

UNAUDITED GROUP RESULTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020

The Directors of BOC Kenya Plc are pleased to announce the unaudited Group results for the six-month period ended 30 June 2020

Summarised consolidated income statement For the six-month period ended 30 June 2020		
	2020	2019
	KShs '000	KShs '000
Revenue	442,569	495,166
Earnings before finance income and taxes	11,284	17,668
Net finance income	12,857	21,568
Exchange Gains/(Losses)	4,092	(5,653)
Profit before tax	28,233	33,583
Income tax expense	(13,659)	(14,559)
Profit for the year	14,574	19,024
Basic earnings per share	0.75	0.97

Dividend for the period Interim declared	Nil	Kshs 2.35
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Summarised consolidated statement of cash flows For the six-month period ended 30 June 2020		
	2020	2019
	Kshs'000	Kshs'000
Cash generated from operations	(19,759)	(40,790)
Tax paid	(4,841)	(220)
Net cash from operating activities	(24,600)	(41,010)
Cash received/(used) in investing activities	182,771	(18,248)
Interest received	12,666	21,568
Increase/(decrease) in cash and cash equivalents	170,837	(37,690)
At beginning of the period	37,980	20,334
Net increase/(decrease)	170,837	(37,690)
Effect of exchange rates	2,139	157
At the end of the period	210,956	(17,199)

Summarised consolidated statement of financial position As at 30 June 2020		
	2020	2019
	KShs '000	KShs '000
ASSETS		
Non-current assets	855,115	944,992
Current assets	1,052,813	1,227,747
Total assets	1,907,928	2,172,739
EQUITY AND LIABILITIES		
Share capital	97,627	97,627
Retained earnings	1,276,169	1,338,139
Capital and other reserves	72,175	104,554
Total equity	1,445,971	1,540,320
Non-current liabilities	7,441	-
Current liabilities	454,516	632,419
Total liabilities	454,516	632,419
Total equity and liabilities	1,907,928	2,172,739

Summarised consolidated statement of changes in equity For the six-month period ended 30 June 2020		
	2020	2019
	Kshs'000	Kshs'000
At 1 January	1,439,390	1,519,496
Net profit for the year	14,574	19,024
Change in available for sale financial assets	4,158	-
Currency translation	419	1,800
Dividends	(12,570)	-
At 31 December	1,445,971	1,540,320

Overview:

Revenue, for the six-month period ended 30 June 2020, at Kshs.443 million was down 10.6% compared to the same period of 2019.

This decline has primarily been as a result of Government Covid-19 containment measures and their corresponding impact on the economy, especially in the months of April 2020 to June 2020. Other factors include the inability to supply certain private and public sector customers with long overdue debts as well as continued loss of cylinders due to illegal filling activities.

Profit after tax for the period is down 28% because of the decrease in revenue, changes in sales mix and costs that are relatively fixed in the short term.

The financial statements have been prepared based on the same accounting policies as the previous audited accounts.

Outlook:

The Company has adopted reliable countermeasures to ensure safety of its various stakeholders to ensure business continuity in the face of the pandemic.

Following the lifting and/or easing by Government of the containment measures impacting various industries, the business is expected to recover from the impacts of the first half of this year.

The Board therefore anticipates improved results in the second half of the year mainly driven by the healthcare sector, which has been stable, and whose trajectory for the second half of the year is expected to be positive. In particular, the Company expects to provide several healthcare institutions with engineering services for medical pipeline installations as the institutions seek to ensure enough capacity considering Covid-19.

Dividend:

The Board of directors is not declaring an interim dividend for the six-month period ended 30 June 2020 (2019, Kshs. 2.35).

BY ORDER OF THE BOARD

RUTH NGOBI
COMPANY SECRETARY
BOC KENYA LIMITED

27 August 2020