



## Earnings Update: JULIUS BERGER PLC Q2-2021

05 August 2021

### Cost Pressures, A Sticking Point to Overall Performance

#### WHAT WE LIKE ABOUT THE RESULT

- Growth in Revenue by 62.7% to ₦75.1 billion from ₦46.1 billion driven by increase in Government Contracts over the period.
- 80.3% increase in gross Profit to ₦14.3 billion and the improvement in Gross Profit Margin to 19.1% y/y.
- Positive Operating Profit and Profit After Tax (PAT) compared to Negative figures for H1-2020.

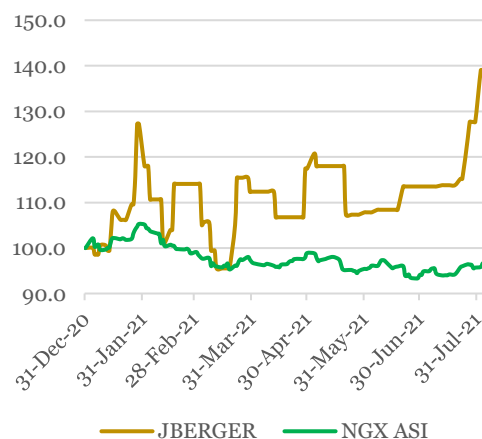
#### WHAT WE DID NOT LIKE ABOUT THE RESULT

- Increase in Net Finance Costs due to the 238.2% surge in in Bank Overdrafts to ₦24.1 billion from ₦7.1 billion in H1-2020.
- 19.3% increase in Trade and Other Receivables to the tune of ₦129.0 million from ₦108.2 million evidencing continued challenges in making Cash Sales.
- Increase in Negative Cashflows from Operations as Cash Receipts from Revenue are not sufficient to cater for Cash Payments.
- Bank Overdrafts represent a significant portion of its Cash and Bank Balances.

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

TICKER	JBERGER
Price (₦) on 05 Aug. 2021	24.50
Shares Outstanding	1,600,000,000
PE Ratio	2.38
Exit Price 1 (₦)	24.50
Exit Price 2 (₦)	23.72
Entry Price 1 (₦)	22.41
Entry Price 2 (₦)	21.30
Expected Return 1 (%)	9.33%
Expected Return 2 (%)	11.36%
Rating	<b>SELL</b>

#### REBASED YTD PRICE MOVEMENT IN JBERGER AND NGX ASI



Source: Investing, PSL Research

#### Disclaimer

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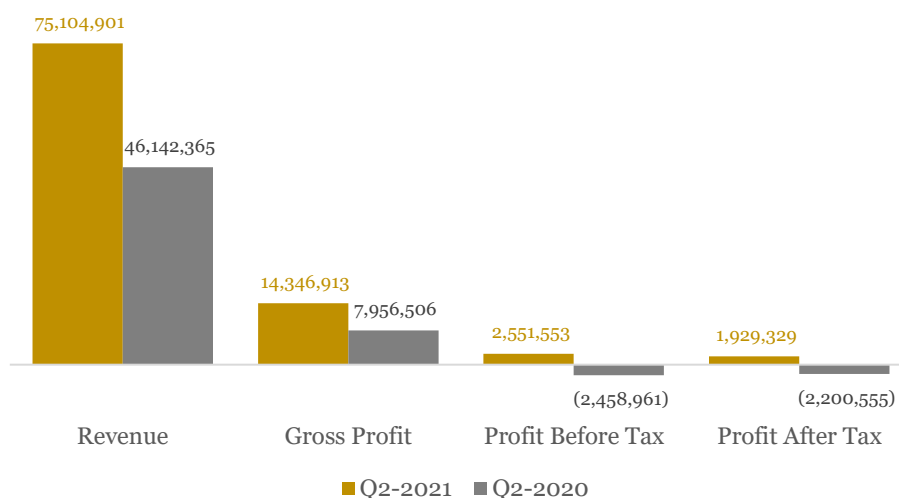


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INCOME STATEMENT	Q2-2021	Q2-2020	Change (%)
Revenue	75,104,901	46,142,365	62.77%
Cost of sales	(60,757,989)	(38,185,859)	59.11%
Gross profit	14,346,913	7,956,506	80.32%
Other Income	(376,178)	(2,697,952)	-86.06%
Marketing Expenses	(31,745)	143,624	-122.10%
Administrative expenses	(8,696,287)	(6,911,144)	25.83%
Operating Profit	5,242,702	(1,508,966)	-447.44%
Net Finance Costs	(2,691,149)	(949,995)	183.28%
Profit before tax	2,551,553	(2,458,961)	-203.77%
Income tax expense	(622,224)	258,406	-340.79%
Profit after taxation	1,929,329	(2,200,555)	-187.67%
BALANCE SHEET	H1-2021	Dec-2020	Change (%)
Total non-current assets	173,670,197	160,499,079	8.21%
Total current assets	184,668,749	153,590,655	20.23%
Total assets	358,338,946	314,089,734	14.09%
Total equity	49,004,617	37,695,194	30.00%
Total non-current liabilities	212,478,605	205,290,583	3.50%
Total current liabilities	96,855,724	71,103,958	36.22%
Total liabilities	309,334,329	276,394,541	11.92%
CASH FLOW STATEMENT	Q2-2021	Q2-2020	Change (%)
Net cash from operating activities	(8,830,995)	(6,515,142)	35.55%
Net cash used in investing activities	(4,779,237)	(5,205,688)	-8.19%
Net cash used in financing activities	(1,774,873)	(3,420,766)	-48.11%

### KEY FINANCIAL DATA (₦ MILLIONS)



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