

# Notore

## Notore Chemical Industries Plc Unaudited Results for the 15 months Period Ended December 31, 2021

**Lagos, 31st January 2022 – Notore announces group revenue growth of 43% to ₦27.02 billion for the fifteen months period ended 31st December 2021.**

### Group Financial Highlights

In the year 2021, Notore changed its accounting date from 30<sup>th</sup> September to 31<sup>st</sup> December as part of the measures taken to strategically reposition the Company for revenue growth and profitability. During the 15 months period ended 31st December 2021, Notore recorded group revenues of **₦27.02 billion** an increase of 43% over the prior financial year (**₦18.79 billion** for FY 30<sup>th</sup> September 2020).

2021 was a year of rebuilding and repositioning Notore to further deliver on its promise to Champion the African Green Revolution. During this period, the Company carried out a Turnaround Maintenance programme (TAM) which led to a 102-day plant shut down. The 15 months prior to 31<sup>st</sup> December 2021 was a challenging period for the Company occasioned by the negative global impact of Covid-19 disruptions. This caused TAM to extend over a prolonged period with consequential effect on production output. Nevertheless, Notore has improved its facilities' reliability, and is well positioned for growth in 2022.

Consequently, the group reported an operating income of **₦8.3 billion** for the 15 months period ended 31<sup>st</sup> December 2021, a 12% decrease from prior year (30<sup>th</sup> September 2020 FY operating income was **₦9.4 billion**). This was however offset by finance cost of **₦22.8 billion** and an exchange difference of **₦5.9 billion** due to the devaluation of the naira, resulting in a Net Loss of **₦20.1 billion** for the period (FY 2020 was a Net Loss of **₦19.9 billion**).

### Market & Operational Developments

The Company is optimizing its operations and expects a major upturn in its production output in the on-going financial year. Achieving this will not only lead to significant increases in the Company's cash flows from operations, but also substantial increases in revenues, a major key to returning the Company to profitability. The production and sale of Notore NPK fertilizer into the domestic market is also expected to contribute significantly to the Company's revenue growth and profitability going forward.

As part of our efforts to further diversify the Company's revenue stream, boost profitability and consolidate customers' loyalty, Notore is expanding its product offering by going into rice production. The Company has carried out two rice pilot programs as a prelude to its planned launch of the rice product line.

## Outlook for the Year

The demand for Urea and compound fertilizers in Nigeria and the West African sub-regional markets remains robust and is expected to continue to grow. With fertilizer consumption still far below the 200kg per hectare recommended by Food and Agriculture Organization, it is evident that both the domestic and regional fertilizer markets are yet to reach their full potential and guarantees the sale of all the fertilizers produced by the Company in the on-going year.

With the Federal Government's strong and decisive policy focus on agriculture as one of the keys to unlock the diversification of the Nigerian economy, Notore is well positioned to take full advantage of this policy in the execution of its business strategy going forward.

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## About Notore Chemical Industries Plc

Notore is a vertically integrated agro-allied and chemicals business situated in Onne (near Port Harcourt), Rivers State in South-South Nigeria and 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 and 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 international distribution of products. The Onne Complex comprises of approximately 560 hectares of land owned by the Group with a 2km of 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, while 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](http://www.notore.com)

## **Disclaimer**

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