

GUINNESS NIGERIA PLC

BLOOMBERG: GUINNESS NL

Dividend resumes on retained earnings recovery

In its unaudited Q1'26 financials, GUINNESS Nigeria Plc (NGX: GUINNESS; TP: UR) posted a positive close with net profit closing at N10.4 billion on the back of effective debt management and an increase in finance income.

In the period, revenue grew modestly by 3.7% YoY to N122.8 billion, supported by a gradual recovery in volume. However, cost of sales rose faster at 7.9%, largely reflecting ongoing geopolitical pressures and associated supply chain disruptions. As a result, gross margin came in at 35.4% (vs. 37.6% in Q1'25), indicating slight margin pressure despite the uptick in revenue.

Operating expenses remained broadly stable, increasing marginally by 0.2% YoY, as higher administrative (+5.7% YoY) and distribution (+15.4% YoY) costs were largely offset by a decline in marketing costs (-21.7% YoY).

Net finance cost declined sharply by 81.4% YoY, driven by the 52.7% YoY reduction in interest on loans and borrowings, following a N5.8 billion net repayment as well as a likely renegotiation of outstanding balances in line with management guidance. On the other hand, the remeasurement of foreign currency balances resulted in a FX gain of N936.7 million, thus increasing finance income by 17.1x.

Consequently, profit before tax grew by 53.2% to N15.7 billion (vs N10.3 billion in Q1'25). Effective tax rate came in at 34.0% (vs 31.6% prior), and as a result, net profit settled at N10.4 billion in FY'25 (vs N7.0 billion in Q1'25), translating to earnings per share of N4.74 (vs N3.21 in Q1'24).

Elsewhere, following a three-year pause in dividend payments, Guinness Nigeria Plc declared an interim dividend of N2.00. This was underpinned by a return to positive retained earnings.

Cardinalstone Research
research@cardinalstone.com

Q1'26 Earnings breakdown

illion	Q1'26	Q1'25	YoY	FY'26E	%FY'26
Revenue	122,773	118,338	3.7%	613,879	20.0%
Cost of Goods Sold	(79,295)	(73,813)	7.4%	(389,813)	20.3%
Gross Profit	43,478	44,525	(2.4%)	224,066	19.4%
Other Income	304	29	938.2%	614	49.4%
SGA Expenses	(26,601)	(26,559)	0.2%	(116,340)	22.9%
Operating Profit	17,180	17,995	(4.5%)	108,340	15.9%
Finance income	1,046	61	1605.0%	4,315	24.2%
Finance cost	(2,480)	(7,778)	(68.1%)	(19,763)	12.5%
PBT	15,746	10,279	53.2%	92,891	17.0%
Taxation	(5,354)	(3,252)	64.6%	(32,512)	16.5%
PAT	10,392	7,027	47.9%	60,379	17.2%
Ratio Analysis	Q1'26	Q1'25		FY'26E	
Gross Profit Margin	35.4%	37.6%		36.5%	
Operating Profit Margin	14.0%	15.2%		17.6%	
PBT margin	12.8%	8.7%		15.1%	
PAT Margin	8.5%	5.9%		9.8%	
Return-on-Assets (ROA)	4.4%				
Return-on-Equity (ROE)	5.6%				
P/E	39.8x				
10-Year average PE	26.5x				
EV/EBITDA	15.7x				
10-Year Mean EV/EBITDA	7.8x				
Effective Tax Rate	34.0%				

Please click [here](#) to see the full results

Please click [here](#) to access dividend announcement

Disclosure

Analyst Certification

The research analyst(s) denoted by an “*” on the cover of this report certifies (or, where multiple research analysts are primarily responsible for this report, the research analysts denoted by an “*” on the cover or within the document individually certifies, with respect to each security or issuer that the research analyst(s) cover in this research) that: (1) all of the views expressed in this report accurately articulate the research analyst(s) independent views/opinions, based on public information regarding the companies, securities, industries or markets discussed in this report. (2) The research analyst(s) compensation or remuneration is in no way connected (either directly or indirectly) to the specific recommendations, estimates or opinions expressed in this report.

Analysts’ Compensation: The research analyst(s) responsible for the preparation of this report receive compensation based upon various factors, including the quality and accuracy of research, client feedback, competitive factors, and overall firm revenues, which include revenues from, among other business units, Investment Banking and Asset Management.

Investment Ratings

CardinalStone employs a 3-step rating system for equities under coverage: Buy, Hold, and Sell.

Buy \geq +15.00% expected share price performance

Hold +0.00% to +14.99% expected share price performance

Sell < 0.00% expected share price performance with weak fundamentals

A BUY rating is given to equities with strong fundamentals, which have the potential to rise by at least +15.00% between the current price and the analyst’s target price

An HOLD rating is given to equities with good fundamentals, which have upside potential within a range of +0.00% and +14.99%,

A SELL rating is given to equities that are highly overvalued or have weak fundamentals, where potential returns of less than 0.00% are expected between the current prices and the analyst’s target prices.

A NEGATIVE WATCH is given to equities whose fundamentals may deteriorate significantly over the next six (6) months, in our view.

A POSITIVE WATCH is given to equities whose fundamentals may improve significantly over the next six (6) months, in our view

CardinalStone Research distribution of ratings/Investment banking relationships as of April 14, 2026

Rating	Buy	Sell	Hold	Negative Watch
% of total recommendations	68%	11%	21%	0%
% with investment banking relationships	0%	0%	0%	0%

Valuation and Risks: Please see the most recent company-specific research report for an analysis of valuation methodology and risks on any security recommended herein. You can contact the analyst named on the front of this note for further details.

Frequency of Next Update: An update of our view on the company (ies) would be provided when next there are substantial developments/financial news on the company.

Conflict of Interest: It is the policy of CardinalStone Partners Limited and its subsidiaries and affiliates (individually and collectively referred to as “CardinalStone”) that research analysts may not be involved in activities that suggest that they are representing the interests of Cardinal Stone in a way likely to appear to be inconsistent with providing independent investment research. In addition, research analysts’ reporting lines are structured to avoid any conflict of interests. For example, research analysts are not subject to the supervision or control of anyone in CardinalStone’s Investment Banking or Sales and Trading departments. However, such sales and trading departments may trade, as principal, based on the research analyst’s published research. Therefore, the proprietary interests of those Sales and Trading departments may conflict with your interests.