



ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 26 weeks ended 27 October 2024 P'm	Unaudited 26 weeks ended 29 October 2023 P'm	Audited 52 weeks ended 28 April 2024 P'm
Revenue	5 356.4	4 682.7	9 720.3
Cost of sales	(4 994.6)	(4 347.1)	(9 027.2)
Gross profit	361.8	335.6	693.1
Other income and gains	28.0	28.1	86.4
Administrative expenses	(165.8)	(152.5)	(320.0)
Earnings before interest, tax and amortisation (EBITA)	224.0	211.2	459.5
Amortisation	(3.8)	(3.1)	(7.2)
Investment income	17.5	17.4	32.4
Finance costs	(14.2)	(11.1)	(23.9)
Profit before share of results of associates	223.5	214.4	460.8
Share of results of associates	(4.2)	(9.6)	(18.0)
Profit before tax	219.3	204.8	442.8
Income tax expense	(60.8)	(50.4)	(107.3)
PROFIT FOR THE PERIOD	158.5	154.4	335.5
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Net gain on revaluation of land and buildings			23.9
Gross gain on revaluation of land and buildings			30.9
Income tax on gain on revaluation of land and buildings			(7.0)
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	31.5	(0.9)	(3.2)
Other comprehensive income / (loss) for the period (net of tax)	31.5	(0.9)	20.7
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	190.0	153.5	356.2
PROFIT FOR THE PERIOD ATTRIBUTABLE TO:			
Owners of the parent	156.4	154.1	334.5
Non - controlling interests	2.1	0.3	1.0
TOTAL PROFIT FOR THE PERIOD	158.5	154.4	335.5
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent	187.9	153.2	355.2
Non - controlling interests	2.1	0.3	1.0
TOTAL COMPREHENSIVE INCOME	190.0	153.5	356.2
Number of shares in issue at beginning and end of the period	250 726 709	250 726 709	250 726 709
Dividends per share (thebe) - ordinary - interim	12.0	12.0	12.0
Dividends per share (thebe) - ordinary - final	n/a	n/a	53.0
Basic earnings per share (thebe)	62.4	61.5	133.4

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 26 weeks ended 27 October 2024 P'm	Unaudited 26 weeks ended 29 October 2023 P'm	Audited 52 weeks ended 28 April 2024 P'm
Net cash generated from operating activities	325.9	476.0	587.9
Net cash flows utilised in investment activities	(201.5)	(91.3)	(297.4)
Dividends paid	(132.9)	(125.4)	(155.4)
Term loan for investment in preference shares	200.0		
Net cash flows from other financing activities	(31.1)	(39.8)	(85.9)
Net movement in cash and cash equivalents	160.4	219.5	49.2
Cash and cash equivalents at beginning of year	533.9	476.4	482.1
Effect of exchange rate on cash and cash equivalents	13.0	1.8	2.6
Cash and cash equivalents at end of year	707.3	697.7	533.9

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 27 October 2024 P'm	Unaudited 29 October 2023 P'm	Audited 28 April 2024 P'm
ASSETS			
NON - CURRENT ASSETS			
Property, plant and equipment	1130.3	990.3	1 080.7
Right of use asset	216.0	166.8	175.4
Investment property	225.8	238.1	228.8
Intangible assets	106.4	107.5	106.0
Investment in associates	43.5	50.2	36.3
Loan to associate	55.0	68.8	64.7
Deferred lease assets	5.4	4.8	4.9
Deferred tax assets	35.4	33.3	29.7
Trade and other receivables	3.4	4.5	4.8
Total non - current assets	1 821.2	1 664.3	1 731.3
CURRENT ASSETS			
Inventories	1 417.6	1 340.8	1 280.2
Trade and other receivables	437.5	352.8	312.5
Short term investments	280.2		188.9
Current tax assets	16.7	15.0	8.3
Cash and cash equivalents	707.3	697.7	533.9
Total current assets	2 859.3	2 406.3	2 323.8
Asset classified as held for sale			6.0
TOTAL ASSETS	4 680.5	4 070.6	4 061.1
EQUITY AND LIABILITIES			
EQUITY			
Stated capital	686.4	686.4	686.4
Other reserves	304.2	251.1	272.7
Retained earnings	1 584.7	1 410.8	1 561.2
Equity attributable to owners of the parent	2 575.3	2 348.3	2 520.3
Non - controlling interests	26.5	22.5	24.4
Total equity	2 601.8	2 370.8	2 544.7
NON - CURRENT LIABILITIES			
Lease liabilities	155.2	105.7	130.8
Loans and borrowings	281.2	103.1	82.0
Deferred tax liabilities	129.6	118.8	127.8
Total non - current liabilities	566.0	327.6	340.6
CURRENT LIABILITIES			
Trade and other payables	1 228.4	1 111.4	933.8
Lease liabilities	82.7	84.5	66.7
Loans and borrowings	22.0	1.8	21.9
Contract liabilities	13.9	22.9	16.5
Current tax liabilities	43.1	31.6	5.2
Bank overdrafts	47.7	49.1	38.2
Provisions and accruals	74.9	70.9	93.5
Total current liabilities	1 512.7	1 372.2	1 175.8
Total liabilities	2 078.7	1 699.8	1 516.4
TOTAL EQUITY AND LIABILITIES	4 680.5	4 070.6	4 061.1

COMMENTARY

Basis of preparation and accounting policies

The unaudited abridged consolidated financial results of Sefalana Holding Company Limited and its subsidiaries ("Sefalana" / the "Group") are extracted from the interim Group financial information that has been prepared in accordance with International Financial Reporting Standards ("IFRS"), under the historical cost convention except for the revaluation of certain non - current assets, being land and buildings and investment in properties, which are carried at fair value.

The accounting policies applied in the preparation of the unaudited financial information for the 26-week period ended 27 October 2024 (the "period" / the "half year"), are consistent with those applied in the preparation of the audited financial statements for the 52-week period ended 28 April 2024.

We are proud to report our best half year results to date. This is on the back of reporting our best full year results to 28 April 2024. Our diversification across sectors and territories, along with continued innovation and focus on business development, has enabled us to consistently deliver better results year on year for our Shareholders.

Trading overview

The general trading environment for the Group, across the Region, has continued to be characterized by significant pressure on margins and challenges relating to supply chain and procurement. Manufacturing volumes coming out of South Africa continue to be sub optimal, and cost of raw materials has increased. Much of these raw materials are sourced by our suppliers from territories across the world, where the economic environment has made doing business more costly. Whilst there has been an improvement in the period under review, order fulfilment by suppliers continues to be a concern and is carefully monitored.

In the context of inflationary pressures, consumers have had to manage their spending and adapt their buying patterns. Consumers have become increasingly price sensitive due to the financial and environmental uncertainties surrounding them. This has had an adverse impact on both our margins and the margins of our competitors. Consumers are visiting stores more frequently and buying patterns have focused on value products and essentials. Basket sizes have shown a moderate increase albeit at a blended lower margin.

Due to the complex nature of the sectors in which we operate, the Management teams across the various business units have had to find new and innovative ways of doing business better, so as not to allow our Group's performance to be compromised.

During the period under review, an additional eight stores were opened across the Group. We anticipate another ten over the coming 12 months. As a result, our footprint has further improved and enhanced our market share and presence.

Financial highlights

For the 26-week period to 27 October 2024, the Group achieved:

- Revenue of P5.4 billion - up 14% on prior period;
- Gross profit of P362 million - up 8% on prior period;
- Earnings before interest, tax, and amortisation ("EBITA") of P224 million - up 6% on prior period;

- Profit before tax of P219 million - up 7% on the prior period; and
- Interim dividend of 12 thebe per share to be paid to our Shareholders.

Key performance indicators

Revenue

Revenue of P5.4 billion was our highest reported half year results with an increase of 14% on the prior period. This is a solid increase in the context of inflation rates of between 2-5% in the Region. Top line growth is an indication of market share penetration. We are pleased with the level of growth despite the challenges being experienced by suppliers and manufacturers which placed limitations on what was available for sale in store.

Sefcash Botswana increased its turnover by 13%, Metro Namibia by 17%, Sefalana Lesotho by 12% and Foods Botswana by 26%. Like for like sales increase in Botswana was 10%, Namibia 6% and Lesotho 8%.

Gross profit and inventory management

Group gross profit (GP) of 6.8% was achieved compared to 7.2% in the prior period, illustrating the increased competitive environment in all the territories in which we operate. Absolute GP reported of P362m was 8% up on the prior period.

Gross profit is reported after taking into account directly attributable cost of sales, including certain store related costs. This contrasts with other retailers which report on purely product related cost of sales and therefore a higher GP. For easier comparisons, Sefalana intends to report its product related GP at the April 2025 year end and subsequent reporting periods.

GP percentages for Sefcash Botswana was 4.6% compared to 5.2% in the prior period, Metro Namibia at 5.2% compared to 5.9% previously, and Sefalana Lesotho at 6.2% compared to 5.8% in the prior period. A similar trend has been experienced across the Region as many suppliers are common to all our business units and competitive pressures have heightened during the period.

Inventory levels are at our historic high at P1.4 billion. The Group has grown and there has been an increased need to strategically pre order buffer stock to avoid stock-outs in-store. To support this additional inventory holding, we will be embarking on the construction of a 10,000 sqm warehouse in Gaborone North in the coming months. This new facility will be at a cost of around P75 million and will be funded using a combination of debt and existing cashflow. This is expected to enhance supply chain efficiency for the Group.

Administrative expenses

Administrative expenses accounted for 3.1% of revenue compared to 3.3% in the prior period. Careful cost reduction and management of expenditure took place to mitigate the lower GPs generated. Third party supplier cost increases were limited wherever possible.

Profit before tax and earnings per share (EPS)

PBT of P219m was 7% up on the prior period. EPS of 62.4 thebe was marginally above the prior period of 61.5 thebe. The effective tax rate for the period was 28% compared to 25% in the prior period mainly due to the higher level of dividends paid by subsidiary companies to support Group dividend payments.

Balance sheet strength

Our net asset position grew from P2.5 billion at April 2024 to P2.6 billion at October 2024. This is after paying our highest dividend to date to our Shareholders in respect of the April 2024 period. The market capitalisation of the Group on 27 October 2024 amounted to P3.4 billion, placing Sefalana as the largest in the Retail and Wholesale sector on the Botswana Stock Exchange.

Cash position

Our cash position at the end of October 2024 was good and sufficient to meet all our current liabilities with a sensible and prudent retention. Overall, our working capital position remained strong and put us in good stead as we approached the year end and increased our inventory holdings to meet the festive customer requirements.

In October 2024, a loan facility of P250 million (P200 million drawn down to date) was entered into with a local Bank. This has been recorded in short term investments at the reporting date. In November 2024 these funds were utilized for the preference share investment in South Africa (refer to the Prospects section of this report).

Share price movement

Our share price at 27 October 2024 of P13.50 has seen a 14% increase during the period, despite the illiquid nature of our stock, where our large institutional shareholders choose to hold on to their holdings in Sefalana despite an overweight position. Our consistent dividend policy of paying out approximately 50% of earnings in the form of dividends has provided a regular and sustained income stream for our Shareholders for many years. Our current share price is in excess of P14 exhibiting a further increase of around 4% since October 2024.

Employment

We are pleased to report that with this continued level of growth, our Group has created employment for an additional 689 persons during the period taking our total number of staff to 7,923. We look to further employment creation in the second half of the year. We continue to focus our employment on citizens in all our areas of operation and report under 1% non-citizen employment.

Segmental Reporting

The Group's business and geographical segments are reported separately. Intersegment transactions are eliminated, and costs of shared services are accounted for in a separate ("Intersegment or Unallocated") segment. All transactions between segments are at arm's length.

Review of operations

Botswana Business units - 71% of Group PBT (65% in prior period)

Overall Botswana business units which represent around two thirds of our entire Group business, have generated P157 million of PBT for the period, compared to P134 million in the prior period.

Trading - consumer goods

Expansions into a wider product range and service offering has been our focus for some time to ensure our customers get what they desire. Wherever possible we support and prioritize local producers with favourable trading terms and opportunities to provide entrepreneurs with a reliable and sustainable customer base. Consumers are returning to more frequent visits to stores and basket sizes have begun to increase. The consumer is still somewhat cautious

and tends to focus more on value packs, necessities, and private label products, rather than luxuries. This does have a drawn-out negative impact on gross margins. The desire for a one-stop shop is very much apparent and we have responded accordingly through range extension which often helps to offset lost margin.

At the end of the period, the Botswana FMCG business consisted of 5 hyper stores ("Sefalana Hyper"), 24 cash and carry stores ("Sefalana Cash & Carry"), 34 supermarket retail stores ("Sefalana Shopper"), 60 liquor stores ("Sefalana Liquor"), 7 convenience stores ("Sefalana Quick"), 1 catering outlet ("Sefalana Catering"), and 4 fuel stations, giving the Group a total of 135 stores in Botswana. This compares to 128 stores at the April 2024 year end. New stores opened during the period included Shopper Mogoditshane Crossing (Shopper + Bottle store), Shopper Lethakane 1 Liquor, and Molepolole (Fuel and Quick). This also included the upgrade of Shopper Four Ways, Lethakane Liquor and Pilane Wholesale liquor. There are plans underway to increase this footprint.

This year the Group celebrated its 50th anniversary of operations and launched Botswana's biggest FMCG birthday promotion. This "wanna be a millionaire?" competition ended in December 2024 where one lucky winner walked away with P1 million in cash. In addition, there were two individuals who won P500,000 cash each, ten who won P100,000 cash each and 71 won P50,000 cash each. This was a very successful competition and changed the lives of many people across the country. We are very proud to have been able to give back to our valued customer base. We would like to thank all our participating suppliers, without whom we could not have been able to execute such a successful celebration.

Sefalana Cash & Carry contributed 53% and 37% of the Group's revenue and PBT for the reporting period, respectively.

Trading - others

This segment which primarily consists of Commercial Motors (Pty) Limited ("CML"), contributed 2% and 4% to Group turnover and PBT, respectively. This is a relatively small Group segment in line with our focus on the core business of FMCG.

During the year the business took on an additional dealership - that of BAIC, a Chinese motor brand. There has been a significant level of interest in this brand due to its competitive pricing and value offering. We look forward to growth in this segment as a result.

Manufacturing

Foods Botswana ("FB") contributed 5% and 20% to Group turnover and PBT for the period respectively. The profitability of this business is largely dependent on the timing of orders placed by Government in respect of the various feeding schemes and availability of raw materials. In recent years, our focus has been to grow our branded product range to reduce this relative dependence.

Milling Division

During the period FB manufactured and successfully supplied the Government tender for the entire 26 weeks, following the award of two thirds of the national tender in May 2023. We are pleased to report that additional volumes have been requested of FB and such additional orders have been satisfied.

FB has procured most of the grain required to fulfil orders placed on us and additional orders that may occur, such that the recipients of the Tsabana and Malutu feeding scheme would be able to receive what they are entitled to. We remain available to manufacture and supply additional orders placed on us. We are currently securing grain to enable us to fulfil all volumes required. Grain prices fluctuate daily and effective buying is critical to optimising margins.

We continue to focus on the manufacture and supply of branded milling products to utilise factory capacity and to create further employment. Growth in this area is positive. The Sechaba range of products continues to be a popular household name and a preferred choice for many shoppers in the various regions across the country. We have placed considerable effort in building our brands and this has proven to be a successful strategy.

Beverages Division

This division is largely dependent on the manufacture and supply to Government of milk for the children's feeding scheme. We are pleased to report that most of the current tenders have been awarded to us either directly or indirectly through tenderers, however, there have been delays in the award of some regional tenders due to additional administrative hurdles at the councils. Post decentralization quantities have almost halved on a month-to-month basis compared to that of the previous tenders. All orders received during this period were successfully completed and delivered.

Raw material milk shortages in the Region over the last 3 years (due to repeated outbreaks of Foot and Mouth Disease in South Africa) have resulted in a drop in production volumes and as a result we had not been able to supply the Trade consistently with the required volumes as our raw material supplies had been prioritized for the Government orders. This has had an adverse impact on the growth of our branded products.

Our focus remains on building the Delta Fresh brand. Delta Fresh is available throughout Botswana in most retailers and is increasing in market share and popularity. We made a change to the 500ml pack into a base format which is the preferred package type for Botswana. This has significantly boosted sales of this line during the period.

Our recently introduced Interpack and First Choice product ranges are doing very well in not just our stores but a number of other retailers. Further growth is expected in this space.

In 2022, FB purchased a water and juice bottling plant and are producing still, sparkling and flavoured water under the Clear Water brand. Our A-Star water production was brought in-house in early 2024. As demand for our products has increased, we procured an additional water plant for P4 million during the period. This will be commissioned in early 2025 and will more than double our production capacity. We look to becoming the leading water brand in Botswana in due course.

Properties

Our property portfolio

Our Botswana property portfolio performed well, contributing 1% and 11% to Group revenue and PBT respectively. Almost all properties are tenanted, and leases are in place for periods between two and five years. Most of our properties are self-occupied, and this provides us with the ability to remain in the location indefinitely.

Regional operations and foreign exchange exposure

Our diversification into neighbouring countries over the last 10 years has helped us maintain and grow the Group's overall performance. Our business model has been tailored to each economy.

Diversification into other regions brings with it foreign exchange exposure. For this period, we have recorded a retranslation gain of P31.5 million largely relating to the Namibian and Lesotho businesses which are all ZAR denominated, with the ZAR appreciating against the Pula. This compares to a translation loss of P0.9 million in the comparative period when there was lesser volatility. These currencies constantly fluctuate, and the retranslation gains and losses are largely temporary and are recorded in other comprehensive income and losses in line with IFRS.

Metro (Sefalana) Namibia

Metro Namibia contributed 34% of revenue and 29% of PBT for the year. Turnover amounted to P1.8 billion, a growth of 17% on the prior period. PBT amounted to P63 million, broadly in line with the prior period. Our operations in Namibia continue to grow despite clear indications of stress in the economy. There remains significant pressure on margins largely a result of the competitive pressure in the country and the high unemployment rates. Our customers' disposable income remains directed towards essential products and away from luxury, higher margin products.

This business makes a significant contribution to overall Group results each year. We remain the largest FMCG business in Namibia. At the start of the year, we had 27 stores across the country. During the period we opened 3 new stores. Total store complement at the reporting period is 30. An additional store was opened in November 2024, after the end of the reporting period.

We continue to look for new suitable locations for further store openings. There are several new stores in the pipeline (of different size and formats) that are dependent on the landlords completing the development of their sites. The recent Oil and Gas findings at the coast are expected to stimulate the economy and support further growth of our business in the coming years.

Sefalana Lesotho

We have been operating in Lesotho for almost 10 years and the underlying business is performing well. We have 2 stores located in Maseru and 2 in Mafetseng. We remain the largest FMCG business in the country and recently rented out an additional warehouse space to support our growth.

We offer the widest range of products, and our stores are well positioned to be accessible by the entire country. Our service offering to date has been largely wholesale in nature. We have identified a new site that would lend itself well for a retail offering. We look forward to progressing this in the coming months and diversifying our footprint.

Our discussions are on-going with the Revenue Service Lesotho for settlement of the remaining VAT refund due to us. This process has taken longer than anticipated, but we have made good progress and expect finality on this by mid 2025. For some time now this matter has meant the business has experienced cash flow constraints and has required Group support to assist during peak times.

Turnover of P454 million has been achieved for the period, with a contribution of 8% to total Group revenue. A PBT of P12m was generated, almost double that of the prior period.

Australian investment

Our investment in Australia (30% associate) continues to generate a positive EBITA and cash. We currently operate 10 stores across Brisbane under the Seasons IGA brand.

As indicated previously, it is the norm in Australia for long leases of 20 years or more to be entered into on properties. In accordance with IFRS 16, this results in a front-loaded interest and depreciation charge in the earlier years of the lease. Consequently, the positive EBITDA is eroded by the related lease charges. In the latter period of the leases, this is expected to unwind, such that the reported PBT figures for this investment will grow significantly. This is aligned to our intended strategy to re-invest in that business for the first five years before dividends are declared to shareholders.

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Stated capital	Reserves	Retained earnings	Total		
	P'm	P'm	P'm	P'm	P'm	P'm
At 28 April 2024	686.4	272.7	1561.2	2520.3	24.4	2544.7
Profit for the year			156.4	156.4	2.1	158.5
Other comprehensive income for the period:						
Gain on revaluation of land and buildings (net of tax)		31.5		31.5		31.5
Currency translation differences						
Transactions with non-controlling interests						
Dividends paid - 2024 final dividend			(132.9)	(132.9)		(132.9)
At 27 October 2024	686.4	304.2	1584.7	2575.3	26.5	2601.8

ABRIDGED SEGMENTAL ANALYSIS

For the 26 week period ended 27 October 2024	Botswana		Zambia	Lesotho	Namibia	Australia	Group			
	Trading consumer goods	Trading others	Manufacturing	Property	Property	Trading consumer goods	Trading consumer goods	Investment in associate	Inter-segment or unallocated	Consolidated
	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm
Revenue	2829.4	102.4	261.8	34.6	2.4	453.5	1827.6		(155.3)	5356.4
Cost of sales	(2699.6)	(79.8)	(194.4)			(425.2)	(1732.1)		136.5	(4994.6)
Gross profit	129.8	22.6	67.4	34.6	2.4	28.3	95.5		(18.8)	361.8
Other income and gains / (losses)	15.2	2.4	2.3	(0.7)		0.1	9.0		(0.3)	28.0
Administrative expenses	(59.2)	(15.7)	(25.8)	(7.3)	(0.5)	(13.7)	(30.6)		(13.0)	(165.8)
Earnings before interest, tax and amortisation (EBITA)	85.8	9.3	43.9	26.6	1.9	14.7	73.9		(32.1)	224.0
Amortisation	(0.4)					(0.8)	(2.5)		(0.1)	(3.8)
Investment income	3.2	0.7	1.4	0.3	0.1	0.6	4.1	1.6	5.5	17.5
Finance costs	(6.8)	(1.6)	(1.7)	(4.2)		(2.5)	(12.4)		15.0	(14.2)
Profit before share of results of associates	81.8	8.4	43.6	22.7	2.0	12.0	63.1	1.6	(11.7)	223.5
Share of results of associates								(4.2)		(4.2)
Profit before tax (PBT)	81.8	8.4	43.6	22.7	2.0	12.0	63.1	(2.6)	(11.7)	219.3

For the 26 week period ended 29 October 2023	Botswana		Zambia	Lesotho	Namibia	Australia	Group			
	Trading consumer goods	Trading others	Manufacturing	Property	Property	Trading consumer goods	Trading consumer goods	Investment in associate	Inter-segment or unallocated	Consolidated
	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm
Revenue	2500.3	52.6	207.6	31.9	2.5	404.9	1566.3		(83.4)	4682.7
Cost of sales	(2371.5)	(41.3)	(154.0)			(381.6)	(1474.3)		75.6	(4347.1)
Gross profit	128.8	11.3	53.6	31.9	2.5	23.3	92.0		(7.8)	335.6
Other income and gains	12.3	1.6	1.8	0.9	0.9	0.1	7.9		2.6	28.1
Administrative expenses	(57.0)	(10.3)	(24.9)	(7.4)	(1.0)	(12.9)	(24.3)		(14.7)	(152.5)
Earnings before interest, tax and amortisation (EBITA)	84.1	2.6	30.5	25.4	2.4	10.5	75.6		(19.9)	211.2
Amortisation	(0.4)					(0.8)	(1.9)		(0.1)	(3.1)
Investment income	3.4	0.7	1.2	1.1	0.1	0.2	5.5	2.2	3.0	17.4
Finance costs	(7.8)	(0.2)	(2.3)	(4.3)		(3.9)	(17.2)		24.6	(11.1)
Profit before share of results of associates	79.3	3.1	29.4	22.2	2.5	6.0	62.0	2.2	7.7	214.4
Share of results of associates								(9.6)		(9.6)
Profit before tax (PBT)	79.3	3.1	29.4	22.2	2.5	6.0	62.0	(7.4)	7.7	204.8

For the 52 week period ended 28 April 2024	Botswana		Zambia	Lesotho	Namibia	Australia	Group			
	Trading consumer goods	Trading others	Manufacturing	Property	Property	Trading consumer goods	Trading consumer goods	Investment in associate	Inter-segment or unallocated	Consolidated
	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm
Revenue	5157.8	118.4	424.1	61.4	5.1	937.5	3229.1		(213.1)	9720.3
Cost of sales	(4872.3)	(93.2)	(305.2)			(885.2)	(3066.6)		195.3	(9027.2)
Gross profit	285.5	25.2	118.9	61.4	5.1	52.3	162.5		(17.8)	693.1
Other income and gains / (losses)	26.5	8.2	3.2	15.7	12.2	0.4	16.0	16.5	(12.3)	86.4
Administrative expenses	(118.9)	(25.4)	(58.8)	(15.7)	(1.9)	(23.6)	(51.4)		(24.3)	(320.0)
Earnings before interest, tax and amortisation (EBITA)	193.1	8.0	63.3	61.4	15.4	29.1	127.1	16.5	(54.4)	459.5
Amortisation	(0.8)					(1.5)	(4.8)		(0.1)	(7.2)
Investment income	6.4	1.1	1.7	2.0	0.1	0.7	8.6	4.6	7.2	32.4
Finance costs	(15.8)	(1.5)	(4.8)	(8.5)		(7.9)	(29.3)		43.9	(23.9)
Profit before share of results of associates	182.9	7.6	60.2	54.9	15.5	20.4	101.6	21.1	(3.4)	460.8
Share of results of associates								(18.0)		(18.0)
Profit before tax (PBT)	182.9	7.6	60.2	54.9	15.5	20.4	101.6	3.1	(3.4)	442.8

SEGMENT ASSETS AND LIABILITIES

	Botswana		Zambia	Lesotho	Namibia	Australia	Group			
	Trading consumer goods	Trading others	Manufacturing	Property	Property	Trading consumer goods	Trading consumer goods	Investment in associate	Inter-segment or unallocated	Consolidated
	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm	P'm
27 October 2024										
Assets	1655.1	145.5	377.8	734.2	46.3	256.3	1111.2	43.5	310.6	4680.5
Liabilities	(1108.3)	(69.6)	(122.1)	(206.3)	(0.6)	(185.5)	(805.9)		419.6	(2078.7)
29 October 2023										
Assets	1470.5	91.8	349.4	710.5	47.7	252.3	966.9	50.2	131.3	4070.6
Liabilities	(998.8)	(32.5)	(128.2)	(201.7)	(5.1)	(204.1)	(735.8)		606.4	(1699.8)
28 April 2024										
Assets	1429.5	125.1	357.5	729.3	49.1	218.6	933.7	36.3	182.0	4061.1
Liabilities	(896.5)	(55.8)	(118.6)	(205.0)	(0.7)	(159.5)	(672.2)		591.9	(1516.4)

The Group's share of results from this associate for the period amounts to a net loss of P2.6 million compared to a net loss of P7.4 million in the prior period.

Prospects

We are pleased to have reported an upward trend at almost every half year and year end over the last decade. It has always been clear to us, that to maintain this growth track record, we need to continually be innovative and identify opportunities for expansion. There are several new projects we are pursuing, to support a long-term sustainable profit stream for the Group. We are excited to share some of these new developments with our Shareholders.

i) Preference share investment

In November 2024, the Group entered a R275 million one-year preference share arrangement with UIH Investments Holdings (Pty) Limited (UIH) in South Africa. Under this arrangement the Group earns a fixed annual return of 15% and has an option to convert this into a 30% equity stake in UIH in November 2025.

UIH is a dominant buying Group in the FMCG sector and owns several supermarkets across South Africa. This investment is expected to provide Sefalana with exposure into the South African FMCG market through a successful business partner. We are excited about the prospects of this investment which in the short to medium term is expected to contribute towards around 10% of the Group's profit.

ii) FMCG store roll outs

There are several new stores in the pipeline for both Botswana and Namibia. These will be developed as and when the right sites become available. We continue to take a cautious approach, and only open new stores where there is a strong business case to do so. We are also looking to increase our petrol station network across Botswana. Wherever possible, local citizen landlords are selected where an annuity rental income stream can be established for the landlord and their family.

iii) Manufacturing

We have set up our signage and printing business to support our Group businesses. This is expected to yield a 20% saving compared to what we would typically pay third parties. There are several store upgrades and refurbishments scheduled over the next 5 years where these savings will be made. Total cost of investment is around P45 million. This business has already commenced manufacture and is servicing the new store rollouts in Botswana. This service will be extended to other Group companies and third parties where possible.

We are more than doubling our capacity at the water manufacturing plant at a cost of P4 million. This will enable the Group to increase its market share in this industry. Our new plant is expected to be commissioned in February 2025.

iv) Property developments

We will commence the development of our large warehouse in Gaborone North to serve as a consolidated distribution centre to support our procurement activities. The Group's size has increased over recent years and storage has been a challenge, particularly following the shortages arising due to lower production volumes by our suppliers. The capex will be around P75 million and will be funded using a combination of debt and internal cashflow.

Directors

There were no changes to Directorships during the period. The Board is satisfied with its composition and skill set.

Auditors rotation

In line with good corporate governance, the Group appointed PwC as its primary auditor in October 2024. The Board thanks Deloitte for the excellent service provided during the previous 6 years.

Shareholder returns and dividends

We were pleased to report at our April 2024 year end, a Return on Capital Employed (ROCE) (defined as operating profit divided by opening equity) of 16%. This is well in excess of inflation which is currently around 2-5% and our cost of borrowing at around 7-8%.

During the current period, our share price increased 14% to P13.50, reflecting confidence in our leadership and prospects.

On 23 January 2025, the Board of Directors of Sefalana Holding Company Limited declared an interim gross dividend of 12 thebe per ordinary share.

The interim dividend will be paid net of applicable withholding taxes as required under the Income Tax Act of Botswana, on or about Wednesday 19 February 2025 to all Shareholders registered in the books of the Company at the last date to register, being close of business on Friday 7 February 2025, with an ex-dividend date of Wednesday 5 February 2025.

We are encouraged with the overall total shareholder return (dividend and capital appreciation) provided to our investors.

By order of the Board

JM Marinelli (Chair) **CD Chauhan (Group Managing Director)**

28 January 2025
Gaborone, Botswana