

Earnings Flash

Tuesday July 28, 2020



Okomu Oil Palm Plc Posts 64% PAT Growth in HY-2020

Okomu Oil Palm Plc. HY'2020 results showed that revenue grew by 57.92% from N8.57 bn in HY'2019 to N13.53 bn in the current period. Similarly, gross profit went up by 81.03% to N12.44 bn in HY'2020 from N6.87 bn in HY'2019. The growth in gross profit was driven in part by the growth in revenue, and by a 35.98% decline in cost of sales. Profit before tax grew by 94.15% to N5.51 bn in the current period from N2.84 bn in HY'2019. Profit after tax rose by 64.29% from N2.44 bn in HY'2019 to N4.01 bn in the current period. Earnings per share increased by 58.49% from N2.65 in HY'2019 to N4.20 in the current period. Okomu has a BVPS of N32.79, P/BV of 2.29x and P/E ratio of 8.92x. Okomu currently trades at N74.95.

Financial Highlights

	HY-2020	HY-2019	
Financials	(N' 000)	(N' 000)	% Change
Revenue	13,526,670	8,565,460	57.92%
Cost of sales	-1,082,981	-1,691,683	-35.98%
Gross Profit	12,443,689	6,873,777	81.03%
Net operating expenses	-6,634,095	-3,962,308	67.43%
Operating Profit	5,809,594	2,911,469	99.54%
Finance Income	5,528	24,787	-77.70%
Finance cost	-310,649	-101,105	207.25%
Profit before taxation	5,504,473	2,835,151	94.15%
Taxation	-1,497,551	-396,200	277.98%
Profit after taxation	4,006,922	2,438,951	64.29%
Basic EPS	4.20	2.65	58.49%

Key Multiples/Ratios

▪ Book Value Per Share-	32.79
▪ Operating Margin	91.99%
▪ Net Profit Margin-	14.99%
▪ Return on Equity-	6.48%
▪ Return on Asset-	4.10%
▪ Price to Book Value-	2.29x
▪ Price to Earnings Ratio-	8.92x
▪ Current Shares Outstanding-	953.91 million

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