declined sharply by 99.8% YoY to N139.1 million, helping lift PBT to N432.6 billion (+100.6% YoY).

Tax expense rose 91.4% YoY, resulting in an effective tax rate of 6.3% (vs. 6.6% in 9M'24), in line with the stronger earnings in the period. Despite the higher tax outlay, the Profit After Tax (PAT) surged to N405.3 billion, representing a 101.2% YoY increase, while PAT margin expanded significantly to 28.5% (vs. 18.8% in 9M'24).

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9M'25 Earnings breakdown

Income Statement, N'million	9M'25	9M'24	YoY	FY'25E	% of FY'25E
Revenue	1,420,735	1,070,796	32.7%	1,770,476	80.2%
COGS	(900,087)	(736,976)	22.1%	(1,133,105)	79.4%
Gross Profit	520,648	333,821	56.0%	637,371	81.7%
Other Income	587	25,168	-97.7%	1,288	45.6%
OPEX	(83,653)	(43,862)	90.7%	(79,743)	104.9%
EBIT	437,582	315,126	38.9%	558,917	78.3%
Net Finance Costs	(4,863)	(11,509)	-57.7%	(13,284)	36.6%
Foreign Exchange Gain	(139)	(87,961)	-99.8%	-	NM
PBT	432,579	215,657	100.6%	545,633	79.3%
Tax	(27,308)	(14,267)	91.4%	(54,563)	50.0%
Net Income	405,271	201,389	101.2%	491,069	82.5%
EPS (Naira)	22.52	11.19	101.3%	27.28	82.5%
Ratios	9M'25	9M'24			
Gross Margin	36.6%	31.2%			
EBIT Margin	30.8%	29.4%			
PBT Margin	30.4%	20.1%			
Effective tax rate	6.3%	6.6%			
Net Profit Margin	28.5%	18.8%			
ROAA	46.2%	25.1%			
ROAE	105.0%	24.7%			
P/E	31.5x				
3-year average PE	27.0x				
EV/EBITDA	22.6x				
3-year average EV/EBITDA	17.8x				

Q3'25 Earnings breakdown

Income Statement, N'million	Q3'25	Q3'24	YoY	Q2'25	QoQ
Revenue	508,220	398,403	27.6%	470,216	8.1%
COS	(326,908)	(283,022)	15.5%	(292,031)	11.9%
Gross Profit	181,313	115,382	57.1%	178,186	1.8%
Other Income	111	12,899	-99.1%	295	-62.3%
OPEX	(28,668)	(15,417)	85.9%	(32,598)	-12.1%
Operating Profit	152,756	112,864	35.3%	145,882	4.7%
Net finance costs	4,262	(1,103)	NM	(6,099)	NM
Foreign Exchange Loss	(546)	(33,293)	-98.4%	(79)	594.3%
PBT	156,471	78,468	99.4%	139,705	12.0%
Income Taxes	(9,103)	(4,756)	91.4%	(8,017)	13.5%
Net Income	147,369	73,712	99.9%	131,688	11.9%
EPS (Naira)	8.19	4.10	99.8%	7.32	11.9%
Ratios	Q3'25	Q3'24		Q2'25	
Gross Margin	35.7%	29.0%		37.9%	
Operating Profit Margin	30.1%	28.3%		31.0%	
PBT Margin	30.8%	19.7%		29.7%	
Effective Tax Rate	5.8%	6.1%		5.7%	
Net Income Margin	29.0%	18.5%		28.0%	

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*UR – Under Review

*ROAE and ROAA were computed using the annualised figure for net income

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