

## GUINNESS NIGERIA PLC

BLOOMBERG: GUINNESS NL

### Operational resilience anchors FY'25 performance

GUINNESS Nigeria Plc (NGX: GUINNESS; TP: UR) released its audited 18M'25 financial results, exiting the loss position from the prior year to report an EPS of N18.8. In the period, gross, EBIT and net profit margins came in at 31.5%, 12.2% and 5.6%, respectively, supported by strong revenue growth, cost discipline, and absence of significant FX losses.

The 18-month reported financial was due to the management's decisions to transition to a December year end (vs June previously). As such, for proper comparison, we stripped out the final two quarters of 2024 to isolate 2025 earnings and give an accurate view of their YoY performance. On this basis, revenue grew by 57.3% YoY to N471.2 billion, supported primarily by volume recovery and pricing adjustments. Cost discipline was also evident as the cost of sales (+36.4% YoY) grew at a slower pace than revenue, bringing gross margin higher to 36.4% (vs. 30.5% in FY'24).

Operating expenses (+35.2% YoY) increased at an even slower pace than revenue, as administrative (+3.5% YoY), marketing and distribution (+7.0% YoY) costs were largely contained. Consequently, EBIT increased by 207.0% YoY and thereafter brought EBIT margin to 16.5% (vs 8.5% in the prior year).

Elsewhere, net finance cost declined to 87.4% YoY, primarily driven by the absence of huge FX losses. As a result, profit before tax closed at N64.3 billion, reversing from the N73.9 billion loss position recorded in FY'24. After accounting for an effective tax rate of 39.8%, net profit settled at N41.2 billion in FY'25, translating to earnings per share of N18.9.

Operating cash flow generation improved to N33.6 billion, strengthening the balance sheet position. Additionally, net debt closed at N37.5 billion, translating to a net debt/ EBITDA of 0.34x, highlighting both improved liquidity and financial flexibility.

On a Q4 standalone basis, revenue increased marginally by 1.8% YoY, while cost of sales edged up by 1.6% YoY, bringing gross margin to 33.6% (vs. 33.5% in Q4'24). Operating expenses declined by 24.3% reflecting declines in marketing (-86.8% YoY), distribution (-25.4% YoY) and administrative (-58.7% YoY) expenses; hence, EBIT margin rose to 18.6% (vs 13.6% in FY'24).

During the period, GUINNESS moved to a net finance cost of N781.9 billion (vs net gain of N2.0 billion in the prior period). Notwithstanding, profit before tax closed at N24.6 billion, while profit after tax settled at N14.8 billion, following a 39.5% effective tax rate. As a result, EPS came in at N6.8.

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**18M'25 Earnings breakdown**

N' million	18M'25	FY'18M'25E	% of 18M'25E	FY'25*	FY'24	YoY
Revenue	730,808	741,836	98.5%	471,204	299,490	57.3%
Cost of Goods Sold	(500,326)	(502,223)	99.6%	(299,728)	(208,031)	44.1%
<b>Gross Profit</b>	<b>230,482</b>	<b>239,613</b>	96.2%	<b>171,476</b>	<b>91,459</b>	87.5%
Other Income	284	579	49.0%	125	3,177	-96.1%
SGA Expenses	(141,497)	(151,335)	93.5%	(93,587)	(69,229)	35.2%
<b>Operating Profit</b>	<b>89,269</b>	<b>88,857</b>	100.5%	<b>78,013</b>	<b>25,407</b>	207.0%
Net finance cost	(20,877)	(23,875)	87.4%	(13,728)	(99,087)	-86.1%
<b>PBT</b>	<b>68,392</b>	<b>64,982</b>	105.2%	<b>64,285</b>	<b>(73,680)</b>	NM
Taxation	(27,229)	(22,744)	119.7%	(22,820)	18,913	NM
<b>PAT</b>	<b>41,163</b>	<b>42,238</b>	97.5%	<b>41,465</b>	<b>(54,767)</b>	NM
Ratio Analysis		18M'25	FY'18M'25E			
Gross Profit Margin	31.5%	32.3%		36.4%	30.5%	
Operating Profit Margin	12.2%	12.0%		16.6%	8.5%	
PBT margin	9.4%	8.8%		13.6%	-24.6%	
PAT Margin	5.6%	5.7%		8.8%	-18.3%	
Return-on-Assets (ROA)	17.5%					
Return-on-Equity (ROE)	181.0%					
P/E	15.5x					
10-Year average PE	22.8x					
EV/EBITDA	7.8x					
10-Year Mean EV/EBITDA	6.5x					
Effective Tax Rate	39.8%					

**Q4'25 Earnings breakdown**

N' million	Q4'25	Q4'24	YoY	Q3'25	QoQ
Revenue	136,133	133,719	1.8%	98,070	38.8%
Cost of Goods Sold	(90,381)	(88,969)	1.6%	(61,729)	46.4%
<b>Gross Profit</b>	<b>45,752</b>	<b>44,750</b>	2.2%	<b>36,341</b>	25.9%
Other Income	(147)	91	NM	209	NM
SGA Expenses	(20,228)	(26,719)	-24.3%	(20,071)	0.8%
<b>Operating Profit</b>	<b>25,378</b>	<b>18,122</b>	40.0%	<b>16,479</b>	54.0%
Net finance cost	(782)	2,019	NM	(1)	126760.4%
<b>PBT</b>	<b>24,596</b>	<b>20,141</b>	22.1%	<b>16,478</b>	49.3%
Taxation	(9,716)	(8,278)	17.4%	(5,783)	68.0%
<b>PAT</b>	<b>14,880</b>	<b>11,864</b>	25.4%	<b>10,695</b>	39.1%
Ratio Analysis		Q4'25	Q4'24	Q3'25	
Gross Profit Margin	33.6%	33.5%		37.1%	
Operating Profit Margin	18.6%	13.6%		16.8%	
PBT margin	18.1%	15.1%		16.8%	
PAT Margin	10.9%	8.9%		10.9%	
Effective Tax Rate	39.5%	41.1%		35.1%	

\* Numbers indicate the exclusion of June-December 2024 financials

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

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