

# BERGER

BERGER PAINTS JAMAICA LIMITED

## REVISED UNAUDITED SIX MONTHS FINANCIAL RESULTS

FOR PERIOD ENDED JUNE 30, 2022



# BERGER



FOR LASTING BEAUTY AND PROTECTION

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# DIRECTORS' STATEMENT

With the relaxation of COVID-19 measures and increased activity in the tourism industry, the company has noted growth in various market channels, however Supply chain challenges whilst being proactively managed, has resulted in significant supply constraints and cost increases, however management continues to work diligently to reduce the impact to market.

The six-month period ended June 30, 2022 has recorded encouraging numbers.

## FINANCIAL PERFORMANCE

Profit before tax (PBT) for the six-month period ended June 30, 2022 was \$24.5M compared to \$10.2M, an increase of 141%. This was supported by revenues for \$1,392M in the current year vs \$1,263M from the prior year, a \$129M increase.

Cost of goods sold (COGS) has continued to be negatively affected by the impacts of the COVID-19 pandemic compounded by the effects of the Russia/Ukraine war. Lead times have in some cases gotten significantly longer, and BPJL has been impacted by significant increases in raw material and packaging costs


Operating expenses was \$290M in the current year compared to \$345 million in the prior year. The previous year had higher investments in marketing and trade engagement activities mainly due to the **BOLDLY BERGER** campaign. Management continues to keenly control these expenses in an effort to mitigate the impact of the higher input production costs.

## OUTLOOK

Berger Paints Jamaica Ltd (BPJL) continues to drive our long-term strategies whilst maintaining focus on talent development, being customer centric, community development and driving strong financial and operational performance.

There is general recovery in the economy which augurs well for the outlook of the company and built on the strategic foundations now in place, management is poised and committed to delivering a strong H2 performance.

On behalf of the Board




**Adam N. Sabga**  
Chairman

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Unaudited June 2022 \$'000	Unaudited June 2021 \$'000	Audited December 2021 \$'000
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property, plant and equipment	354,445	283,725	355,778
Post employment benefits	212,970	176,412	212,128
Right-of-use assets	48,212	57,234	50,587
Deferred tax assets	-	7,575	-
	<hr/>	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>615,627</b>	<b>524,946</b>	<b>618,493</b>
<b>Current assets</b>			
Inventories	1,049,100	1,143,159	740,273
Due from fellow subsidiaries	21,404	11,268	2,243
Trade and other receivables	493,207	465,361	644,008
Income tax recoverable	13,462	38,632	18,762
Cash and bank balances	168,552	180,455	275,674
	<hr/>	<hr/>	<hr/>
<b>Total current assets</b>	<b>1,745,726</b>	<b>1,838,875</b>	<b>1,680,960</b>
	<hr/>	<hr/>	<hr/>
<b>Total assets</b>	<b>2,361,352</b>	<b>2,363,821</b>	<b>2,299,453</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' equity</b>			
Share capital	141,793	141,793	141,793
Revaluation reserves	45,895	45,745	45,895
Revenue reserve	1,131,919	972,266	1,110,691
	<hr/>	<hr/>	<hr/>
<b>Total shareholders' equity</b>	<b>1,319,606</b>	<b>1,159,804</b>	<b>1,298,379</b>
<b>Non-current liabilities</b>			
Post employment benefits	132,556	143,406	132,556
Lease liabilities	34,803	43,886	35,944
Deferred Tax Liability	18,830	0	19,357
	<hr/>	<hr/>	<hr/>
<b>Total non-current liabilities</b>	<b>186,189</b>	<b>187,292</b>	<b>187,857</b>
	<hr/>	<hr/>	<hr/>

**Current liabilities**

Due to immediate parent company	287,261	189,346	243,915
Due to fellow subsidiaries	394,376	238,926	281,951
Dividends payable	13,593	13,593	13,593
Provisions	14,126	14,783	13,464
Lease liabilities	10,423	15,004	13,906
Trade and other payables	135,779	545,073	246,388
Corporation tax payable			
	<hr/>	<hr/>	<hr/>
<b>Total current liabilities</b>	<u>855,557</u>	<u>1,016,725</u>	<u>813,217</u>
<b>Total equity and liabilities</b>	<u><u>2,361,352</u></u>	<u><u>2,363,821</u></u>	<u><u>2,299,453</u></u>

  
Approved by: **Adam Sabga**  
Chairman

  
**Hon. Michael Fennell**  
Director

## BERGER PAINTS JAMAICA LIMITED

### UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED JUNE 30, 2022

	Quarter ended June 30 2022 \$'000	Quarter ended June 30 2021 \$'000	Six Months Ended June 30 2022 \$'000	Six Months Ended June 30 2021 \$'000	Audited December 2021 \$'000
Revenue from contracts with customers	673,085	665,732	1,392,099	1,263,242	3,108,089
Raw materials and consumable used	(387,555)	(384,097)	(842,275)	(737,202)	(1,878,366)
Changes in inventories of finished goods and work in progress (net)	26,411	73,551	84,413	146,843	231,786
Manufacturing expenses	(12,012)	(12,725)	(25,169)	(27,318)	(57,504)
Depreciation	(16,570)	(18,921)	(34,563)	(36,039)	(73,668)
Employee benefits expense	(116,814)	(153,888)	(272,333)	(285,594)	(549,884)
Other operating expenses	(173,285)	(184,554)	(290,182)	(344,913)	(659,502)
Other income	8,559	16,705	12,541	31,170	38,742
<b>PROFIT BEFORE TAXATION</b>	1,819	1,803	24,529	10,189	159,693
Taxation	2,393		(3,226)	(105)	(36,353)
<b>NET PROFIT FOR THE YEAR</b>	4,212	1,803	21,303	10,084	123,340
<b>Earnings per stock unit</b>	\$0.02	\$0.01	\$0.10	\$0.05	\$0.58

**BERGER PAINTS JAMAICA LIMITED**  
**UNAUDITED STATEMENT OF CASH FLOWS**  
**SIX MONTHS ENDED JUNE 30, 2022**

	<b>Unaudited June 2022 \$'000</b>	<b>Unaudited June 2021 \$'000</b>	<b>Audited December 2021 \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the year	21,303	10,084	123,340
Adjustments for:			
Depreciation on property, plant and equipment	32,173	29,407	60,389
Depreciation on right of use assets	2,390	6,632	13,279
Interest expense on lease liabilities	1,875	3,030	3,386
Unrealised foreign exchange gains (net)	(4,004)	(14,443)	6,200
Post retirement benefit charge	842	5,135	14,867
Income tax expense	3,226	105	36,353
Provision charge	5,015	3,800	2480
Expected credit loss recognised on trade receivables	(3,392)	0	1,381
Expected credit loss recognised on other receivables	0	0	832
Reversal of expected credit loss on trade receivables	0	(2,606)	(6,549)
Reversal of expected credit loss on other receivables	0	0	(1,265)
Inventory	0	0	-6,946
Gain on sale of property, plant and equipment			
Operating cash flows before movements in working capital:	59,430	41,144	247,747
Decrease/(increase) in trade and other receivables	150,801	112,252	(63,400)
Decrease/(increase) in inventories	(308,827)	(697,445)	(294,559)
(Decrease)/increase in due to/from fellow subsidiaries (net)	93,264	147,562	199,612
Provisions utilised	662	(742)	(708)
(Decrease)/Increase in trade and other payables	(105,812)	347,638	48,953
Increase/(Decrease) in due to immediate parent company	43,346	41,592	96,161
Post employment benefits contributions	(842)	(1,317)	(14,795)
Cash generated from operations	(67,979)	(9,316)	219,011
Interest paid	(1,875)	(3,030)	(3,386)
Income tax paid	(16,565)	0	(33)
Net cash (used in)/provided by operating activities	(86,,420)	(12,346)	215,592

**CASH FLOWS FROM INVESTING ACTIVITIES**

Acquisition of property, plant and equipment	(8,314)	(26,319)	(129,354)
Proceeds on sale of property, plant and equipment			

Net cash used in investing activities	<u>(8,314)</u>	<u>(26,319)</u>	<u>(129,354)</u>
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**CASH FLOWS FROM FINANCING ACTIVITIES**

Dividends paid	0	(182)	(182)
Lease liabilities payments	<u>(8,383)</u>	<u>(5,945)</u>	<u>(14,986)</u>

Net cash used in financing activities	<u>(8,383)</u>	<u>(6,127)</u>	<u>(15,168)</u>
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**NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS**

	(103,117)	(44,792)	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>(4,004)</u>	<u>14,443</u>	<u>(6,200)</u>
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**CLOSING CASH AND CASH EQUIVALENTS**

	<u><u>168,553</u></u>	<u><u>180,455</u></u>	<u><u>275,674</u></u>
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BERGER PAINTS JAMAICA LIMITED

UNAUDITED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

AS AT JUNE 30, 2022

	Share Capital \$'000	Revaluation Reserves \$'000	Revenue Reserve \$'000	Total \$'000
<b>Balance at January 1, 2022</b>	141,793	45,895	1,110,616	1,298,379
Net profit for three months	-	-	21,303	21,303
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	21,303	21,303
<b>Dividends</b>	-	-	-	-
<b>Balance at June 30, 2022</b>	<b>141,793</b>	<b>45,895</b>	<b>1,131,919</b>	<b>1,319,682</b>
<b>Balance at January 1, 2021</b>	141,793	45,745	962,182	1,149,720
Net profit for three months	-	-	10,084	10,084
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	10,084	10,084
<b>Dividends</b>	-	-	-	-
<b>Balance at June 30, 2021</b>	<b>141,793</b>	<b>45,745</b>	<b>972,266</b>	<b>1,159,804</b>

## 1. Basis of preparation

The unaudited financial results for the six-month period ended June 30, 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:

	<b>Amount owed by/(to) Related Parties</b>	
	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Immediate parent</b>		
Ansa Coatings International	(285,698)	(187,809)
<b>Fellow Subsidiaries</b>		
Berger Paints Barbados	(7,308)	(653)
Ansa Mcal Barbados Ltd		(51)
Ansa Coatings Limited	14,224	5,793
Ansa MCAL Trading Inc	(379,284)	(218,374)
Ansa MCAL Limited		(2,260)
Ansa MCAL Chemicals	3,346	3,592
Ansa Polymer	(5,861)	(11,082)
Ansa Chemicals Jamaica	7,955	4
Abel Building Solutions	(7,213)	(6,058)

#### **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**  
**30 JUNE 2022**

<b>TOP TEN (10) LARGEST SHAREHOLDERS</b>		
<b>SHAREHOLDERS</b>	<b>SHAREHOLDING</b>	<b>% OF ISSUED CAPITAL</b>
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./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
<b>TOTAL</b>	<b>171,682,639</b>	<b>80.10</b>

<b>SHAREHOLDINGS OF DIRECTORS AND THEIR CONNECTED PARTIES</b>			
<b>DIRECTORS</b>	<b>SHAREHOLDING</b>	<b>CONNECTED PARTY(S)</b>	<b>SHAREHOLDING</b>
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
<b>TOTAL</b>	<b>0</b>		<b>0</b>

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

# BERGER



BERGER PAINTS JAMAICA LIMITED

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Together, we are  
*Family*