

BERGER

BERGER PAINTS JAMAICA LIMITED

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2023



BERGER



FOR LASTING BEAUTY AND PROTECTION

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BERGER PAINTS JAMAICA LIMITED
2023 UNAUDITED FINANCIAL STATEMENTS
DIRECTOR'S STATEMENT

Financial Performance

Berger Paints Jamaica Limited (BPJL) recorded revenues of JA\$718M which was on par with the JA\$719M in Q1 2022. However, as reported during financial year 2022, higher costs of raw material and supply chain costs continue to negatively impact cost of goods and gross profit margins in 2023. Cost of Goods Sold (COGS) in Q1 2023 was JA\$407M or 3% more than the JA\$397M recorded in Q1 2022. This increase in cost is despite sales volumes in Q1 2023 being 6% less than Q1 2022. The consumer demand across the Hardware network and Retail Channel has been lower than the prior year. However, volumes in Automotive and Projects have recorded strong growth of 21% and 12% respectively over the prior year Q1 2022.

Production volumes in Q1 2023 have increased by 6% over Q1 2022 due to focus on improving internal efficiencies. We anticipate further improvements as our new filling equipment is due to be installed and commissioned in Q2 2023. Manufacturing and Operating expenses for Q1 2023 totaled JA \$354M compared with JA\$304M in Q1 2022, an increase of \$51M or 17%. The increases were related to repairs and maintenance, charges related to technical support from our sector and head offices inclusive of the cost for upgrading of Human Resource Information Systems (HRIS) and implementation of our new Customer Relationship Management (CRM) platform. These costs are all geared towards delivering an improved performance in 2023.

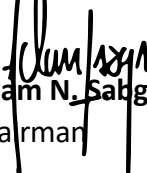
Based on the factors outlined above, BPJL recorded a loss of JA\$39M compared to profits of JA\$23M in Q1 2022. We expect that over the next two quarters, additional charges may be incurred as this is necessary to improve our operations and performance for the long-term future. We are confident that our strong Balance Sheet will support this growth agenda.

Outlook

We are confident that the measures being implemented now will deliver on the long-term strategies developed. We continue to manage risks to the business and as the economy continues to show signs of recovery and we stand ready to support our loyal customers, business partners and stakeholders.

On behalf of the Board of Directors and Management of Berger Paints Jamaica Limited, a heartfelt thank you to our loyal customers, dedicated staff, suppliers, and all other stakeholders for your ongoing and continued support.

On behalf of the Board


Adam N. Salga
Chairman

BERGER PAINTS JAMAICA LIMITED
UNAUDITED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Unaudited March 2023 \$'000	Unaudited March 2022 \$'000	Audited December 2022 \$'000
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	288,581	352,476	301,600
Post employment benefits	81,108	212,760	81,108
Right-of-use assets	80,173	49,399	85,787
Deferred tax assets	8,719	-	5,322
	<hr/>	<hr/>	<hr/>
Total non-current assets	458,581	614,635	473,817
Current assets			
Inventories	1,015,009	968,318	858,990
Due from fellow subsidiaries	3,977	5,946	8,974
Trade and other receivables	765,517	491,620	808,991
Income tax recoverable	67,246	18,762	67,298
Cash and bank balances	265,198	304,551	258,933
	<hr/>	<hr/>	<hr/>
Total current assets	2,116,947	1,789,198	2,003,186
	<hr/>	<hr/>	<hr/>
Total assets	2,575,528	2,403,832	2,477,003
<u>EQUITY AND LIABILITIES</u>			
Shareholders' equity			
Share capital	141,793	141,793	141,793
Revaluation reserves	45,445	45,895	45,445
Revenue reserve	1,002,585	1,127,833	1,037,992
	<hr/>	<hr/>	<hr/>
Total shareholders' equity	1,189,823	1,315,521	1,225,230
Non-current liabilities			
Post employment benefits	94,534	132,556	94,534
Lease liabilities	60,265	34,803	66,312
Deferred Tax Liability	-	17,927	-
	<hr/>	<hr/>	<hr/>
Total non-current liabilities	154,799	185,286	160,846

Current liabilities

Due to immediate parent company	362,866	258,326	335,004
Due to fellow subsidiaries	535,114	334,795	466,012
Dividends payable	6,876	13,593	6,874
Provisions	7,536	10,294	7,536
Lease liabilities	19,884	11,524	19,448
Trade and other payables	298,630	267,444	256,053
Corporation tax payable	-	7,050	-
	<hr/>	<hr/>	<hr/>
Total current liabilities	1,230,906	903,025	1,090,927
	<hr/>	<hr/>	<hr/>
Total equity and liabilities	2,575,528	2,403,832	2,477,003
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Approved by: Adam Fabga
Chairman


Hon. Michael Fennell
Director

BERGER PAINTS JAMAICALIMITED
UNAUDITED STATEMENT OF (LOSS)/INCOME
AS AT MARCH 31, 2023

	Unaudited March 2023 \$'000	Unaudited March 2022 \$'000	Audited December 2022 \$'000
Revenue from contracts with customers	717,534	719,014	3,295,791
Raw materials and consumable used	(476,229)	(454,720)	(1,929,144)
Changes in inventories of finished goods and work in progress (net)	69,163	58,002	(3,845)
Manufacturing expenses	(16,321)	(13,157)	(54,776)
Depreciation	(18,996)	(17,993)	(90,578)
Employee benefits expense	(138,080)	(155,519)	(527,063)
Other operating expenses	(180,931)	(116,897)	(728,833)
Other income	5,056	3,982	38,484
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(LOSS)/PROFIT BEFORE TAXATION	(38,804)	22,711	36
Taxation credit/(expense)	3,397	(5,619)	666
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NET (LOSS)/PROFIT FOR THE YEAR	(35,407)	17,092	702
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Earnings per stock unit	(\$0.17)	\$0.08	\$0.00
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BERGER PAINTS JAMAICA LIMITED
UNAUDITED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
AS AT MARCH 31, 2023

	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
Total comprehensive income for the period	-	-	17,092	17,092
Balance at March 31, 2022	141,793	45,895	1,127,833	1,315,521
Balance at January 1, 2023	141,793	45,445	1,037,992	1,225,230
Net profit for three months	-	-	(35,407)	(35,407)
Total comprehensive loss for the period	-	-	(35,407)	(35,407)
Balance at March 31, 2023	141,793	45,445	1,002,585	1,189,823

BERGER PAINTS JAMAICA LIMITED
UNAUDITED STATEMENT OF CASH FLOWS
AS AT MARCH 31, 2023

	Unaudited March 2023	Unaudited March 2022	Audited December 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss)/profit for the year	(35,407)	17,092	702
Adjustments for:			
Depreciation on property, plant and equipment	13,382	14,506	76,058
Depreciation on right of use assets	5,614	3,487	14,520
Interest expense on lease liabilities	1,232	415	1,984
Unrealised foreign exchange gains (net)	(137)	(961)	(2,970)
Post retirement benefit charge	-	632	9,106
Income tax expense	(3,397)	5,619	(666)
Provision charge	-	-	1,633
Gain on sale of property, plant and equipment	-	-	(1,435)
Expected credit loss recognised on trade receivables	38	638	9,832
Expected credit loss recognised on other receivables	-	-	19,875
Reversal of expected credit loss on trade receivables	-	-	(8,817)
Reversal of expected credit loss on other receivables	-	-	-
Effect of change in Inventory provision policy	-	-	-
Prior Year Adjustment	-	14,506	(6,719)
Operating cash flows before movements in working capital:	(18,675)	41,428	113,103
Decrease/(increase) in trade and other receivables	43,436	150,552	(185,873)
Increase in inventories	(156,019)	(228,045)	(118,717)
Increase in due to/from fellow subsidiaries (net)	74,099	49,142	177,330
Provisions utilised	-	-	(7,561)
Increase in trade and other payables	42,577	14,131	9,665
Increase in due to immediate parent company	27,862	14,411	91,089
Post employment benefits contributions	-	(632)	(13,972)
Cash generated from operations	13,280	40,986	65,064
Interest paid	(1,232)	(415)	(1,984)
Income tax paid	-	-	(48,536)
Net cash provided by operating activities	12,048	40,571	14,544

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of property, plant and equipment	(363)	(5,682)	(21,880)
Proceeds on sale of property, plant and equipment	-	-	1,435
	<u>(363)</u>	<u>(5,682)</u>	<u>(20,445)</u>

Net cash used in investing activities**CASH FLOWS FROM FINANCING ACTIVITIES**

Lease liabilities payments	(5,283)	(5,052)	(13,810)
	<u>(5,283)</u>	<u>(5,052)</u>	<u>(13,810)</u>

Net cash used in financing activities

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,402	29,838	(19,711)
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OPENING CASH AND CASH EQUIVALENTS	258,933	275,674	275,674
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Effect of foreign exchange rate changes	(137)	(961)	2,970
	<u>(137)</u>	<u>(961)</u>	<u>2,970</u>

CLOSING CASH AND CASH EQUIVALENTS	<u>265,198</u>	<u>304,551</u>	<u>258,933</u>
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BERGER PAINTS JAMAICA LIMITED
NOTES TO UNAUDITED FINANCIAL RESULTS AS
AT MARCH 31, 2023

1. Basis of preparation

The unaudited financial results for the three-month period ended March, 2023 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, 2022.

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	
	2023	2022
	\$'000	\$'000
<i>Immediate parent</i>		
Ansa Coatings International Ltd.	<u>(362,866)</u>	<u>(256,744)</u>
	-	
<i>Fellow subsidiaries</i>		
Ansa Mcal Trading Inc.	(436,781)	(272,185)
Ansa Coatings Limited	(43,617)	(11,102)
ABEL Building Solutions	(24,729)	(4,164)
Ansa Polymer	(17,433)	(11,936)
Berger Barbados	(8,789)	(4,127)
Ansa Mcal Limited	(3,765)	(674)
Ansa Mcal Chemicals (Ja)	-	48
Ansa Coatings (Ja) Ltd.	633	-
Ansa Mcal Chemicals	3,344	3,408
	<u>(531,137)</u>	<u>(300,732)</u>

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 loss after tax and the number of stock units in issue during the period of 214,322,393.

BERGER PAINTS JAMAICA LIMITED
QUARTERLY REPORT
31 MARCH 2023

TOP TEN (10) LARGEST SHAREHOLDERS		
SHAREHOLDERS	SHAREHOLDING	% OF ISSUED CAPITAL
ANSA COATINGS INTERNATIONAL LIMITED	115,438,340	53.86
SAGICOR POOLED EQUITY FUND	22,284,944	10.40
IDEAL GROUP CORPORATION LIMITED	10,988,500	5.13
IDEAL PORTFOLIO SERVICES COMPANY LIMITED	4,848,115	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	171,006,719	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
ARLANDO DUNKLEY**	NIL	JADECIA DUNKLEY	NIL
JACQUELINE EDWARDS-LOCKE**	NIL	NIL	NIL
CHAMIKA CUFFY**	NIL	NIL	NIL
PETA GAYE LEVENE-THOMAS	NIL	DAMALI THOMAS	NIL
KADEEM WILSON**	NIL	ABIGALE CLARKE	NIL
TOTAL	0		0

Notes:

Resignation:

Effective 3 April 2023, Jacqueline Edwards-Locke resigned as Retail Channel Manager.

Appointments

Effective 30 September 2022, Chamika Cuffy was appointed as Corporate Secretary.

Effective 12 December 2022, Arlando Dunkley was appointed as Operations Manager.

Effective 1 January 2023, Chamika Cuffy was appointed as Chief Financial Officer.

Effective 23 January, 2023, Kadeem Wilson was appointed as HR Manager.

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BERGER PAINTS JAMAICA LIMITED

www.bergerpaintscaribbean.com



Together, we are
Family