

UNILEVER NIGERIA PLC

BLOOMBERG: UNILEVER NL

Revenue growth drives Q1'26 PAT expansion

Unilever Nigeria Plc (NGX: UNILEVER) in its unaudited Q1'26 financials, reported an improved performance, evidenced by the 26.4% YoY growth in net profit to N7.0 billion. This performance stemmed from a 26.0% YoY growth in topline.

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UNILEVER's aggregate revenue for the period under review came in at N59.2 billion (+26.0% YoY), primarily driven by an increase (+37.0% YoY) in revenue from the Food product segment, which accounted for 63.7% of total revenue. Meanwhile, the Personal Care and Beauty & Wellbeing segments grew by 4.6% and 30.4% to N15.8 billion (26.8% of total revenue) and N5.6 billion (9.5% of total revenue), respectively.

Similarly, the COGS grew by 15.8% YoY to N32.6 billion, as raw material costs grew by 20.8% YoY. However, the absence of restructuring costs in Q1'26 (vs N1.1 billion in Q1'25) supported the 4.8 ppts expansion in gross margin to 45.0% during the period.

SG&A expenses also edged higher, growing by 43.1% YoY to N15.5 billion. This was driven by the 49.3% YoY increase in marketing and administrative expenses to N13.6 billion as the company continues to push its brand and marketing initiatives to strengthen market presence and customer engagement. Nonetheless, the operating profit margin expanded to 19.4% (vs 17.6% in Q1'25)

Elsewhere, net finance income declined by 22.0% YoY to N1.9 billion despite the 25.7% YoY increase in finance income to N3.3 billion. Finance costs for the period jumped by 7.1x to N1.4 billion, following a significant exchange loss difference on account balances of N1.2 billion. As a result, the PBT settled at N13.4 billion (+24.8% YoY).

UNILEVER's tax expense increased by 23.1% YoY to N6.4 billion, translating to an effective tax rate of 47.7%, PAT of N7.0 billion (+26.4% YoY), and an EPS of N1.22.

Q1'26 Earnings breakdown

N'million	Q1'26	Q1'25	YoY	FY'26E	% of FY'26E
Revenue	59,172	46,976	26.0%	296,382	20.0%
Cost of Goods Sold	(32,557)	(28,123)	15.8%	(174,050)	18.7%
Gross Profit	26,615	18,853	41.2%	122,333	21.8%
SGA Expenses	(15,452)	(10,800)	43.1%	(67,768)	22.8%
Other Income	295	77	284.0%	1,037	28.5%
Impairment write back on trade & other receivables	26	140	-81.3%	-	NM
Operating Profit	11,484	8,269	38.9%	55,602	20.7%
Finance income	3,338	2,656	25.7%	13,930	24.0%
Finance Cost	(1,400)	(172)	713.7%	(961)	145.7%
PBT	13,423	10,753	24.8%	68,571	19.6%
Taxation	(6,403)	(5,201)	23.1%	(26,057)	24.6%
PAT	7,020	5,552	26.4%	42,514	16.5%
EPS(N)	1.22	0.97	25.8%	7.40	16.5%
Ratio Analysis					
	Q1'26	Q1'25		FY'26E	
Gross Profit Margin	45.0%	40.1%		41.3%	
Operating Profit Margin	19.4%	17.6%		18.8%	
PAT Margin	11.9%	11.8%		14.3%	
Return-on-Assets (ROAA)	15.2%	15.0%			
Return-on-Equity (ROAE)	25.3%	25.3%			
P/E	18.8x				
5-Year average PE	18.5x				
EV/EBITDA	10.9x				
5-Year Mean EV/EBITDA	6.4x				
Effective Tax Rate	47.7%	48.4%		38.0%	

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