

Notore

Notore Chemical Industries Plc
Unaudited Results for First Quarter ended 30th April 2023

Lagos, 30th April 2023 – Notore Chemical Industries Plc records group revenue of N4.1 billion for the First Quarter ended 30th April 2023.

Highlights of the Result:

- Production impacted by gas-supply limitations.
- Finance cost impacted by an increase in the exchange rate and the increasing cost of funds (driven by MPC rate changes).

Group Financial Highlights

Notore Chemical Industries Limited (Notore) recorded group YTD revenue of **N4.1 billion** for the period ended 31st March 2023, compared to **N16.3 billion** for the same period in 2022, representing a **75.8%** decrease Y-o-Y. The Group recorded an operating loss of **(N1.71) billion** for its first quarter ended 31st March 2023, compared to an operating profit of **N5.60 billion** for the same period during the prior year.

The Company's financial performance was impacted by the shortage of natural gas, a feedstock to produce Urea fertilizer, during the period under review resulting in a decrease in production volumes.

Group Managing Director Mr Ohis Ohiwerei stated, "The shortage of natural gas significantly impacted our production capacity, thereby limiting our production output. We are working closely with our suppliers to find a solution to the gas shortage and are exploring alternative sources to ensure improved production output."

Market Operational Developments:

Notore is committed to providing premium agricultural inputs to its customers. Though the limited gas supply impacted its first-quarter earnings, the Company is addressing the issue to ensure a steady natural gas supply. As a result, it is confident that it will return to profitability in the coming quarters.

Outlook

The agricultural sector accounts for approximately 24% of Nigeria's GDP, and one of the most crucial components of the sector is fertilizer to boost food production and growth. The fertilizer market in Nigeria is expected to continue growing in the coming years due to the increasing demand for food and the Federal Government's efforts to promote agriculture. According to a report by Mordor Intelligence, Nigeria's fertilizer market is projected to grow at a CAGR of 4.4% between 2021-2026.

The Federal Government continues to drive several initiatives to boost the agriculture sector, such as the Presidential Fertilizer Initiative (PFI) and the Anchor Borrowers Program (ABP). These initiatives aim to increase the production and use of fertilizers to improve crop yields and food security in the country.

Notore remains well-positioned to leverage opportunities to meet domestic and West African market demand.

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About Notore Chemical Industries Plc

Notore is a vertically integrated agro-allied and chemicals business in Onne (near Port Harcourt), Rivers State, South-South Nigeria. It is engaged primarily in the production and sale of fertilizer products. Notore's vision is to be the number one company by market share and profitability in our chosen businesses, and a significant contributor to the development of Africa. Our mission is to enhance the quality of life.

The Group's current business comprises fertilizer production, supply and trading of fertilizer, and power. The Group's primary fertilizer products are granular Urea; bulk blended NPK varieties, and Ammonia. The Group operates from its Onne Complex in the heart of the Niger Delta, Africa's most prolific oil and gas-producing region.

The Onne Complex is located within the Notore Chemical Industries Free Zone, which provides significant tax benefits and advanced logistics solutions for the international distribution of products. The Onne Complex comprises approximately 560 hectares of land owned by the Group with a 2km waterfront, including the Notore Port and a dedicated jetty (with a capacity to accommodate vessels with a maximum volume of between 25,000 MT and 35,000 MT) owned by the Group. The Notore Port gives the Group easy access to the Atlantic Ocean for easy import of raw materials and export of the Group's products.

The Group produces Urea, NPK and Ammonia and owns a Urea producing plant in Onne, Rivers State, with a current annual design production capacity of approximately 500,000 MTPA of Urea and 330,000 MTPA of Ammonia. At the same time, the NPK Blending Plant has a production capacity of 2,000 metric tons per day. The Group currently supplies and sells its fertilizer products in all thirty-six (36) States and Abuja, the Federal Capital Territory. The Group trades and exports its manufactured fertilizer products to West Africa, South Africa, South America, and Europe.

For more information, visit www.notore.com

Disclaimer

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