

Earnings Flash

Thursday July 30, 2020



SEPLAT Plc Declares Loss After Tax of N37.78 Billion in HY'2020

The HY'2020 result for Seplat Plc revealed that revenue declined by 26.49% from N108.97 bn recorded in HY'2019 to N80.11 bn in the current period. Similarly, gross profit went down by 79.67% from N63.53 bn in HY'2019 to N12.92 bn in HY'2020. The decline in gross profit derived from the drop in revenue, and from a 47.88% rise in cost of sales. The firm reported an operating loss of N38.71 bn in HY'2020, coming from a profit position of N42.68 bn in HY'2019, reflecting a decline of 190.71%. The sharp fall seen in the operating profit can be traced to a 26.48% surge in the general and administrative expenses and a N50.09 bn impairment loss on non-financial assets. Consequently, profit before tax declined by 234.86% from N36.96 bn in HY'2019 to -N49.84 bn in HY'2020, on the back of a 66.80% drop in finance income and a 64.73% rise in finance cost. In a similar fashion, the company recorded a loss after tax of N37.78 bn in HY'2020 as against a profit of N37.50 bn recorded in HY'2019, reflecting a decline of 200.76%. Accordingly, earnings per share went down by 199.09% from N65.92 in HY'2019 to -N65.32 in HY'2020. The stock currently trades at N310.2.

Financial Highlights

Financials	HY-2020 (N' million)	HY-2019 (N' million)	% Change
Revenue	80,106	108,970	-26.49%
Cost of Sales	(67,189)	(45,436)	47.88%
Gross Profit	12,917	63,534	-79.67%
Other Operating Income/(losses)	17,622	2,644	566.49%
General and administrative expenses	(16,336)	(12,916)	26.48%
Impairment loss on financial asset	(5,101)	(12,318)	-58.59%
Impairment loss on non-financial assets	(50,086)	-	
Fair value gain/(loss)	2,272	1,735	30.95%
Operating (loss)/profit	(38,712)	42,679	-190.71%
Finance Income	601	1,810	-66.80%
Finance cost	(12,536)	(7,610)	64.73%
Share of profit from joint venture	809	77	950.65%
(Loss)/profit before taxation	(49,838)	36,956	-234.86%
Tax (expense)/credit	12,056	(437)	-2858.81%
Profit/(loss) from discontinued operation	-	977	
(Loss)/profit for the period	(37,782)	37,496	-200.76%
EPS	(65.32)	65.92	-199.09%

Key Multiples/Ratios

▪ Book Value Per Share-	1,024.16
▪ Net Profit Margin-	-47.17%
▪ Return on Equity-	-6.27%
▪ Return on Asset-	-3.44%
▪ Price to Book Value-	0.30%
▪ Current Shares Outstanding-	588.4 million

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