



FY 2021 Earnings Update: Dangote Cement

Impressive Performance on the Back of Growth in Sales Volumes

Things We Like About The Result

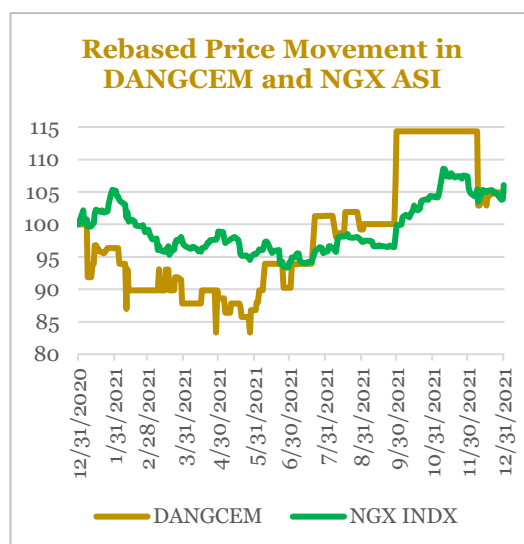
1. Growth in Revenue YoY by 33.79% driven by a 13.81% increase Sales volume as production capacity increased by 6.18% YoY.
2. Increase in Gross Profit, Operating Income; PBT and PAT YoY by 39.65%, 50.62%, 44.21% and 32.01% respectively. While all Profit Margins improved YoY asides Net Profit Margin that declined by 1.33%.
3. Increase in Inventories driven by the pile up in Raw Materials; Package Materials and Spare parts during the year which may be the company taking advantage of current inflationary conditions.
4. Cash and Cash Equivalent surged by 86.73% YoY driven by a 16.57% increase in Cash generated from Operations and a decline in Capital Expenditure compared to FY 2020.
5. Increase in Trade & Other Payables by 6.25% from its figure as of 31 Dec 2021 which is driven by increases in Trade Payables, Advances from Customers and Suppliers' Credit.
6. The company declared a dividend of N20 per share which is a 25% increase from the dividend declared for FY 2020.

Things We Did Not Like About The Result

1. Increase in Cost of Goods Sold YoY by 25.81% even though Margins where not impacted.
2. Increase in Total Expenses YoY by 19.65% as both Selling and Administrative Expenses increased YoY.
3. Increase in Trade and Other Receivables by 34.88% driven by increase in Other Receivables.
4. Increase in Loans and Borrowing as the company issued more Bonds and took on more Bank Loans during the period.

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

TICKER	DANGCEM
Price (₦) at 01 Mar 2022	273.50
Shares Outstanding	17,040,507,405
Entry Price (₦)	273.50
Exit Price (₦)	290.00
Expected Return (%)	6.03%
Rating	BUY



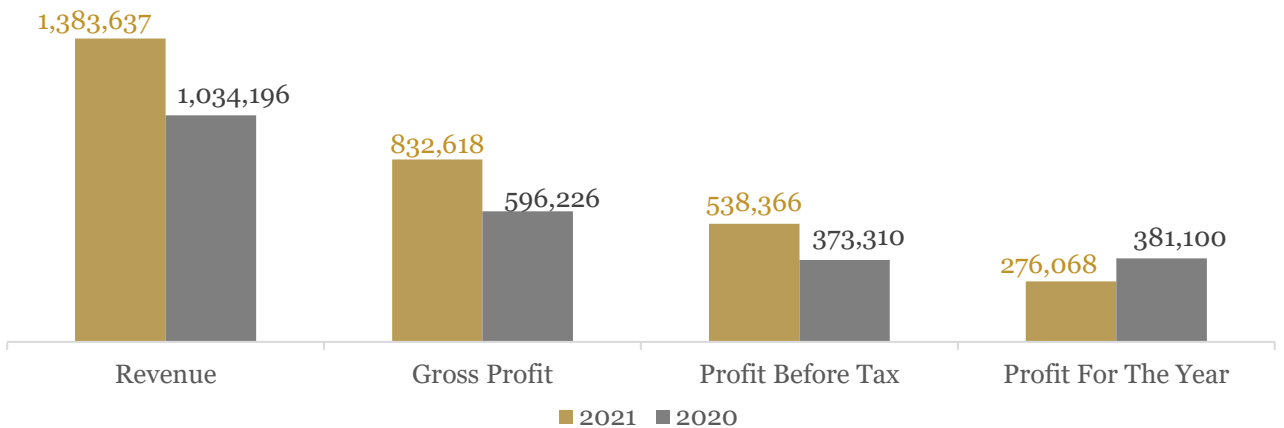
Source: Bloomberg, Parthian Securities Research



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INCOME STATEMENT	FY-2021	FY-2020	Change (%)
Revenue	1,383,637	1,034,196	33.8%
Gross Profit	832,618	596,226	39.6%
Other Income	6,221	4,754	30.9%
Profits from Operating Activities	582,491	386,734	50.6%
Profit Before Tax	538,366	373,310	44.2%
Income Tax Expense	(173,927)	(97,242)	78.9%
Profit For The Year	364,469	276,068	32.01%
BALANCE SHEET	FY-2021	FY-2020	Change (%)
Property, Plant and Equipment	1,472,859	1,390,687	5.91%
Right-of-use assets	18,566	12,594	47.42%
Intangible assets and goodwill	5,122	4,554	12.47%
Deferred Tax Asset	5,163	11,708	-55.90%
Trade and other receivables	47,469	35,194	34.88%
Cash and cash equivalents	339,343	145,835	132.69%
Total liabilities	1,408,350	1,131,481	24.47%
Total equity and liabilities	2,392,019	2,022,451	18.27%
CASH FLOW STATEMENT	FY-2021	FY-2020	Change (%)
Net Cash From Operating Activities	596,709	511,885	16.6%
Net Cash From Financing Activities	(332,222)	(199,258)	66.7%
Net Cash From Investing Activities	(126,869)	(272,483)	-53.4%

Key Financial Data





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