



9M-2021 EARNINGS UPDATE: BUA CEMENT

Impressive Performance Bolstered by Revenue Growth

27 October 2021

THINGS WE LIKE ABOUT THE RESULT

1. Growth in Revenue YoY by 19.39% to ₦186.9 billion from ₦156.6 billion in 9 months 2020.
2. Increase in Gross Profit, Operating Income; PBT and PAT YoY by 24.18%, 21.54%, 25.54% and 23.22% respectively.
3. Decrease in Net Finance Costs YoY by 3.49% driven by decrease in Interest on Loans by 62% YoY.
4. Decrease in Trade and Other Receivables by 53.44% driven by declines in Advance to Suppliers, Trade related Receivables and Other Receivables.
5. Significant declines in Loans and Borrowing driven by paydown on Loans during the period under review.
6. Increase in Cashflow from Operations driven by significant improvements in Trade and Other Receivables.
7. The company has already achieved c. 93% of FY 2020 PAT as of 9months 2021.

THINGS WE DID NOT LIKE ABOUT THE RESULT

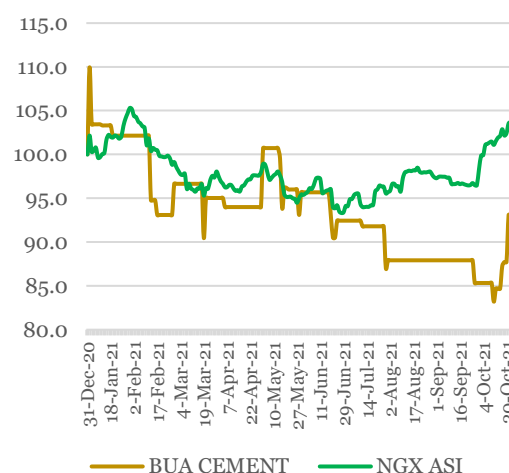
1. Increase in Cost of Goods Sold by 15.49% YoY driven by increases in costs associated with Repair and Maintenance, Energy and Materials & Consumables.
2. Increase in Total Expenses YoY by 26.22% driven by a 52.79% increase in Administrative Expenses YoY.
3. Increase in Inventories driven by pile in Fuel and Packing Materials during the 9 months period.
4. Increase in Prepayments during the 9 months periods by 191.57% which evidences a poor use of cash.

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



TICKER	BUACEM
Price (₦) at 26 Oct 2021	72.00
Shares Outstanding	33,864,354,060
Entry Price (₦)	72.00
Exit Price (₦)	84.80
Expected Return (%)	17.78
Rating	BUY

REBASED PRICE MOVEMENT IN BUACEMENT AND NGX ASI



Source: Bloomberg, Parthian Securities Research

Disclaimer

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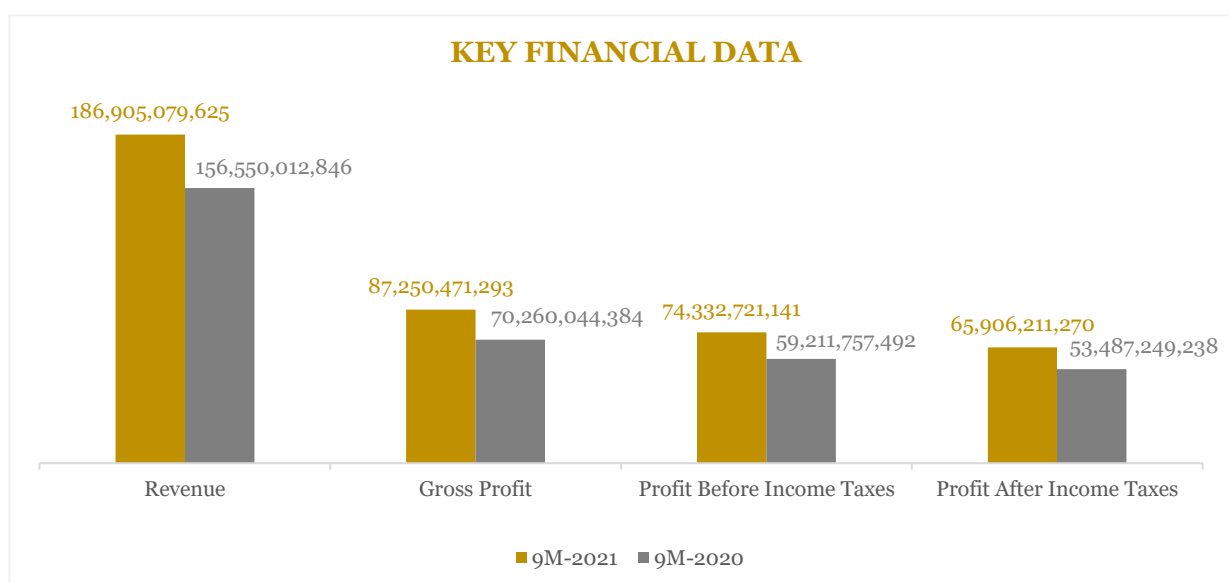
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INCOME STATEMENT	9M-2021	9M-2020	Change (%)
Revenue	186,905,079,625	156,550,012,846	19%
Cost of Sales	(99,654,608,332)	(86,289,968,462)	15%
Gross Profit	87,250,471,293	70,260,044,384	24%
Other Income	177,105,097	115,422,383	53%
Selling and Distribution Costs	(5,601,844,619)	(5,282,943,905)	6%
Administrative Expenses	(6,133,636,419)	(4,014,481,235)	53%
Operating Profit	75,692,095,352	62,277,137,091	22%
Net Finance Costs	(1,049,159,440)	(2,873,534,840)	-63%
Minimum tax charge	(310,214,771)	(191,844,759)	62%
Profit Before Income Taxes	74,332,721,141	59,211,757,492	26%
Income tax (charge)/credit	(8,426,509,871)	(5,724,508,254)	47%
Profit After Income Taxes	65,906,211,270	53,487,249,238	23%
BALANCE SHEET	9M-2021	Dec-2020	Change (%)
Inventories	35,972,341,118	31,505,198,000	14%
Trade and other receivables	38,785,649,847	83,307,986,000	-53%
Cash and Short-term Deposits	55,181,102,260	123,821,089,000	-55%
Total Assets	692,037,252,918	766,302,578,000	-10%
Retained Earnings	155,821,719,270	159,915,508,000	-3%
Total Equity	371,860,939,270	375,954,728,000	-1%
Debt security Issued	115,487,756,955	113,195,044,000	2%
Contract Liabilities	52,356,295,217	42,138,330,000	24%
Short Term Borrowings	40,378,566,944	105,648,512,000	-62%
Total Liabilities	320,176,313,648	390,347,850,000	-18%
CASH FLOW STATEMENT	9M-2021	Dec-2020	Change (%)
Net cash generated from operating activities	111,808,041,197	65,112,596,000	72%
Net cash used in investing activities	(35,517,328,390)	(128,849,627,000)	-72%
Net cash used in financing activities	(144,930,699,547)	172,508,891,000	-184%
Cash and cash equivalents at end of period	55,181,102,260	123,821,089,000	-55%

KEY FINANCIAL DATA



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