



Earnings Update: LIVESTOCK FEEDS PLC Q2-2021

28 July 2021

Revenue Jumps 49%, Fueled by Demand for Feeds

WHAT WE LIKE ABOUT THE RESULT

1. A Revenue of ₦3.6 billion for Q2-2021, a staggering 48.7% jump from the same quarter last year at ₦2.5 billion.
2. Gross Profit showed a 51.4% y/y increase to ₦393.7 million from ₦260.1 million in Q2-2020.
3. 50.2% decline in Selling and Distribution Expenses to ₦35.1 million from ₦70.4 million.
4. Profit Before Tax (PBT) and Profit After Tax (PAT) for the quarter both grew rapidly by 121.2% y/y and 199.7% y/y to settle at ₦175.1 million and ₦161.4 million (vs ₦79.2 million and ₦53.8 billion in Q2-2020).
5. Looking closely at the half year numbers, LIVESTOCK has already achieved 67.2% of the PAT of FY 2020 which was higher than PAT of FY 2019.

WHAT WE DID NOT LIKE ABOUT THE RESULT

1. The 22.2% y/y increase in Administrative Cost to ₦120.7 million compared to the ₦98.8 reported last year.
2. Finance Cost increased 51.8% y/y due to additional Short-Term Borrowing.
3. The cash position showed that Cashflow from Operations dropped sharply by 119.4% y/y dragged by 214.8% y/y rise in Trade and Other Payables.

TICKER	LIVESTOCK
Price (₦) at 27 July, 2021	2.29
Shares Outstanding	2,999,999,418
Entry Price 1 (₦)	2.27
Entry Price 2 (₦)	2.11
Exit Price 1 (₦)	2.46
Exit Price 2 (₦)	2.69
Expected Return 1 (%)	8.37
Expected Return 2 (%)	27.49
Rating	BUY

REMARKS

Improving earnings due to the CBN incentive for the sector and high demand for feeds.

REBASED YTD MOVEMENT: LIVESTOCK AND NGX ASI



Source: Investing, PSL Research

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

Disclaimer

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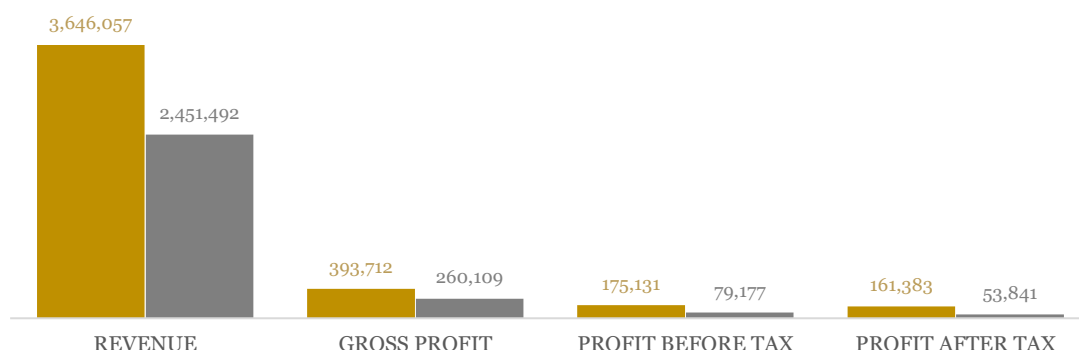


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INCOME STATEMENT	Q2-2021 (₦)	Q2-2020 (₦)	Change (%)
Revenue from contracts with customers	3,646,057	2,451,492	48.73%
Cost of sales	-3,252,345	-2,191,383	48.42%
Gross profit	393,712	260,109	51.36%
Selling and Distribution expenses	-35,108	-70,421	-50.15%
Administrative expenses	-120,727	-98,823	22.16%
Operating profit	233,617	117,624	98.61%
Finance Expense	-58,486	-38,537	51.77%
Profit before tax	175,131	79,177	121.19%
Income tax expense	-13,748	-25,337	-45.74%
Profit after taxation	161,383	53,841	199.74%
Earnings Per Share	5.38	2.64	103.79%
BALANCE SHEET	Q2-2021 (₦)	Dec-2020 (₦)	Change (%)
Property, plant and equipment	825,872	835,562	-1.16%
Total non-current assets	827,609	835,562	-0.95%
Total assets	5,826,289	6,474,140	-10.01%
Total equity	2,410,699	2,072,778	16.30%
Revenue reserves	217,355	-120,566	-280.28%
Total current assets	4,998,680	5,638,578	-11.35%
Total current liabilities	3,415,589	4,401,362	-22.40%
CASH FLOW STATEMENT	Q2-2021 (₦)	Dec-2020 (₦)	Change (%)
Operating Activities	-29,167	150,650	-119.36%
Investing Activities	-69,308	-10,195	579.82%
Financing Activities	385,637	-44,664	-963.42%

KEY FINANCIAL DATA (₦)



■ Jun-21 ■ Jun-20

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