



Earnings Update: BUA CEMENT PLC Q2-2021

30 July 2021

Topline Performance Bolstered by Sector-Wide Demand Recovery

WHAT WE LIKE ABOUT THE RESULT

- 22.7% and 33.4% growth in Revenue both on a half-year and quarter basis, respectively.
- Growth in all Profit lines compared to similar period last year.
- Already achieved 63.0% of FY 2020 Profit Before Taxes (PBT) by half-year 2021.
- Significant decline in Net Finance Costs as Net Finance Cost was positive in Q2-2021.
- Significant decline in Trade and Other Receivables evidencing quality Revenue generating techniques.
- Significant increase in Cashflow from Operations which was sufficient to pay Dividends and repay Borrowings leading to significant reducing Finance Costs.

WHAT WE DID NOT LIKE ABOUT THE RESULT

- Increase in Operational Costs compared to similar period last year which may have been driven by Cost Efficiency measures undertaken during the COVID-19 Outbreak period in 2020.

Kindly click [here](#) for the full financial statement.

| TICKER | BUACEMENT |
|---------------------------|----------------|
| Price (₦) on 30 July 2021 | 68.00 |
| Shares Outstanding | 33,864,354,060 |
| Entry Price 1 (₦) | 65.64 |
| Entry Price 2 (₦) | 60.11 |
| Exit Price 1 (₦) | 73.71 |
| Exit Price 2 (₦) | 78.04 |
| Expected Return 1 (%) | 18.89 |
| Expected Return 2 (%) | 22.63 |
| Rating | BUY |

REBASED YTD PRICE MOVEMENT IN BUACEMENT & NGX ASI



Source: Investing, PSL Research

Disclaimer

This report has been prepared by the Research Department of Parthian Securities Limited using sources believed to be reliable, trustworthy and factually accurate. However, the Research Department has not independently verified these sources of information and does not vouch the accuracy of these information. No guarantee is given as to the independence of the sources themselves. Readers intending to act upon the contents of this report are advised to make their own enquiries.

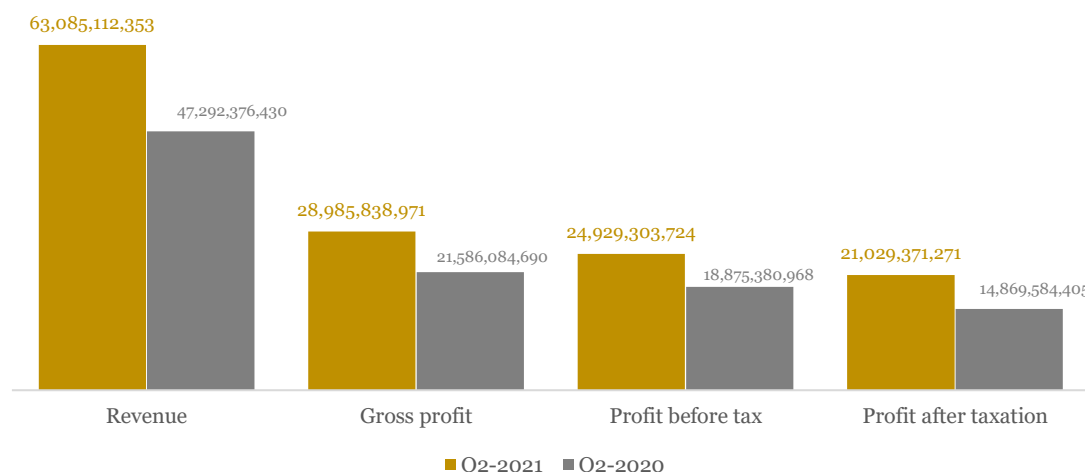


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| INCOME STATEMENT | Q2-2021 | Q2-2020 | Change (%) |
|--------------------------------|------------------|------------------|------------|
| Revenue | 63,085,112,353 | 47,292,376,430 | 33.39% |
| Cost of sales | -34,099,273,382 | -25,706,291,740 | 32.65% |
| Gross profit | 28,985,838,971 | 21,586,084,690 | 34.28% |
| Selling and marketing expenses | 49,765,478 | 14,405,348 | 245.47% |
| Administrative expenses | -1,936,892,726 | -1,864,379,067 | 3.89% |
| Other income | -2,224,030,983 | -1,270,648,560 | 75.03% |
| Finance income | 24,874,680,740 | 19,664,557,875 | 26.49% |
| Finance Cost | 54,622,984 | -789,176,907 | -106.92% |
| Profit before tax | 24,929,303,724 | 18,875,380,968 | 32.07% |
| Income tax expense | -3,899,932,453 | -4,005,796,563 | -2.64% |
| BALANCE SHEET | Q2-2021 | Dec-2020 | Change (%) |
| Total current assets | 546,016,240,447 | 527,668,305,000 | 3.48% |
| Total non-current assets | 119,842,124,668 | 238,634,273,000 | -49.78% |
| Total assets | 665,858,365,115 | 766,302,578,000 | -13.11% |
| Total equity | 349,350,717,245 | 375,954,728,000 | -7.08% |
| Total non-current liabilities | 194,231,427,047 | 182,210,344,000 | 6.60% |
| Total current liabilities | 122,276,220,823 | 208,137,506,000 | -41.25% |
| Total liabilities | 316,507,647,870 | 390,347,850,000 | -18.92% |
| CASH FLOW STATEMENT | Q2-2021 | Q2-2020 | Change (%) |
| Operating Activities | 113,472,322,449 | 65,112,596,000 | 74.27% |
| Investing Activities | -18,858,291,280 | -128,849,627,000 | -85.36% |
| Financing Activities | -161,109,076,871 | 172,508,891,000 | -193.39% |

KEY FINANCIAL DATA



www.parthiansecuritiesng.com

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