



PRESS RELEASE

Regulated Information

Financial Results for the Six Months Ended 30 June 2022

Lagos, 26 July 2022 – Chemical and Allied Products Plc (“CAP” or the “Company”), Nigeria’s leading paints and coatings company, announced its unaudited results for the period ended 30 June 2022.

Highlights

- Revenue 53% (27% LfL¹) ahead of H1 2021 at ₦8.7 billion.
- Gross profit 102% higher on the back of strong revenue growth and higher gross margin, up 988 bps.
- Operating profit 115% higher at ₦1.3 billion.
- Profit before tax was ₦1.3 billion, up 91% from ₦697 million in H1 2021.

Commenting on the results, **Managing Director, Bolarin Okunowo**, stated:

“We are excited with the results for this half year, having delivered double digit growth in revenue and triple digit growth in operating profit. We are seeing encouraging results from recent investments in our brands and distribution infrastructure and are confident that these investments will further yield positive results as well as expand the frontiers of our business. Inflationary cost pressures remain a key concern and we are focused on delivering operational efficiencies and taking proactive pricing actions to combat the impact of rising costs.”

Performance Highlights

In million ₦, unless otherwise stated	Q2 2022	Q2 2021	YoY	H1 2022	H1 2021	YoY
Revenue	4,089	3,549	15%	8,745	5,728	53%
Gross Profit	1,707	1,035	65%	3,514	1,736	102%
Gross Margin (% of Revenue)	42%	29%	1,258 bps	40%	30%	988 bps
Other Operating Income	35	195	(82%)	76	219	(65%)
Selling & Marketing expenses	(445)	(228)	95%	(896)	(303)	196%
Administrative expenses	(785)	(651)	21%	(1,430)	(1,064)	34%
Operating Expenses	(1,231)	(879)	40%	(2,326)	(1,367)	70%
Operating Expenses (% of Revenue)	30%	25%	533 bps	27%	24%	274 bps
Operating Profit (EBIT)	511	351	46 %	1,264	588	115%
Operating Margin (% of Revenue)	12%	10%	262 bps	14%	10%	419 bps
Finance Income	37	48	(22%)	66	110	(40%)
Finance Cost	(0.4)	(1)	(40%)	(1)	(1)	23%
Net Finance Income	37	47	(22%)	66	109	(40%)
Profit Before Tax	548	398	38%	1,329	697	91%
Profit before Tax Margin (% of Revenue)	13%	11%	219 bps	15%	12%	304 bps
Income Tax Expense	(175)	(92)	90%	(425)	(188)	127%
Profit After Tax	373	306	22%	904	509	78%
Profit after Tax Margin (% of Revenue)	9%	9%	50 bps	10%	9%	145 bps

¹ Like for like – Revenue growth adjusted for new business (brands from merger with Portland Paints)

Chemical and Allied Products Plc – Q2 and H1 2022 Unaudited Results
NGX Ticker: CAP

In million ₦, unless otherwise stated	Jun-22	Dec-21	YoY
Non-current Assets	1,794	1,599	88%
Current Assets	9,790	10,275	(5%)
Assets Held for Sale	242	242	-
Total Assets	11,826	12,116	(2%)
Non-current Liabilities	174	174	0.4%
Current Liabilities	6,805	7,532	(10%)
Total Liabilities	6,979	7,706	(9%)
Equity	4,847	4,410	10%
Total Liabilities and Equity	11,826	12,116	(2%)

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About CAP Plc

Chemical and Allied Products Plc (CAP) is a leading paints and coatings company in Nigeria with globally recognised brands such as Dulux, Sandtex, Caplux and Hempel. CAP manufactures and sells decorative paints and industrial coatings. CAP is the sole technological licensee of Akzo Nobel Coatings International B.V. and is the Nigerian representative of Hempel Paints South Africa (Pty) Limited. CAP pioneered the colour centre concept in Nigeria in 2005, which resulted in the evolution of the Nigerian paint industry. Today, CAP has 105 branded retail stores (Dulux Colour Centres, Sandtex Paints Stores and Dulux Colour Shops) across 31 states. CAP is a public company listed on The Nigerian Exchange ("NGX"). It is a subsidiary of UAC of Nigeria PLC which holds 56.54% of the company's shares. For more information visit <https://www.capplc.com/>

CAP's Investors Portal

CAP has a dedicated investors' portal on its corporate website which can be accessed via this link: <https://www.capplc.com/investor-relations/> . This Earnings Press Release should be read in conjunction with the Unaudited Financial Statements for the period ended 30 June, 2022 available on our website. For any investment related enquiry, please contact Lolade Bashiru, Investor Relations by electronic mail at investorrelations@capplc.com or telephone on: +234 815 949 3070.

Disclaimer

This announcement contains or will contain forward-looking statements which reflect management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend" "estimate", "project", "target", "risks", "goals" and similar terms and phrases have been used to identify the forward- looking statements. These statements reflect management's current beliefs and are based on information currently available to management. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking statements. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally. Chemical and Allied Products Plc cautions readers that several factors could cause actual results, performance, or achievements to differ materially from the results discussed or implied in the forward-looking statements. These factors should be considered carefully, and undue reliance should not be placed on the forward-looking statements. For additional information with respect to certain of these risks or factors, reference should be made to the Company's disclosure materials filed from time to time with Securities and Exchange Commission of Nigeria. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise.