



Earnings Update: GLAXOSMITHKLINE NIG. PLC Q2-2021

29 July 2021

Poor Sales Performance in Pharma Business Capped by a Steep Decline in Cash

WHAT WE LIKE ABOUT THE RESULT

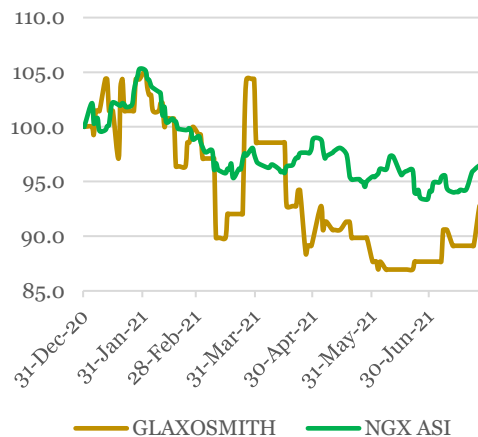
- On a quarterly basis, a Profit After Tax (PAT) of ₦297.9 million was declared for Q2-2021, 61.6% higher than the previous year.
- Increase in Trade and Other Payables evidencing quality use of Credit arrangements with Suppliers.

WHAT WE DID NOT LIKE ABOUT THE RESULT

- For H1-2021, the decline in Revenue driven by poor Sales performance in its Pharmaceuticals business compared to same period last year.
- Increase in Operational Costs by 25.1% y/y to ₦1.4 billion from the ₦1.1 billion reported in 2020.
- Significant drop in PAT on a half-year basis due to the Loss declared in Q1-2021.
- Increase in Inventories compared to the value recorded in 2020 due to a significant pile up of Finished Goods evidencing inability to drive sales; mostly its Pharmaceutical Products.
- Increase in Trade and Other Receivables evidencing poor Revenue generating techniques.
- Negative Cashflow from Operations compared to a positive figure for similar period in 2020.

TICKER	GLAXOSMITH
Price (₦) on 29 July 2021	6.35
Shares Outstanding	1,195,876,488
P/E	10.96
Exit Price 1 (₦)	6.35
Exit Price 2 (₦)	6.20
Entry Price 1 (₦)	6.05
Entry Price 2 (₦)	6.00
Expected Return 1 (%)	4.96
Expected Return 2 (%)	3.33
Rating	SELL

REBASED YTD PRICE MOVEMENT IN GLAXOSMITH & NGX ASI



Source: Investing, PSL Research

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

Disclaimer

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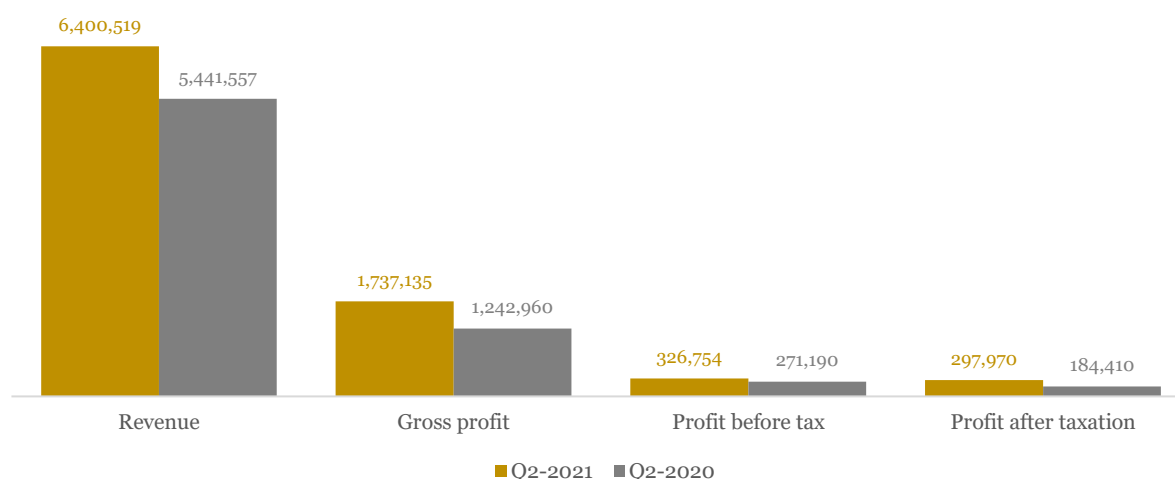


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INCOME STATEMENT	Q2-2021	Q2-2020	Change (%)
Revenue	6,400,519	5,441,557	17.62%
Cost of sales	-4,663,384	-4,198,597	11.07%
Gross profit	1,737,135	1,242,960	39.76%
Investment income	19,149	21,421	-10.61%
Selling and distribution cost	-856,686	-717,789	19.35%
Administrative expenses	-503,398	-369,032	36.41%
Profit before tax	326,754	271,190	20.49%
Income tax expense	-28,784	-86,780	-66.83%
Profit after taxation	297,970	184,410	61.58%
BALANCE SHEET	Q2-2021	Q2-2020	Change (%)
Total non-current assets	2,385,206	2,201,641	8.34%
Total current assets	21,121,278	18,430,659	14.60%
Total assets	23,506,484	20,632,300	13.93%
Total equity	8,700,544	9,459,029	-8.02%
Total non-current liabilities	30,730	30,730	0.00%
Total current liabilities	14,775,210	11,173,271	32.24%
Total liabilities	14,805,940	11,173,271	32.51%
CASH FLOW STATEMENT	Q2-2021	Q2-2020	Change (%)
Operating Activities	-1,649,458	3,798,111	-143.43%
Investing Activities	-19,896	22,228	-189.51%
Financing Activities	-550,395	1,424	-38751.33%

KEY FINANCIAL DATA



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