

## Sustained earnings momentum in 9M'25

Unilever Nigeria Plc (NGX: UNILEVER, TP: UR\*) in its 9M'25 unaudited financials delivered a strong set of results for 9M'25, reinforcing its positive momentum amid an improving operating environment. The company reported a 99.7% YoY rise in net income, supported by a 200.7% YoY surge in operating profit, highlighting strong operational leverage and disciplined cost management.

UNILEVER's topline performance remained robust, with total revenue printing at N155.4 billion (+49.7% YoY). The Foods segment continued to anchor growth, expanding by 54.5% YoY and contributing 61.1% of total revenue, buoyed by sustained demand in the Food Seasoning market. Meanwhile, the Beauty & Wellbeing segment outperformed, rising 113.6% YoY, while the Personal Care segment maintained steady growth of 26.7% YoY. Both segments contributed 10.7% and 28.3% to total revenue, respectively.

Despite a 50.0% YoY increase in Cost of Sales, driven by higher raw material costs (+49.1% YoY) and a restructuring cost of N251.0 million, the gross margin held largely steady at 41.2% (vs 41.3% in 9M'24), underscoring efficient pricing and cost control measures.

SG&A expenses for the period grew by a modest 15.1%YoY, driven by overhead costs of N14.4 billion and brand & marketing expenses of N12.1 billion. In addition, the company reported an impairment writeback on trade and other receivables of N834.9 million, a reversal of the N2.9 billion loss reported in 9M'24. Consequently, the operating profit jumped by 200.7% YoY to N30.5 billion, lifting the EBIT margin to 19.6% (vs 9.8% in 9M'24)

Below the line, the company benefited from higher finance income (+13.1% YoY), driven by a 3.53x YoY surge in interest on call deposits and bank accounts as exchange differences on bank balances declined following stability in the FX market. Meanwhile, finance costs declined materially by 75.9% YoY to N710.4 million due to the 81.3% YoY contraction in interest on third-party bank loans, while the effective tax rate settled at 41.2% (vs 21.1% in 9M'25).

Overall, PAT for the period came to N22.0 billion (+99.7% YoY), translating to a PAT margin of 14.1% (vs 10.6% in 9M'24). Importantly, UNILEVER'S cash position also strengthened to N97.2 billion, buoyed by a turnaround in Net cash flow from operating activities (CFO). Net CFO improved to N32.8 billion, vs negative N350.1 million in 9M'24.

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**9M'25 Earnings breakdown**

| N'million  | 9M'25         | 9M'24         | YoY           | FY '25E       | % of FY'25E  |
|--|---------------|---------------|---------------|---------------|--------------|
| Revenue  | 155,410       | 103,848       | 49.7%         | 205,594       | 75.6%        |
| Cost of Goods Sold                                 | (91,445)      | (60,955)      | 50.0%         | (117,188)     | 78.0%        |
| <b>Gross Profit</b>                                | <b>63,965</b> | <b>42,893</b> | <b>49.1%</b>  | <b>88,405</b> | <b>72.4%</b> |
| SGA Expenses                                       | (34,582)      | (30,047)      | 15.1%         | (49,342)      | 70.1%        |
| Other Income                                       | 245           | 163           | 49.8%         | 661           | 37.0%        |
| Impairment write back on trade & other receivables | 835           | (2,878)       | NM            | 0             | NM           |
| <b>Operating Profit</b>                            | <b>30,463</b> | <b>10,131</b> | <b>200.7%</b> | <b>39,724</b> | <b>76.7%</b> |
| Finance income                                     | 7,659         | 6,773         | 13.1%         | 11,308        | 67.7%        |
| Finance Cost                                       | (710)         | (2,943)       | -75.9%        | (793)         | 89.6%        |
| <b>PBT</b>   | <b>37,411</b> | <b>13,961</b> | <b>168.0%</b> | <b>50,238</b> | <b>74.5%</b> |
| Taxation   | (15,430)      | (2,952)       | 422.8%        | (17,865)      | 86.4%        |
| <b>PAT</b>   | <b>21,981</b> | <b>11,009</b> | <b>99.7%</b>  | <b>32,374</b> | <b>67.9%</b> |
| Ratio Analysis                                     |               | 9M'25         | 9M'24         | FY '25E       |              |
| Gross Profit Margin                                | 41.2%         | 41.3%         | 43.0%         |               |              |
| Operating Profit Margin                            | 19.6%         | 9.8%          | 19.3%         |               |              |
| PAT Margin   | 14.1%         | 10.6%         | 15.7%         |               |              |
| Return-on-Assets (ROAA)                            | 18.7%         |               |               |               |              |
| Return-on-Equity (ROAE)                            | 32.2%         |               |               |               |              |
| P/E  | 17.6x         |               |               |               |              |
| 5-Year average PE                                  | 18.8x         |               |               |               |              |
| EV/EBITDA  | 9.7x          |               |               |               |              |
| 5-Year Mean EV/EBITDA                              | 8.3x          |               |               |               |              |
| Effective Tax Rate                                 | 41.2%         | 21.1%         | 35.6%         |               |              |

**Q3'25 Earnings breakdown**

| N'million  | Q3'25         | Q3'24         | YoY          | Q2'25         | QoQ           |
|--|---------------|---------------|--------------|---------------|---------------|
| Revenue  | 57,308        | 39,940        | 43.5%        | 51,126        | 12.1%         |
| Cost of Goods Sold                                 | (35,458)      | (23,265)      | 52.4%        | (27,864)      | 27.3%         |
| <b>Gross Profit</b>                                | <b>21,850</b> | <b>16,674</b> | <b>31.0%</b> | <b>23,263</b> | <b>-6.1%</b>  |
| SGA Expenses                                       | (10,575)      | (10,347)      | 2.2%         | (13,206)      | -19.9%        |
| Other Income                                       | 83            | 58            | 43.4%        | 85            | -1.4%         |
| Impairment write back on trade & other receivables | 292           | 289           | 1.2%         | 403           | -27.4%        |
| <b>Operating Profit</b>                            | <b>11,650</b> | <b>6,674</b>  | <b>74.5%</b> | <b>10,543</b> | <b>10.5%</b>  |
| Finance income                                     | 1,834         | 2,670         | -31.3%       | 3,169         | -42.1%        |
| Finance costs                                      | (227)         | (1,667)       | -86.4%       | (311)         | -27.1%        |
| <b>PBT</b>   | <b>13,257</b> | <b>7,678</b>  | <b>72.7%</b> | <b>13,401</b> | <b>-1.1%</b>  |
| Income tax expenses                                | (5,681)       | (1,106)       | 413.7%       | (4,548)       | 24.9%         |
| <b>PAT</b>   | <b>7,576</b>  | <b>6,572</b>  | <b>15.3%</b> | <b>8,853</b>  | <b>-14.4%</b> |
| Ratio Analysis                                     |               | Q3'25         | Q3'24        | Q2'25         |               |
| Gross Profit Margin                                | 38.1%         | 41.7%         | 45.5%        |               |               |
| Operating Profit Margin                            | 20.3%         | 16.7%         | 20.6%        |               |               |
| PAT Margin   | 13.2%         | 16.5%         | 17.3%        |               |               |
| Effective Tax Rate                                 | 42.9%         | 14.4%         | 33.9%        |               |               |

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