

# TotalEnergies Marketing Kenya PLC

## SUMMARY OF UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

### STATEMENT OF FINANCIAL POSITION

AS AT	30 June 2023 KSh's'000	31 Dec 2022 KSh's'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment and intangible assets	15,058,246	12,053,923
Right-of use of assets	1,415,452	1,501,274
Goodwill	416,679	416,679
Deferred tax assets	405,543	405,543
<b>Total non-current assets</b>	<b>17,295,920</b>	<b>14,377,419</b>
<b>Current assets</b>		
Inventories	16,451,709	11,890,143
Trade and other receivables	13,863,710	27,179,637
Cash and bank balances	13,275,013	19,595,935
<b>Total current tax assets</b>	<b>43,590,432</b>	<b>58,665,715</b>
<b>TOTAL ASSETS</b>	<b>60,886,352</b>	<b>73,043,134</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	9,974,771	9,974,771
Share premium	1,967,520	1,967,520
Retained earnings	18,286,029	18,288,158
<b>Total equity</b>	<b>30,228,320</b>	<b>30,230,449</b>
<b>Non-current liabilities</b>		
Lease liability	736,438	721,945
Trade and other payables and provisions	1,021,881	1,124,373
	<b>1,758,319</b>	<b>1,846,318</b>
<b>Current liabilities</b>		
Trade and other payables	19,277,190	26,110,974
Lease liability	297,861	285,585
Bank overdrafts	9,324,662	8,369,808
Short-term loans	-	6,200,000
<b>Total current liabilities</b>	<b>28,899,713</b>	<b>40,966,367</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>60,886,352</b>	<b>73,043,134</b>

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED	30 June 2023 KSh's'000	30 June 2022 KSh's'000
Gross sales	74,648,907	65,441,957
Indirect taxes and duties	(17,955,716)	(19,205,459)
<b>Net sales</b>	<b>56,693,191</b>	<b>46,236,498</b>
Cost of sales	(51,690,433)	(42,221,745)
<b>Gross profit</b>	<b>5,002,758</b>	<b>4,014,753</b>
Other income	894,657	748,497
Operating expenses	(3,767,482)	(3,329,687)
Net finance costs	(396,464)	(149,119)
Net foreign exchange losses	(467,973)	(48,253)
<b>Profit before tax</b>	<b>1,265,496</b>	<b>1,236,191</b>
Tax charge	(442,924)	(440,602)
<b>Profit for the year</b>	<b>822,572</b>	<b>795,589</b>
<b>Other comprehensive income, net of tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>822,572</b>	<b>795,589</b>
<b>Earnings per share (basic and diluted) (Kshs)</b>	<b>1.31</b>	<b>1.26</b>

### STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED	Share Capital KSh's'000	Share Premium KSh's'000	Retained Earnings KSh's'000	Total Equity KSh's'000
<b>30 JUNE 2023</b>				
<b>As at 1 January 2022</b>	<b>9,974,771</b>	<b>1,967,520</b>	<b>16,668,532</b>	<b>28,610,823</b>
Dividends declared - 2021	-	-	(824,701)	(824,701)
Profit for the year	-	-	2,444,327	2,444,327
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	2,444,327	2,444,327
<b>As at 31 December 2022</b>	<b>9,974,771</b>	<b>1,967,520</b>	<b>18,288,158</b>	<b>30,230,449</b>
<b>As at 1 January 2023</b>	<b>9,974,771</b>	<b>1,967,520</b>	<b>18,288,158</b>	<b>30,230,449</b>
Dividends declared - 2022	-	-	(824,701)	(824,701)
Profit for the period	-	-	822,572	822,572
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	822,572	822,572
<b>As at 30 June 2023</b>	<b>9,974,771</b>	<b>1,967,520</b>	<b>18,286,029</b>	<b>30,228,320</b>

### STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED	30 June 2023 KSh's'000	30 June 2022 KSh's'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Operating profit before working capital changes</b>	<b>2,673,820</b>	<b>2,388,663</b>
Increase in inventories	(4,561,566)	(2,329,524)
Decrease/(increase) in trade and other receivables	10,043,327	(730,759)
(Decrease)/increase in trade and other payables	(7,152,499)	2,755,559
<b>Working capital Changes</b>	<b>(1,670,738)</b>	<b>(304,724)</b>
Cash generated from operations	1,003,082	2,083,939
Tax paid	(796,250)	(685,280)
<b>Net cashflows from operating activities</b>	<b>206,832</b>	<b>1,398,659</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment, prepaid operating leases and intangible assets	(923,736)	(843,681)
Proceeds on disposal of property, plant and equipment	1,720	13,490
Interest income on bank deposits	524,800	177,987
<b>Net cash generated used in investing activities</b>	<b>(397,216)</b>	<b>(652,204)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest payments on borrowings	(885,392)	(286,126)
<b>Net cash used in financing activities</b>	<b>(885,392)</b>	<b>(286,126)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,075,776)</b>	<b>460,329</b>
Cash and cash equivalents as at 1 Jan	5,026,127	10,100,456
<b>Cash and cash equivalents as at 30 June</b>	<b>3,950,351</b>	<b>10,560,785</b>

## COMMENTARY ON 2023 UNAUDITED HALF YEAR RESULTS

The Board of Directors of TotalEnergies Marketing Kenya PLC is pleased to announce the unaudited half-year results for 2023.

### Operating environment

During the period, the business environment remained challenging due to volatile macro-economic conditions. The international oil and gas prices declined while local currency depreciated against the US dollar due to global shifts in macro-economic and geopolitical situations. Inflation and fuel prices in the country have remained buoyant, putting pressure on consumer expenditure as well as working capital requirements.

### Financial Performance

The Company's performance remained resilient with positive profit before tax of KShs 1,265 million (2022: KShs 1,236 million).

The Company's gross profit increased to KShs 5,003 million (2022: KShs 4,015 million) majorly impacted by lower lag in price adjustment compared to previous year. Other income increased to KShs 895 million (2022: KShs 748 million) due to increased revenues from diversified investments in Shops, Food and Services (SFS) and income from partnerships with third parties in the period under review compared to 2022.

The increase in operating expenses is majorly attributable to inflation impact on local costs and forex impact on imported goods and services due to depreciation of the local currency. The increase in net finance costs to KShs 396 million (2022: KShs 149 million) is as result of increase in working capital requirements emanating from outstanding government fuel subsidy.

The increase in foreign exchange losses to KShs 468 million (2022: KShs 48 million) is attributed to depreciation of the Kenya Shilling against the US Dollar in the period under review.

The Company's cashflow position remained strong given the effective management of working capital.

### Dividend

The Board of Directors does not recommend payment of an interim dividend.

### Future outlook

The business environment remains challenging due to the volatility and high levels of global fuel prices. The priority focus for the Company will continue to be on safety, operational excellence, profitable growth and positive cashflow generation.

Despite this particularly challenging context, the Board is confident that the mitigating measures and action plans adapted by Management will yield positive results in the remaining part of the year.

By order of the Board



Eric FANCHINI  
Managing Director  
August 29, 2023



**TotalEnergies**