

A leading consumer goods company in Nigeria, Vitafoam Nig. Plc on Tuesday, 28 July 2021, published its 9M'2021 corporate earnings result to the investing public.

According to the released result, Vitafoam Nig. Plc grew in Revenue by 62.92% (to ₦26.83Bn in 9M'21, from ₦16.47Bn in 9M'20). The Revenue growth was mainly driven by a 65% growth in sales in Nigeria.

Similarly, the company saw a 33.61% decline in its Net-Finance Cost from ₦606.73Bn in 9M'20 to ₦402.79Bn in 9M'21. Following a record of ₦104.6Bn Finance Income.

On the other hand, the company experienced an increase in some expenses line items such as Cost of Sale, Distribution Expenses and Administrative Expenses by 84.85% (to ₦17.27Bn from ₦9.34Bn in 9M'20), 41.95% (to ₦891.81Mn from ₦628.27Mn in 9M'20) and 20.31% (to ₦3.76Bn from ₦3.12Bn in 9M'20) respectively, as inflation and decline of Naira in the FX market bite harder on the company's products raw materials and mode of distributing its final products.

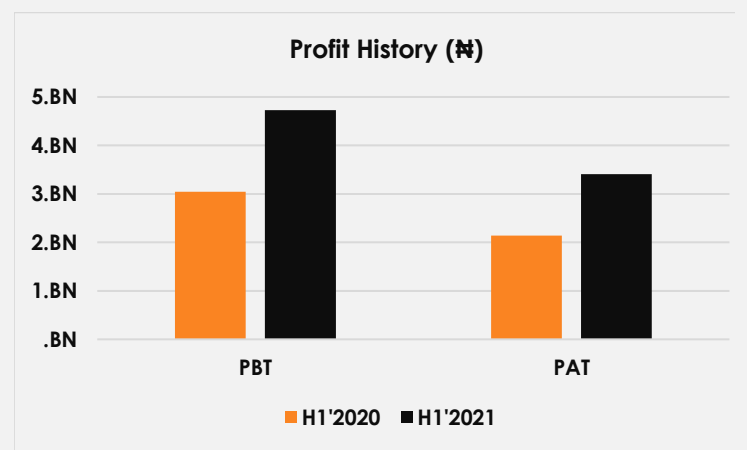
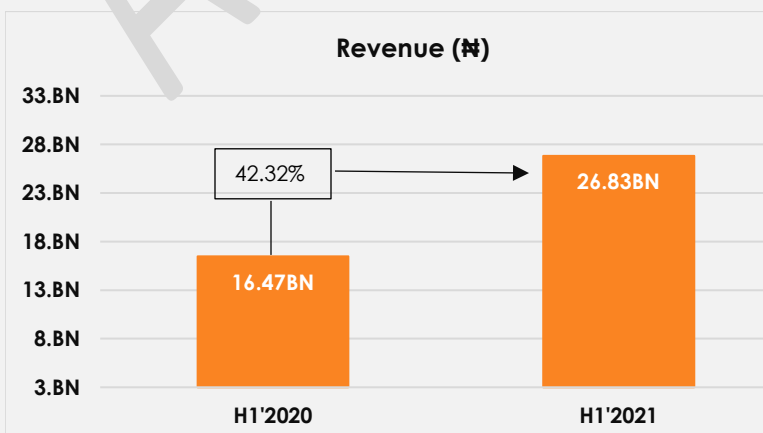
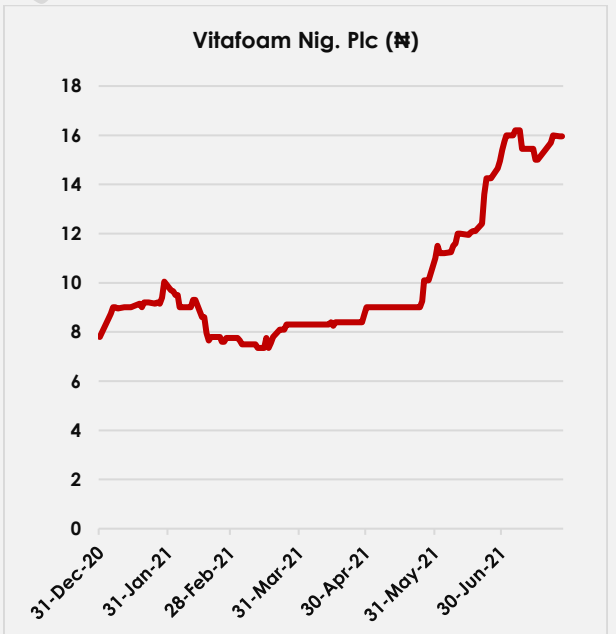
Despite the growth in the expenses line items, the company grew in Profit-Before-Tax (PBT) and Profit-After-Tax (PAT) by 55.12% and 59.15% to ₦4.73Bn and ₦3.41Bn respectively in 9M'21.

As a result, Investors Earnings (Earnings-Per-Share) in 9M'21 rose to ₦2.92, representing 80.25% growth, as against ₦1.62 in the prior period of 2020.

Also, the company's Return-on-Asset (ROA) and Return-on-Equity (ROE) both increased to 12.54% and 29.32%, respectively. While the Current Ratio declined to 1.61x from 2.00x, implying the company is growing its current liabilities faster than its current asset.

Conclusively, we expect the company to sustain its impressive performance in FY'21 as economic activities continue to increase. Also, the commencement of AfCFTA in Nig. will impact its sales to other parts of the continent.

Company	VITAFOAM NIG. PLC	
Valuation	H1'2021	H1'2020
EPS (₦)	2.92	1.62
BVPS	9.29	6.03
P/E	5.85	3.36
P/BV	1.72	0.95
Current Price	15.95	5.75
Key Metrics		
ROA	12.54%	11.67%
ROE	29.32%	28.38%
Debt to Equity	0.67	0.42
Current Ratio	1.61	2.00
Net Profit Margin	12.70%	13.00%
Asset Turnover	0.61	0.90
Shares Statistics (Share out & Mkt Cap in Mn)		
Yr Hi	₦16.20	
Yr Low	₦5.15	
YTD Return	104.49%	
Shares Outstanding	1,250.84	
Market Cap	₦19,950.96	



Financial Highlights (₦'000) Vitafoam Nig. Plc 9M'2021

Profit & Loss Account	9M'2020	9M'2021	Y/Y Growth
Revenue	16,470,572	26,833,038	62.92%
Cost of Sales	(9,342,131)	(17,269,101)	84.85%
Gross Profit	7,128,441	9,563,937	34.17%
Operating Expenses	(3,752,542)	(4,650,621)	23.93%
Operating Profit	3,654,752	5,130,885	40.39%
Investment Income	-	104,646	-
Finance Cost	(606,728)	(507,433)	-16.37%
PBT	3,048,024	4,728,098	55.12%
Tax Expenses	(906,401)	(1,319,658)	45.59%
PAT	2,141,623	3,408,440	59.15%

Balance Sheet	9M'2020	9M'2021	Y/Y Growth
Inventories	6,290,673	8,357,815	32.86%
Trade and Other Receivables	708,576	934,526	31.89%
Cash and Cash Equivalent	3,938,656	8,466,301	114.95%
Property Plant and Equipment	5,007,330	6,405,443	27.92%
Intangible assets and goodwill	29,196	28,896	-1.03%
Current Assets	13,284,259	20,478,417	54.16%
Total Assets	18,358,087	27,188,744	48.10%
Shareholders Fund	7,546,430	11,623,951	54.03%
Trade and Other Payables	1,912,861	3,364,047	75.86%
Loans and Borrowings	3,134,593	7,840,361	150.12%
Current Liabilities	6,649,338	12,710,005	91.15%
Total Liabilities	10,811,657	15,564,792	43.96%

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