



# ANNOUNCEMENT OF THE AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2020

The Directors of East African Portland Cement PLC are pleased to announce the audited consolidated results for the year ended 30th June 2020

## Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income for the year ended:

	30 Jun 2020 Sh' 000	30 Jun 2019 Sh' 000
Revenue	2,474,902	2,847,273
Cost of Sales	(3,300,350)	(4,052,555)
Gross Profit/(Loss)	<b>(825,448)</b>	<b>(1,205,282)</b>
Other Operating Income	198,864	1,691,487
Administration and Selling Expenses	(2,501,957)	(2,548,586)
<b>Loss from Operating Activities</b>	<b>(3,128,541)</b>	<b>(2,062,381)</b>
Interest Income	1,456	25,275
Fair value gain/(loss) on investment property	1,114,779	(233,204)
Finance Costs	(786,304)	(691,588)
<b>Loss Before Tax</b>	<b>(2,798,610)</b>	<b>(2,961,898)</b>
Tax Credit/(Charge)	29,263	(399,990)
<b>Loss After Tax</b>	<b>(2,769,347)</b>	<b>(3,361,888)</b>
Other Comprehensive Income	2,509	73,116
<b>Total Comprehensive Loss</b>	<b>(2,766,838)</b>	<b>(3,288,772)</b>
Loss Per Share	(30.77)	(37.35)

## Condensed Consolidated Statement of Cash Flows for the year ended:

	30 Jun 2020 Sh' 000	30 Jun 2019 Sh' 000
Cash flow used in Operations	(1,495,734)	(1,514,617)
Net Interest Paid	(19,457)	(142,794)
Post employment benefits paid	(487,034)	(13,618)
Taxation Paid	322	-
<b>Net Cash Used in Operating Activities</b>	<b>(2,001,903)</b>	<b>(1,671,029)</b>
<b>Net Cash Generated from Investing Activities</b>	<b>2,001,384</b>	<b>1,178,011</b>
<b>Net Cash Generated from Financing Activities</b>	<b>1,215,205</b>	<b>385,506</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>1,214,686</b>	<b>(107,512)</b>
Cash and Cash Equivalents as at 1st July	(1,133,162)	(1,025,650)
<b>Cash and Cash Equivalents as at 30 June</b>	<b>81,524</b>	<b>(1,133,162)</b>

## Condensed Consolidated Statement of Financial Position as at:

	30 Jun 2020 Sh' 000	30 Jun 2019 Sh' 000
<b>Assets</b>		
Non-current assets	32,762,649	32,922,661
Current assets	2,414,244	3,618,444
<b>Total assets</b>	<b>35,176,893</b>	<b>36,541,105</b>
<b>Equity and Liabilities</b>		
Share capital	450,000	450,000
Other reserves	18,303,140	21,069,978
<b>Total equity</b>	<b>18,753,140</b>	<b>21,519,978</b>
Non current liabilities	179,985	1,232,026
Current liabilities	16,243,768	13,789,101
<b>Total liabilities</b>	<b>16,423,753</b>	<b>15,021,127</b>
<b>Total equity and liabilities</b>	<b>35,176,893</b>	<b>36,541,105</b>

## Condensed Consolidated Statement of Changes in Equity for the Year Ended 30 June 2020

	Share Capital KShs'000	Share Premium KShs'000	Asset Revaluation Reserve KShs'000	Retained Earnings KShs'000	Foreign currency Translation Reserve KShs'000	Total KShs'000
At 1 July 2018 (As previously reported)	450,000	648,000	1,506,107	22,057,519	34,419	24,696,045
Prior Year Adjustment	-	-	-	112,705	-	112,705
At Start of Year	450,000	648,000	1,506,107	22,170,224	34,419	24,808,750
Net Transfer of excess depreciation	-	-	(145,508)	145,508	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	(3,269,627)	(19,145)	(3,288,772)
<b>At 30 June 2019</b>	<b>450,000</b>	<b>648,000</b>	<b>1,360,599</b>	<b>19,046,105</b>	<b>15,274</b>	<b>21,519,978</b>
At 1 July 2019	450,000	648,000	1,360,599	19,046,105	15,274	21,519,978
Net Transfer of excess depreciation	-	-	(179,247)	179,247	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	(2,788,033)	21,195	(2,766,838)
<b>At 30 June 2020</b>	<b>450,000</b>	<b>648,000</b>	<b>1,181,352</b>	<b>16,437,319</b>	<b>36,469</b>	<b>18,753,140</b>

## PERFORMANCE

Revenue for the year declined by 13% owing to increased competition that created a downward pressure on retail prices. The gross loss position improved to KES 825M (KES 1.2B in 2019) on account of reduction in factory staff cost.

General operating expenses for the Group and the Company reduced by 2% during the period owing to Admin staff rationalization and cost containment measures. Cost reductions are expected in future periods on completion of the staff restructuring program. The attendant costs of the program were recognized in the current year. Fair value gain on investment property of KES 1.1 billion was realized in the period. Consequently, loss after tax improved to KES 2.8 billion from KES 3.4 billion in the prior year.

## FUTURE OUTLOOK

Completion of balance sheet restructuring geared towards recapitalization of the business remains the key focus. The Group has embarked on a comprehensive reengineering of its route to market value chain management, demonstrating commitment to improvements in service delivery to its customers with the aim of maximizing value to its shareholders. Continued emphasis on cost optimization and revenue enhancement through improvement of productivity and efficient use of resources is expected to improve the bottom line in the medium term.

## DIVIDEND

The Directors do not recommend payment of dividend.

## BY ORDER OF THE BOARD