

Dangote Sugar's revenue fell. Its profit came back anyway.

A year ago the company lost ₦24.3bn in six months. This half it made ₦41.5bn, on less revenue. The reason is the cost of raw sugar — and underneath the recovery, a balance sheet that still needs watching.

What raw sugar cost, out of every ₦100 of sales

First half of 2025



₦73.92

First half of 2026



₦59.52

That ₦14.40 fall is most of the turnaround. Other production costs rose ₦2.47 per ₦100, so the net gain in gross margin was about ₦11.94 — enough to take the company from losing money to making it.

How does Dangote Sugar actually make money?

It refines raw sugar into edible sugar and sells it — mostly in 50kg bags to food, drink and pharmaceutical manufacturers, and through distributors who account for 65% of revenue. It also grows its own cane, with 7,979.3 hectares under cultivation, and is funding sugar projects in Adamawa, Taraba and Nasarawa.

Because the raw sugar is imported and paid for in foreign currency, two things decide its results more than anything it controls: what raw sugar costs and the naira. This half, both moved in its favour.

THE BIG NUMBER

+~~₦~~41.5bn

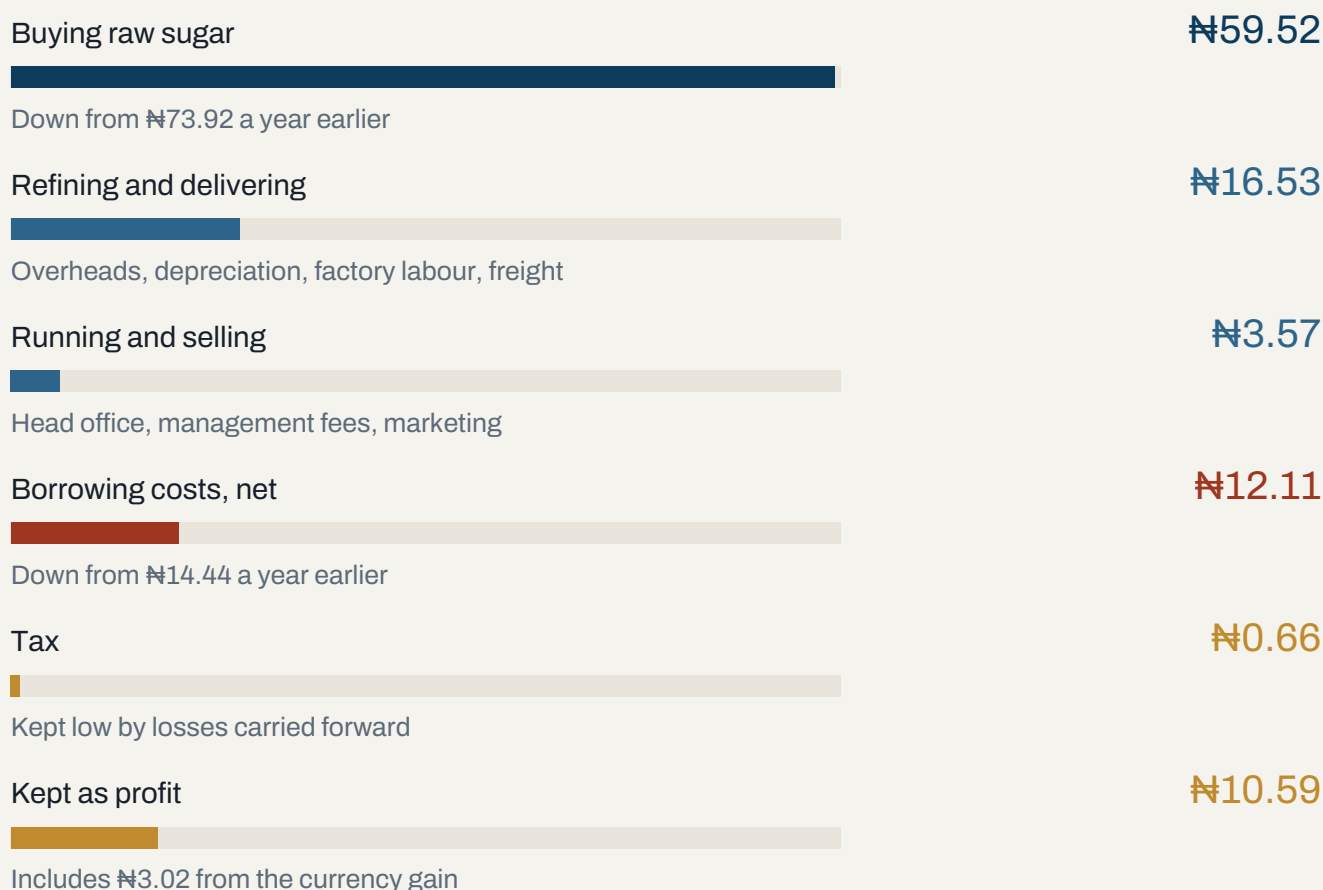
Profit after tax for the half. A year earlier: a loss of ₦24.3bn.

The half year in six numbers

Revenue	₦ 391.9bn	down 8.9% on H1 2025
Raw material cost	₦233.2bn	down 26.7%
Gross margin	24.0%	doubled from 12.0%
Profit after tax	₦41.5bn	from a loss of ₦24.3bn
Currency gain	₦11.8bn	26.8% of pre-tax profit
Short-term gap	₦ 462.8bn	current liabilities over assets

Where did every ₦100 of revenue go?

The whole income statement, rescaled so revenue equals ₦100. Raw sugar dominates everything — and borrowing is still the second-largest bill.



Derived from the statement of profit or loss, page 2, and cost notes, pages 20–21. Bars scaled to ₦60. Other income of ₦3.10 and a ₦0.11 fair-value loss on growing cane are not shown as rows.

WHAT TO NOTICE

A year ago the company lost ₦5.64 of every ₦100. Now it keeps ₦10.59 — but ₦3.02 of that is the currency gain. Without it, the company would still have turned a profit, just a smaller one.

What changed since last year?

It swapped one kind of debt for another

Commercial paper fell from ₦221.7bn to ₦43.0bn and letters of credit from ₦355.1bn to ₦205.9bn. Bank loans rose from ₦117.0bn to ₦332.3bn after ₦362.3bn of new borrowing. Total financial liabilities came down from ₦725.3bn to ₦584.1bn.

It is paying suppliers more slowly

Trade payables doubled from ₦40.5bn to ₦81.0bn, adding ₦54.5bn to operating cash flow. Cash from operations was ₦184.5bn, against an outflow of ₦23.2bn a year earlier — a real swing, but part of it is money owed rather than earned.

Cash on hand fell sharply

The balance sheet shows ₦29.2bn of cash, down from ₦52.6bn in December and ₦147.8bn a year ago. It went into repaying commercial paper and letters of credit.

A currency loss became a currency gain

In 2025 the company booked a ₦46.7bn exchange loss. This half it booked an ₦11.8bn gain, shown in other income. Same exposure to imported sugar priced abroad, opposite direction.

WHAT CAUGHT OUR ATTENTION

Equity of ₦170.6bn rests on a ₦306.5bn revaluation surplus, created when the plant was marked to fair value in December 2024. Accumulated losses are ₦148.2bn. Without the revaluation, equity would be roughly –₦135.9bn.

The Scorecard

Each label comes from a fixed rule applied the same way to every company we cover. We publish no single score out of 100, because these categories do not trade off against each other in any honest way.

Sales growth Revenue down 8.9%, from ₦430.2bn to ₦391.9bn	Watch
Making money on each sale Gross margin 24.0%, doubled from 12.0%	Strong
Cost discipline Cost of sales down 21.3% while revenue fell 8.9%	Strong
Cash generation ₦184.5bn from operations, against an outflow of ₦23.2bn	Strong
Balance sheet Current liabilities exceed current assets by ₦462.8bn	Watch
Return to shareholders No dividend either half; ₦148.2bn of accumulated losses	Steady
Tax burden Effective rate 5.9%, sheltered by losses carried forward	Steady
Customer concentration One customer accounts for 29.06% of revenue	Watch

HOW TO READ THIS

Strong means the measure improved materially against the same period last year. Steady means it held. Watch means it moved against shareholders, or moved without explanation. The eighth category is sector-specific; for this consumer company we use customer concentration.

Finance speak, human speak

Five phrases from this filing, in plain words.

Revaluation surplus

An increase in the book value of property or equipment after a professional valuation, recorded in equity rather than as profit. It is not cash and cannot be paid out. Dangote Sugar's is ₦306.5bn — larger than its entire equity.

Letter of credit

A bank's promise to pay a supplier on the buyer's behalf once goods ship. Importers use them to buy raw materials abroad. They carry fees and interest, and when the naira falls, the naira cost of settling them rises.

Commercial paper

Short-term borrowing sold directly to investors, usually for under a year. Cheaper and faster than a bank loan when markets are calm, but it has to be rolled over constantly. Dangote Sugar cut its commercial paper from ₦221.7bn to ₦43.0bn.

Net current liabilities

When what a company owes within a year exceeds what it will turn into cash within a year. Here the gap is ₦462.8bn. It does not mean a company cannot pay, but it means it depends on lenders continuing to roll its debt over.

Rights issue

An offer of new shares to existing shareholders, usually at a discount, to raise equity. Shareholders who don't take up their rights own a smaller share afterwards. The filing records ₦729.8m already spent preparing one, with no size or date given.

The Bottom Line

Dangote Sugar is making money again, and the reason is clear: raw sugar got cheaper, the naira helped, and the company replaced its most expensive short-term debt. After a ₦64.1bn loss in 2025, a ₦41.5bn half-year profit is a real recovery.

What the recovery has not yet done is repair the balance sheet. Losses still exceed everything shareholders ever put in, the short-term gap is ₦462.8bn, and a rights issue appears to be in preparation. The trading has turned. The foundations are still being rebuilt.

THREE QUESTIONS FOR THE NEXT FILING

- Does the margin hold if raw sugar prices or the naira turn?
- How large is the rights issue, and at what price?
- When do the ₦81.0bn of trade payables have to be settled?

Every figure in this report is taken from Dangote Sugar Refinery Plc's unaudited consolidated financial statements for the period ended 30 June 2026, approved by the board on 30 July 2026. Figures we calculated ourselves are labelled derived. Where we explain why something happened and the company published no commentary, we say so.

The filing's arithmetic reconciles on all three checks. It is inconsistent in two places: the statement of changes in equity splits reserves differently from the balance sheet, though total equity agrees; and note 30.1 classes ₦150.4bn of loans as long-term while the balance sheet classes all financial liabilities as current. We have used the balance sheet throughout.

By Betini Udom. An explanation of a public filing, not investment advice. therainingmoney.com