



SECHABA BREWERY HOLDINGS LIMITED

Incorporated in the Republic of Botswana (Company Registration Number 5271)

# AUDITED FINANCIAL RESULTS

Company Registration No BW00000952293 | BSE Share Code: SECHABA | Private Bag 160 Gaborone Botswana | sechaba@bdc.bw

## AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

### SECHABA BREWERY HOLDINGS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	31-Dec 2020 P'000	31-Dec 2019 P'000
<b>INCOME</b>		
Share of profit after tax of associates	170,541	199,363
Interest income	229	98
Administration and other expenses	(2,815)	(2,458)
<b>PROFIT BEFORE TAX</b>	<b>167,955</b>	<b>197,003</b>
Income tax expense	(12,818)	(14,951)
<b>PROFIT FOR THE YEAR</b>	<b>155,137</b>	<b>182,052</b>
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>155,137</b>	<b>182,052</b>
<b>Earnings per share</b>		
Per share information		
<b>Basic and diluted earnings per share (thebe)</b>	<b>140.25</b>	<b>164.58</b>

### SECHABA BREWERY HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	31-Dec 2020 P'000	31-Dec 2019 P'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment in associates	733,777	652,755
<b>Current assets</b>		
Trade and other receivables	26	12
Cash and cash equivalents	30,430	12,077
	30,456	12,089
<b>Total assets</b>	<b>764,233</b>	<b>664,844</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Stated capital	194,548	194,548
Hedging reserves	388	388
Retained earnings	528,554	435,362
<b>Total equity</b>	<b>723,490</b>	<b>630,298</b>
<b>Non-current liabilities</b>		
Deferred taxation	33,161	27,091
<b>Current liabilities</b>		
Trade and other payables	102	-
Dividend payable	7,466	7,448
Current taxation payable	14	7
	7,582	7,455
<b>Total liabilities</b>	<b>40,742</b>	<b>34,546</b>
<b>Total equity and liabilities</b>	<b>764,233</b>	<b>664,844</b>

### SECHABA BREWERY HOLDINGS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	31-Dec 2020 P'000	31-Dec 2019 P'000
<b>Cash flows from operating activities</b>		
Net cash utilised in operations	(2,727)	(2,826)
Income tax paid	(6,741)	(13,676)
<b>Net cash utilised in operating activities</b>	<b>(9,468)</b>	<b>(16,502)</b>
<b>Cash flows from investing activities</b>		
Dividends received	89,520	182,362
Interest received	229	98
<b>Net cash generated from investing activities</b>	<b>89,749</b>	<b>182,460</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(61,928)	(156,673)
<b>Net cash utilised in financing activities</b>	<b>(61,928)</b>	<b>(156,673)</b>
<b>Changes in cash and cash equivalents</b>	<b>18,353</b>	<b>9,285</b>
<b>Movement in cash and cash equivalents</b>		
At beginning of the year	12,077	2,792
Changes in cash and cash equivalents	18,353	9,285
<b>At end of the year</b>	<b>30,430</b>	<b>12,077</b>

### SECHABA BREWERY HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

Year ended 31 December 2020	Attributable to equity holders of the company			
	Stated Capital P'000	Hedging Reserves P'000	Retained Earnings P'000	Total P'000
<b>Balance at 1 January 2019</b>	<b>194,548</b>	<b>388</b>	<b>410,386</b>	<b>605,322</b>
Profit for the year	-	-	182,052	182,052
Other Comprehensive income	-	-	-	-
Total Comprehensive income for the year	-	-	182,052	182,052
<i>Dividends paid</i>				
2019 financial year - final	-	-	(157,076)	(157,076)
Total transaction with owners	-	-	(157,076)	(157,076)
<b>Balance at 31 December 2019</b>	<b>194,548</b>	<b>388</b>	<b>435,362</b>	<b>630,298</b>
<b>Balance at 1 January 2020</b>	<b>194,548</b>	<b>388</b>	<b>435,362</b>	<b>630,298</b>
Profit for the year	-	-	155,137	155,137
Other Comprehensive income	-	-	-	-
Total Comprehensive income for the year	-	-	155,137	155,137
<i>Dividends paid</i>				
2020 financial year	-	-	(61,945)	(61,945)
Total transaction with owners	-	-	(61,945)	(61,945)
<b>Balance at 31 December 2020</b>	<b>194,548</b>	<b>388</b>	<b>528,554</b>	<b>723,490</b>

21%  
KBL PAT

3%  
CCBB PAT

19%  
COMBINED VOLUMES

P62m  
PAID IN DIVIDENDS

#### Statement on basis and preparation of the Annual Financial Statements

The Board of Directors of Sechaba Brewery Holdings Limited ("SBHL") have the pleasure of presenting the abridged financial results and position for the year ended 31 December 2020. These abridged financial statements are an extract of the audited financial statements prepared in accordance with International Financial Reporting Standards.

#### Audit report

The financial statements from which the abridged results were extracted have been audited by PricewaterhouseCoopers, who issued an unqualified opinion. This summary itself is not audited.

#### About SBHL

SBHL holds 49.9% shareholding in Kgalagadi Breweries (Proprietary) Limited ("KBL") and 49.9% in Coca Cola Beverages (Botswana) (Proprietary) Limited (CCBB). SBHL's results for the period are therefore directly relating to that of its two associates - KBL and CCBB.

KBL is a company registered in Botswana involved in the manufacturing, import, distribution and marketing of a portfolio of clear beers, alcoholic fruit beverages and traditional beers. CCBB is also a company registered in Botswana involved in the manufacturing, import, distribution and marketing of a portfolio of soft drinks, purified water, and other non-alcoholic beverages.

#### Volume performance

Overall, KBL and CCBB sales volumes declined by 29% and 2% respectively in comparison to prior year. All categories recorded significant declines in volumes aside from Alcoholic and Fruit Beverages and Energy which recorded an increase in volumes sold.

#### Financial performance

KBL's result showed a decline in profit after tax of 21% while CCBB showed a decline of 3% for the year ended 31 December 2020. These results are attributed to the measures taken to control the spread of the COVID-19 pandemic in Botswana such as the cancellation of the sale of alcohol and the reduction in operating hours of restaurants and other outlets that would otherwise have traded in the products of the company. As a result of this performance, only CCBB declared a dividend this financial year whilst KBL did not declare a dividend as the operating environment remains uncertain. A more conservative approach has been taken by KBL to focus on cash preservation.

#### Business Outlook

The business environment continues to be presented with challenges. For KBL, the measures to control the Covid-19 pandemic has brought about significant challenges to its operating environment, while for CCBB the recently introduced sugar tax is expected to have a significant impact. Notwithstanding, the associates are confident that the global and national efforts to rid the world of the coronavirus will bear fruit in future and therefore will position the businesses to be able to operate normally going forward.

#### Dividend declaration

Final dividend of 25 thebe per share was declared by the Board of Directors of Sechaba Brewery Holdings Limited. This dividend shall be paid on Tuesday 11 May 2021, in terms of the Republic of Botswana Income Tax Act (Cap 52:01), as amended, to those shareholders registered on the last date to register, being the close of business on Thursday 29 April 2021. The Ex-Dividend date will be Tuesday 27 April 2021. No provision has been raised in the financial statements for the year ended 31 December 2020 for this amount.

Bafana Molomo  
Chairman

Thabo K. Matthews  
Managing Director

#### Directors

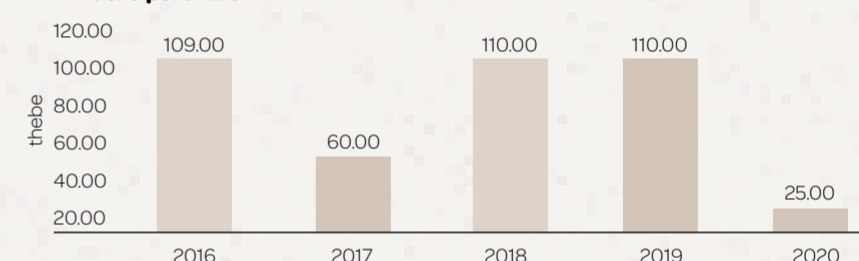
Name	Chairman	Non-executive, Independent
Bafana Molomo	Chairman	Non-executive, Independent
Thabo Matthews	Managing Director	Executive
Myra Sekgororoane	Member	Non-executive, Independent
Modise Mokone	Member	Non-executive, Independent
Tabuya Tau	Member	Non-executive, Independent
Jay Ramesh*	Member	Non-executive, Independent
Boitumelo Paya*	Member	Non-executive, Independent
Meshack Tshakedi*	Member	Non-executive, Independent

\*Appointed with effect from 1 March 2021 and to be ratified at the Annual General Meeting in June 2021

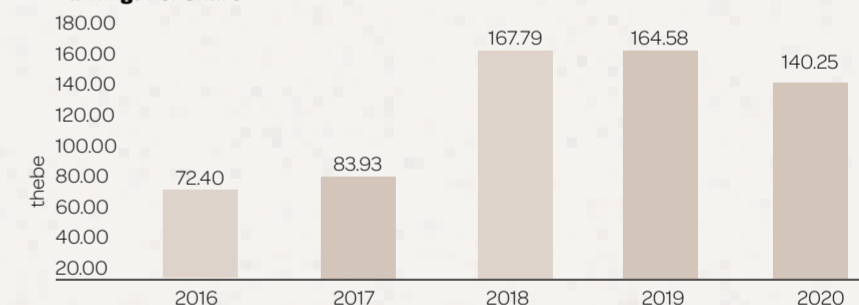
### PERFORMANCE OF ASSOCIATES

	2020	2019	% change
<b>KBL Volumes (HL '000)</b>	1,084.5	1,536.5	-29%
<b>KBL results</b>	<b>P'000</b>	<b>P'000</b>	
Profit before tax	286,311	371,172	-23%
Taxation	(46,819)	(68,455)	32%
Profit after tax	239,492	302,717	-21%
<b>CCBB Volumes (HL '000)</b>	961.2	981.9	-2%
<b>CCBB results</b>	<b>P'000</b>	<b>P'000</b>	
Profit before tax	122,904	135,310	-9%
Taxation	(20,630)	(29,860)	31%
Profit after tax	102,274	105,450	-3%
<b>Sechaba results</b>	<b>P'000</b>	<b>P'000</b>	
Share of results of associates	170,541	199,363	-14%
Profit for the period	155,137	182,052	-15%
Total comprehensive income	155,137	182,052	-15%
<b>Earnings per share</b>	<b>Thebe</b>	<b>Thebe</b>	
	140.2	164.6	-15%

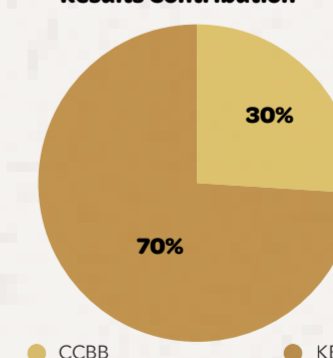
#### Dividend per share



#### Earnings Per Share

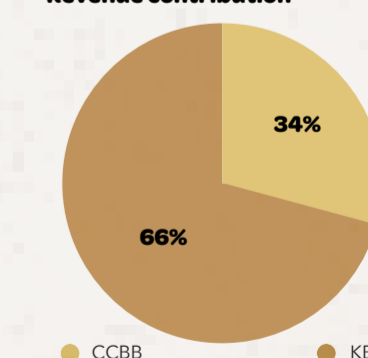


#### Results Contribution



2019: 74:26 KBL:CCBB

#### Revenue contribution



2019: 72:28 KBL:CCBB

### SECHABA BREWERY HOLDINGS LIMITED

#### CONTACTS

Company Secretaries & Registered Office	Operational address	Sponsoring Brokers	Transfer Secretaries	External Auditors
Grant Thornton Business Services Plot 50370, Acumen Park, Fairgrounds, Gaborone P.O. Box 1157, Gaborone, Botswana	8th Floor, Fairscap Precinct, Plot 70667, Fairgrounds, Gaborone, Botswana Private Bag 160, Gaborone, Botswana Tel: +267 365 1410 Fax: +267 391 3539 Email: sechaba@bdc.bw	Imara Capital Securities (Pty) Ltd A Member of the Botswana Stock Exchange Plot 74770 Western Commercial Road, New CBD Private Bag 173 Gaborone, Botswana Tel: +267 318 8886	Corpserve Botswana Unit 206, Second Floor Plot 64516 Showgrounds Close Fairgrounds, Gaborone P.O. Box 1583 Gaborone, Botswana Tel: +267 393 2244	Pricewaterhouse Coopers Plot 50371 Fairgrounds Office Park P.O. Box 294 Gaborone, Botswana Tel: +267 395 2011