

BERGER

BERGER PAINTS JAMAICA LIMITED

**REVISED UNAUDITED
NINE MONTHS FINANCIAL RESULTS**
FOR PERIOD ENDED SEPTEMBER 30, 2022



BERGER



FOR LASTING BEAUTY AND PROTECTION

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BERGER PAINTS JAMAICA LIMITED

UNAUDITED Q3 2022 FINANCIAL STATEMENTS

DIRECTORS' STATEMENT

Financial Performance

Berger Paints Jamaica Limited (BPJL) recorded revenues of \$789M for the quarter ending September 30, 2022. This represents a 14% increase over the \$696M recorded for the corresponding quarter in 2021. Measures taken to counter the current macro-economic conditions and supply chain challenges contributed to revenues coming in stronger across all channels during the review period in Q3 2022 versus Q3 2021.

However, despite this positive trend, inputs to operations have continued to be affected by the ripple effects of the COVID-19 pandemic and compounded by the effects of the Russia/Ukraine war. This has increased cost of goods sold and impacted gross profit margins. In addition, in Q3 2022, we experienced challenges with our production lines that resulted in less production when compared to Q3 2021. This would have impacted our absorption costs and further impacted margins. As a result, costs associated with Raw Materials/Consumables and Changes in Inventories for Q3 2022 totalled \$464M, an increase of \$127M above the \$337M recorded in the comparative quarter in 2021.

Cash was prudently managed and came in 7% lower than prior year, same period.

BPJL recorded Profit Before Tax (PBT) of \$1.1M for Q3 2022 compared to PBT of \$36.7M recorded for the corresponding period in 2021. BPJL's performance for the nine months ending September 30, 2022, have delivered \$25.6M in PBT compared to the recorded position of \$46.7M for the corresponding period in 2021.

BPJL continues to be supported by a strong Statement of Financial Position that supports our growth agenda.

OUTLOOK

2022 continues to be a challenging year due to macro-economic factors, high inflation levels and the impact to disposable income. However, as we approach the quarter four peak period, we have activated promotional campaigns that will reward our loyal customer base and create traction in the market. The team is also actively working on procurement to improve our margins, as well as internal efficiencies to improve our service delivery. We look forward to working with all stakeholders to serving the needs of all our valued customers while maximizing results for all involved.

We anticipate that Q4 will be an exceptional sales period and look forward to a strong finish at year end.

On behalf of the Board



Adam N. Sabga
Chairman

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

	Unaudited September 2022 \$'000	Unaudited September 2021 \$'000	Audited December 2021 \$'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	356,387	268,481	355,778
Post employment benefits	212,970	177,116	212,128
Right-of-use assets	50,587	53,910	50,587
Deferred tax assets	-	7,575	-
Total non-current assets	<u>619,944</u>	<u>507,082</u>	<u>618,493</u>
Current assets			
Inventories	961,264	1,652,965	740,273
Due from fellow subsidiaries	22,283	14,445	2,243
Trade and other receivables	552,645	485,406	644,008
Income tax recoverable	11,886	29,455	18,762
Cash and bank balances	138,398	122,176	275,674
Total current assets	<u>1,686,476</u>	<u>2,304,447</u>	<u>1,680,960</u>
Total assets	<u><u>2,306,420</u></u>	<u><u>2,811,530</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	1,131,420	992,853	1,110,691
Total shareholders' equity	<u>1,319,107</u>	<u>1,180,391</u>	<u>1,298,379</u>
Non-current liabilities			
Post employment benefits	132,556	145,117	132,556
Lease liabilities	34,578	44,151	35,944
Deferred Tax Liability	18,830	-	19,357
Total non-current liabilities	<u>185,964</u>	<u>189,269</u>	<u>187,857</u>

Current liabilities			
Due to immediate parent company	305,558	208,965	243,915
Due to fellow subsidiaries	249,800	339,778	281,951
Dividends payable	13,593	13,593	13,593
Provisions	15,608	14,783	13,464
Lease liabilities	8,171	15,003	13,906
Trade and other payables	208,619	849,747	246,388
Total current liabilities	801,349	1,441,870	813,217
Total equity and liabilities	2,306,420	2,811,530	2,299,453

Approved by: Adam Salga

Chairman




Hon. Michael Fennell

Director

BERGER PAINTS JAMAICALIMITED
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
NINE MONTHS ENDED SEPTEMBER 30, 2022

	QUARTER ENDED <u>September 30</u> <u>2022</u> \$'000	QUARTER ENDED <u>September 30</u> <u>2021</u> \$'000	NINE MONTHS ENDED <u>September 30</u> <u>2022</u> \$'000	NINE MONTHS ENDED <u>September 30</u> <u>2021</u> \$'000	Audited YEAR ENDED <u>December 31</u> <u>2021</u> \$'000
Revenue from contracts with customers	789,251	695,585	2,181,350	1,958,827	3,108,089
Raw materials and consumable used	(398,996)	(469,787)	(1,241,272)	(1,206,989)	(1,878,366)
Changes in inventories of finished goods and work in progress (net)	(64,905)	132,656	19,508	279,500	231,786
Manufacturing expenses	(16,840)	(10,440)	(42,009)	(37,758)	(57,504)
Depreciation	(14,275)	(18,701)	(48,838)	(54,740)	(73,668)
Employee benefits expense	(151,334)	(136,441)	(423,666)	(422,035)	(549,884)
Other operating expenses	(145,869)	(188,693)	(436,051)	(533,606)	(659,502)
Other income	4,044	32,532	16,585	63,702	38,742
PROFIT BEFORE TAXATION	1,076	36,710	25,607	46,900	159,693
Taxation	(1,576)	(9,178)	(4,802)	(9,283)	(36,353)
NET PROFIT	(500)	27,532	20,805	37,617	123,340
Other comprehensive income net of tax	-	-	-	-	32,265
TOTAL COMPREHENSIVE INCOME	(500)	27,532	20,805	37,617	155,605
Earnings per stock unit	(\$0.00)	\$0.13	\$0.10	\$0.18	\$0.58

BERGER PAINTS JAMAICA LIMITED
UNAUDITED STATEMENT OF CASH FLOWS
NINE MONTHS ENDED SEPTEMBER 30, 2022

	Unaudited September 2022	Unaudited September 2021	Audited December 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the year	20,805	37,617	123,340
Adjustments for:			
Depreciation on property, plant and equipment	43,298	44,760	60,389
Depreciation on right of use assets	5,540	9,980	13,279
Interest expense on lease liabilities	4,441	7,367	3,386
Unrealised foreign exchange gains (net)	2,565	(2,845)	6,200
Post retirement benefit charge	842	6,846	14,867
Income tax expense	4,802	9,283	36,353
Provision charge	3,533	(13,993)	2,480
Gain on sale of property, plant and equipment	(1,435)	-	-
Expected credit loss recognised on trade receivables	57	(3,244)	1,381
Expected credit loss recognised on other receivables	-	-	832
Reversal of expected credit loss on trade receivables	-	-	(6,549)
Reversal of expected credit loss on other receivables	-	-	(1,265)
Effect of change in Inventory provision policy	-	-	(6,946)
Prior Year Adjustment	-	(6,946)	-
Operating cash flows before movements in working capital:	84,448	88,826	247,747
Decrease/(increase) in trade and other receivables	89,815	92,845	(63,400)
Increase in inventories	(220,991)	(1,193,258)	(294,559)
Increase in due to/from fellow subsidiaries (net)	(52,192)	245,237	199,612
Provisions utilised	2,144	3,091	(708)
(Decrease)/Increase in trade and other payables	(37,769)	652,312	48,953
Increase in due to immediate parent company	61,643	61,211	96,161
Post employment benefits contributions	(842)	(2,021)	(14,795)
Decrease Taxation	(4,071)	-	-
Cash (used)/generated from operations	(77,815)	(51,757)	219,011
Interest paid	(4,441)	(7,367)	(3,386)
Income tax paid	(16,565)	(33)	(33)
Net cash (used in)/provided by operating activities	(98,821)	(59,158)	215,592

CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	(26,977)	(26,453)	(129,354)
Proceeds on sale of property, plant and equipment	1,435	-	-
	<u> </u>	<u> </u>	<u> </u>
Net cash used in investing activities	(25,542)	(26,453)	(129,354)
	<u> </u>	<u> </u>	<u> </u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	-	(182)	(182)
Lease liabilities payments	(15,478)	(5,680)	(14,986)
	<u> </u>	<u> </u>	<u> </u>
Net cash used in financing activities	(15,478)	(5,862)	(15,168)
	<u> </u>	<u> </u>	<u> </u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(139,841)	(91,473)	71,070
	<u> </u>	<u> </u>	<u> </u>
OPENING CASH AND CASH EQUIVALENTS	275,674	210,804	210,804
	<u> </u>	<u> </u>	<u> </u>
Effect of foreign exchange rate changes	2,565	2,845	(6,200)
	<u> </u>	<u> </u>	<u> </u>
CLOSING CASH AND CASH EQUIVALENTS	138,398	122,176	275,674
	<u> </u>	<u> </u>	<u> </u>

BERGER PAINTS JAMAICA LIMITED

**UNAUDITED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
AS OF SEPTEMBER 30, 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 nine months	-	-	20,805	20,805
Total comprehensive income for the period	-	-	20,805	20,805
Balance at September 30, 2022	141,793	45,895	1,131,496	1,319,107
Balance at January 1, 2021	141,793	45,745	962,182	1,149,720
Prior Year adjustment*			-6,946	-6,946
Net profit for nine months	-	-	37,617	37,617
Total comprehensive income for the period	-	-	37,617	37,617
Balance at September 30, 2021	141,793	45,745	992,853	1,180,391

* Prior year adjustment relates to a change in the Group's Inventory provisioning policies.

BERGER PAINTS JAMAICA LIMITED
NOTES TO UNAUDITED FINANCIAL RESULTS
NINE MONTHS ENDED SEPTEMBER 30, 2022

1. Basis of preparation

The unaudited financial results for the nine-month period ended September 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:

	Amount owed by/(to) Related Parties	
	2022	2021
	\$'000	\$'000
Immediate parent		
Ansa Coatings International	(303,985)	(207,430)
Fellow Subsidiaries		
Berger Paints Barbados	(4,701)	431
Ansa Coatings Limited	(2,506)	(9,440)
Ansa MCAL Trading Inc	(229,003)	(312,909)
Ansa MCAL Limited	(826)	201
Ansa MCAL Chemicals	3,381	3,583
Abel Building Solutions	(6,551)	-

Ansa Polymer	-	2
Ansa Chemicals Jamaica	-	3,101
Sissons Paints	-	(1)
Richmond Motors	-	51
Ansa Technologies Ltd	-	4
Ansa Merchant Bank	-	(2)

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 SEPTEMBER 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./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 THEIR 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 THEIR CONNECTED PARTIES			
SENIOR MANAGEMENT	SHAREHOLDING	CONNECTED PARTY(S)	SHAREHOLDING
NEWTON ABRAHAMS	NIL	SHARMAINE ABRAHAMS	NIL
SHASHI MAHASE	NIL	RENEE BOUCAUD MAHASE	NIL
PETA GAYE LEVENE-THOMAS	NIL	DAMALI THOMAS	NIL
JACQUELINE WARREN-WILSON	3,799		
GLADYS MILLER	NIL	WENDELL MILLER	NIL
ROBERT POLACK	NIL	MICHELE POLACK	NIL
CARLINTON MONTGOMERY**	NIL	RENEE MONTGOMERY	NIL
		ZACHERY MONTGOMERY	NIL
		AVRIL-RENEE MONTGOMERY	NIL
			NIL
TOTAL	3,799		0

Notes:

****Effective 30 September 2022, Carlinton Montgomery resigned as Financial Controller/Company Secretary.**

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BERGER PAINTS JAMAICA LIMITED

www.bergerpaintscaribbean.com



Together, we are
Family