BUA FOODS PLC H1 2026 30 July 2026

MPR: 26.50%
Jun'26 Inflation Rate: 15.91%
FY 2025 Real GDP: 3.89%

FINANCIAL PERFORMANCE

BUA Foods Plc repeated the trick it pulled off in Q1, earning less revenue but making considerably more profit, and delivered it at scale for the full first half ended June 30, 2026. Revenue declined 16.15% to ₦765.1 billion from ₦912.5 billion in H1 2025 . But once again, the margin-story underneath it is the one worth paying attention to.

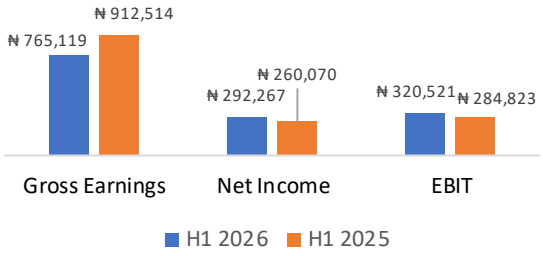
Cost of sales fell 29.89% to ₦401.9 billion, nearly twice the rate of the revenue decline. COGS margin compressed from 62.8% to 52.5%, and gross margin expanded sharply to 47.5% from 37.2%, reflecting improvement that speaks to genuine structural efficiency gains in the business. Gross profit grew 7.04% to ₦363.2 billion despite the revenue shortfall. Operating expenses were cut 18.28% to ₦44.9 billion, with both administrative and selling costs declining, while other income surged 366.77% to ₦2.2 billion. Operating profit rose 12.53% to ₦320.5 billion, with operating margin widening to 41.9% from 31.2%.

The finance line added further support. Net finance costs fell 38.19% to ₦5.6 billion as finance costs dropped 40.11% to ₦6.1 billion, reflecting the continued benefit of the company's deleveraging, with borrowings declining 7.40% to ₦338.9 billion and the bank overdraft almost fully extinguished, falling 83.35% to just ₦4.3 billion. Profit before tax grew 14.04% to ₦314.9 billion, and despite a 41.04% jump in income tax to ₦22.6 billion, profit after tax still rose 12.38% to ₦292.3 billion. Earnings per share climbed 12.39% to ₦16.24 from ₦14.45.

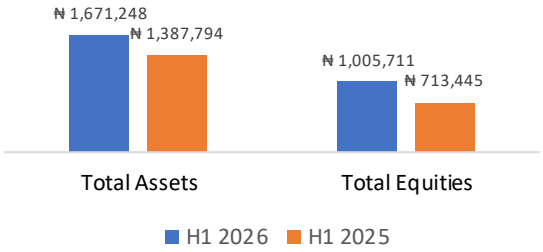
The balance sheet strengthened considerably. Shareholders' equity grew 40.97% to ₦1.006 trillion, cash surged 165.27% to ₦149.5 billion, and total liabilities declined 1.31%. The one item to flag remains the 35.62% increase in amounts due from related companies to ₦1.022 trillion, now the dominant asset on the balance sheet at over 61% of total assets.

No interim dividend was declared. At ₦845.10 per share and P/E of 52.04x, the stock trades well off its 54-week high of ₦967, leaving room for rerating if the margin story continues to hold.

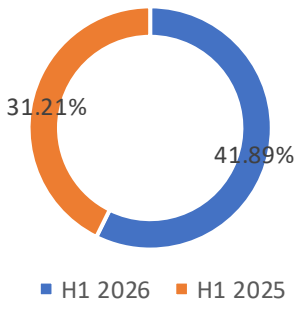
Snapshot of P & L (N'Mn)



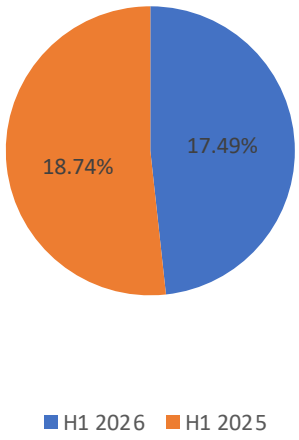
Snapshot of Balance Sheet (N'Mn)



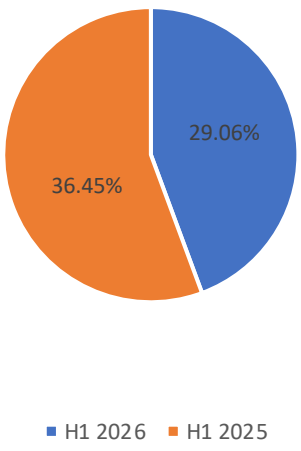
Operating Margins



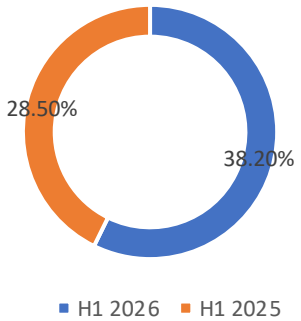
Return on Asset



Return on Equity



Net Income Margins



IMPORTANT DISCLOSURES: This report is produced by the Research Desk, Cowry Asset Management Limited (COWRY) as a guideline for Clients that intend to invest in securities on the basis of their own investment decision without relying completely on the information contained herein. The opinion contained herein is for information purposes only and does not constitute any offer or solicitation to enter into any trading transaction. While care has been taken in preparing this document, no responsibility or liability whatsoever is accepted by any member of COWRY for errors, omission of facts, and any direct or consequential loss arising from the use of this report or its contents.

BUA FOODS PLC H1 2026 30 July 2026

MPR: 26.50%
Jun'26 Inflation Rate: 15.91%
FY 2025 Real GDP: 3.89%

BUA Foods Plc	H1 26	H1 25	% Change
Statement of Profit or Loss	**N'Mn**	**N'Mn**	
Revenue	765,119	912,514	16.15%
Cost of Sales	(401,887)	(573,182)	29.89%
Gross Profit	**363,233**	**339,332**	**7.04%**
Administrative expenses	(14,497)	(19,358)	**25.11%**
Selling and Distribution expenses	(30,438)	(35,628)	**14.57%**
Total operating expenses	**(44,935)**	**(54,986)**	**18.28%**
Other Income	2,224	476	**366.77%**
Profit/Loss from operating activities	**320,521**	**284,823**	**12.53%**
Finance Income	496	1,119	**55.72%**
Finance costs	(6,136)	(10,245)	40.11%
Net Finance Costs	**(5,640)**	**(9,125)**	**38.19%**
Foreign exchange gain/loss	0	407	
Loss/Profit before tax	**314,881**	**276,105**	**14.04%**
Income tax	(22,615)	(16,035)	**41.04%**
Loss/Profit after tax	**292,267**	**260,070**	**12.38%**
Basic Earnings per Share (naira)	16.24	14.45	**12.39%**
Balance Sheet as of June 30, 2026	**30-Jun-2026**	**31-Dec-2025**	
Cash and short-term deposits	149,519	56,364	165.27%
Trade and other receivables	42,992	101,889	57.80%
Due from Related Companies	1,022,271	753,752	35.62%
Inventories	51,230	81,385	37.05%
Property Plant and Equipment	405,143	394,306	2.75%
Other Assets	94	98	3.83%
Total Assets	**1,671,248**	**1,387,794**	**20.42%**
Trade and other payables	170,263	143,228	18.88%
Bank Overdraft	4,280	25,702	83.35%
Deferred tax liabilities	5,554	1,975	181.22%
Contract Liabilities	72,464	82,413	12.07%
Current tax liabilities	73,945	54,909	34.67%
Borrowings	338,895	365,985	7.40%
Other Liabilities	135	137	1.09%
Total Liabilities	**665,537**	**674,349**	**1.31%**
Total shareholders' equity	**1,005,711**	**713,445**	**40.97%**

Key Ratio	**H1 26**	**H1 25**
COGS Margin	52.5%	62.8%
Gross Margin	47.5%	37.2%
Operating Margin	41.9%	31.2%
Net Profit Margin	38.2%	28.5%
Debt/Equity Ratio	33.7%	51.3%
Asset Turnover	0.46x	0.66x

Financial Statistics	
Share price	₦845.1
54 Week High/Low	N967/483.4
Shares Outs (Mn)	18,000.0
Market Cap (Bn)	15,211.8
P/E Ratio	52.04x
Earnings Yield	1.92%
P/B Ratio	15.13x
Return on Assets	69.9%
Return on Equity	87.1%

Corporate Actions	
Interim Dividend	N/A
Bonus	N/A
Qualification Date	N/A
Closure Date	N/A
Payment Date	N/A
AGM Date	N/A

Source: Company Financials, Cowry Research

IMPORTANT DISCLOSURES: This report is produced by the Research Desk, Cowry Asset Management Limited (COWRY) as a guideline for Clients that intend to invest in securities on the basis of their own investment decision without relying completely on the information contained herein. The opinion contained herein is for information purposes only and does not constitute any offer or solicitation to enter into any trading transaction. While care has been taken in preparing this document, no responsibility or liability whatsoever is accepted by any member of COWRY for errors, omission of facts, and any direct or consequential loss arising from the use of this report or its contents.