



## Earnings Update: Lafarge Africa PLC. (Ticker: WAPCO)

### High Tax Expense Dampened the Bottom Line

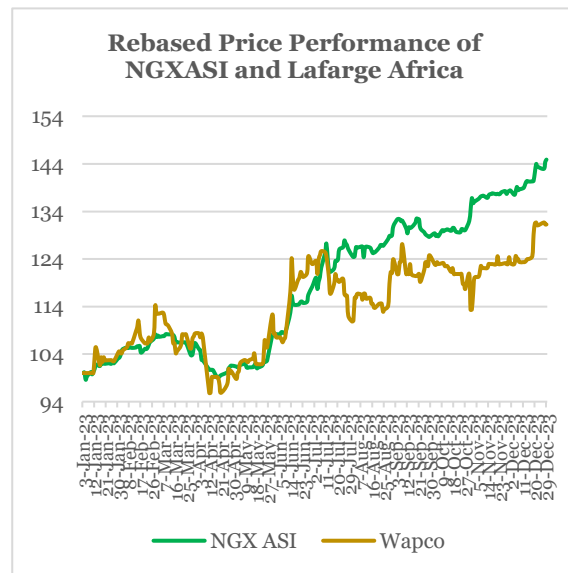
#### THINGS WE LIKE ABOUT THE RESULT

1. Lafarge's revenue grew by 8.64%y/y to ₦405.5 billion in FY 2023 from the ₦373.2 billion recorded in FY 2022.
2. Operating profit appreciated by 21.18%y/y to ₦102.0 billion from ₦84.2 billion in 2022.
3. Increase in gross profit by 5.35%y/y to ₦206.7 billion in 2023 from ₦196.2 billion in 2022.
4. Profit Before Tax increased by 15.33%y/y.
5. The significant increase in Finance Income to ₦4.7 billion in FY-2023 from ₦1.5 billion in FY-2022.
6. Selling and Distribution costs declined by 12.86%.
7. Shareholders equity increased marginally by 4.55%.

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

1. Profit for the year declined by 4.67% y/y to ₦51.1 billion in 2023 from ₦53.6 billion in 2022.
2. Finance cost increased by 62.56%.

TICKER	WAPCO
Price (₦) at 28 Feb 2024	31.95
Shares Outstanding	16,107,796,000
52 Weeks High (₦)	51.00
52 Weeks Low (₦)	23.00
Market Cap	514,644.08m
Price-to-Book	1.22
EPS – P/E	2.98 - 10.72
RSA 14	30.12
MACD	-0.85
Proposed Dividend	₦1.90k

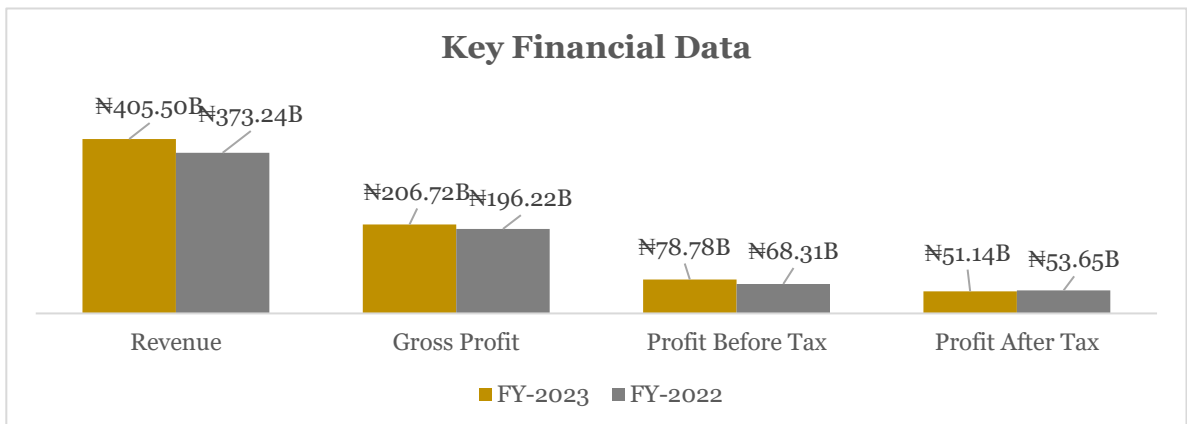


Source: investing.com, Parthian Securities Research

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



<b>INCOME STATEMENT</b>	<b>FY-2023</b> (₹'000)	<b>FY-2022</b> (₹'000)	<b>Change</b> (%)
Revenue	405,502,712	373,244,938	8.64%
Cost of sales	(198,786,889)	(177,023,232)	12.29%
Gross profit	206,715,823	196,221,706	5.35%
Selling and distribution costs	(78,955,017)	(89,576,446)	-12.86%
Administrative expenses	(27,560,903)	(22,577,685)	22.07%
Other income	891,704	557,487	59.95%
Impairment loss on trade receivables	31,714	(431,169)	107.36%
Operating profit	102,023,321	84,193,893	21.18%
Finance income	4,653,542	1,533,892	203.38%
Finance costs	(25,982,252)	(15,983,084)	62.56%
Net finance costs	(21,328,710)	(14,449,192)	47.61%
Profit before minimum tax	80,694,611	69,744,701	15.70%
Minimum tax expense	(1,912,805)	(1,433,556)	33.43%
Profit before tax	78,781,806	68,311,145	15.33%
Income tax expense	(27,640,736)	(14,663,689)	88.50%
Profit for the year	51,141,070	53,647,456	-4.67%
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>Dec-2023</b> (₹'000)	<b>Dec-2022</b> (₹'000)	<b>Change</b> (%)
Property, plant and equipment	360,219,496	339,727,319	6.03%
Intangible assets	1,743,322	1,822,364	-4.34%
Other assets	80,349,982	60,851,702	32.04%
Total non-current assets	442,312,800	404,432,803	9.37%
Inventories	54,340,615	53,043,073	2.45%
Trade and other receivables	7,869,839	6,353,825	23.86%
Other assets	8,222,664	18,462,277	-55.46%
Other financial assets	256,050	21,000	1119.29%
Cash and cash equivalents	168,369,604	118,398,495	42.21%
Total current assets	239,058,772	196,278,670	21.80%
Total assets	681,371,572	600,711,473	13.43%
Current liabilities	208,963,329	168,382,830	24.10%
Non-current liabilities	37,356,377	16,226,638	130.22%
Total liabilities	246,319,706	184,609,468	33.43%
Total equity	435,051,865	416,102,005	4.55%
Total equity and liabilities	681,371,571	600,711,473	13.43%
<b>STATEMENT OF CASHFLOW</b>	<b>FY-2023</b> (₹'000)	<b>FY-2022</b> (₹'000)	<b>Change</b> (%)
Net cash used in operating activities	150,897,165	100,714,639	49.83%
Net cash used in investing activities	(36,835,403)	(21,698,085)	69.76%
Net cash used in financing activities	(65,612,831)	(11,551,025)	468.03%





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