



Earnings Update: BUA CEMENT PLC (Ticker: BUACEMENT)

Impressive Result on the Back of Growth in Revenue

THINGS WE LIKE ABOUT THE RESULT

1. Significant increase in Revenue by 58.5% year-on-year (YoY) to ₦96.9 billion in Q1-2022 from ₦61.2 billion in Q1-2021.
2. Increase in Gross Profit by 52.2% YoY to ₦48.2 billion in Q1-2022 from ₦29.1 billion in Q1-2021.
3. Significant decline in Net Finance Cost by 96.6% largely due to a 60.2% decline in Interest Expense.
4. Significant increase in Profit Before Tax (PBT) and Profit After Tax (PAT) by 70.9% and 48.2%, respectively
5. Earnings Before Interest and Taxes (EBIT) margin increased to 43.7% in Q1-2022 from the 41.9% in Q1-2021.
6. Growth in Earnings Per Share (EPS) to YoY by 48.5% to ₦0.98 in Q1-2022 from ₦0.66 Q1-2021.
7. Total Assets increased by 7.58% YoY in Q1-2022 to ₦783.7 million from ₦728.5 million as at full year 2021.

THINGS WE DID NOT LIKE ABOUT THE RESULT

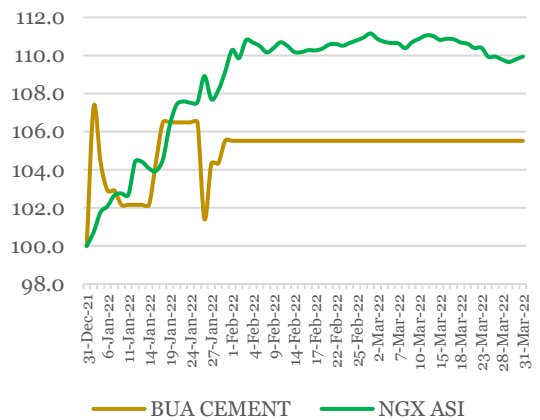
1. Despite the growth in profit, Net Income Margin declined to 34.2% YoY in Q1-2022 from 36.6% in Q1-2021.
2. Significant increase in Total Operating Expenses YoY by 71.1% due to an increase in all Expense lines.

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

TICKER

Price (₦) at 22 Apr 2022	70.75
Shares Outstanding	33,864,354,060
Entry Price (₦)	70.75
Exit Price (₦)	83.50
Expected Return (%)	18.02
Rating	BUY

Rebased Price Performance in BUACEMENT and NGX ASI

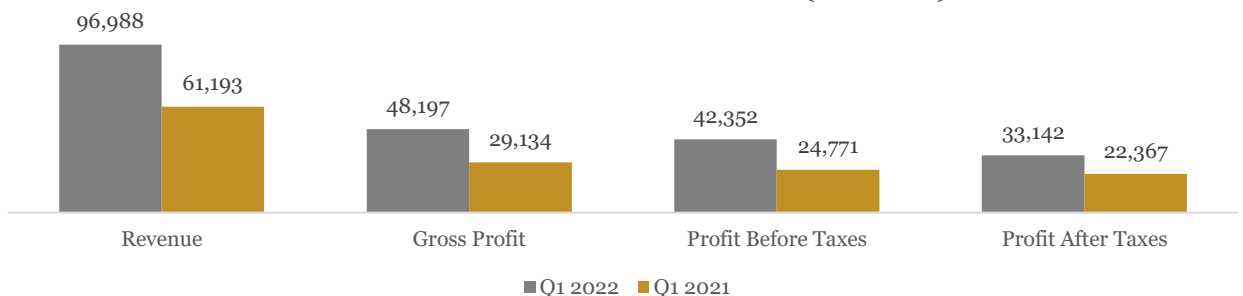


Source: Bloomberg, Parthian Securities Research



INCOME STATEMENT	Q1-2022 (₹)	Q1-2021 (₹)	Change (%)
Revenue	96,988,392,055	61,192,879,336	58.50%
Cost of Sales	(48,791,722,621)	(32,058,514,634)	52.20%
Gross Profit	48,196,669,434	29,134,364,702	65.43%
Other Income	185,999,954	22,810,956	715.40%
Selling and Distribution Costs	(3,243,064,328)	(1,559,365,183)	107.97%
Administrative Expenses	(2,757,705,910)	(1,948,315,747)	41.54%
Operating Profit	42,381,899,150	25,649,494,728	65.23%
Net Finance Costs	(30,317,522)	(878,734,878)	-96.55%
Profit Before Taxes	42,351,581,628	24,770,759,850	70.97%
Income and Deferred Taxes	(9,209,245,646)	(2,404,141,879)	283.06%
Profit After Taxes	33,142,335,982	22,366,617,971	48.18%
Basic Earnings Per Share (Kobo)	98	66	48.48%
STATEMENT OF FINANCIAL POSITION	Q1-2022 (₹)	FY-2021 (₹)	Change (%)
Property, Plant and Equipment	595,434,682,922	578,887,892,000	2.86%
Right of Use Assets	59,874,348	76,848,000	-22.09%
Intangible Assets	5,549,484,583	5,343,263,000	3.86%
Total Non-Current Assets	601,044,041,853	584,308,003,000	2.86%
Inventories	46,558,296,771	39,068,039,000	19.17%
Trade and Other Receivables	40,548,615,190	38,016,838,000	6.66%
Due from Related Companies	10,836,996,759	4,776,195,000	126.90%
Cash and Short-Term Deposits	84,740,382,146	62,338,398,000	35.94%
Total Current Assets	182,684,290,866	144,199,470,000	26.69%
Total Assets	783,728,332,719	728,507,473,000	7.58%
Lease liabilities	27,020,937	39,595,000	-31.76%
Long Term Borrowing	52,462,525,340	43,685,460,000	20.09%
Debt Security Issued (bond)	115,794,987,233	113,551,259,000	1.98%
Deferred Tax Liabilities	20,675,291,880	12,606,257,000	64.01%
Government Grant	3,721,262,000	3,721,262,000	0.00%
Employee Benefit Liability	3,886,002,999	3,760,297,000	3.34%
Decommissioning Liability	8,268,211,445	7,671,475,000	7.78%
Total Non-Current Liabilities	204,835,301,834	185,035,605,000	10.70%
Trade and Other Payables	24,680,834,931	22,278,412,000	10.78%
Contract Liabilities	83,441,227,934	78,586,238,000	6.18%
Income Tax Liability	2,837,413,766	1,697,203,000	67.18%
Short Term Borrowings	35,763,709,272	39,810,241,000	-10.16%
Government Grant	910,761,000	910,761,000	0.00%
Total Current Liabilities	147,633,946,903	145,355,120,000	1.57%
Total Liabilities	352,469,248,737	330,390,725,000	6.68%
STATEMENT OF CASHFLOW	Q1-2022 (₹)	Q1-2021 (₹)	Change (%)
Net cash used in operating activities	36,419,095,173	154,008,760,000	26.90%
Net cash used in investing activities	3,313,683,575	(157,432,880,000)	-249.21%
Net cash used in financing activities	3,313,683,575	(157,432,880,000)	-95.57%
Cash and cash equivalents at the end of the period	62,338,398,000	123,821,089,000	-86.68%

BUA CEMENT KEY FINANCIAL DATA (₹'million)





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