

# BAMBURI CEMENT LIMITED

The Directors of Bamburi Cement Limited are pleased to release the unaudited Group Financial Statements for the six months ending 30 June 2020

Condensed Group Statement of Comprehensive Income	2020 June	2019 June	Condensed Statement of Financial Position	2020 June	2019 December
	<b>KShs. Million</b>	<b>KShs. Million</b>		<b>KShs. Million</b>	<b>KShs. Million</b>
<b>Turnover</b>	<b>16,228</b>	<b>18,663</b>	<b>Assets</b>		
Total operating costs	(16,000)	(18,331)	<b>Non-current assets</b>		
<b>Operating profit</b>	<b>228</b>	<b>332</b>	Property, plant & equipment	35,076	35,003
Other gains and losses	116	(61)	Right of use assets	467	588
Impairment losses on property, plant & equipment	2	(73)	Intangibles	116	139
Finance costs-net	(133)	(175)	Equity & long term investments	142	163
<b>Profit before tax</b>	<b>213</b>	<b>23</b>	Biological assets	335	335
Taxation	508	370	Limestone reserves	532	521
<b>Profit for the Period</b>	<b>721</b>	<b>393</b>	Goodwill	217	217
Other comprehensive income net of tax	333	(4)		<b>36,885</b>	<b>36,966</b>
<b>Total Comprehensive Income for the year</b>	<b>1,054</b>	<b>389</b>	Assets held for sale	-	27
<b>EPS -KShs per Share</b>	<b>1.84</b>	<b>1.61</b>	<b>Working capital</b>		
			Current assets	7,558	8,986
			Current liabilities	(6,419)	(7,009)
				<b>1,139</b>	<b>1,977</b>
			Cash and bank balances	3,251	3,106
			Short term borrowings	(92)	(1,772)
				<b>41,183</b>	<b>40,304</b>
			<b>Capital and reserves</b>		
			Share capital	1,815	1,815
			Reserves	27,782	26,888
			<b>Equity attributable to owners of the Company</b>	<b>29,597</b>	<b>28,703</b>
			<b>Non-controlling interests</b>	<b>3,588</b>	<b>3,429</b>
			Long term borrowings	2,824	2,056
			Non-current liabilities	5,174	6,116
			<b>Total equity and non-current liabilities</b>	<b>41,183</b>	<b>40,304</b>

\*EPS calculated on profit after tax attributable to shareholders of the parent and based on average number of shares

Condensed Statement of Cash Flows	2020 June	2019 June	Condensed Statement of Changes In Equity	2020 June	2019 December
	<b>KShs. Million</b>	<b>KShs. Million</b>		<b>KShs. Million</b>	<b>KShs. Million</b>
<b>Cash generated from operations</b>	<b>3,048</b>	<b>1,229</b>	Share Capital	1,815	1,815
Interest received	28	56	Revaluation reserve	11,664	11,664
Interest paid	(159)	(218)	Fair value and translation reserves	(1,775)	(2,027)
Net foreign exchange gains	4	(16)	Retained Earnings	17,893	17,251
Tax paid	(150)	(58)	Non-controlling interests	3,588	3,429
<b>Net cash generated from operating activities</b>	<b>2,771</b>	<b>993</b>	<b>At end of the year</b>	<b>33,185</b>	<b>32,132</b>
Net cash used in investing activities	(731)	(566)			
Net cash used in financing activities	(61)	(23)			
<b>Net increase in cash &amp; cash equivalents</b>	<b>1,979</b>	<b>405</b>			
Effects of foreign exchange movement	(155)	(78)			
At beginning of the year	1,334	963			
<b>At end of the period</b>	<b>3,158</b>	<b>1,289</b>			

**Explanatory notes:** These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The financial statements do not include all of the information required for full annual statements, and should be read in conjunction with the consolidated annual financial statements of the Group for the year ended 31 December 2019.

## RESULTS HIGHLIGHTS

### Revenue

The Group Turnover in the first half of 2020 was KShs 16.2bn which is 13% behind prior year (2019: KShs 18.7bn). The decline is due to the effect of COVID-19 (corona virus) pandemic and government instituted containment measures in the first half of 2020. These have impacted volumes adversely. Since the beginning of the pandemic, there has been a gradual decline in activity in the building and construction industry driven by construction site closures. Lower than prior year selling prices have also been experienced due to change in product mix and prevailing market conditions.

### Profit before tax

The Group's profit before tax for the first half of 2020 grew to KShs 213m from KShs 23m on a like-for-like basis. This growth has been achieved despite the decline in the turnover in both countries.

The improvement registered in Profit before Tax despite the highlighted downsides is testimony that the swift implementation of "HEALTH, COST & CASH" action plan adopted by the group at the onset of the Covid 19 Pandemic has helped mitigate the adverse impact of the crisis. Other gains and losses increased to KShs 116m (2019: KShs -61m) on account of the strengthening of the Uganda shilling against other major currencies, particularly the reporting Kenya Shilling. The financial expenses reduced by 24% to KShs 133m, thanks to the optimisation of cash resources within the Group. The local third party overdraft in Hima has been reduced significantly through substitution with intra-Group loan from Kenya and improved cash generation from operations.

### Profit after tax

The profit after tax at KShs 721m was higher than 2019 (KShs 393m) due to a tax credit of KShs 508m. The tax credit arises from the adjustment of deferred tax liability in line with the new corporate tax rate in Kenya of 25%.

### Cash flow

The cash flow generated from operations at KShs 3,048m (H1 2019: KShs 1,229m) was KShs 1.8bn higher than prior year. Working Capital optimisation initiatives, executed as part of Covid 19 impact mitigation measures, has seen the group Current Assets, mainly Inventory and Receivables, reduce significantly by KShs 1.4bn from end 2019 position. Consequently, the Group's liquidity and balance sheet remains solid with a good foundation for future leveraged growth.

### Interim Dividend

The board does not recommend the payment of an interim dividend for the Financial Year 2020.

## 2020 OUTLOOK

The adverse impact of COVID 19 pandemic is expected to carry on into the second half of 2020. The Group's priority continues to be the implementation of necessary measures to enhance business resilience and to protect the health and safety of employees and their families.

These measures are delivering results as the group is registering cost savings and improved cash generation to counter the decline in topline.

By Order of the Board,

Dr. John P. N. Simba  
Chairman

27<sup>th</sup> August 2020

Seddiq Hassani  
Group Managing Director

