



Press Release

FLOUR MILLS OF NIGERIA PLC POSTS Q3 RESULTS; WITH RETURN TO VOLUME AND REVENUE GROWTH IN Q3

Lagos, Nigeria; January 30, 2019.

Flour Mills of Nigeria Plc. (referred to as “Flour Mills” or “FMN”), Nigeria’s leading food and agro-allied group, today announced its unaudited financial statements for the nine months ended 31st December 2018.

Key Highlights

Flour Mills Group (The Group):

- Volume growth accelerated in Q3 driving the overall revenue growth for the quarter. Group revenue was N401 billion, for the nine months ended 31st December 2018, a decline of 6% when compared to N428 billion, of the same period last year, driven by the first 6 months, with Q3 returning to top line growth.
- Continued strong sales and brand building focus has ensured a further growth in market share and strengthened the Group’s market leader position within the flour market.
- The result reflects a notable reduction in finance cost of N16.5 billion, a significant drop of 34%, when compared to N25.2 billion of the same period last year. The reduction is due to settlement of overdraft facilities and replacement of high interest yielding loans with more favorable loans.
- The Group has announced its intent to carve out its fertilizer business from Flour Mills of Nigeria Plc and registered same as an independent company to hold its Agro-allied businesses. This is expected to position this business segment for further growth and ensure optimal financial structures for the related businesses. The holding company will be fully owned by Flour Mills of Nigeria Plc. The arrangement is however subject to the approval of the Securities and Exchange Commission.

Flour Mills of Nigeria Plc (The Company):

- The Company, Flour Mills of Nigeria Plc recorded a revenue of N297 billion for nine months ended 31st December 2018, representing a marginal decline of 2%, when compared to N304 billion recorded in the same period last year. The 2% drop in revenue is disappointedly related to the logistic upheavals posed by the traffic challenges in Apapa.
- Gross profit declined by (-18%) at N34 billion, compared to N41 billion (Q3 2017)
- Profit Before Tax declined by (-25%) at N13.56 billion, compared to N18.20 billion (Q3 2017)

Commenting on the result, Paul Gbededo, the Group Managing Director said:

“The results are largely a reflection of our focus on driving volume growth while improving operational efficiency and ramping up strategic marketing and promotional activities to win over new market segments in our food business. Despite the devastating effect of the traffic congestions in Apapa on our operations, we are quite positive that we will see improvements across major business segments before the close of the financial year, as we continue to focus on delivering on our promise of quality to our consumers.”

- End -

About Flour Mills of Nigeria Plc

Incorporated in September 1960 and quoted on the Nigerian Stock Exchange since 1978, Flour Mills of Nigeria (FMN) Plc. is one of Nigeria’s leading food and agro-allied companies. With a broad basket of food products, an iconic brand “Golden Penny” and a robust pan-Nigerian production, distribution, and supply chain network, FMN is a fully integrated and diversified food and agro-allied group.

The FMN group strives in its mission to “Feed the Nation, Everyday” through its five core food value chains: Grains, Sweeteners, Oils and Fats, Proteins, and Starches. FMN creates value along the entire food chain with its “farm-to-table” model by providing inputs and know-how to farmers, aggregating and sourcing crops and raw materials to supply its world-class processing facilities across Nigeria, and distributing its innovative food brands to its customers.

More information can be found at www.fmnplc.com

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