



Earnings Update: LAFARGE AFRICA PLC (Ticker: WAPCO)

Impressive Performance Despite Increase in Total Operating Expenses

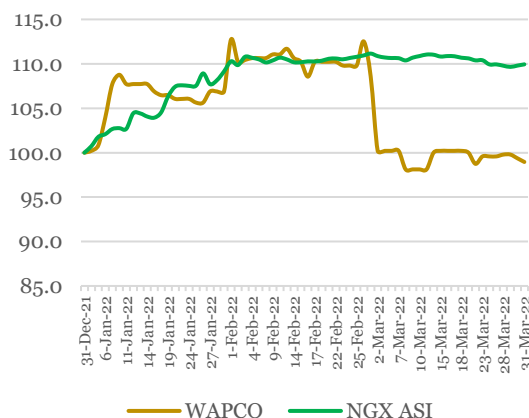
THINGS WE LIKE ABOUT THE RESULT

1. Growth in Revenue by 26.8% year-on-year (YoY) to ₦90.6 billion in Q1-2022 from ₦71.5 billion in Q1-2021.
2. Increase in Gross Profit by 35.18% YoY to ₦42.2 billion in Q1-2022 from ₦31.2 billion in Q1-2021.
3. Significant decline in Finance Cost by 67.9% as more than 90% of its Loans and Borrowing are maturing this year.
4. Significant increase in Profit Before Tax (PBT) and Profit After Tax (PAT) by 68.1% and 92.2%.
5. Earnings Before Interest and Taxes (EBIT) margin increased to 24.0% in Q1-2022 from the 21.0%
6. Net Income Margin improved by 52.3% YoY in Q1-2022.
7. Growth in Earnings Per Share (EPS) to YoY by 92.2% to ₦1.09 in Q1-2022 from ₦0.57 Q1-2021.
8. Total Assets increased marginally by 1.7% YoY in Q1-2022 to ₦535.6 million from ₦526.8 million as at full year 2021.

TICKER

Price (₦) at 22 Apr 2022	13.25
Shares Outstanding	6,000,000,000
Entry Price (₦)	13.25
Exit Price (₦)	15.00
Expected Return (%)	13.21
Rating	BUY

Rebased Price Performance in WAPCO and NGX ASI



THINGS WE DID NOT LIKE ABOUT THE RESULT

1. Increase in Total Operating Expenses YoY by 17.9% due to an increase in all Expense lines.

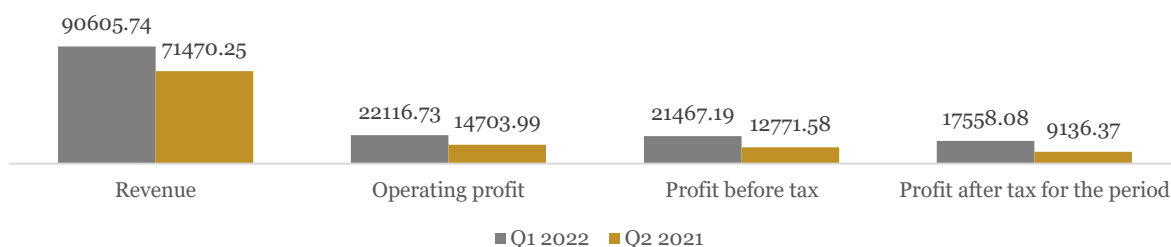
Kindly click [here](#) for the full financial statement.

Source: Bloomberg, Parthian Securities Research



INCOME STATEMENT	Q1-2022 (₹'000)	Q1-2021 (₹'000)	Change (%)
Revenue	90,605,738	71,470,248	26.77%
Cost of sales (Production)	(48,432,255)	(40,271,846)	20.26%
Gross profit	42,173,483	31,198,402	35.18%
Selling and distribution costs	(15,022,249)	(12,855,055)	16.86%
Administrative expenses	(5,232,854)	(4,315,153)	21.27%
Other income	165,661	147,969	11.96%
Impairment reversal on receivables	32,689	527,822	-93.81%
Operating profit	22,116,730	14,703,985	50.41%
Finance income	26,192	171,703	-84.75%
Finance costs	(675,734)	(2,104,110)	-67.89%
Profit before tax	21,467,188	12,771,578	68.09%
Income tax expense	(3,909,111)	(3,635,204)	7.53%
Profit after tax for the period	17,558,077	9,136,374	92.18%
STATEMENT OF FINANCIAL POSITION	Q1-2022 (₹'000)	FY-2021 (₹'000)	Change (%)
Property, plant and equipment	335,117,238	338,721,747	-1.06%
Intangible assets	406,211	713,746	-43.09%
Other assets	65,660,844	35,535,403	84.78%
Deferred tax assets	12,505,378	15,292,417	-18.22%
Total non-current assets	413,689,671	390,263,313	6.00%
Inventories	43,368,435	45,010,127	-3.65%
Trade and other receivables	8,856,765	7,196,754	23.07%
Other assets	10,649,247	15,275,129	-30.28%
Other financial assets	19,607,534	19,035,529	3.00%
Cash and cash equivalents	39,466,654	50,057,345	-21.16%
Total current assets	121,948,635	136,574,884	-10.71%
Total assets	535,638,306	526,838,197	1.67%
Loans and borrowings (Current)	2,291,602	2,482,049	-7.67%
Employee benefit obligations	2,106,725	2,165,592	-2.72%
Deferred income	1,285,170	1,356,534	-5.26%
Provisions	1,938,432	2,103,557	-7.85%
Deferred tax liabilities	8,888,469	9,116,700	-2.50%
Total non-current liabilities	16,510,398	17,224,432	-4.15%
Loans and borrowings (Non-current)	22,346,417	20,805,272	7.41%
Deferred income	311,489	326,474	-4.59%
Trade and other payables	93,959,790	103,177,397	-8.93%
Provisions	1,693,926	2,918,962	-41.97%
Current tax liabilities	4,697,533	3,824,984	22.81%
Total current liabilities	123,009,155	131,053,089	-6.14%
Total liabilities	139,519,553	148,277,521	-5.91%
STATEMENT OF CASHFLOW	Q1-2022 (₹'000)	Q1-2021 (₹'000)	Change (%)
Net cash used in operating activities	(946,123)	29,013,179	-103.26%
Net cash used in investing activities	(2,448,719)	(3,055,834)	-19.87%
Net cash used in financing activities	(7,189,580)	(2,215,990)	224.44%
Cash and cash equivalents at the end of the period	38,035,193	75,525,339	-49.64%

LAFARGE KEY FINANCIAL DATA (₹'million)





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