

**AUDITED GROUP RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019**

The Directors of BOC Kenya Plc announce the audited Group results for the year ended 31 December 2019

<b>Summarised consolidated income statement</b> For the year ended 31 December 2019			<b>Summarised consolidated statement of financial position</b> As at 31 December 2019		
	2019 KShs '000	2018 KShs '000		2019 KShs '000	2018 KShs '000
Revenue	975,863	966,543	<b>ASSETS</b>		
<b>Earnings before finance income and taxes</b>	45,964	49,315	Non-current assets	911,726	969,697
Net Finance income	43,571	70,277	Current assets	1,080,913	1,172,050
<b>Profit before tax</b>	89,535	119,592	<b>Total assets</b>	<b>1,992,639</b>	<b>2,141,747</b>
Income tax expense	(33,634)	(54,015)	<b>EQUITY AND LIABILITIES</b>		
<b>Profit for the year</b>	<b>55,901</b>	<b>65,577</b>	Share capital	97,627	97,627
<b>Basic earnings per share</b>	<b>2.86</b>	<b>3.56</b>	Retained earnings	1,273,424	1,346,460
			Other reserves	68,339	75,409
<b>Dividend per share:</b>			<b>Total equity</b>	<b>1,439,390</b>	<b>1,519,496</b>
Interim paid	KShs 2.35	KShs 2.35	Non-current liabilities	6,556	-
Final proposed	Nil	KShs 2.85	Current liabilities	546,693	622,251
<b>Total dividend</b>	<b>KShs 2.35</b>	<b>KShs 5.20</b>	<b>Total liabilities</b>	<b>553,249</b>	<b>622,251</b>
			<b>Total equity and liabilities</b>	<b>1,992,639</b>	<b>2,141,747</b>
<b>Summarised consolidated statement of cash flows</b> For the year ended 31 December 2019			<b>Summarised consolidated statement of changes in equity</b> For the year ended 31 December 2019		
	2019 Kshs'000	2018 Kshs'000		2019 Kshs'000	2018 Kshs'000
<b>Cash generated from operations</b>	<b>39,905</b>	<b>45,742</b>	<b>At 1 January</b>	<b>1,519,496</b>	<b>1,591,639</b>
Tax paid	(37,191)	(41,689)	Net profit for the year	55,901	65,577
<b>Net cash from operating activities</b>	<b>2,714</b>	<b>4,053</b>	Change in available for sale financial assets	(30,214)	(31,445)
Interest & Dividends received	51,785	72,307	Currency translation & other	662	(1,819)
Cash used in other investing activities	65,582	(22,036)	Deferred tax on available for sale financial assets	(4,923)	5
<b>Net cash used in investing activities</b>	<b>117,367</b>	<b>50,271</b>	Dividends	(101,532)	(104,461)
Lease liabilities paid	( 1,000)	-			
Dividends paid	(101,532)	(104,461)	<b>At 31 December</b>	<b>1,439,390</b>	<b>1,519,496</b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>17,549</b>	<b>(50,137)</b>			
<b>Cash &amp; cash equivalents:</b>					
At beginning of the year	20,334	73,389			
Net increase/(decrease)	17,549	(50,137)			
Effect of exchange rates	97	(2,918)			
<b>At the end of the year</b>	<b>37,980</b>	<b>20,334</b>			

**Results:**

The Company's turnover for the year ended 31 December 2019 rose slightly compared to the previous year. This was driven by overall growth in the medical gas volumes in addition to gaining a large account in the Public Health Sector.

Nevertheless, our Net Income was impacted by Public Sector Debt Management and Supply Chain constraints around a key industrial raw material and availability of special gases and cylinders. Many Public Sector Customers were supplied intermittently or not at all during the year as the company balanced between extended credit terms and significant delays in debt payment in line with our Credit Policy. In addition, sales of industrial cylinder gases to mostly small and medium enterprises remained depressed during the year.

Arising from the above factors the net income for the year decreased 14.8%.

**Outlook:**

The Board is pleased with the continued growth in the Healthcare Portfolio – Liquid Medical Oxygen and Packaged Medical Gases - as well as in Customer Engineering services. The Board notes that medical oxygen products have reliably enabled healthcare professionals to provide optimal and quality therapy in both Private and Public Hospitals and Clinics in Kenya.

The Board is fully cognisant of the particular challenges facing the industrial gases sector, not least the illegal filling of the Company's cylinders, on which regulatory assistance has, and will continue, to be sought as we also try to stem the practice in partnership with our trading partners.

The Board expects that 2020 will be impacted by COVID – 19. The Company has established a robust and dynamic risk assessment process that is responding with countermeasures for colleagues interfacing with Healthcare, business interruption, exports, imports and the corresponding financial risks including NSE requirements.

The Company is fully committed to supporting the mitigation directives and counsel being offered by the Government. The company has enhanced its capabilities to support the increased need for medical gases, medical gas infrastructure and accessories during this difficult time.

**Dividend:**

The Board of Directors does not recommend the payment of a final dividend in respect of the year 2019. The total dividend for 2019 will therefore be the KShs. 2.35 per share that was paid as an interim dividend in October 2019. (2018 KShs. 5.20).

The Board of Directors also announces that the Annual General Meeting of the Company will be held 25 June 2020, subject to the easing by the Government of the ongoing social distancing guidelines. The notice of the meeting, the agenda and the annual report will be sent out to shareholders within the required notice period.

**BY ORDER OF THE BOARD**

Ruth Ngobi  
**Company Secretary**  
**BOC Kenya Plc**  
20 April 2020

*These results are an extract from the consolidated financial statements of BOC Kenya Plc for the year ended 31 December 2019, as audited by KPMG Kenya, Certified Public Accountants, and on which an unqualified opinion has been issued.*