



FLOUR MILLS OF NIGERIA PLC (RC 2343)

OFFER FOR SUBSCRIPTION

₦10,110,000,000

**3 YEAR 15.50% SERIES 1 FIXED RATE SENIOR UNSECURED BOND DUE 2021
UNDER THE ₦70,000,000,000 FLOUR MILLS OF NIGERIA PLC BOND ISSUANCE PROGRAMME**

BOOKBUILDING OPENS: 27 September 2018

BOOKBUILDING CLOSES: 12 October 2018

This Pricing Supplement is prepared for the purpose of Rule 279(3) (6) & (7) of the Rules and Regulation of the Securities & Exchange Commission ("The Commission" or "SEC") in connection with the ₦70,000,000,000.00 Bond Issuance Programme established by Flour Mills of Nigeria PLC ("the Issuer"). This Pricing Supplement is supplemental to, and should be read in conjunction with, the Shelf Prospectus dated 1 November 2018, the Series 2 Pricing Supplement and any other supplements to the Shelf Prospectus to be issued by the Issuer. Terms defined in the Shelf Prospectus have the same meaning when used in this Pricing Supplement.

To the extent that there is any conflict or inconsistency between the contents of this Pricing Supplement and the Shelf Prospectus, the provisions of this Pricing Supplement shall prevail.

This Pricing Supplement may be used to offer and sell the Bonds only if accompanied by the Shelf Prospectus. Offer is valid for High Net-worth Individuals and Qualified Institutional Investors. Risks related to this offer can be found on page 37 of the Shelf Prospectus. Copies of the Shelf Prospectus can be obtained free of charge from the offices of the Commission, the Issuer and the Issuing Houses and can also be downloaded from the respective websites of the Commission (<http://sec.gov.ng/>) and the Issuer (<https://fmnplc.com>), throughout its validity period.

The registration of the Shelf Prospectus and this Pricing Supplement shall not be taken to indicate that the Commission endorses or recommends the securities or assumes responsibility for the correctness of any statements made or opinions or reports expressed in the Shelf Prospectus or this Pricing Supplement. No securities will be allotted or issued on the basis of the Shelf Prospectus read together with this Pricing Supplement later than three years after the date of the issue of the Shelf Prospectus.

This Pricing Supplement contains particulars in compliance with the requirements of the Commission for the purpose of giving information with regard to the Securities being issued hereunder (the "Series 1 Bonds" or "Bonds"). The Bonds now being issued will upon admission to an exchange qualify as a security in which Trustees may invest under the Trustee Investments Act (Cap T22) Laws of the Federation of Nigeria, 2004. The Bonds also qualify as a security under Section 20(1)(g) of the Personal Income Tax Act, Cap P8, LFN, 2004 as well as Section (19)(2) of the Companies Income Tax Act, Cap C21, LFN, 2004.

The Issuer accepts full responsibility for the accuracy of the information contained in this Pricing Supplement. The Issuer declares that having taken reasonable care to ensure that such is the case, the information contained in this Pricing Supplement is, to the best of its knowledge (having made all reasonable enquiry), in accordance with the facts and does not omit anything likely to affect the import of such information and that save as disclosed herein, no other significant new factor, material mistake or inaccuracy relating to the information included in the Shelf Prospectus has arisen or has been noted, as the case may be, since the publication of the Shelf Prospectus. Furthermore, the material facts contained herein are true and accurate in all material respects and the Issuer confirms that, having made all reasonable enquiries, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement contained herein misleading or untrue.

LEAD ISSUING HOUSE / BOOK RUNNER



RC: 1031358

JOINT ISSUING HOUSES / BOOK RUNNERS



RC 125242



RC264978



RC446561



RC 444999



RC 639491

This Pricing Supplement is dated 1 November 2018

Final terms of the Series 1 Bond

1. Issuer: Flour Mills of Nigeria Plc
2. Description of the Bond: 3 year 15.50% senior unsecured Fixed Rate Bonds due 2021
3. Series Number: 1
4. Specified Currency: Naira (“~~N~~”)
5. Aggregate Nominal: ₦10,110,000,000
6. Issue Price: At par. ₦1,000 per unit of the Bond
7. Gross Series 1 & 2 proceeds: ₦20,110,000,000.00
8. Net Series 1 & 2 proceeds ₦19,707,744,187.50
9. Denominations: The Bonds will be issued in denominations of ₦1,000 and integral multiples of ₦1,000 in excess thereof, subject to the Minimum Acceptable Subscription
10. Minimum Acceptable Subscription ₦10,000,000 (i.e. 10,000 units at ₦1,000 per unit) and multiples of ₦1,000,000 thereafter. Bids below the Minimum Acceptable Subscription will be disregarded unless they form part of a cumulative bid from the same investor that is greater than the Minimum Acceptable Subscription. Final allotment to respective bidders may be less than the Minimum Acceptable Subscription if bids must be pro-rated for any reason
11. Issue Date: 1 November 2018
12. Coupon Commencement Date: Coupon shall accrue from the Allotment date
13. Tenor: 3 (three) years
14. Maturity Date: 30 October 2021
15. Principal Moratorium: N / A
16. Coupon Basis: Fixed Rate
17. Coupon Rate: 15.50% p.a
18. Redemption/Payment Basis: If not redeemed earlier in accordance with the Early Redemption provisions, repayment shall be in full on the maturity date
19. Status: The Bonds shall constitute direct, unconditional, senior and unsecured obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The payment obligations of the Issuer under the Bonds and in respect of the principal and any interest thereon, shall at all times rank at least equally with all other

senior and unsecured obligations of the Issuer present and future, but in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights

20. Negative Pledge

For as long as any of the Bonds remain outstanding, the Issuer shall not, without the prior consent of the Trustees in writing, create or permit to subsist any Security Interest to secure any Financial Indebtedness, unless the Issuer's obligations under the Bonds are secured equally and rateably therewith or have the benefit of such other security, guarantee, indemnity or other arrangement as the Trustees in their absolute discretion shall deem not to be materially less beneficial to the Bondholders

21. Listing(s):

FMDQ OTC PLC and/or The Nigerian Stock Exchange

22. Use of proceeds¹

The net proceeds of the Series 1 & 2 Bond Issuance which are estimated at ₦19,707,744,187.50, after deducting issue costs (including VAT) of ₦402,255,813 representing 2.00% of the issue, shall be applied as follows:

	Description	Amount (₦'bn)	%	Time to completion
1	Repayment of debt obligations	19.7	100	Immediate
		19.7	100	

23. Offer Period:

27 September 2018 – 12 October 2018

Provisions relating to coupon (if any) payable

24. Fixed Rate Bond Provisions

- i. Coupon Payment Date(s)/Payment Dates: 30 April and 30 October (Semi-annual)
- ii. Coupon Amount(s): As applicable for each Interest Period (Interest accumulated between each Coupon payment) using the Actual / Actual Day Count Fraction
- iii. Day Count Fraction: Actual / Actual (actual numbers of days in a month/actual number of days in the year)
- iv. Business Day Convention: Modified Following: Where a Coupon Payment Date falls on a non-Business Day, such payment shall be postponed to the next day which is a Business Day provided that if such a Business Day falls into the next calendar month, such Coupon

¹ See Appendix 3 for detailed description of Use of Proceeds

Payment Date shall be brought forward to the immediately preceding Business Day.

- v. Other terms relating to method of calculating Coupon for Fixed Rate Bonds: N/A

General provisions applicable to the Bonds

25. Form of Bonds: Electronic registration on the Central Securities Clearing System Plc platform
- i) Form of Dematerialised Bonds: Dematerialised
- ii) Registrar: Atlas Registrars Limited
26. Trustees: ARM Trustees Limited, Stanbic IBTC Trustees Limited and United Capital Trustees Limited
27. Record Date: No Bondholder may require the transfer of a Bond to be registered during the period of 15 (fifteen) days ending on the due date for any payment of principal or Coupon on that Bond
28. Other terms or special conditions: Not applicable

Distribution, clearing and settlement provisions

- 29 Issuing Houses Stanbic IBTC Capital Limited, ARM Securities Limited, FBNQuest Merchant Bank Limited, FCMB Capital Markets Limited, United Capital Plc and Zenith Capital Limited
- 30 Method of Distribution: Book Building to Qualified Institutional Investors and High Net Worth Individuals
- 31 Underwriting: Not applicable
- 32 Clearing System: Central Securities Clearing System PLC
- 33 Rating:
- i) Issuer: Bbb+ (Agusto), BBB+ (GCR)
- ii) Issue: Bbb+ (Agusto), BBB+ (GCR)

An issue rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

- 34 Terms of Settlement Kindly refer to Payment Instructions under Appendix 2

Provisions regarding redemption / Maturity

35. Redemption at the Option of the Issuer (Call Option) Not Applicable

If applicable:

- (i) Optional Redemption Date(s) (Call) Not Applicable
- (ii) Optional Redemption Amount(s) (Call) and method, if any, of calculation of such amount(s) Not Applicable
- (iii) Minimum period of notice (if different from Condition 7.2 of the Final Terms (*Early Redemption at the option of the Issuer (Call Option)*)) Not Applicable
- (iv) If redeemable in part: Not Applicable
 - (A) Minimum Redemption Amount(s) Not Applicable
 - (B) Higher Redemption Amount(s) Not Applicable
- (v) Other terms applicable on Redemption

General

36. Taxation: See "Taxation" on page 25 of the Shelf Prospectus dated 1 November 2018.
37. Risk Factors: See Risk Factors on page 37 – 40 of the Shelf Prospectus dated 1 November 2018.
38. Governing Law: The Bonds will be governed by and construed in accordance with the laws of the Federal Republic of Nigeria.

Material adverse change statement

Except as disclosed in this document and in the Shelf Prospectus dated 1 November 2018, there has been no significant change in the financial or trading position of the Issuer since 30 June 2018 and no material adverse change in the financial position or prospects of the Issuer since 31 March 2018.

APPENDIX 1: Series 1 & 2 Timetable

Date	Activity	Responsibility
20 September 2018	Receive SEC approval to commence book building	Lead Issuing House
27 September 2018	Commence book building	Issuing Houses and Bookrunners
12 October 2018	Conclude book building	Issuing Houses and Bookrunners
12 October 2018	Determine Coupon Rate and aggregate Principal Amount of Bond to be issued	Issuing Houses and Bookrunners
12 October 2018	Dispatch Allocation Confirmation Notices to Successful Participants	Issuing Houses and Bookrunners
16 October 2018	File updated Pricing Supplement and other Issue documents with SEC	Lead Issuing House
1 November 2018	Effect payment of Participation Amounts to Receiving Bank	Successful Participants
1 November 2018	Signing Ceremony	All Parties
2 November 2018	Remit net Issue proceeds to the Issuer	Receiving Bank
6 November 2018	File executed Issue documents with SEC	Lead Issuing House
6 November 2018	File Allotment Proposal with SEC	Lead Issuing House
12 November 2018	Receive SEC clearance of Allotment	Lead Issuing House
19 November 2018	Announce Allotment	Lead Issuing House
11 December 2018	Post allotment compliance report	Lead Issuing House
28 December 2018	Credit CSCS Accounts of Allottees/dispatch Bond Certificates	Registrar
7 January 2019	Listing and commencement of trading in the Bond	Exchange

APPENDIX 2: Procedures for Allocation and Allotment

1. Invitation for Participation

Eligible Investors are hereby invited to place orders in respect of the Issue through the Issuing Houses and Bookrunners.

- 1.1 The book building process opens on **27 September 2018** and closes on **12 October 2018**. **Orders must be for a minimum of ₦10,000,000 and in integral multiples of ₦1,000,000 thereafter.** Orders below the Minimum Acceptable Subscription will be disregarded unless they form part of a cumulative order from the same investor that is greater than the Minimum Acceptable Subscription. Final allotment to respective bidders may be less than the Minimum Acceptable Subscription if orders must be pro-rated for any reason.
- 1.2 Orders should be entered in the space provided in the prescribed commitment form in Appendix 5 attached to this Pricing Supplement.
- 1.3 **By completing the commitment form, each participant hereby agrees that the order is irrevocable and, to the fullest extent permitted by law, the obligations in respect thereof shall not be capable of rescission or termination by any participant.**
- 1.4 Participants may place orders for the Bond at any price within the price range subject to the minimum participation amount and the terms and conditions stated on the commitment form.
- 1.5 A corporate participant should affix its official seal in the box provided and state its incorporation (RC) Number or, in the case of a corporate foreign subscriber, its appropriate identification/incorporation number in the jurisdiction in which it is constituted.
- 1.6 Upon the completion and submission of the commitment form, the participant is deemed to have authorised the Issuer and the Issuing Houses to effect the necessary changes in the Pricing Supplement as would be required for the purposes of filing an application for the clearance and registration of the Pricing Supplement with the SEC. The commitment form shall be considered as the application form for the purposes of registration of the Pricing Supplement with the SEC.
- 1.7 Participants shall not be entitled to withdraw/modify orders after the book building closing date.
- 1.8 The commitment form presents the participant with the opportunity to indicate up to three optional bid Coupon Rates within the price range and to specify the participation amount applicable to each option. The bid coupon rates and the participation amounts submitted by the participant in the commitment form will be treated as optional demands from the participant and **will not be aggregated.**
- 1.9 After determination of the Coupon Rate, the maximum participation amount specified by a participant at or below the clearing price will be considered for allocation and the rest of the order(s), irrespective of the corresponding bid Coupon Rate(s), will become automatically invalid.
- 1.10 The Issuer in consultation with the Issuing Houses and Bookrunners reserves the right not to proceed with the Issue at any time including after the book building opening date but before the allotment date without assigning any reason thereof.

Payment Instructions

Successful participants should ensure that payment of the participation amounts is received **within 24 hours of allotment**, via the CBN Real Time Gross Settlement System ("RTGS") or the Nigerian Inter-bank System Electronic Funds Transfer ("NEFT") into the following designated issue proceeds accounts domiciled with the Receiving Banks:

BANK NAME	ACCOUNT NAME	ACCOUNT NUMBER
Access Bank PLC	FMN PLC Series 1 & 2 Bond Issue Proceeds	0786373479
First Bank of Nigeria	FMN PLC Series 1 & 2 Bond Issue Proceeds	2033521569

Stanbic IBTC Bank	FMN PLC Series 1 & 2 Bond Issue Proceeds	0029396864
United Bank for Africa PLC	FMN PLC Series 1 & 2 Bond Issue Proceeds	1021506627
Zenith Bank PLC	FMN PLC Series 1 & 2 Bond Issue Proceeds	1015904060

3 Allocation / Allotment

- 3.1 On the pricing date, the Issuing Houses and Bookrunners will analyse the demand generated at various price levels and, in consultation with the Issuer, finalise the Coupon Rate and the allocations to each participant. Allocation confirmation notices will be sent to successful participants thereafter.
- 3.2 The Directors of the Issuer, the Issuing Houses and Bookrunners reserve the right to accept or reject any application in whole or in part for not complying with the terms and conditions of the Issue.
- 3.3 Allotment of Bonds will be effected only upon clearance of the Prospectus by the Commission. Allotment shall be effected by means of the following:

3.3.1 Allotment of Bonds in Electronic Form (e-Allotment)

Successful applicants are mandatorily required to specify their CSCS investor account number and CSCS clearing house number (CHN) in the spaces provided on the commitment form.

In addition to providing the above information:

- (a) Successful applicants who want their Bonds credited to a sub-account opened under a Primary Dealer should tick the applicable box and indicate the Primary Dealer's member code and name in the space provided on the Commitment Form.
- (b) Successful applicants who want their Bonds credited to a standalone account are only required to tick the applicable box in the commitment form.

3.3.2 Allotment of Bonds in Certificate Form

Certificates in respect of allotted Bonds will be dispatched by registered post to the specified addresses on the commitment forms of the applicants who elect to receive the Bonds in physical form, not later than 15 (fifteen) Business Days from the allotment date.

Participants must ensure that the name specified in the commitment form is exactly the same as the name in which the CSCS account is held. In case the application is submitted in joint names, it should be ensured that the beneficiary CSCS account is also held in the same joint names and are in the same sequence in which they appear in the commitment form. Subject to there being no issues with investor CSCS details, credit to the CSCS account of investors shall be done no later than 15 (fifteen) Business Days from the date of clearance of allotment by the SEC.

4. Bank Account Details

- 4.1 Participants are required to indicate their bank account details in the space provided on the commitment form for the purposes of future payments of Coupon and the Principal Amount.
- 4.2 Participants are advised to ensure that bank account details stated on the commitment form are correct as these bank account details shall be used by the Registrar for all payments indicated in 4.1 above in connection with the Bonds.

Failure to provide correct bank account details could result in delays in credit of such payments or the issuance of cheques/warrants which shall be sent by registered post to the specified addresses of the affected investors. The Issuer, the Issuing Houses and Bookrunners, the Receiving Banks, the Trustees and the Registrar shall not have any responsibility nor will any of these specified parties undertake any liability for the same.

APPENDIX 3: Use of Proceeds

The net proceeds of the Series 1 & 2 Bond Issuance which are estimated at ₦ 19,707,744,187.50, after deducting issue costs (including VAT) of ₦ 402,255,813.50 representing 2.00% of the issue, shall be applied as follows:

	Description	Amount (₦'bn)	%	Time to completion
1	Repayment of debt obligations	19.7	100	Immediate
		19.7	100	

Details of Indebtedness

S/N	Lender	Facility Type	Amount (₦'bn)
1	Zenith Bank Plc	Short-Term Loan	9.0
2	FBNQuest Merchant Bank Ltd.	Short-Term Loan	8.4
3	Fidelity Bank Plc	Overdraft	2.3
	Total		19.7

Flour Mills of Nigeria Plc.

₦10.11 billion Series 1 3-Year 15.5% Fixed Rate Senior Unsecured Bond Due 2021 and ₦10 billion Series 2 5-Year 16% Fixed Rate Senior Unsecured Bond Due 2023 under the ₦70 billion Bond Issuance Programme

Issue Rating

(Series 1 & 2):

Bbb+

Satisfactory quality debt with moderate credit risk; adequate capacity to pay returns and principal on local currency debt in a timely manner.

Outlook: Stable

Issue Date: 30 August 2018

Expiry Date:

The rating is indicative and a final rating will be based on receipt of all duly executed transaction documents. The rating is subject to annual monitoring and review.

Industry: Food & Agro-Allied

Issuer Rating: Bbb+

Expiry Date: 30 September 2019

Outline	Page
Rationale	1
Overview of Food & Beverage Industry	4
Company Profile	6
Financial Condition	10
Bond Utilisation	15
Financial Forecast	18
Ownership, Mgt & Staff	20
Outlook	22
Financial Summary	24
Rating Definition	27

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RATING RATIONALE

Agusto & Co. assigns an indicative 'Bbb+' rating to Flour Mills of Nigeria Plc.'s (**Flour Mills**, **FMN** 'Issuer' or 'the **Company**') ₦10.11 billion Series 1 3-Year 15.5% Fixed Rate Senior Unsecured Bond Due 2021 ('Series 1') and ₦10 billion Series 2 5-Year 16% Fixed Rate Senior Unsecured Bond Due 2023 ('Series 2'). The rating assigned reflects the Company's leading position in the flour milling industry as well as its strong brand name in the Nigerian fast moving consumer goods (FMCG) industry. In addition, the rating reflects the Issuers' good profitability, experienced and stable management team and its significant investment in backward integration which we expect to yield significant benefits in the medium term. The rating is however constrained by the fragile macroeconomic environment which remains a threat to input cost, consumer purchasing power, demand for FMN's products and inadequate working capital.

The Company plans to issue ₦20.1 billion Bonds in two series as follows: ₦10.11 billion 3-Year 15.5% Series 1 Fixed Rate Senior Unsecured Bond Due 2021 and ₦10 billion 5-Year 16% Series 2 Fixed Rate Senior Unsecured Bond Due 2023 under its ₦70 billion Bond Issuance Programme before the end of 2018. The coupon rate of the Series 1 & 2 Bonds will be determined via a book building process and payable semi-annually over the 3-year and 5-year tenors respectively. The principal of the Series 1 Bond will be repaid in lump sum at maturity in 2021 while the Series 2 Bond principal will enjoy a one-year moratorium from date of issue and will subsequently be redeemed in eight equal semi-annual instalments until maturity of the Bond in 2023. The net proceeds of the Series 1 & 2 Bonds will be used to refinance existing debt obligations and improve FMN's working capital.

In the year ended 31 March 2018, FMN's profitability improved significantly, with a pre-tax return on assets (ROA) of 11% and a pre-tax return on average equity (ROE) of 10.9% both of which are in line with our expectations. Management expects this trend to continue, on the back of cost efficiencies in the improved route-to-market strategies and expanded product portfolio.

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Flour Mills of Nigeria Plc N70bn Bond Issuance Programme (N20.1bn Series 1 and Series 2 Bonds)

Nigeria Corporate Bond Analysis – New Issuance Report

September 2018

Security class	Rating scale	Indicative rating*	Rating outlook	Expiry date
Series 1 Senior Unsecured Bonds: N10.1bn	National	BBB+(NG)	Stable	January 2019
Series 2 Senior Unsecured Bonds: N10bn	National	BBB+(NG)	Stable	January 2019

Key Transaction counterparties:

Issuer: Flour Mills of Nigeria Plc (“FMN”, or “the Company”)

Issuer’s long term credit rating: BBB+(NG)

Lead Issuing House: Stanbic IBTC Capital Ltd.

Joint Issuing Houses: ARM Securities Ltd., FBNQuest Merchant Ltd., FCMB Capital Markets Ltd., United Capital Plc, Zenith Capital Ltd.

Joint Trustees: Stanbic IBTC Trustees Ltd., United Capital Trustees Ltd., ARM Trustees Ltd.

Solicitors to the Trustees: Udo Udoma & Belo-Osagie

Solicitor to the Programme: The New Practice

Key Transaction Documentation: Programme Trust Deed, Shelf Prospectus, Series 1 and Series 2 Trust Deeds, Series 1 and Series 2 Pricing Supplements.

Transaction summary

Flour Mills of Nigeria Plc has filed an application with Securities and Exchange Commission (“SEC”) to issue Bonds into the Nigerian capital market, under a N70bn Bond Issuance Programme (“the Programme” or “BIP”). Under the Programme, Bonds will be issued in series, with an initial N20.1bn expected to be raised in two tranches of N10.1bn and N10bn respectively in 2018. Net proceeds would be utilised to reduce expensive short term debt. The Series 1 Bonds and Series 2 Bonds (“the Bonds”) have tenors of three years and five years respectively with expected maturity in 2021 and 2023. The Bonds will constitute direct, unconditional, senior and unsecured obligations of the Issuer.

Summary rating rationale

- The Issuer maintains leadership position within the Nigerian flour milling industry, underpinned by its substantial multi-product milling capacity, wide distribution network, strong brands and business diversification. More significantly, its backward integration initiatives are beginning to underpin a more sustainable supply chain, while enhancing margins.
- The Programme Trust Deed (“PTD”) does not offer Bondholders any security over assets but does feature a negative pledge and other covenants to protect the interest of Bondholders.
- As the Series 1 Bonds are direct, unconditional, senior and unsecured obligations of the Issuer, the Bonds will bear the same rating as the Issuer, and any change in the rating assigned to the Issuer will directly affect the Bond rating. Global Credit Rating Company Limited (“GCR”) affirmed the Issuer’s long term rating at BBB+(NG) in September 2018.
- Despite volatile economic environment, FMN has demonstrated earnings resilience, supported by increasing selling prices and volume growth as capacity expanded. Coupled with cost rigour, this has seen profit margins strengthen, with EBITDA margin widening above 10% in FY17 and FY18. Management plans to further mitigate the high cost of importation of its raw materials by internalising more aspects of its supply chain.
- The Issuer has evidenced volatile cash flows over the review period, attributable to high working capital pressures, particularly in FY17 and FY18. FMN undertook a N40bn rights issue, which, combined with N12bn of cash on hand was utilised to settle short term debt. Nevertheless, despite the decline in gross debt to N103bn at FY18, earning based gearing metrics remain fairly high (above 200%).
- Debt had climbed to N118bn as at 1Q FY19, almost double the forecast level, but management expects debt to reduce significantly in 2H and meet its budget. If the expected reduction in debt does not materialise, gearing metrics could rise further and would put pressure on the current rating. FMN will thus need to generate robust cash flows from core operations and maintain adequate liquidity to enable it achieve a substantial reduction in debt and improved gearing metrics, in line with expectations.
- Although GCR has highlighted its concern over the short term debt concentration, (with around 85% maturing during FY19), FMN has indicated that the bulk of the Series 1 Bonds and Series 2 Bonds Issue proceeds will be utilised to settle short term debt. If achieved, this should improve FMN’s debt maturity profile.

Summary of Transaction:

Asset class	Senior unsecured
Programme limit	N70bn
Series 1 Bond	N10.1bn
Tenor	3 years
Maturity Date	2021
Interest rate	15.5%
Series 2 Bond	Up to N20bn
Tenor	5 years
Maturity	2023
Interest rate	16%
Interest basis	Fixed, payable semi-annually
Principal moratorium	Series 1 Bonds: N/A Series 2 Bonds: 12 months
Principal redemption basis	Series 1 Bonds: Bullet repayment upon maturity Series 2 Bonds: Semi-annual on an amortising basis, to commence following the expiration of the moratorium
Negative pledge	Yes

Related methodologies/research:

Global Master Criteria for rating Corporate entities, updated February 2018.
Flour Mills of Nigeria Plc Issuer rating reports, 2016-2018
Glossary of terms/ratios, February 2018

GCR contacts:

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Committee Chairperson
Dave King
king@globalratings.net

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www.globalratings.com.ng

*The final ratings will be accorded upon receipt of satisfactorily signed and executed final transaction documents.

APPENDIX 5: Commitment Form

Bookbuilding:
OPENS: 27 SEPTEMBER 2018



CLOSES: 12 OCTOBER 2018

FLOUR MILLS OF NIGERIA PLC
RC 2343

OFFER FOR SUBSCRIPTION
OF

**₦10,110,000,000 3 YEAR 15.50% SERIES 1 FIXED RATE SENIOR UNSECURED BOND DUE 2021
UNDER THE ₦70,000,000,000 FLOUR MILLS OF NIGERIA PLC BOND ISSUANCE PROGRAMME**

Lead Issuing House/Bookrunner:

Stanbic IBTC Capital Limited RC 1031358

Joint Issuing Houses/Bookrunners:

ARM Securities Limited RC 125242

FBNQuest Merchant Bank Limited RC264978

FCMB Capital Markets Limited RC446561

United Capital Plc RC 444999

Zenith Capital Limited RC 639491

Orders must be made in accordance with the instructions set out in the Pricing Supplement. Care must be taken to follow these instructions as orders that do not comply may be rejected. If you are in doubt as to the action to take, please consult your Stockbroker, Banker, Solicitor or an independent investment adviser for guidance immediately.

DECLARATION

- I/We confirm that I am/we are eligible to participate in this Issue in accordance with the applicable SEC Rules and Regulations.
- I/We confirm that I/we have read the Pricing Supplement dated [●] and that my/our order is made on the terms set out therein.
- I/We hereby irrevocably undertake and confirm that my/our order for Bonds is equivalent to the participation amount set out below at the Coupon Rate to be discovered through the book building process.
- I/We authorise you to enter my/our name on the register of holders as a holder(s) of the Bonds that may be allotted to me/us and to register my/our address as given below.
- I/We authorise the Issuer to amend the Pricing Supplement as may be required for purposes of filing a final version with the SEC without recourse to me/us and I/we use this commitment form as the application for the purpose of the Bond Issue.
- I/We note that the Issuer and the Issuing Houses/Bookrunners are entitled in their absolute discretion to accept or reject this order.
- I/We agree to accept the participation amount as may be allocated to me/us subject to the terms of the Pricing Supplement.

PLEASE COMPLETE ALL RELEVANT SECTIONS USING BLOCK LETTERS AND IN BLACK INK

GUIDE TO ORDERS		DATE (DD/MM/YYYY)		CONTROL NO (REGISTRAR'S USE) ONLY
Minimum Amount	₦10,000,000.00		2 0 1 8	
Subsequent multiples	₦1,000,000.00			

PARTICIPANTS CAN INDICATE UP TO (3) THREE OPTIONAL BID MARGINS AND SPECIFY THE PARTICIPATION AMOUNT APPLICABLE TO EACH BID COUPON RATE. THESE WILL BE TREATED AS OPTIONAL ORDERS AND WILL NOT BE AGGREGATED. PLEASE TICK (✓) THE APPLICABLE BOX ON THE RIGHT.

<input type="checkbox"/> PFA	<input type="checkbox"/> Bank	<input type="checkbox"/> Discount House	<input type="checkbox"/> Fund Manager	<input type="checkbox"/> Investment/ Unit Trust	<input type="checkbox"/> HNI
<input type="checkbox"/> PE Fund	<input type="checkbox"/> Staff Scheme	<input type="checkbox"/> Trustee/ Custodian	<input type="checkbox"/> Insurance Company	<input type="checkbox"/> Stockbroker	

ORDER 1

Participation Amount	Bid Coupon Rate
₦	%
In Words:	

ORDER 2

Participation Amount	Bid Coupon Rate
₦	%
In Words:	

ORDER 3

Participation Amount	Bid Coupon Rate
₦	%
In Words:	

Surname/Corporate Name

--

Other Names (for Individuals only)

--

Joint Applicant's Surname and other Names

--

Contact Person (for Corporate Applicant) / Next of Kin (for Individual Applicant)

--



Address in Full

City															State														
Telephone															E-mail														

Allotment Preference

<input type="checkbox"/>	CSCS (Sub Account under a Primary Dealer)	CSCS Investor Account No (Electronic Allotment)															CSCS Clearing House No (CHN)														
	<input type="checkbox"/>	CSCS (Standalone)	Primary Dealer Member Code (only for Sub Accounts)																												
<input type="checkbox"/>	Certificate	Name of Primary Dealer (only for Sub Accounts)																													

Bank Details (For E-Payments)

Bank Name/Branch																Account no															
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Signature

2nd Signature (Corporate/Joint)

Company Seal/RC Number (Corporate)

Name/Designation of Authorised Signatory (Corporate Applicant only)

APPENDIX 6: Parties to the Offer

Executive Director:

Mr Paul M. Gbededo (**Group Managing Director**)
 Road 47, Q4 Victoria Garden City
 Ajah
 Lagos

Non-Executive Directors:

Mr John G. Coumantaros (**Chairman**)
 33rd Floor, 712 Fifth Avenue
 New York
 United States of America

Dr (Chief) Emmanuel A. Ukpabi (KJW) (**Vice Chairman**)
 76 Marine Road
 Apapa
 Lagos

Alhaji Abdullahi Ardo Abba
 26 Mayo Inne Road
 Jimeta
 Yola
 Adamawa

Professor Jerry Gana, CON
 2 Misratah Street
 Wuse II
 Abuja

Mr Alfonso Garate
 33rd Floor, 712 Fifth Avenue
 New York
 United States of America

Alhaji Rabiu Muhammad Gwarzo, CON
 15 Mai Malari Road
 Bompai Industrial Estate
 Kano

Mr Ioannis Katsaounis
 26 Filellinon Street
 Athens
 Greece

Company Secretary:

Mr Joseph O. Umolu
 1 Golden Penny Place
 Wharf Road
 Apapa
 Lagos

Mr Athanasios George Mazarakis
 33rd Floor, 712 Fifth Avenue
 New York
 United States of America

Mr Atedo Nari Atowari Peterside, CON
 I.B.T.C. Place
 Walter Carrington Crescent
 Victoria Island
 Lagos

Mr Foluso O. Phillips
 Phillips Consulting
 4th Floor, UBA House
 57 Marina
 Lagos

Alhaji Yunus Olalekan A. Saliu
 3 Abike Sulaiman Street
 Lekki Phase 1
 Lekki
 Lagos

Mr Folarin Rotimi Abiola Williams
 1 Shagamu Avenue
 Ilupeju
 Lagos

Mrs Salamatu Hussaini Suleiman
 19 Bolaji Akinyemi Crescent
 Katampe Extension
 Abuja

Issuing Houses

Stanbic IBTC Capital Limited

I.B.T.C. Place
 Walter Carrington Crescent
 Victoria Island
 Lagos

ARM Securities Limited

1 Mekunwen Road
 Off Oyinkan Abayomi Drive
 Ikoyi
 Lagos

FBNQuest Merchant Bank Limited

10 Keffi Street
 Off Awolowo Road
 Ikoyi
 Lagos

FCMB Capital Markets Limited

6th Floor, First City Plaza
 44 Marina
 Lagos

Issuing Houses (continued)

United Capital PLC
12th Floor, UBA House
57 Marina
Lagos

[Signature]
Peter Ashoke

Zenith Capital Limited
12th Floor, Plot 2
Ajose Adeogun Street
Victoria Island
Lagos

[Signature]
Kennedy Ichukwu
[Signature]

Solicitors to the Issuer

KB & Company

7th Floor Mandifas House
35 Simpson Street
Lagos Island
Lagos

[Signature]
EMMANUEL EDEH
[Signature]

Solicitors to the Programme

The New Practice

49, Raymond Njoku Street
South-West Ikoyi
Lagos

[Signature]
BABA ALTE RAO
[Signature]

Registrars

Atlas Registrars Limited

34 Eric Moore Road
Iganmu
Lagos

[Signature]
TEMILOLA SILVA
[Signature]

Reporting Accountant

Deloitte & Touche

Civic Towers
Ozumba Mbadiwe Road
Victoria Island
Lagos

[Signature]
Samuel O. Oluwole

Trustees

Stanbic IBTC Trustees Limited

The Wealth House
Plot 1678 Olakunle Bakare Close
Victoria Island
Lagos

[Signature]
Zim Olofin
[Signature]
Zim Akaba
[Signature]

United Capital Trustees Limited

12th Floor, UBA House
57 Marina
Lagos

[Signature]
Ajayi
[Signature]
Tokunbo Ajayi

ARM Trustees Limited

1 Mekunwen Road
Off Oyinkan Abayomi Drive
Ikoyi
Lagos

[Signature]
Folashade Adegboye
[Signature]

Legal Adviser to the Trustees:

Udo Udoma & Belo-Osagie
St. Nicholas House (10th & 13th Floors)
Catholic Mission Street
Lagos

Receiving Banks

Access Bank PLC

Plot 999c, Danmole Street
Off Adeola Odeku
Victoria Island
Lagos

[Signature]
Keem-Salmon
[Signature]
Bolaji
[Signature]

First Bank of Nigeria Limited

Samuel Asabia House
35 Marina
Lagos

[Signature]
RAIMI ADEGBENILE

Stanbic IBTC Bank PLC

I.B.T.C. Place
Walter Carrington Crescent
Victoria Island,
Lagos

[Signature]
Olu Delano

United Bank for Africa PLC

UBA House
57 Marina
Lagos

[Signature]
Chike Isuwa

Zenith Bank PLC

Plot 84 Ajose Adeogun Street
Victoria Island
Lagos

[Signature]

EMERA
EZEKANMAGHA