



Earnings Update: BUA Cement Plc (Ticker: BUACEMENT)

Decline in Profits on the Back of FX Loss

THINGS WE LIKE ABOUT THE RESULT

1. Growth in Revenue by 27.43% year-on-year(y/y) to ₦459.9 billion from N360.9 billion in 2022.
2. Gross Profit increased by 13.13%.
3. Increase in property, plant and equipment by 20.10% year-on-year(y/y) to N803.5 billion from N669.0 billion in FY-2022.

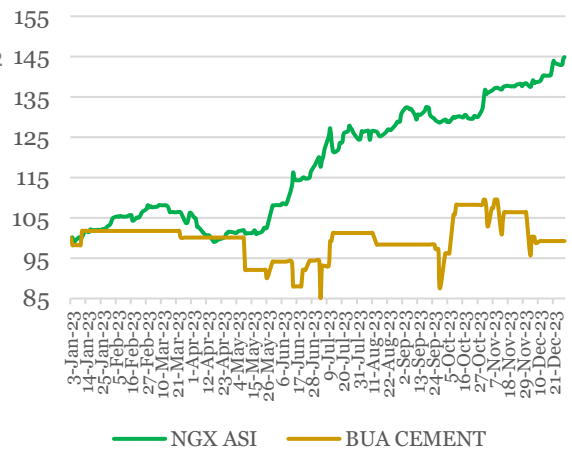
THINGS WE DID NOT LIKE ABOUT THE RESULT

1. Profit before tax fell by 44.05% year-on-year(y/y) to N67.2 billion from N120.2 billion FY-2022.
2. Profit after tax also dropped by 31.24% year-on-year(y/y).
3. Finance cost surging by over 80%.
4. Over 1,000% increase in Foreign exchange loss.

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

TICKER	BUACEMENT
Price (₦) at 29 Feb 2024	150.00
Shares Outstanding	33,864,354,645.00
52 Weeks High (₦)	185.00
52 Weeks Low (₦)	81.00
Market Cap	5,079,653.20m
Price-to-Book	11.84
EPS – P/E	3.04 - 49.29
RSA 14	46.54
MACD	2.94
Proposed Dividend	₦2.00

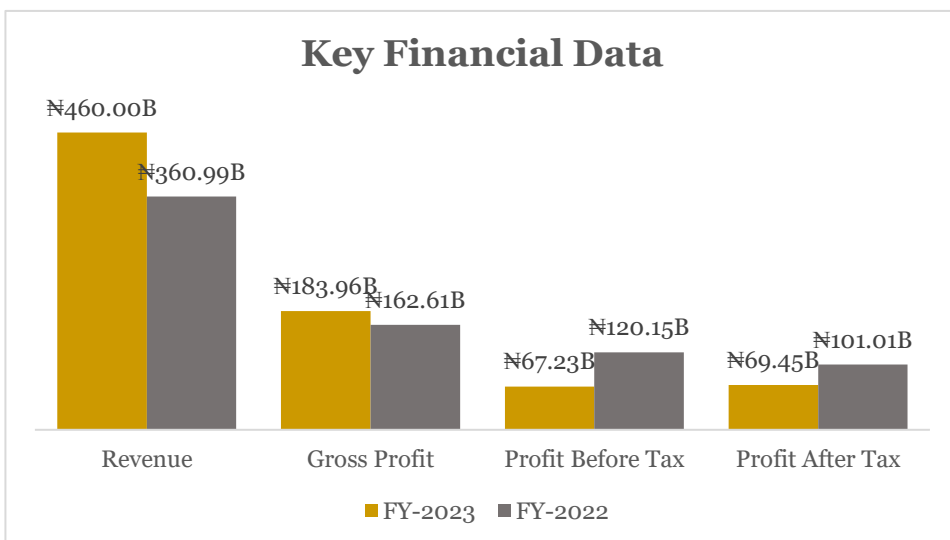
Rebased Price Performance of NGX-ASI & BUACEMENT



Source: investing.com, Parthian Securities Research



INCOME STATEMENT	FY-2023 (₹'000)	FY-2022 (₹'000)	Change (%)
Revenue	459,998,999	360,989,105	27.43%
Cost of sales	(276,043,486)	(198,379,891)	39.15%
Gross profit	183,955,513	162,609,214	13.13%
Administrative expenses	(12,296,007)	(10,492,855)	17.18%
Foreign exchange loss	(69,956,047)	(5,501,109)	1171.67%
Distribution and selling expenses	(29,068,304)	(19,681,565)	47.69%
Other income	2,062,130	2,785,855	-25.98%
Operating profit	74,697,240	129,719,816	-42.42%
Finance income	12,882,124	1,941,453	563.53%
Finance cost	(19,936,889)	(10,553,365)	88.91%
Net finance cost	(7,054,765)	(8,611,912)	-18.08%
Profit before tax	67,228,176	120,154,049	-44.05%
Minimum tax charge	(414,299)	(953,855)	-56.57%
Income and deferred tax credit/(expense)	2,226,574	-19,143,424	-111.63%
Profit after tax	69,454,750	101,010,625	-31.24%
STATEMENT OF FINANCIAL POSITION	FY 2023 (₹'000)	FY 2022 (₹'000)	Change (%)
Property, plant and equipment	803,502,888	669,013,354	20.10%
Right-of-use assets	115,627	89,141	29.71%
Intangible assets	12,821,664	7,138,904	79.60%
Non-current assets	816,440,179	676,241,399	20.73%
Inventories	85,805,780	52,468,290	63.54%
Cash and cash equivalents	225,077,529	48,046,647	368.46%
Prepayments and other assets	84,994,536	80,690,386	5.33%
Current assets	399,246,198	197,770,485	101.87%
Total assets	1,215,686,377	874,011,884	39.09%
Bank borrowings	295,467,446	44,740,089	560.41%
Deferred tax liabilities	13,783,316	29,696,822	-53.59%
Bank borrowings	122,689,462	80,695,381	52.04%
Debt security issued	114,124,633	113,932,939	0.17%
Non-current liabilities	453,424,600	205,338,186	120.82%
Current liabilities	377,037,627	257,561,156	46.39%
Total liabilities	830,462,227	462,899,342	79.40%
Total equity	385,224,150	411,112,542	-6.30%
Total equity and liabilities	1,215,686,377	874,011,884	39.09%
STATEMENT OF CASHFLOW	FY-2023 (₹'000)	FY-2022 (₹'000)	Change (%)
Net cash used in operating activities	147,602,705	147,468,141	0.09%
Net cash used in investing activities	-104,119,517	-101,437,301	2.64%
Net cash used in financing activities	89,657,350	-60,360,912	-248.54%





Disclaimer

Parthian Securities (the “Author”) Research materials (the “Research Materials”) are prepared with due diligence based on publicly available information as well as analysts' expertise and opinions on the markets and companies covered, and the views expressed therein are those of the Author and not of any other entity, agency, or organization. The Research Materials have been provided solely for informational purposes only. Thus, no information contained, or material referred to in the Research Materials is intended by the “Author” or should be taken by the Reader as a substitute for legal, tax, investment, financial or any other form of advice. Nothing in the Research Materials constitute or should be construed as professional and/or financial advice. Therefore, the Author does not guarantee its accuracy or completeness. The Reader is responsible for evaluating the merits and risks associated with the use of any information contained or material referred to in the Research Materials. The Reader should not engage in any trading activity unless the Reader understands the nature of the activity, the consequent risks involved and the true extent of the risk exposure. We strongly recommend that the Reader conducts his/her own independent research and/or seek a professional advice before making any financial decisions. Therefore, the Author or any of its affiliates shall not be liable for any possible claim for damages or loss arising from any decision that the Reader makes based on the information contained or material referred to in the Research Materials.