



UNAUDITED GROUP RESULTS FOR THE THREE MONTHS ENDED 31ST MARCH, 2018

Lagos, 30th April, 2018: Dangote Sugar Refinery PLC (Bloomberg: DANGSUGA-NL), Nigeria's largest sugar producer, announces unaudited Group results for the Three months ended 31st March, 2018.

Financial highlights

- Group revenue reduced to ₦41.14billion (2017: ₦59.53bn)
- Gross profit increased 31.19% to ₦10.30billion (2017: ₦7.84bn)
- EBITDA increased to ₦8.61billion (2017: ₦6.95bn)
- Profit before tax increased 19.2% to ₦8.39billion (2017: ₦7.04bn)
- Profit after tax increased 10.95% to ₦5.2billion (2017: ₦4.76bn)

Operating highlights

- Group Sugar sales volume 153,463tonnes (2017: 174,981tonnes)
- Group production volume 131,921tonnes (2017: 200,800tonnes)
- Apapa Refinery production volume 123,065 tonnes (2017: 188,986tonnes)
- Apapa Refinery sales volume 147,058 tonnes (2017: 169,986tonnes)
- Savannah production 8,856tonnes (2017: 11,814tonnes)
- Savannah sales volume 6,405tonnes (2017: 4,995tonnes)

Abdullahi Sule, Acting Group Managing Director, said:

Growing our volumes, improved market share and cost efficiency in our operations remains our focus. We will continue to leverage on our strengths to maximize every growth opportunity, with concerted efforts being made towards our BIPs.

The Company balance sheet remains strong with Zero Gearing ratio. DSR has capability to generate sufficient cash flow to fund its operations and meet the conditions to source the additional funds required for the Backward Integration Projects, when the need arises.

"The outlook for the remaining quarters of the year remains promising despite the various economic challenges in the country.

KEY PERFORMANCE INDICATORS

	Group	Group	
	30-03-2018	30-03-2017	% change
Refined Sugar Produced (mt)	131,921	200,800	-34.3
Refined Sugar Sold (mt)	153,463	174,981	-13
Average Selling Price per bag(N)	13,054	16,733	-21.99
	N' billion	N' billion	
Revenue	41.14	59.53	-30.89
Gross profit	10.29	7.84	31.25
Gross margin (%)	25	13.17	89.83
EBITDA	8.61	6.96	23.71
EBITDA margin (%)	20.93	11.68	79.2
Profit before Tax	8.39	6.95	20.72
Profit after Tax	5.28	4.76	10.92
EPS –(Kobo)	45	40	12.5
Dividend (kobo)	-	-	-

Sugar production at our Apapa Refinery and sales volume were constrained by terrible road conditions, and the attendant access road traffic grid lock in Apapa. This affected evacuation of products from the refinery, and the effect on production. Average selling price for the period was ₦13,054/50kg bag (2017: ₦16,734/50kg bag).

Group revenue reduced by 30.89% to ₦41.14billion (2017: ₦59.53billion). Gross profit increased by 31.19% to ₦10.3billion, (2017: ₦7.84billion).

Group profit before tax for the period increased 19.2% to ₦8.39billion (2017: ₦7.04billion) and Group profit after taxation for the period increased to ₦5.28billion against (2016: ₦4.76billion).

ABOUT DANGOTE SUGAR REFINERY PLC

Dangote Sugar is Nigeria's largest producer of household and commercial sugar with 1.44M MT refining capacity at the same location. Our refinery located at Apapa Wharf Ports Complex, refines raw sugar imported from Brazil to white, Vitamin A fortified refined granulated white sugar suitable for household and industrial uses. Our subsidiary, Savannah Sugar Company Limited, factory located at Numan, in Adamawa State, is an integrated sugar production facility, with an installed factory capacity of 50,000 tonnes. Covering 32,000 hectares, the Savannah estate has considerable opportunity for expansion which is underway as part of the Dangote Sugar for Nigeria Project, campaign.

Our Backward Integration goal is to become a global force in sugar production, by producing 1.5M MT/PA of refined sugar from locally grown sugar cane for the domestic and export markets. To achieve this, Dangote Sugar has acquired other sites at Tunga, Nasarawa State (60,000ha), Lau/Tau, Taraba State (25,000ha) to augment Savannah's 32,000 hectares in Adamawa state. The brown field sites like Savannah Sugar will be integrated sugar production facilities with new plantation and modern facilities that are located closer to the consumers.

Dangote Sugar Refinery was listed on the Nigerian Stock Exchange in March 2007. Dangote Sugar Refinery is QMS, (ISO 9001:2008), FSMS, (ISO 22000:2005), OHSMS, (ISO 18001:2007) and (FSSC 22000) certified.

www.dangotesugar.com.ng

THE BACKWARD INTEGRATION PROJECTS.

SAVANNAH SUGAR COMPANY LTD.

The Agricultural and production summary for the period ended 31st March, 2018 are below: -

▪ Total field Area	-	6,108.3 Hectares
▪ Fallow area	-	388.28 Hectares
▪ Area under Cane	-	5720.02 Hectares
▪ Total Cane crushed	-	116,456.61 Tonnes
▪ Sugar Production	-	8,856 Tonnes
▪ Molasses Produced	-	7,820 Tonnes

Production and Sales for the period 1st January 2018 to 31st March, 2018 are as

follows: -

- Savannah production 177,120 bags (2017: 236,280 bags)
- Savannah sales volume 128,100 bags (2017: 99,900 bags)

The crop operations during the quarter was affected by the 2 months closure of the company over the Fulani herdsmen clash and community relations issues. The closure did not allow for any field operations which affected the cane in the field and the attendant low yield from the harvest.

TUNGA, NASARAWA STATE, BACKWARD INTEGRATION PROJECT SITE

Topography survey of the land has been concluded. The project team has embarked on an aggressive land clearing operation for 1,000 hectares. Preparations are also underway for the planting of 100 hectares of seed cane farm. We acquired an additional 8,000ha at the site and are currently carrying out both the flood, overhead and drip irrigation techniques.

LAU/TAU, TARABA STATE BACKWARD INTEGRATION PROJECT SITE

The operations at Lau & Tau project resumed in full swing. Meanwhile, 100 Ha and about 7 Km road to the new seed cane farm, which is about 10 Km from the Lau village have been cleared. Also, Land development has begun, and the plan is to plant the whole area before the rains. Meanwhile our efforts are currently on Savannah and Tunga projects.

OUTLOOK

Although the operating environment remains challenging, 2018 commenced with the same challenges from the previous year ranging from the Apapa traffic gridlock, inability of our trucks to access our production facilities in the Port, menace of unlicensed sugar imported into the country, terrible road conditions nationwide to our key markets nationwide and its attendant effect on our delivery timeline, high exchange rate though stable, amongst others. Concerted efforts are being made to ensure evacuation of products through alternate means of transportation, in addition with the increase of our fleet to boost trucks availability.

Barring any unforeseen circumstance, the Company will achieve its set goals through the continued review and implementation of its initiatives to grow sales and market share with focus on the actualization of the set goals for the backward integration projects.

The Company's balance sheet remains strong with Zero Gearing ratio. The company has capability to generate sufficient cash flow to fund its operations and will be able to raise any additional fund that may be required for the Backward Integration Projects (BIP).

CONTACT DETAILS

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