



# NASCON ALLIED INDUSTRIES PLC.

## Investor Presentation

### Q3 2023 Results

Unaudited results for three months ended 30<sup>th</sup> September 2023





Let's  
Begin

## Disclaimer

---

This presentation contains forward looking statements which reveal Management's recent views and estimates. The forward looking statements contain certain risks and uncertainties that could cause actual results to vary materially from those contained in the forward looking statements. Potential risks and uncertainties include factors such as general economic conditions, foreign exchange fluctuations, pricing pressures and regulatory developments.



# Content

---



Financials	4– 8
Sustainability	9– 10
Outlook for the year	11 – 12
Q & A	13 – 15
Appendix	16 – 21



# FINANCIALS

# Q3 Executive Summary



## Financials

- **Revenue:** YTD: Achieved ₦59.11B, variance of 46% PY of ₦40.61B
- **COGS:** YTD: Achieved ₦26.79B, variance of 6% PY of ₦25.14B
- **EBITDA:** YTD: Achieved ₦18.32B, variance of 179% PY of ₦6.58B
- **PBT:** Achieved ₦16.31B, variance of 282% PY of ₦4.27B

## Market Data (As of September 30, 2023)

- **EPS:** Improved by 169% to ₦5.54 {YE 2022: ₦2.06}
- **Share Price:** Improved by 368% to ₦52.00 {YE 2022: ₦11.10}
- **Market Cap:** Improved by 368% to ₦138B {YE 2022: ₦29B}

## Market Environment

### Salt:

- Current competitors: Royal, JOF, Sun & Dolphin Salt.
- Good demand for Edible across key regions, priority to be placed on order evacuation to customers.
- High demand for Dangote Refined sachet salt.

### Seasoning:

- Current competitors (Tier2): Mr. Chef, Onga, Terra, Gino Max.
- Classic demand was medium and focus was on volumes to the Northern region.

# Q3 Financial Highlights

INCOME STATEMENT	YTD 2023	YTD 2022	Variance
	₦ M	₦ M	
<b>Revenue</b>	<b>59,110</b>	<b>40,605</b>	<b>46%</b>
Cost of sales	(26,790)	(25,142)	6%
<b>Gross profit</b>	<b>32,320</b>	<b>15,463</b>	<b>110%</b>
<b>GP Margin</b>	<b>55%</b>	<b>38%</b>	
Other income	129	47	174%
Other operating (loss)/gain	(7)	(445)	98%
Distribution costs	(12,648)	(8,420)	50%
Administrative expenses	(3,085)	(2,158)	43%
<b>Operating profit</b>	<b>16,708</b>	<b>4,487</b>	<b>272%</b>
<b>EBITDA</b>	<b>18,323</b>	<b>6,578</b>	<b>179%</b>
<b>EBITDA Margin</b>	<b>31%</b>	<b>16%</b>	
Investment income	476	254	87%
Finance costs	(876)	(471)	86%
<b>Profit before taxation</b>	<b>16,308</b>	<b>4,270</b>	<b>282%</b>
<b>PBT Margin</b>	<b>28%</b>	<b>11%</b>	
Taxation	(5,300)	(1,388)	282%
<b>Profit for the year</b>	<b>11,008</b>	<b>2,882</b>	<b>282%</b>
<b>Earnings per share (kobo)</b>	<b>554</b>	<b>145</b>	<b>282%</b>

Main drivers between current year and prior year are highlighted below:

- **Revenue:** Growth driven by YoY increased pricing in Salt & Seasoning
- **Cost of Sales:** Increase driven by direct materials FX revaluation, lower freight and packaging costs
- **Distribution Costs:** Increase driven by 3PL, AGO and increased costs of spares and repairs
- **Administrative Expenses:** Salary structure review implemented
- **Investment income:** Interest on fixed deposits
- **Finance costs:** Lease expenses

# Q3 Financial Highlights

FINANCIAL POSITION	YTD 2023	YTD 2022	Variance
	₦ M	₦ M	
Property, plant and equipment	12,466	13,410	-7%
Right of use assets	3,786	3,721	2%
<b>Total Non-Current Assets</b>	<b>16,251</b>	<b>17,131</b>	<b>-5%</b>
Other Current Assets	39,228	26,577	48%
Cash and cash equivalents	22,794	11,436	99%
<b>Total Current Assets</b>	<b>62,022</b>	<b>38,013</b>	<b>63%</b>
<b>Total Assets</b>	<b>78,273</b>	<b>55,144</b>	<b>42%</b>
<b>Total Equity</b>	<b>27,401</b>	<b>16,455</b>	<b>67%</b>
Non-Current Liabilities	5,673	5,687	-0%
Current Liabilities	45,198	33,002	37%
<b>Total Liabilities</b>	<b>50,872</b>	<b>38,689</b>	<b>31%</b>
<b>Total Equity and Liabilities</b>	<b>78,273</b>	<b>55,144</b>	<b>42%</b>

Main drivers between current year and prior year are highlighted below:

- **Property, Plant & Equipment:** Decrease driven by asset cleanup
- **Other Current Assets:** Increase related to inventories, revaluation of trade and other receivables
- **Cash and Cash Equivalents:** Growth driven by inflows from customers
- **Current Liabilities:** Increase related to revaluation of borrowings and trade and other payables

CASHFLOWS	YTD 2023	YTD 2022	Variance
	₦ M	₦ M	
Cash and cash equivalent at beginning of period	13,006	7,044	85%
Net cash from operating activities	13,221	4,973	166%
Net cash from investing activities	(1,163)	(981)	19%
Net cash from financing activities	(2,270)	400	-668%
<b>Cash and cash equivalent at end of period</b>	<b>22,794</b>	<b>11,436</b>	<b>99%</b>

# Proposed Interim Dividend

---



- Total proposed interim dividend: ₦2.65B (YE 2022: ₦2.65B)
- Total proposed dividend: ₦1.00 per share (YE 2022: ₦1.00)
- Earnings per share is ₦5.54 (YE 2022: ₦2.06)



# SUSTAINABILITY

# Our Approach to Sustainability



## Our 2022 Milestones

Pillar	SDGs
<b>Cultural</b>	<ul style="list-style-type: none"> <li>5% increase in total workforce</li> <li>8% increase in female workers</li> <li>84% of our workforce aged 31 – 50 years</li> </ul>
<b>Operational</b>	<ul style="list-style-type: none"> <li>Salt production grew by 18.7% while seasoning production grew by 30.7%</li> <li>Our Plants are ISO 22000:2018 Food Safety Management System and current Good Manufacturing Practises (cGMP) and Halal Certified</li> </ul>
<b>Environmental</b>	<ul style="list-style-type: none"> <li>Energy intensity reduced by 9.78%</li> <li>Natural gas accounts for 72.85% of our fuel mix</li> <li>GHG emission intensity decreased by 5.04%</li> <li>Water intensity reduced by 47.23%</li> <li>20 trees planted</li> </ul>
<b>Social</b>	<ul style="list-style-type: none"> <li>Zero cases of bribery and corruption across all our operations</li> <li>Zero cases of discrimination in our business operations</li> <li>Training for Alayabiagba Community Women (DigitALL: Innovation and technology for gender equality) as part of IWD Celebration.</li> <li>Completion of the Renovation of Public Bath house in Boundary market at Ajeromi-Ifelodun LGA.</li> </ul>
<b>Institutional</b>	<ul style="list-style-type: none"> <li>NASCON's 2022 Global Reporting Initiative (GRI) sustainability report has received the GRI service mark.</li> <li>Progressed in the implementation of our prioritized SDGs (Goals 2, 3, 6, 12, and 13).</li> <li>Won Best Company in Gender Equality &amp; Women Empowerment at SERAS Africa CSR/Sustainability Awards.</li> </ul>
<b>Economic</b>	<ul style="list-style-type: none"> <li>Over 4,000 jobs (direct, indirect, and induced) supported by our business operations</li> </ul>

### NATIONAL

- The Nigerian Exchange Group's (NGX) Sustainability Disclosure Guidelines
- SEC - Securities & Exchange Commission (Code of Corporate Governance)
- Nigerian Code of Corporate Governance (NCCG)
- National Environmental Standards and Regulations Enforcement Agency (NESREA)
- Federal & States Ministry of Environment
- Federal & States Ministry of Mines
- Federal & States Ministry of Labour and Productivity
- Federal & States Environmental Protection Agencies (e.g., Lagos State Environmental Protection Agency - LASEPA)
- Federal Road Safety Corps (FRSC)
- Host Local Government Areas
- Industrial Training Fund (ITF)
- National Agency for Food and Drug Administration and Control (NAFDAC)
- Standards Organisation of Nigeria (SON)
- Manufacturers Association of Nigeria (MAN)
- Nigerian Port Authority (NPA)

### INTERNATIONAL

- United Nations Global Compact (UNGC)
- The United Nations Sustainable Development Goals
- Global Reporting Initiative (GRI) Sustainability Reporting Standards
- Global Food Safety Initiative (GFSI)
- International Finance Corporation (IFC) Performance Standard
- Africa Agenda 2063





# OUTLOOK

# Outlook for the year

---



- Defend Edible Citadel
- Accelerate and Gain share in Refined sachet salts
- Build a Competitive seasoning portfolio in the North
- Increase our presence to Corporate customers
- Strengthen route-to-market through Coverage Expansion
- Improve Fleet Operations & efficiencies to a competitive advantage (Costs & Efficiencies)
- Drive Talents & Performance Management and employee engagement



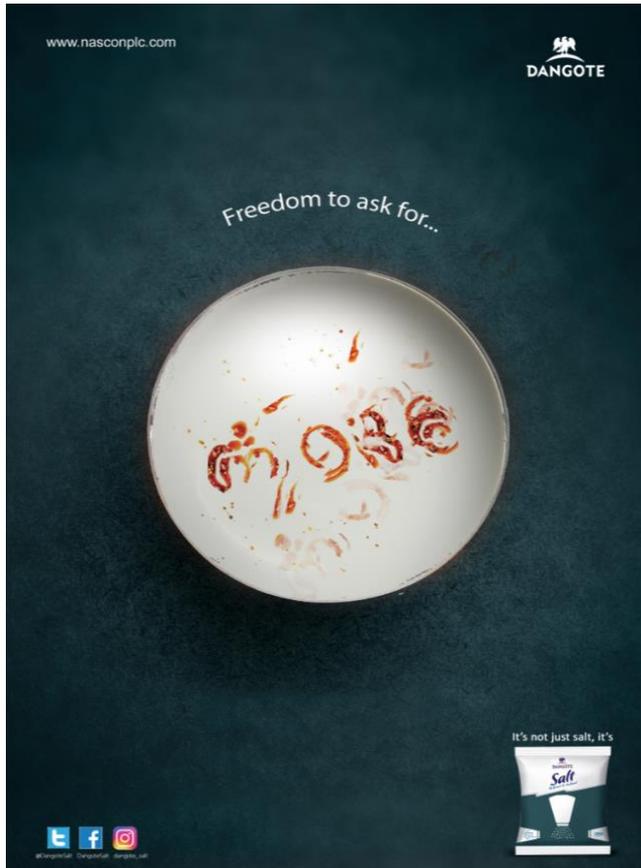
# Q & A

# Update on the Proposed Merger

---



- Nascon Allied Industries Plc is part of a pending proposed merger with Dangote Sugar Refinery Plc and Dangote Rice Ltd.
- It is proposed that shareholders of Nascon are offered 11 shares of 50 Kobo each in DSR, credited as fully paid-up shares, for 12 Nascon shares of 50 Kobo each, totaling 2,428,651,847 new shares of DSR.



## For further information:

---

Investor Relations:

Morayo Tukur

+234 807 049 4389

[morayo.tukuru@dangote.com](mailto:morayo.tukuru@dangote.com)

Twitter, Facebook, Instagram:

@dangote\_salt

@dangote\_seasoning

Website: <https://dangote.com/our-business/salt-seasonings>



# APPENDIX

# History: Key Milestones

- National Salt Company of Nigeria commenced operations as a salt producer in 1973
- Over the years, the Company has successfully evolved into the largest salt producer and refiner in Sub-Sahara Africa
- Listed and actively trading on the NSE since 1992
- Changed name to Nascon Allied Industries Plc. in 2015



The Company was incorporated with the Federal Government as majority shareholder



Federal Government acquired the minority shareholding, making NASCON wholly owned by the Federal Government



Privatization of NASCON. The Company was listed on the NSE in October 1992



Reverse Takeover of NASCON by Dangote Salt Limited (DSL) as NASCON acquired assets, liabilities and business undertakings of DSL



Following stabilization of operations, NASCON has remained a dominant player in the Nigeria's salt industry

## Ownership Structure



# Product Range

## Salt



### Dangote Salt

- Production in Apapa, Salt Village & PHC
- Diversified product offering spanning the commercial, corporate and retail segments of the market
- Key revenue drivers are Edible Salt, Pure Dried Vacuum (P.D.V) Salt and Refined Sachet Salt
- Expansion in 2018 (PDV)
- Expansion in 2021 (New refinery)

### Refined Salts

- Dangote Refined Sachet Salt (250g, 500g & 1kg)
- Dangote Pure Dried Vacuum (P.D.V) Salt
- Dangote Butter Salt
- Dangote Table Salt
- Dangote Kitchen Salt

### Non-refined Salts

- Dangote Edible Salt
- Dangote Tannery Salt
- Dangote Crude Salt
- Dangote Grade Salt

## Seasoning



### Seasoning (Dangote Seasoning)

- Production in Ota
- New product category of cooking ingredients proving various flavour variants
- Seasoning commission 2015
- Additional lines added in 2018 & 2019

### Cube

- Dangote Classic

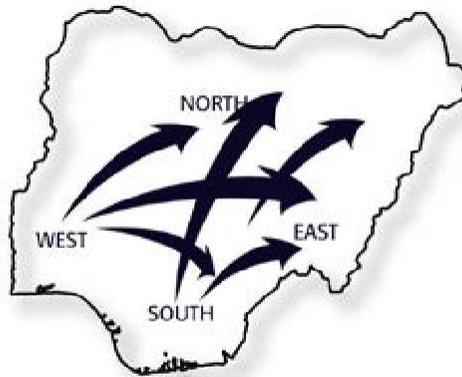
# Product Distribution



Products are sold to distributors in sachet and bulk (20kg & 50kg bags) across the country, who redistribute to wholesalers, modern trade and other retailers.

Industries and uses of salt:

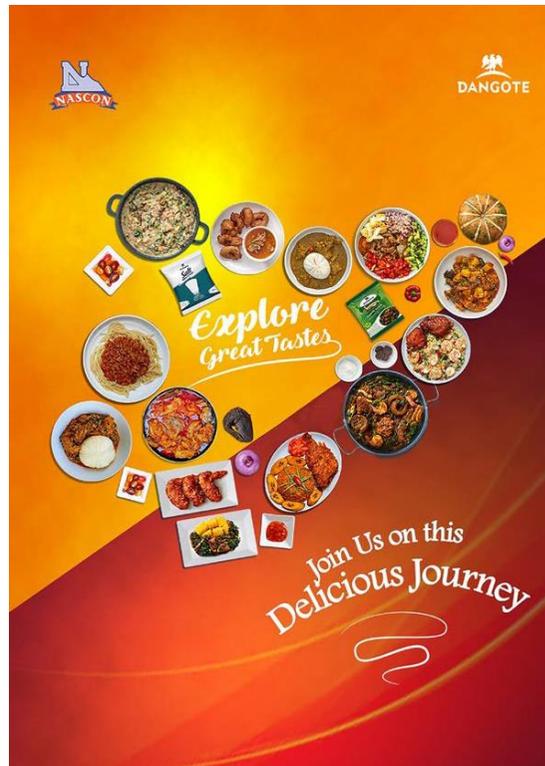
- Human consumption
- Confectionaries & bakeries
- Food production
- Seasoning and condiments
- Hotels & caterers
- Textile, animal husbandry & feed
- Boiler operations
- Export & tannery processing
- Animal hide preservation
- Factory cleaning & industrial uses



We have strategic plant and depot locations and efficient warehouses in strategic locations to ensure extensive market coverage.

We own over 300 trucks that move our goods from the factory to distributors. We also utilize third party transporters as needed.

# Investment Highlights



## Leading Market Position

- Transitioned from a moribund business in 1996 to the market leader with large market share
- Market share defended by low cost production, competitive pricing, high quality and standardised product, brand equity and customer loyalty
- Clearly defined strategy to maintain leadership position in domestic and regional markets
- Superior distribution network
- Efficient route-to-market strategies
- Established long standing relationships with high profile conglomerates and industrials
- Suitable platform to roll out products in the pipeline and derive captive income

## Attractive Macro Fundamentals

- High barrier to entry with capital intensive nature of business
- Strong salt market fundamentals with currently low industrial consumption per capita

## Efficient Manufacturing Facilities

- State of the art manufacturing facilities strategically located at Apapa, Lagos, Ota, Ogun and Port Harcourt, Rivers
- Efficient energy source with conversion to gas
- All products are NAFDAC approved and SON endorsed
- ISO 9000:2001 Certification
- Committed to strong HSE practices by implementing ISO 14001:2015

## Impressive Financial Performance

- High turnover and high margins driven by tight operating structure
- Effective cost management structure that keeps costs low and improves revenue
- Sustained EBITDA margins
- Highly cash generative business
- Consistent strong margin track record

## Strong Board & Management Team

- Competent and dynamic Board of Directors and Management team with deep expertise, skill and multi-decade experience in both FMCG and manufacturing
- Structured and focused sales and distribution team

# Strong Governance Framework

10

## Board of Directors

Yemisi Ayeni (c)  
 Thabo Mabe  
 Fatima Aliko-Dangote  
 Olakunle Alake  
 Halima Aliko-Dangote  
 Abdu Dantata  
 Sada Ladan-Baki  
 Chris Ogbechie  
 Knut Ulvmoen  
 Fatima Wali-Abdurrahman

5

## Finance, Risk and Audit Committee

Chris Ogbechie (c)  
 Olakunle Alake  
 Halima Aliko-Dangote  
 Sada Ladan-Baki  
 Fatima Aliko-Dangote

5

## Establishment and General-Purpose Committee

Knut Ulvmoen (c)  
 Halima Aliko-Dangote  
 Fatima Wali-Abdurrahman  
 Abdu Dantata  
 Fatima Aliko-Dangote

5

## Statutory Audit Committee

Okey Nwuke (c)  
 Umar Farouk  
 Kudaisi Ayodele Sarat  
 Halima Aliko-Dangote  
 Chris Ogbechie

11

## Management Committee

Thabo Mabe (c)	Olusegun Ajala	Kolawole Samuel
Aderemi Saka	Shalom Okonmah	Tunde Iwamofe
Murtala Zubair	Ayokunle Ushie	Adedayo Samuel
Olushola Shosanya	Patrick Mogaha	

## Diverse Board & Management

Female Board members	<b>40%</b>
Nationalities	<b>3</b>
Independent Board members	<b>20%</b>
Female Management members	<b>18%</b>



THANK YOU