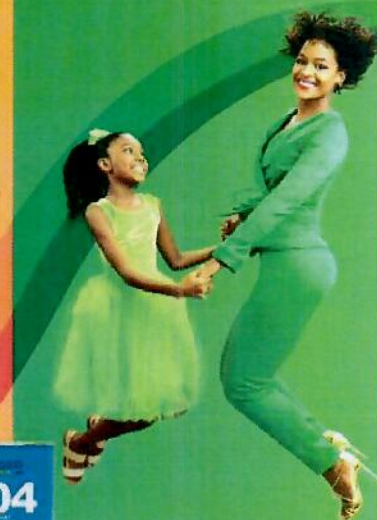


BERGER

BERGER PAINTS JAMAICA LIMITED

UNAUDITED THREE MONTHS FINANCIAL RESULTS

FOR PERIOD ENDED MARCH 31, 2022



BERGER



FOR LASTING BEAUTY AND PROTECTION

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BERGER PAINTS JAMAICA LIMITED
UNAUDITED Q1 2022 FINANCIAL STATEMENTS
DIRECTORS' STATEMENT

Financial Performance

Berger Paints Jamaica Limited (BPJL) began 2022 with a strong performance and recorded revenues of J\$719M for the quarter ending March 31, 2022. This represents a 20% increase over the corresponding period in 2021 and continues to build on the momentum gathered over the past year.

BPJL like most manufacturers are being greatly impacted by the ongoing ripple effects of the Covid-19 pandemic, and now further compounded by the Ukrainian conflict, particularly with supply chain constraints and rising raw material/consumables cost. Constant and unpredictable price increases, coupled with extended lead times and freight costs continue to pose significant challenges to the daily operations.

Management continues to diligently manage this area of risk, and business continuity plans are constantly being reviewed and updated and we remain committed to the judicious management of risk and costs. This is demonstrated in our prudent control of Manufacturing and Operating expenses for quarter 1, 2022 which totaled \$303.6M for Q1 2022, below the \$323.8M for Q1 2021, a decrease of \$20M or 6.2%. Manufacturing expenses were closely managed and resulted in a 10% or \$1.4M reduction over the corresponding quarter in 2021.

Through deeper focus on plant efficiencies, our production output improved and increased by 6% in Q1 2022 over Q1 2021.

As we anticipate challenges with supply chain to continue well into 2022, we remain focused on operational efficiencies and effective utilization of scarce raw material resources. This prudent approach has allowed BPJL to record Profit Before Tax (PBT) of \$22.7M for Q1 2022, an increase of \$14.3M or 171% over the PBT of \$8.4M recorded in Q1 2021.

A strong Statement of Financial Position supports our growth agenda.

Outlook

We are optimistic that economic activity will continue to increase in 2022 as the Government of Jamaica has lifted Covid-19 restrictions, reopened the entertainment industry, and removed Covid-19 test requirements for travel. However, we are cognizant of the ongoing risk to the business due to future outbreaks and internal contagion. We remain committed to delivering on long term strategies and staying focused on serving the needs of all our customers.

We extend our gratitude to you our shareholders for your continued confidence in the Berger brand and on behalf of the Board of Directors and Management of Berger Paints Jamaica Limited, a heartfelt thank you to our team, suppliers, and all stakeholders for your ongoing and continued support.

On behalf of the Board


Adam N. Sabga
Chairman

BERGER PAINTS JAMAICA LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022

	Unaudited March 2022 \$'000	Unaudited March 2021 \$'000	Audited December 2021 \$'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	352,476	281,986	355,778
Post employment benefits	212,760	175,694	212,128
Right-of-use assets	49,399	60,559	50,587
Deferred tax assets	-	7,575	-
Total non-current assets	<u>614,635</u>	<u>525,814</u>	<u>618,493</u>
Current assets			
Inventories	968,318	787,652	740,273
Due from fellow subsidiaries	5,946	34,905	2,243
Trade and other receivables	491,620	420,214	644,008
Income tax recoverable	18,762	38,599	18,762
Cash and bank balances	304,551	144,868	275,674
Total current assets	<u>1,789,198</u>	<u>1,426,238</u>	<u>1,680,960</u>
Total assets	<u><u>2,403,832</u></u>	<u><u>1,952,052</u></u>	<u><u>2,299,453</u></u>
<u>EQUITY AND LIABILITIES</u>			
Shareholders' equity			
Share capital	141,793	141,793	141,793
Revaluation reserves	45,895	45,745	45,895
Revenue reserve	1,127,833	970,463	1,110,691
Total shareholders' equity	<u>1,315,521</u>	<u>1,158,001</u>	<u>1,298,379</u>
Non-current liabilities			
Post employment benefits	132,556	143,406	132,556
Lease liabilities	34,803	51,587	35,944
Deferred Tax Liability	17,927	0	19,357
Total non-current liabilities	<u>185,286</u>	<u>194,993</u>	<u>187,857</u>

Current liabilities

Due to immediate parent company	258,326	167,109	243,915
Due to fellow subsidiaries	334,795	105,144	281,951
Dividends payable	13,593	13,762	13,593
Provisions	10,294	11,783	13,464
Lease liabilities	11,524	10,616	13,906
Trade and other payables	267,444	290,644	246,388
Corporation tax payable	<u>7,050</u>	<u> </u>	<u> </u>
Total current liabilities	<u>903,025</u>	<u>599,058</u>	<u>813,217</u>
Total equity and liabilities	<u>2,403,832</u>	<u>1,952,052</u>	<u>2,299,453</u>



Approved by: **Adam Sabga**
Chairman



Hon. Michael Fennell
Director

BERGER PAINTS JAMAICA LIMITED**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME****THREE MONTHS ENDED MARCH 31, 2022**

	Unaudited March 2022 \$'000	Unaudited March 2021 \$'000	Audited December 2021 \$'000
Revenue from contracts with customers	719,014	597,510	3,108,089
Raw materials and consumable used	(454,720)	(353,105)	(1,878,366)
Changes in inventories of finished goods and work in progress (net)	58,002	73,292	231,786
Manufacturing expenses	(13,157)	(14,593)	(57,504)
Depreciation	(17,993)	(17,118)	(73,668)
Employee benefits expense	(155,519)	(131,706)	(549,884)
Other operating expenses	(116,897)	(160,359)	(659,502)
Other income	3,982	14,465	38,742
	<hr/>	<hr/>	<hr/>
PROFIT BEFORE TAXATION	22,711	8,386	159,693
Taxation	(5,619)	(105)	(36,353)
	<hr/>	<hr/>	<hr/>
NET PROFIT FOR THE YEAR	17,092	8,281	123,340
	<hr/>	<hr/>	<hr/>
Earnings per stock unit	\$0.08	\$0.04	\$0.58

BERGER PAINTS JAMAICA LIMITED
UNAUDITED STATEMENT OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2022

	Unaudited March 2022 \$'000	Unaudited March 2021 \$'000	Audited December 2021 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year	17,092	8,281	123,340
Adjustments for:			
Depreciation on property, plant and equipment	14,506	13,810	60,389
Depreciation on right of use assets	3,487	3,308	13,279
Interest expense on lease liabilities	415	1,212	3,386
Unrealised foreign exchange gains (net)	-961	-6,759	6,200
Post retirement benefit charge	632	5,135	14,867
Income tax expense	5,619	105	36,353
Provision charge	0	800	2480
Expected credit loss recognised on trade receivables	638		1,381
Expected credit loss recognised on other receivables	0		832
Reversal of expected credit loss on trade receivables	0	946	-6,549
Reversal of expected credit loss on other receivables	0		-1,265
Inventory	0		-6,946
Gain on sale of property, plant and equipment			
Operating cash flows before movements in working capital:	41,428	26,838	247,747
Decrease/(increase) in trade and other receivables	150,552	153,847	-63,400
Decrease/(increase) in inventories	-228,045	-341,938	-294,559
(Decrease)/increase in due to/from fellow subsidiaries (net)	49,142	-9,856	199,612
Provisions utilised	0	-708	-708
(Decrease)/Increase in trade and other payables	14,131	93,209	48,953
Increase/(Decrease) in due to immediate parent company	14,411	19,355	96,161
Post employment benefits contributions	-632	-599	-14,795
Cash generated from operations	40,986	-59,852	219,011
Interest paid	-415	-1,212	-3,386
Income tax paid	0	0	-33
Net cash (used in)/provided by operating activities	40,571	-61,064	215,592

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property, plant and equipment	-5,682	-8,984	-129,354
Proceeds on sale of property, plant and equipment			

Net cash used in investing activities	<u>-5,682</u>	<u>-8,984</u>	<u>-129,354</u>
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CASH FLOWS FROM FINANCING ACTIVITIES

Dividends paid	0	-13	-182
Lease liabilities payments	<u>-5,052</u>	<u>-2,633</u>	<u>-14,986</u>

Net cash used in financing activities	<u>-5,052</u>	<u>-2,646</u>	<u>-15,168</u>
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NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS

	29,838	-72,694	71,070
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OPENING CASH AND CASH EQUIVALENTS

	275,674	210,804	210,804
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Effect of foreign exchange rate changes	<u>-961</u>	<u>6,758</u>	<u>-6,200</u>
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CLOSING CASH AND CASH EQUIVALENTS

	<u><u>304,551</u></u>	<u><u>144,868</u></u>	<u><u>275,674</u></u>
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Supplemental non-cash activities disclosure:

Right of use assets acquired under finance leases	<u> </u>	<u> </u>	<u> </u>
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BERGER PAINTS JAMAICA LIMITED

**UNAUDITED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
AS AT MARCH 31, 2022**

	Share Capital \$'000	Revaluation Reserves \$'000	Revenue Reserve \$'000	Total \$'000
Balance at January 1, 2022	141,793	45,895	1,110,691	1,298,379
Net profit for three months	-	-	17,092	17,092
Other comprehensive income for 3 months	-	-	-	-
Total comprehensive income for 3 months	-	-	17,092	17,092
Dividends	-	-	-	-
Balance at March 31, 2022	141,793	45,895	1,127,833	1,315,521
Balance at January 1, 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

BERGER PAINTS JAMAICA LIMITED
NOTES TO UNAUDITED FINANCIAL RESULTS
THREE MONTHS ENDED MARCH 31, 2022

1. Basis of preparation

The unaudited financial results for the three-month period ended March 31, 2022 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, 2021.

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:

	Amount owed by/(to) Related Parties	
	2022	2021
	\$'000	\$'000
Immediate parent		
Ansa Coatings International	(256,744)	(165,585)
Fellow Subsidiaries		
Berger Paints Barbados	(4,127)	(6,766)
Ansa Coatings Limited	(11,102)	(8,814)
Ansa MCAL Trading Inc	(272,185)	(45,564)
Ansa MCAL Limited	(674)	(1,635)
Ansa MCAL Chemicals	3,408	3,547
Ansa Polymer	(11,936)	(10,821)

Ansa Chemicals Jamaica	48	-
Abel Building Solutions	(4,164)	-

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
QUARTERLY REPORT
AS AT 31 MARCH 2022**

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	4,939,011	2.30
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
SAGICOR SELECT FUND LIMITED - ('CLASS C' SHARES) MANUFACTURING & DISTRIBUTION	1,719,169	0.80
TOTAL	171,682,639	80.10

SHAREHOLDINGS OF DIRECTORS AND CONNECTED PARTIES			
DIRECTORS	SHAREHOLDING	CONNECTED PARTY(S)	SHAREHOLDING
ADAM SABGA (CHAIRMAN)	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	ELIZABETH SAMUDA	NIL
JACQUELINE SHARP	NIL	JASON SHARP	NIL
RAY A. SUMAIRSINGH	NIL	CHARMAINE SUMAIRSINGH	NIL
TOTAL	0		0

SHAREHOLDINGS OF SENIOR MANAGEMENT AND CONNECTED PARTIES			
SENIOR MANAGEMENT	SHAREHOLDING	CONNECTED PARTY(S)	SHAREHOLDING
NEWTON ABRAHAMS	NIL		
SHASHI MAHASE	NIL	RENEE BOUCAUD MAHASE	NIL
DWIGHT JACKSON	NIL	SANDRA JACKSON	NIL
PETA GAYE LEVENE-THOMAS	NIL	DAMALI THOMAS	NIL
GLADYS MILLER	NIL	WENDELL MILLER	NIL
CARLINTON MONTGOMERY	NIL	RENEE MONTGOMERY	NIL
		ZACHARY MONTGOMERY	NIL
		AVRIL-RENEE MONTGOMERY	NIL
ROBERT POLACK	NIL	MICHELE POLACK	NIL
JACQUELINE WARREN-WILSON	3,799		
TOTAL	3,799		0

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BERGER PAINTS JAMAICA LIMITED

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Together, we are
Family