

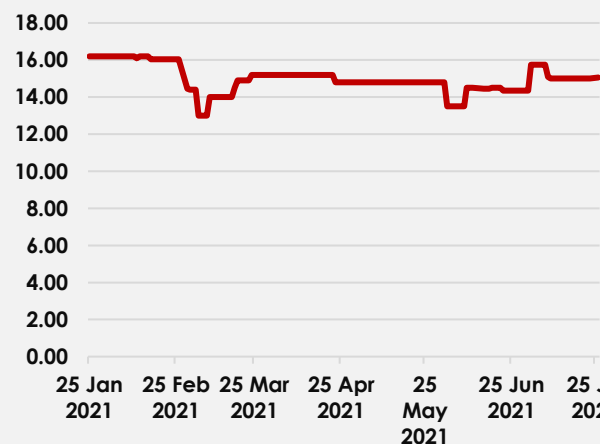
NASCON Allied Industries in 2021 H1 recorded a dip in profitability after PAT declined marginally by 2.52% from ₦1.48 bn in 2020 H1 to ₦1.45 Bn in 2021 H1. Despite growing top-line revenue by 20.93% in 2021 H1, the food product production company grew its cost faster, with operating cost moving from ₦3.79 Bn in 2020 H1 to ₦4.81 bn in 2021 H1, impacting profitability negatively.

Meanwhile, NASCON significantly reduced borrowings and raised funds cheaper after reducing borrowings and finance costs by 98.11% and 84.84% in 2021 H1, respectively. Borrowing stood in 2020 H1 stood at ₦2.03 Bn compared to ₦38.57 Mn in 2021 H1 while finance cost stood at ₦166.21 Mn in 2020 H1 compared to ₦25.20 Mn in 2021 H1.

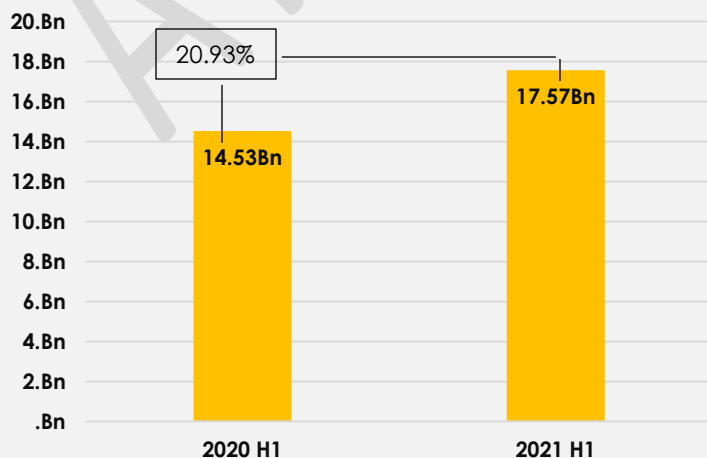
However, despite posting reduced returns for investors in 2021 H1 with return on equity dipping to 11.06% from 11.83% in 2020 H1, NASCON still possesses strong fundamentals. We expect a potential upside of 20% in the stock price; amid increasing covid-19 inoculations and economic activities.

Company Valuation	NASCON	
	H1'2020	H1'2021
EPS	0.56	0.55
BVPS	4.75	4.95
P/E	17.81	27.47
P/BV	2.11	3.04
Current Price	10.00	15.05
<b>Key Metrics</b>		
ROA	3.42%	3.18%
ROE	11.86%	11.06%
Debt to Equity	0.16	0.00
Current Ratio	0.99	0.99
Net Profit Margin	15.68%	12.14%
Asset Turnover	0.33	0.38
<b>Shares Statistics</b>		
Yr Hi	₦17.60	
Yr Low	₦9.60	
YTD Return	-7.10%	
Shares Outstanding	2,649,438.00	
Market Cap	39,874,041.90	

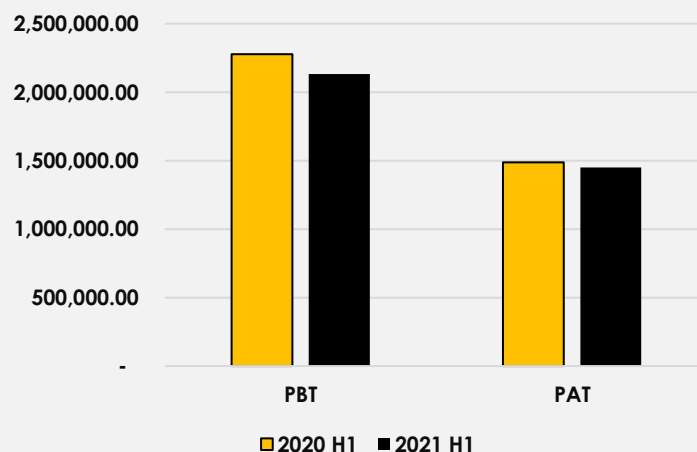
NASCON YTD



Revenue (₦)



Profit History



**Financial Highlights (NGN Thousands) NASCON 2021 H1**

<b>Profit &amp; Loss Account</b>	<b>2020 H1</b>	<b>2021 H1</b>	<b>y/y Growth</b>
Revenue	14,529,298.00	17,570,157.00	20.93%
Cost of Sales	(8,708,397.00)	(10,632,472.00)	22.09%
Gross Profit	5,820,901.00	6,937,685.00	19.19%
Operating Expenses	(3,792,361.00)	(4,812,578.00)	26.90%
Operating Profit	2,426,249.00	2,131,775.00	12.14%
Investment Income	18,232.00	26,551.00	45.63%
Finance Cost	(166,212.00)	(25,200.00)	84.84%
<b>PBT</b>	<b>2,278,269.00</b>	<b>2,133,126.00</b>	-6.37%
Tax Expenses	(790,271.00)	(682,600.00)	13.62%
<b>PAT</b>	<b>1,487,998.00</b>	<b>1,450,526.00</b>	-2.52%
<b>Balance Sheet</b>	<b>2020 H1</b>	<b>2021 H1</b>	
Inventories	4,075,979.00	5,104,029.00	25.22%
Trade and Other Receivables	11,819,167.00	14,189,659.00	20.06%
Cash and Cash Equivalent	5,056,539.00	1,928,723.00	61.86%
Property Plant and Equipment	16,407,302.00	15,714,018.00	-4.23%
Current Assets	23,280,476.00	26,191,037.00	12.50%
<b>Total Assets</b>	<b>43,534,963.00</b>	<b>45,655,465.00</b>	<b>4.87%</b>
<b>Shareholders Fund</b>	<b>12,577,283.00</b>	<b>13,110,224.00</b>	<b>4.24%</b>
Trade and Other Payables	20,168,579.00	24,495,781.00	21.46%
Loans and Borrowings	2,038,570.00	38,570.00	98.11%
Current Liabilities	23,457,275.00	26,409,467.00	12.59%
<b>Total Liabilities</b>	<b>30,957,680.00</b>	<b>32,545,241.00</b>	<b>5.13%</b>

**Contact Information**

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