



Earnings Update: DANGOTE CEMENT PLC Q2-2021

Robust Sales Volume Drove Bottom-line Performance

02 August 2021

WHAT WE LIKE ABOUT THE RESULT

- 57.2% y/y growth in Revenue in Q2-2021, driven by increases in Sales Volume and Average Sales Price.
- Growth in all Profit figures and their respective Profit Margins. Profit Before Tax (PBT) and Profit After Tax (PAT) both increased by 102.1% y/y and 55.5% y/y, respectively.
- Already achieved c.69.4% of Full Year (FY) 2020 PAT as at half-year 2021 (H1 -2021).
- Increase in Trade and Other Payables evidencing the good use of its Credit arrangements with suppliers against making use of working capital loans.
- 18.4% increase in Positive Cashflow from Operations driven by increase in Non-Cash items.

WHAT WE DID NOT LIKE ABOUT THE RESULT

- Increase in Operational Expenses during the period by 24.2% y/y compared to same period last year
- For the H1-2021 numbers, Finance Cost increased by 45.5% y/y to ₦30.4 million due to increase in Financial Liabilities.
- 21.9% y/y increase in Trade and Other Receivables to ₦42.9 million due to increase in Other Receivables.
- Significant increase (c.38.9%) in all items under Inventories causing a drag on Cashflows from Operations.

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

TICKER	DANGCEM
Price (₦) on 30 July 2021	248.10
Shares Outstanding	17,040,507,405
PE Ratio	394.49
Entry Price 1 (₦)	229.66
Entry Price 2 (₦)	215.27
Exit Price 1 (₦)	252.55
Exit Price 2 (₦)	235.55
Expected Return 1 (%)	9.97%
Expected Return 2 (%)	9.42%
Rating	HOLD

REBASED YTD PRICE MOVEMENT IN DANGCEM & 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.

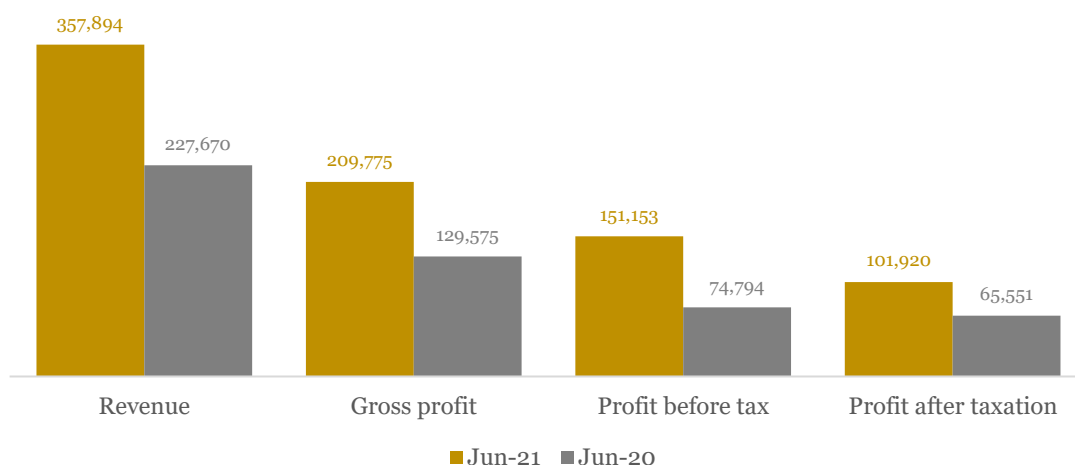


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INCOME STATEMENT	Q2-2021	Q2-2020	Change (%)
Revenue	357,894	227,670	57.20%
Production cost of sales	-148,119	-98,095	51.00%
Gross profit	209,775	129,575	61.89%
Administrative expenses	-14,945	-13,214	13.10%
Selling and distribution expenses	-46,516	-36,279	28.22%
Other income	2,139	1,618	32.20%
Profit from operating activities	150,453	81,700	84.15%
Finance income	11,426	4,936	131.48%
Finance Cost	-10,726	-11,842	-9.42%
Profit before tax	151,153	74,794	102.09%
Income tax expense	-49,233	-9,243	432.65%
Profit after taxation	101,920	65,551	55.48%
BALANCE SHEET	Q2-2021	Dec-2020	Change (%)
Total non-current assets	1,458,855	1,472,313	-0.91%
Total current assets	615,824	550,138	11.94%
Total assets	2,074,679	2,022,451	2.58%
Total equity	805,034	890,970	-9.65%
Total non-current liabilities	345,986	301,664	14.69%
Total current liabilities	923,659	829,817	11.31%
Total liabilities	1,269,645	1,131,481	12.21%
CASH FLOW STATEMENT	Q2-2021	Q2-2020	Change (%)
Operating Activities	301,453	254,650	18.38%
Investing Activities	-44,880	-91,057	-50.71%
Financing Activities	-300,192	-219,971	36.47%

KEY FINANCIAL DATA



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