



Earnings Update: NESTLE NIGERIA. (Ticker: NESTLE)

Surge in Finance Cost Depresses Bottomline.

THINGS WE LIKE ABOUT THE RESULT

1. Revenue grew by 22.45% YoY to ₦547.1 billion from the ₦446.8 billion recorded in FY-2022.
2. Gross profit increased by 39.42%.
3. Increase in property, plant and equipment by 41.67% YoY to ₦165.4 billion from ₦116.7 billion in FY-2022.

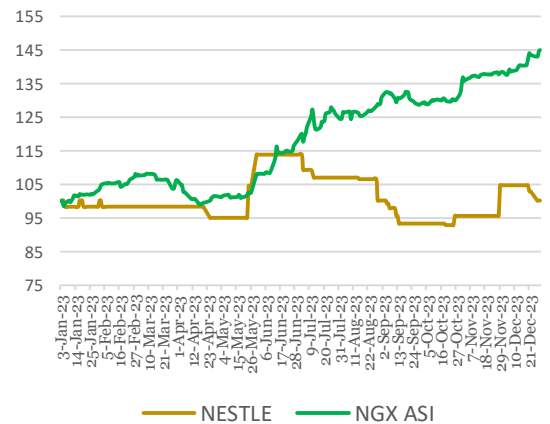
THINGS WE DON'T LIKE ABOUT THE RESULT

1. Profit before tax and Profit after tax fell drastically by 246.29% and 262.31%, respectively.
2. Finance cost surged to ₦233.5 billion in FY-2023 from ₦21.1 billion recorded in year 2022.
3. Over 80% increase in administrative expenses.

Kindly click [here](#) for the full financial statement.

TICKER	NESTLE
Price (₦) at 28 Feb 2024.	990.00
Shares Outstanding	792,656,250.00

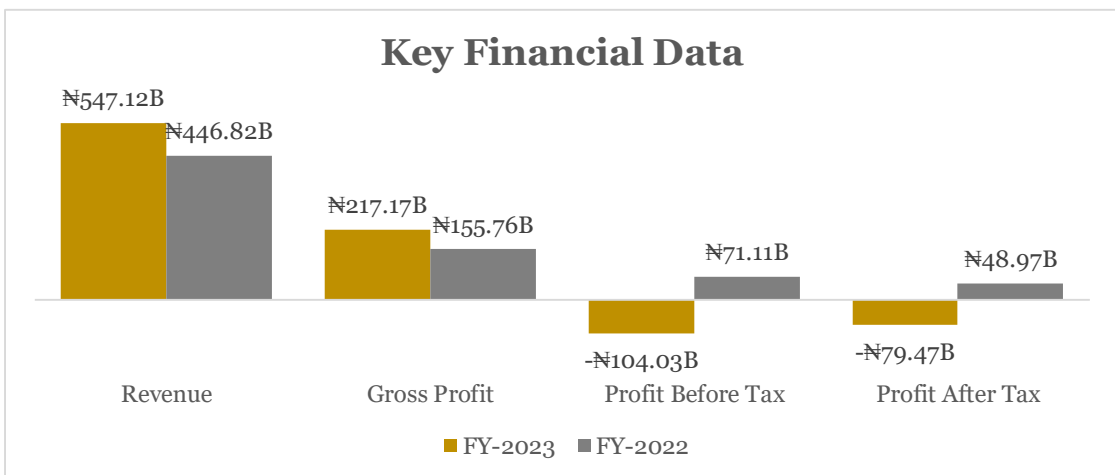
Rebased Price Performance of NGX-ASI & NESTLE



Source: investing.com, Parthian Securities Research



INCOME STATEMENT	FY-2023 (₹'000)	FY-2022 (₹'000)	Change (%)
Revenue	547,118,754	446,819,260	22.45%
Cost of sales	(329,945,347)	(291,054,270)	13.36%
Gross profit	217,173,407	155,764,990	39.42%
Marketing and distribution expenses	(73,779,995)	(57,331,351)	28.69%
Administrative expenses	(20,089,038)	(10,935,972)	83.70%
(Write back)/ impairment of financial assets	483,222	(29,043)	-1763.82%
Results from operating activities	123,787,596	87,468,624	41.52%
Finance income	5,690,939	4,777,113	19.13%
Finance costs	(233,503,964)	(21,136,366)	1004.75%
Net finance costs	(227,813,025)	(16,359,253)	1292.56%
(Loss)/profit before income tax	(104,025,429)	71,109,371	-246.29%
Income tax credit/ (expense)	24,551,648	(22,143,883)	-210.87%
(Loss)/profit for the year	(79,473,781)	48,965,488	-262.31%
STATEMENT OF FINANCIAL POSITION	FY 2023 (₹'000)	FY 2022 (₹'000)	Change (%)
Property, plant and equipment	165,383,791	116,739,370	41.67%
Right-of-use assets	5,437,253	4,976,420	9.26%
Long term receivables	3,122,574	2,816,337	10.87%
Total non-current assets	220,528,621	124,532,127	77.09%
Inventories	87,792,561	88,340,532	-0.62%
Trade and other receivables	102,227,370	82,237,026	24.31%
Prepayments	3,430,134	1,929,037	77.82%
Cash and short-term deposits	167,735,007	117,932,430	42.23%
Total current assets	361,245,786	290,511,904	24.35%
Total assets	581,774,407	415,044,031	40.17%
Trade and other payables	197,279,592	166,161,861	18.73%
Total liabilities	659,809,563	384,752,807	71.49%
Retained earnings	-78,633,227	29,772,507	-364.11%
Equity	-78,035,156	30,291,224	-357.62%
Total equity and liabilities	581,774,407	415,044,031	40.17%
STATEMENT OF CASHFLOW	FY-2023 (₹'000)	FY-2022 (₹'000)	Change (%)
Net cash used in operating activities	82,702,831	(4,432,963)	1965.63%
Net cash used in investing activities	(55,112,317)	(22,868,150)	-141.00%
Net cash used in financing activities	21,293,339	44,241,796	-51.87%





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