



East African Cables
Total peace of mind

INTERIM FINANCIAL STATEMENTS
UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE 2023

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Group 30-Jun-23 KShs'000	Group 30-Jun-22 KShs'000	Company 30-Jun-23 KShs'000	Company 30-Jun-22 KShs'000
Turnover	1,174,493	1,297,325	1,094,216	1,061,164
Cost of sales	(862,406)	(1,019,504)	(795,431)	(820,914)
Gross profit	312,087	277,821	298,785	240,250
Operating expenses	(333,019)	(264,526)	(209,562)	(198,652)
(Loss) /profit from operations	(20,932)	13,295	89,223	41,598
Impairment write-back/ (losses)	13,543	2,074	(12,000)	2,074
Depreciation and amortization	(95,888)	(125,945)	(74,226)	(89,858)
(Loss) / profit from operating activities	(103,277)	(110,576)	2,997	(46,166)
Interest expense	(203,911)	(156,357)	(143,580)	(134,419)
Net exchange gains/(losses)	1,198	1,510	(16,082)	(4,501)
Loss before tax	(305,990)	(265,423)	(156,665)	(185,106)
Income tax credit	91,797	79,509	46,999	55,532
Loss for the period	(214,193)	(185,914)	(109,666)	(129,574)
Loss from operations attributable to:				
Equity holders of parent company	(162,974)	(158,500)	(109,666)	(129,574)
Non-controlling interest	(51,219)	(27,414)	-	-
Loss for the period	(214,193)	(185,914)	(109,666)	(129,574)
Basic and Diluted Earnings per share (KShs)	(0.64)	(0.63)		

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Group 30-Jun-23 KShs'000	Group 30-Jun-22 KShs'000	Company 30-Jun-23 KShs'000	Company 30-Jun-22 KShs'000
Assets				
Non-current assets	4,470,138	4,585,772	2,885,297	3,058,633
Current assets	891,721	1,020,015	1,208,715	1,174,256
Total assets	5,361,859	5,605,787	4,094,012	4,232,889
Equity and liabilities				
Share Capital	126,563	126,563	126,563	126,563
Reserves	508,002	1,071,921	714,620	854,193
Non-controlling interest	(119,554)	8,464	-	-
Non-current liabilities	1,488,035	2,477,250	1,173,496	2,125,965
Current liabilities	3,358,813	1,921,589	2,079,333	1,126,168
Total equity and liabilities	5,361,859	5,605,787	4,094,012	4,232,889

CONDENSED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Group 30-Jun-23 KShs'000	Group 30-Jun-22 KShs'000	Company 30-Jun-23 KShs'000	Company 30-Jun-22 KShs'000
Cash flows generated from operations	173,039	8,342	82,025	10,885
Cash flows (used in) / from investing activities	(1,982)	96,868	(1,982)	100,785
Cash used in financing activities	(165,020)	(88,836)	(66,536)	(91,874)
Increase in cash and cash equivalents	6,037	16,374	13,507	19,796
Cash and cash equivalent at 1 January	129,221	96,533	39,249	20,736
Cash and cash equivalent at 30 June	135,258	112,907	52,756	40,532

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Group 30-Jun-23 KShs'000	Group 30-Jun-22 KShs'000	Company 30-Jun-23 KShs'000	Company 30-Jun-22 KShs'000
Share capital	126,563	126,563	126,563	126,563
Share premium	545	545	545	545
Revaluation reserve	2,023,209	2,050,760	1,390,866	1,386,645
Revenue reserve	(1,423,629)	(903,532)	(676,791)	(532,997)
Exchange reserve	(92,123)	(75,852)	-	-
Total equity attributable to equity holders of company	634,565	1,198,484	841,183	980,756
Non-controlling interest	(119,554)	8,464	-	-
Total Equity	515,011	1,206,948	841,183	980,756

Key Highlights – Company (Kenya operations)

East African Cables Plc's Kenya business has maintained a growth trajectory, sustained by growing demand from retail and wholesale categories for building and construction projects. The company recorded a 24% growth in Gross Profit attributed to increased sales volumes in the retail sector, sustained market development and communication efforts as well as increased operating efficiencies. The Earnings Before Income Tax Depreciation and Amortization (EBITDA) significantly improved, by 114%, while net earnings improved by 15% compared to the same period in the previous year. Despite the prevailing macro-economic challenges that include accelerated depreciation of the Kenya Shilling to the US Dollar and constrained working capital, the company maintained a strict operating costs containment strategy, leveraging on the entrenched continuous improvement practices.

Key Highlights – Tanzania operations

The Tanzania subsidiary continued to experience working capital constraints, significantly affecting its bottom line, and negatively impacting the Group's consolidated performance.

Outlook - Group

At the end of the first half of this financial year, the Group faced a setback owing to an insolvency matter which the Company has challenged in court. Overall, the Company continues to record significant traction in growing revenues, reducing the loss attributed to Tanzania's operating challenges and returning the business to profitability. The Board is focusing its energy on the strict execution of the Group's five-year corporate growth strategy with particular attention on getting a lasting solution for the Tanzania business.

Dividend

The directors do not recommend payment of an interim dividend.

By Order of the Board

Virginia Ndunde
Company Secretary
Nairobi,
25th August 2023