

BERGER

BERGER PAINTS JAMAICA LIMITED

UNAUDITED THREE MONTHS FINANCIAL RESULTS

FOR PERIOD ENDED MARCH 31, 2021



BERGER



BERGER PAINTS JAMAICA LIMITED

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DIRECTORS' STATEMENT

Q1 FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

18%

INCREASE
IN REVENUE

\$597.5m

1ST QUARTER
REVENUE

Overview

Challenging times call for a **BOLD** response!

Berger Paints Jamaica Ltd. (BPJL) has remained focused on delivering on our strategic initiatives geared to sustainable revenue generation, sharper understanding of potential risk, constant evaluation and implementation of initiatives to achieve operational efficiencies and our absolute commitment to delivery of world-class products and customer service.

Despite these uncertain times, it was decided that we must continue to inspire and chart the future we wish to emerge into. As such, despite previously being placed on hold, we are excited to have launched our transformational **BOLDLY BERGER** campaign, offering a world-class and reinvigorating look and feel to the Berger brand, while strengthening our position as the market leader.

Financial Performance

BPJL recorded an increase of 18% in revenues for the first quarter of J\$597.5 million compared to J\$508.5 million for the corresponding period last year.

Operating expenses for the quarter totaled J\$323.7 million, 11% above the J\$290.5 million for the corresponding quarter last year; however, this increase in operating expenses resulted mainly from additional depreciation from investments in plant & machinery and the substantial investments in our **BOLDY BERGER** campaign and brand relaunch.

Profit Before Tax (PBT) was J\$8.4 million for the quarter ended March 31, 2021, when compared to a loss of J\$42.0 million for the corresponding period last year.

Outlook

As we continue to navigate the economic challenges triggered by the global pandemic, the safety of our staff and customers is a constant priority.

The current environment remains uncertain due to the sustained effects of the COVID-19 pandemic. However, with the global vaccination drive and select world markets slowly re-opening for business, there is cautious optimism.

Locally, the Bank of Jamaica (BOJ) is projecting a partial rebound in economic growth of about three per cent (3%), commencing in fiscal year 2021/22.

We extend our thanks to you our shareholders for your continued confidence and express a heartfelt thank you to our employees and valued customers for their ongoing support.

On behalf of the Board



Adam N. Sabga
Chairman

BERGER PAINTS JAMAICA LIMITED

UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

	March	(Unaudited)	(Audited)
	2021	March	December 31
	\$'000	2020	2020
		\$'000	\$'000
ASSETS			
Non-current Assets			
Property, plant & equipment	281,986	278,214	286,813
Post employment benefits	175,694	150,068	175,095
Right-of-use asset	60,559	27,621	63,866
Deferred tax assets	7,575	8,562	7,575
Total non-current assets	525,814	464,465	533,349
Current Assets			
Inventories	787,652	587,848	445,714
Due from fellow subsidiaries	34,905	49,850	22,222
Trade and other receivables	420,214	360,916	575,007
Income tax recoverable	38,599	47,413	38,705
Cash and bank balances	144,868	486,577	210,804
Total Current Assets	1,426,238	1,532,604	1,292,452
Total Assets	1,952,052	1,997,069	1,825,801
EQUITY AND LIABILITIES			
Shareholders' Equity			
Share capital	141,793	141,793	141,793
Revaluation reserve	45,745	45,595	45,745
Revenue reserve	970,463	879,458	962,182
	1,158,001	1,066,846	1,149,720
Non-current Liabilities			
Post employment benefits	143,406	151,364	138,271
Lease liabilities	51,587	18,467	53,771
	194,993	169,831	192,042
Current Liabilities			
Due to immediate parent company	167,109	55,703	147,754
Due to fellow subsidiaries	105,144	431,546	102,318
Dividends payable	13,762	13,809	13,775
Provisions	11,783	17,960	11,692
Lease liabilities	10,616	7,464	11,065
Trade and other payables	290,644	233,910	197,435
	599,058	760,392	484,039
Total Equity and Liabilities	1,952,052	1,997,069	1,825,801

Approved by:

Adam Sabga
 Chairman


Hon. Michael Fennell
 Director



BERGER PAINTS JAMAICA LIMITED

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

THREE MONTHS ENDED MARCH 31, 2021

	QUARTER ENDED March 2021 \$'000	QUARTER ENDED March 2020 \$'000	Audited YEAR ENDED December 31 2020 \$'000
Revenue from contracts with customers	597,510	508,504	2,371,281
Raw materials and consumable used	(353,105)	(314,569)	(1,091,421)
Changes in inventories of finished goods and work in progress (net)	73,292	54,314	(127,036)
Manufacturing expenses	(14,593)	(18,509)	(55,747)
Depreciation	(17,118)	(18,448)	(65,711)
Employee benefits expenses	(131,706)	(141,782)	(511,614)
Other operating expenses	(160,359)	(111,747)	(527,993)
Other income	14,465	254	20,034
PROFIT / (LOSS) BEFORE TAXATION	8,386	(41,983)	11,793
Taxation	(105)	-	(148)
NET PROFIT	8,281	(41,983)	11,645
Other Comprehensive Income			
Other comprehensive income net of tax	-	-	29,246
TOTAL COMPREHENSIVE INCOME	8,281	(41,983)	40,891
Earnings per stock unit	\$0.04	(\$0.20)	\$0.05

BERGER PAINTS JAMAICA LIMITED

UNAUDITED STATEMENT OF CASH FLOWS

THREE MONTHS ENDED MARCH 31, 2021

		Unaudited	Audited
	March	March	December 31
	2021	2020	2020
	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit / (Loss)	8,281	(41,983)	11,645
Adjustments for:			
Depreciation	13,810	16,265	52,961
Depreciation on right of use assets	3,308	2,183	12,750
Interest expense on lease liabilities	1,212	-	3,728
Unrealised foreign exchange loss (net)	(6,759)	(463)	(33,924)
Provision charge	800	501	3,475
Post retirement benefit charge	5,135	5,135	19,462
Expected/(Reversal) of credit loss on trade receivables (net)	946		(25,014)
Income tax expense	105		148
Gain on sale of property, plant & equipment	-	-	(801)
Operating cash flows before movements in working capital:	26,837	(18,362)	44,430
Decrease in trade and other receivables	153,847	207,516	18,439
Decrease/(Increase) in inventories	(341,938)	50,852	192,986
(Decrease)/Increase in trade and other payables	93,209	(69,218)	(105,693)
(Decrease)/Increase in due to fellow subsidiaries	(9,856)	(230,181)	(531,781)
Provisions utilised	(708)	-	(9,243)
Increase/(Decrease) in due to immediate parent company	19,355	8,975	101,026
Post employment benefits contribution	(599)	(545)	(14,198)
Cash generated from operations	(59,853)	(50,963)	(304,034)
Interest paid	(1,212)	-	(3,728)
Income tax paid	-	-	-
Net cash used by operating activities	(61,065)	(50,963)	(307,762)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant & equipment	(8,984)	(43,311)	(88,606)
Proceeds on sale of property, plant & equipment	-	-	801
Net cash used in investing activities	(8,984)	(43,311)	(87,805)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	(13)	-	(34)
Lease liabilities payments	(2,633)	(4,310)	(12,217)
Net cash used in financing activities	(2,646)	(4,310)	(12,251)
NET DECREASE IN CASH AND BANK BALANCES	(72,695)	(98,584)	(407,818)
OPENING CASH AND CASH EQUIVALENTS	210,804	584,698	584,698
Effect of foreign exchange rate changes	6,759	463	33,924
CLOSING CASH AND CASH EQUIVALENTS	144,868	486,577	210,804

BERGER PAINTS JAMAICA LIMITED UNAUDITED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

AS AT MARCH 31, 2021

	<u>Share Capital</u>	<u>Revaluation reserve</u>	<u>Revenue Reserve - Profit & Loss Account</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000
Balance at January 31, 2021	141,793	45,745	962,182	1,149,720
Net profit for three months	-	-	8,281	8,281
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	8,281	8,281
Dividends	-	-	-	-
Balance at March 31, 2021	141,793	45,745	970,463	1,158,001
Balance at January 31, 2020	141,793	45,595	921,441	1,108,829
Net loss for three months	-	-	(41,983)	(41,983)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(41,983)	(41,983)
Dividends	-	-	-	-
Balance at March 31, 2020	141,793	45,595	879,458	1,066,846

BERGER PAINTS JAMAICA LIMITED

NOTES TO UNAUDITED FINANCIAL RESULTS

THREE MONTHS ENDED MARCH 31, 2021

1. Basis of preparation

The unaudited financial results for the three-month period ended March 31, 2021 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

2. Significant accounting policies

These unaudited results have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The same accounting policies, presentation and methods of computation have been followed in these unaudited financial results as were applied in the preparation of the company's audited financial statements for the year ended December 31, 2020.

3. Related party transactions

The company carried out transactions in the ordinary course of business during the period with its affiliates. Balances at the period end were:

	<u>Amount owed by/(to) Related Parties</u>	
	2021	2020
	\$'000	\$'000
Immediate parent		
Ansa Coatings International	(165,585)	(55,703)
Fellow subsidiaries		
Berger Trinidad	-	18,693
Berger Barbados	(6,766)	(209)
Ansa Coatings Limited	(8,814)	(134,246)
AnsaMcAL (US) Inc.	(45,564)	(225,672)
AnsaMcAl Limited	(1,635)	(65,482)
Ansa Chemicals	3,547	25,193
Richmond Motors	-	28
Ansa Polymer	(10,821)	-
AnsaMcal Enterprise	(15,596)	-
Ansa Coatings Jamaica	9,810	-
Ansa Merchant Bank	122	-
Ansa Mcal Barbados	(50)	-

4. Issued share capital

There were no movements in the issued capital of the company in either the current or the prior interim reporting periods.

5. Earnings per stock unit

The calculation of the earnings per stock unit is based on the profit after tax and the number of stock units in issue during the period of 214,322,393.



BERGER PAINTS JAMAICA LIMITED

TOP 10, MANAGEMENT AND DIRECTORS' SHAREHOLDINGS

AS AT MARCH 31, 2021

TOP TEN (10) LARGEST SHAREHOLDERS

SHAREHOLDERS	SHAREHOLDING	% OF ISSUED CAPITAL
ANSA COATINGS INTERNATIONAL LIMITED	116,023,364	54.13
SAGICOR POOLED EQUITY FUND	22,284,944	10.40
IDEAL GROUP CORPORATION LIMITED	10,988,500	5.13
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	4,981,493	2.32
IDEAL BETTING COMPANY LIMITED	4,624,152	2.16
IDEAL GLOBAL INVESTMENTS LIMITED	4,020,000	1.88
GUARDIAN LIFE LTD - GUARDIAN EQUITY FUND	2,750,000	1.28
FIRST JAM./H.E.A.R.T/NTA PENSION SCHEME	2,433,500	1.14
GUARDIAN LIFE LIMITED/PENSION FUND	1,899,999	0.89
KARL P WRIGHT	1,856,391	0.87
TOTAL	171,862,343	80.19

SHAREHOLDINGS OF DIRECTORS AND THEIR CONNECTED PARTIES

DIRECTORS	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
Adam Sabga (Chairman)	NIL		NIL
Michael Fennell	NIL	Kathleen Peggy Fennell	NIL
Andy Mahadeo	NIL	Denise Gayah-Mahadeo	NIL
Craig La Croix	NIL	Lisa La Croix	NIL
Milton Samuda	NIL	Milton Samuda / Elizabeth Samuda	NIL
Jacqueline Sharp	NIL	Jacqueline Sharp / Jason Sharp	NIL
Ray A. Sumairsingh	NIL	Charmaine Sumairsingh	NIL
TOTAL	0		0

SHAREHOLDINGS OF SENIOR MANAGEMENT AND THEIR CONNECTED PARTIES

SENIOR MANAGEMENT	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
Newton Abrahams	NIL	Sharmaine Abrahams	NIL
Shashi Mahase	NIL	Renee Boucard Mahase	NIL
Huron Gordon	NIL	Nadine Gordon	NIL
Peta Gaye Levene-Thomas	NIL	Damali Thomas	NIL
Gladys Miller	NIL	Wendell Miller	NIL
Robert Polack	NIL	Michele Polack	NIL
Jacqueline Warren-Wilson	3,799		NIL
TOTAL	3,799		0

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BERGER PAINTS JAMAICA LIMITED

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Together, we are
Family