

ABRIDGED AUDITED FINANCIAL STATEMENTS FOR YEAR ENDED 31ST DECEMBER 2023

Company Registration No BW00000952293 | BSE Share Code: SECHABA | P.O.BOX 1956 AAD, Gaborone, Botswana | sechabaenquiries@sbhl.co.bw



SECHABA BREWERY HOLDINGS LIMITED
Incorporated in the Republic of Botswana

SECHABA BREWERY HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-2023 P'000	31-Dec-2022 P'000
INCOME		
Share of profit after tax of associates	303,147	265,887
Interest income	3,797	2,196
Other Investment Income	-	2
Administration and other expenses	(4,093)	(3,672)
PROFIT BEFORE TAX	302,851	264,413
Income tax expense	(31,139)	(41,318)
PROFIT FOR THE PERIOD	271,712	223,095
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	271,712	223,095
Earnings per share		
Per share information		
Basic earnings per share (thebe)	245.63	201.68

SECHABA BREWERY HOLDINGS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-2023 P'000	31-Dec-2022 P'000
Cash flows from operating activities		
Net cash utilised in operations	(4,210)	(3,473)
Interest received *	3,797	2,196
Income tax paid	(47,535)	(13,156)
Net cash utilised in operating activities	(47,948)	(14,433)
Cash flows from investing activities		
Dividends received	471,233	128,682
Purchase of office equipment	(39)	(12)
Net cash utilised in investing activities	471,194	128,670
Cash flows from financing activities		
Dividends paid to shareholders	(156,965)	(136,731)
Net cash utilised in financing activities	(156,965)	(136,731)
Movement in cash and cash equivalents for the year	266,281	(22,494)
cash and cash equivalents at the beginning of the year	45,000	67,494
cash and cash equivalents at the end of the year	266,281	(22,494)
Cash and cash equivalents at the end of the year	311,281	45,000

*During the year cash generated from operating activities in the statement of cash flows has been updated to include interest received in line with the requirements of IAS 7. Prior year comparatives have been updated accordingly. The change only affects the amounts presented under cash generated from operations and cash generated from investing activities, but does not affect the total cash movement for the year, for both the current and previous year.

Statement on basis and preparation of the Financial Results

The Board of Directors of Sechaba Brewery Holdings Limited (SBHL) has the pleasure to present to you the abridged financial results and position for the year ended 31 December 2023. These abridged financial statements are an extract from the audited financial statements prepared in accordance with the International Financial Reporting Standards. The accounting policies adopted comply in all material respects with the International Financial Reporting Standards and are consistent with the previous reported period.

Audit Report

Ernst & Young, who issued an unqualified audit opinion, have audited the financial statements from which the abridged results were extracted. This summary itself has not been audited.

About SBHL

Sechaba Brewery Holdings Limited (SBHL) holds 49.9% shareholding in Kgalagadi Breweries (Pty) Ltd (KBL) and 49.9% in Coca Cola Beverages (Botswana) (Pty) Ltd (CCBB). SBHL's results for the year are therefore directly relating to those of its two associates - KBL and CCBB. KBL is a company registered in Botswana involved in the manufacturing, import, distribution and marketing of 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 volumes sales increased during the year ended 31 December 2023, with KBL volumes increasing by 2% (from 1,579.6 HL to 1,608.8 HL) whilst CCBB volumes increased by 3% (from 1,157.1 HL to 1,195.6 HL).

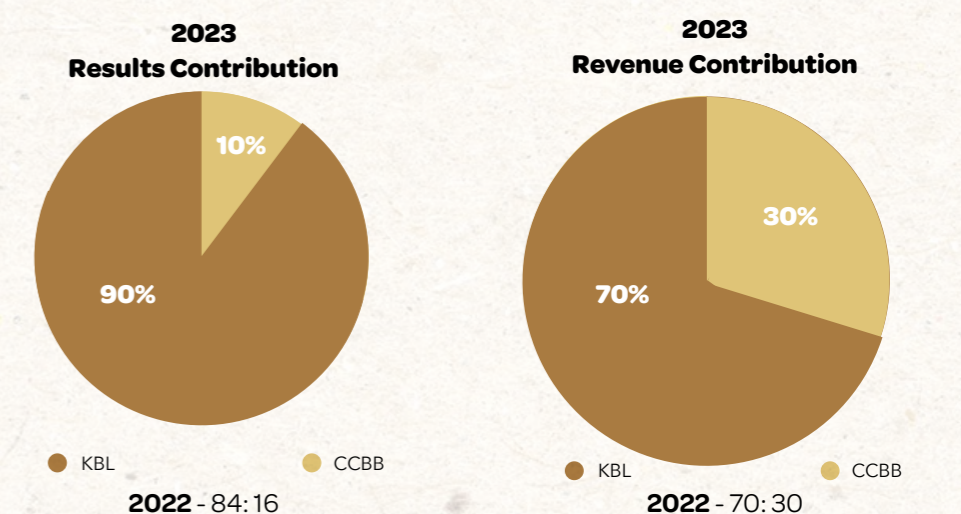
Financial performance

Overall Sechaba Brewery Holdings Limited (SBHL) achieved a 22% increase in profit after tax in comparison to the previous year. The main drivers for this performance being the increase in sales revenue. Both CCBB and KBL had a positive net revenue growth rate at 12.5% for CCBB and 12.3% for KBL. In terms of profit after tax, KBL achieved a 21% increase in comparison to prior year mainly driven by product mix and pricing. CCBB on the other hand had a 25.5% reduction in profit after tax mainly due to increase in operations essentials such as maintenance, fuel and utilities. The incremental revenue was offset by a commodity cost push due to growth in operations. The company believes that there is sufficient liquidity to sustain operations for the next 12 months and beyond.

Business outlook

Recent economic developments indicate a notable global economic resurgence, with Botswana experiencing a 5.8% increase in real GDP in 2022. While this growth is positive, it represents a slight decrease from the significant 11.9% expansion witnessed in 2021. Forecasts suggest continued GDP growth, with projected rates of 3.8% and 4.4% expected for 2023 and 2024, respectively. This economic upturn is attributed to the gradual easing of restrictions on movement and business operations, contributing to a return to normalcy. It is anticipated that this favourable economic environment will facilitate improved performance for SBHL and its associates. Despite encountering challenges inherent in today's complex and uncertain business landscape, both SBHL and its associates are committed to adapting and thriving to ensure maximizing shareholder value.

The charts below depict the contributions per entity to the total share of revenue as well as the contributors to the share of profit earned by Sechaba:



Dividend Declaration

In line with the provisions of Section 58 of the Botswana Companies Act (Cap 42:01), the Board of Directors of Sechaba Brewery Holdings Limited declared dividends as follows; final dividend of 172.7 thebe per share and special dividend of 251.7 thebe per share. The dividend distribution is subject to approval by the shareholders at the Annual General Meeting. These dividends shall be paid on Wednesday 15 May 2024, to those shareholders registered on the last date to register, being close of business on Monday 6 May 2024. The ex-dividend date will be Thursday 2 May 2024. Withholding taxes in terms of the Republic of Botswana Income Tax Act (Cap 52:01), as amended, has been applied to the dividend payment. No provision has been raised in the financial statements for the year ended 31 December 2023 for the dividend amount.

Tabuya Tau
Chairman

Faith Asnath Nteta
Managing Director

Date: 22 March 2024

Directors

Name	Role	Independent
Tabuya Tau	Chairman	Non-executive Independent
Faith Asnath Nteta	Managing Director	Executive
Meshack Tshakedi	Member	Non-executive Independent
Boitumelo Paya	Member	Non-executive Independent
Modise Mokone	Member	Non-executive Independent
Jayarman Ramesh	Member	Non-executive Independent
Gorata Dibotelo	Member	Non-executive Independent Appointed 1 July 2023
Lorato Morapedi	Member	Non-executive Independent Appointed 15 September 2023

SECHABA BREWERY HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2023

	31-Dec-2023 P'000	31-Dec-2022 P'000
ASSETS		
Non-current assets		
Investment in associates	830,020	998,106
Property Plant & Equipment	44	12
	830,064	998,118
Current assets		
Trade and other receivables	440	255
Cash and cash equivalents	311,281	45,000
	311,721	45,255
Total assets	1,141,785	1,043,373
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	194,548	194,548
Hedging reserves	-	388
Retained earnings	884,055	769,363
Total equity	1,078,603	964,299
Non-current liabilities		
Deferred taxation	53,847	70,656
Current liabilities		
Trade and other payables	513	452
Dividend payable	8,188	7,745
Current taxation payable	634	221
	9,335	8,418
Total liabilities	63,182	79,074
Total equity and liabilities	1,141,785	1,043,373

PERFORMANCE OF ASSOCIATES

	31-Dec-2023 P'000	31-Dec-2022 P'000	% Change
KBL Volumes (HL '000)	1,608.8	1,579.6	2%
KBL results			
Profit before tax	655,022	535,962	22%
Taxation	(109,664)	(86,556)	27%
Profit after tax	545,358	449,406	21%
CCBB Volumes (HL '000)	1,195.6	1,157.1	3%
CCBB results			
Profit before tax	73,838	99,431	(26%)
Taxation	(11,687)	(15,999)	(27%)
Profit after tax	62,151	83,432	(26%)
Sechaba results			
Share of results of associates	303,147	265,887	14%
Profit for the period	271,712	223,095	22%
Total comprehensive income	271,712	223,095	22%

SECHABA BREWERY HOLDINGS LIMITED CONTACTS

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The summarised information presented above reflects the financial statements of the associates after adjusting for differences in accounting policies between the company and the associates. There was movement in KBL 2022 total assets. The changes were due to audit adjustments in relation to inventory.