

AUDITED GROUP RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

The Directors of BOC Kenya Plc announce the audited Group results for the year ended 31 December 2018

Summarised consolidated income statement For the year ended 31 December 2018			Summarised consolidated statement of financial position As at 31 December 2018		
	2018	2017		2018	2017
	KShs '000	KShs '000		KShs '000	KShs '000
Revenue	966,543	967,626	ASSETS		
Earnings before finance income and taxes	49,315	29,677	Non-current assets	974,339	1,022,508
Net Finance income	70,277	53,936	Current assets	1,171,399	1,206,161
Profit before tax	119,592	83,613	Total assets	2,145,738	2,228,669
Income tax expense	(50,020)	(44,234)	EQUITY AND LIABILITIES		
Profit for the year	69,572	39,379	Share capital	97,627	97,627
Basic earnings per share	3.35	2.02	Retained earnings	1,318,023	1,385,344
			Other reserves	107,838	128,111
Dividend per share:			Total equity	1,523,488	1,611,082
Interim paid	KShs 2.35	KShs 2.20	Non-current liabilities	-	-
Final proposed	KShs 2.85	KShs 3.00	Current liabilities	622,250	617,322
Total dividend	KShs 5.20	KShs 5.20	Total liabilities	622,250	617,587
			Total equity and liabilities	2,145,738	2,228,669
Summarised consolidated statement of cash flows For the year ended 31 December 2018			Summarised consolidated statement of changes in equity For the year ended 31 December 2018		
	2018	2017		2018	2017
	Kshs'000	Kshs'000		Kshs'000	Kshs'000
Cash generated from operations	44,067	213,262	At 1 January	1,611,082	1,689,449
Tax paid	(41,702)	(37,722)	Impact of IFRS 9	(30,620)	-
Net cash from operating activities	2,365	175,540	Net profit for the year	65,332	39,379
Interest & Dividends received	74,410	76,615	Change in available for sale financial assets	(31,444)	(18,062)
Cash used in other investing activities	(20,737)	(148,097)	Currency translation & other	2,408	1,272
Net cash used in investing activities	53,673	(71,482)	Deferred tax on available for sale financial assets	6,951	576
Dividends paid	(104,461)	(101,532)	Dividends	(104,461)	(101,532)
Increase/(Decrease) in cash and cash equivalents	(48,423)	2,526	At 31 December	1,521,142	1,611,082
Cash & cash equivalents:					
At beginning of the year	73,389	71,417			
Net increase/(decrease)	(48,423)	2,526			
Effect of exchange rates	(2,918)	(554)			
At the end of the year	22,048	73,389			

Results:

Revenue, for the year ended 31 December 2018, at Kshs.967 million was at par with prior year. The Board is pleased to note that demand from the medical gases sector – where quality and safety standards are better adhered to – increased during the year, driven by customer confidence, reliance on our quality products and engineering solutions, and expansion of the Sector.

However, the revenue gains from the medical sector have been eroded by a challenging operating environment in the industrial sector, not least from the illegal filling of the Company's gas cylinders

Profit after tax increased by 66% despite tax-related loss provisions made in the books of a subsidiary Company. The increased profitability was a result of cost management, sustainable efficiencies and savings initiatives that the Company has instituted over a long period and the maintaining of revenues despite the challenges in the Industrial Sector.

Outlook:

The health services sector in Kenya has been expanding over the last several years and the Company continues to partner with the various public and privately-owned health-care facilities to ensure the availability to patients of high-quality medical gases. We especially look forward to continuing collaboration with the County Governments in their ongoing efforts to ensure access to medical oxygen at the County level hospitals.

The industrial gases and welding products markets continues to face significant pressures from low-cost imported products and more pronounced illegal refilling of the Company's gas cylinders. Management has taken certain steps and the Company is hopeful that, working with the appropriately mandated enforcement agencies, the illegal filling of cylinders will begin to abate in the coming months.

While ensuring that local standards as well as the Linde's Group's global production and safety standards are adhered to, the Board and Management will continue to focus on efficiency in production so as to deliver products and services to customers competitively and timeously.

Dividend:

The Board of Directors is pleased to recommend the payment of a final dividend of Kshs 2.85 per share (2017: KShs 3.00) bringing the total dividend for the year 2018 to KShs 5.20 (2017: KShs 5.20) to be paid net of withholding tax on or about 26 July 2019 to shareholders on the register at close of business on 29 April 2019.

The Board of Directors also announce that the Annual General Meeting of the Company will be held on 21 June 2019. 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

28 March 2019

These results are an extract from the consolidated financial statements of BOC Kenya Plc for the year ended 31 December 2018, as audited by KPMG Kenya, Certified Public Accountants, and on which an unqualified opinion has been issued.