



**Audited Group Results for the year ended 31 December 2023**

**ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME**  
For the year ended 31 December 2023

	2023 P'000	2022 P'000	% Change
<b>Revenue from contracts with customers</b>	<b>3,454,745</b>	<b>4,112,311</b>	<b>(16.0)</b>
Cost of goods sold	(3,151,099)	(3,650,301)	
<b>Gross Profit</b>	<b>303,647</b>	<b>462,010</b>	<b>(34.3)</b>
Other revenue	12,648	13,636	
Other Operating Income	759	1,569	
<b>Operating Expenses</b>			
Foreign currency gains	3,869	9,432	(59.0)
Administrative Expenses	(15,133)	(18,190)	(16.8)
Distribution & marketing expenses	(108,862)	(111,846)	(2.7)
Other Operating Expenses	(3,585)	(4,040)	(11.3)
Share of profit of joint ventures	7,479	5,596	<b>33.6</b>
Finance income	12,695	5,085	<b>149.7</b>
Finance costs	(19,628)	(9,819)	<b>99.9</b>
<b>Profit before tax</b>	<b>193,889</b>	<b>353,433</b>	<b>(45.1)</b>
Taxation	(80,445)	(87,330)	
<b>Profit for the year attributable to equity holders of the parent</b>	<b>113,444</b>	<b>266,103</b>	<b>(57.4)</b>
Other comprehensive income	-	-	
<b>Total comprehensive income for the year</b>	<b>113,444</b>	<b>266,103</b>	<b>(57.4)</b>
Earnings per share (thebe)	71.03	166.60	
Profit before taxation is stated after taking into account the following:			
Depreciation	38,863	46,053	
Staff costs	15,399	17,660	

**Note:**  
The abridged set was extracted from the audited IFRS financial statements.

**SUPPLEMENTARY REPLACEMENT COST STATEMENT**  
for the year ended 31 December 2023

	2023 P'000	2022 P'000	% Change
Historical cost net profit	113,444	266,103	
Less: Inventory effects net of taxation	38,299	162,061	
Inventory profits	49,101	207,770	
Taxation @ 22%	(10,802)	(45,709)	
<b>Replacement cost net profit</b>	<b>75,145</b>	<b>104,042</b>	<b>(27.8)</b>
Shares in issue	159,722,220	159,722,220	
Historical cost earnings per share (thebe)	71.03	166.60	
Replacement cost earnings per share (thebe)	47.05	65.14	
Gross dividend per share paid and provided (thebe)	232.90	79.40	
Total gross dividend per share including proposed amount not provided for	425.90	150.30	

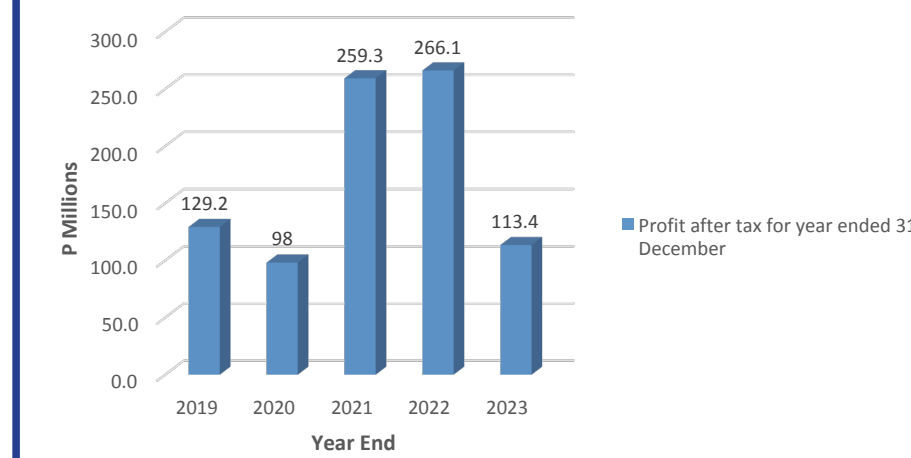
**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2023

	31 December 2023 P'000	31 December 2022 P'000
<b>ASSETS</b>		
<b>Non current assets</b>		
Property, plant and equipment	379,296	320,418
Right of Use Assets	91,349	74,974
Share of investments in joint ventures	46,906	42,268
Investments	37	37
Deferred tax asset	8,989	4,022
	526,577	441,719
<b>Current assets</b>		
Inventories	55,819	65,335
Trade and other receivables	237,447	493,243
Tax receivable	12,628	10,156
Forward exchange contract asset	705	1,262
Cash and cash equivalents	580,645	345,586
	887,243	915,582
<b>Total Assets</b>	<b>1,413,820</b>	<b>1,357,301</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Stated capital	8,138	8,138
Non distributable reserve	2,200	2,200
Retained earnings	616,553	837,903
	626,891	848,241
<b>Non Current Liabilities</b>		
Right of Use Lease Liability	109,497	80,550
Provisions	49,907	35,573
Borrowings	100,000	-
	259,404	116,123
<b>Current Liabilities</b>		
Trade and other payables	525,213	390,638
Tax payable	58	-
Right of Use Lease Liability	1,729	2,299
Forward exchange contract liability	525	-
	527,525	392,937
	786,929	509,060
<b>Total Liabilities</b>		
	1,413,820	1,357,301

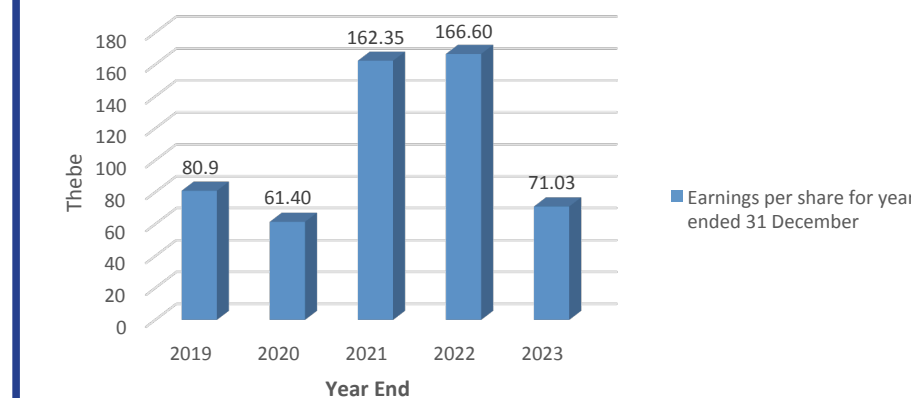
**Abridged Group Statement of Changes in Equity**  
For the year ended 31 December 2023

	Stated Capital P'000	Non Distributable Reserves P'000	Retained Earnings P'000	Total P'000
<b>Balance at 31 December 2021</b>	<b>8,138</b>	<b>2,200</b>	<b>685,924</b>	<b>696,262</b>
Profit for the year	-	-	266,103	266,103
Other comprehensive income for the year	-	-	-	-
Dividends on ordinary shares	-	-	(114,124)	(114,124)
<b>Balance at 31 December 2022</b>	<b>8,138</b>	<b>2,200</b>	<b>837,903</b>	<b>848,241</b>
Profit for the year	-	-	113,444	113,444
Other comprehensive income for the year	-	-	(334,794)	(334,794)
Dividends on ordinary shares	-	-	-	-
<b>Balance at 31 December 2023</b>	<b>8,138</b>	<b>2,200</b>	<b>616,553</b>	<b>626,891</b>

**Profit after tax for year ended 31 December**



**Earnings per share for year ended 31 December**



**ABRIDGED STATEMENT OF CASH FLOWS**  
For the year ended 31 December 2023

	2023 P'000	2022 P'000
Net cash flow from operations	234,383	395,267
Movement in working capital	399,388	(103,710)
Taxation paid	(87,382)	(106,970)
Net cash from operating activities	546,389	184,587
Net cash flows used in investing activities	(71,723)	(36,711)
Net cash flows used in financing activities	(239,655)	(96,554)
Net increase in cash and cash equivalents	235,011	51,322
Net foreign exchange differences	48	101
Cash and Cash equivalents at the beginning of the year	345,586	294,163
<b>Cash and Cash equivalents at the end of the year</b>	<b>580,645</b>	<b>345,586</b>

**SEGMENT INFORMATION**  
For the year ended 31 December 2023

	Petrochemical Activities P'000	Property Letting P'000	Consolidated P'000
<b>Operating segments</b>			
<b>2023</b>			
Revenue from contracts with customers	3,454,745	-	3,454,745
Total segment revenue	3,454,745	-	3,454,745
<b>Results</b>			
Depreciation	38,863	-	38,863
Forex gains	3,869	-	3,869
Finance costs	(19,628)	-	(19,628)
Taxation	(80,445)	-	(80,445)
Share of profit of joint ventures	-	7,479	7,479
Profit for the year after tax	105,965	7,479	113,444
Total assets	1,366,914	46,906	1,413,820
Total liabilities	786,929	-	786,929
Capital expenditure	74,563	-	74,563
<b>2022</b>			
Revenue from contracts with customers	4,112,311	-	4,112,311
Total segment revenue	4,112,311	-	4,112,311
<b>Results</b>			
Depreciation	46,053	-	46,053
Forex gains	9,432	-	9,432
Finance costs	(9,819)	-	(9,819)
Taxation	(87,330)	-	(87,330)
Share of profit of joint ventures	-	5,596	5,596
Profit for the period after tax	260,507	5,596	266,103
Total assets	1,315,033	42,268	1,357,301
Total liabilities	509,060	-	509,060
Capital expenditure	41,370	-	41,370

**Independent Auditor's Report**

The independent auditors, Price waterhouse Coopers, have issued their opinion on group's financial statements for the year ended 31 December 2023.

**Basis of Preparation and Accounting Policies**

The financial statements have been prepared in accordance with and in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ('IASB'), interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the requirements of the Companies Act of Botswana (Companies Act, CAP 42:01).

**Executive Comments**

This press release provides an overview of our financial performance for the year ended 31st December 2023.

GDP growth continued to recover in 2023 although not to expectation mainly due to slower growth in both mining and non-mining sectors. Inflation declined during the year to close at 3.5% as at December 2023 mainly due to the decline in global crude oil prices and resultant fuel price adjustments in Botswana. The global economic performance continued to be affected by geo-political factors that were mainly caused by the Russia/Ukraine conflict.

The economy was affected by low consumer disposable incomes, and this affected sales volumes during the year.

The retail channel continued to remain the cornerstone of the business in Botswana. This channel continued to deliver strong results generated from fuels and non-fuel revenues. These results were achieved through a greater focus on efficiency improvements and cost management. One new, full offer, retail outlet was streamed during the year with two others which are in the network plan for streaming in early 2024.

The group continued to diversify its commercial sales channel in order to strengthen its volume performance. This channel continued to be highly price competitive and the group had to continuously manage the effects of strong price competition in order to remain competitive in the market.

We believe that high levels of operational efficiency and the responsible conduct of our business in line with our values and cultural beliefs will stand us in good stead to surmount the challenges that we may encounter in the future. This will assist to deliver strong results for our shareholders and continue to make a meaningful contribution to the economic prosperity of Botswana.

We remain optimistic about the business environment and continue to embrace our long-term strategic intent to grow the Engen brand in the Botswana market and be the leading brand of choice in this market.

We recognise the commitment of our investors to the group, and therefore one of our key objectives is to ensure that the group delivers long term, sustainable and robust performance and value to our shareholders through leverage on technology, people, know-how, strong partnerships and

adaptation to the rapidly changing business operating conditions.

The group results, tabled below, testify to the success of the group's business model under challenging economic and social circumstances. The group results are underpinned by a strong focus on our key values of Integrity, Performance, Team-work, Empowerment and Ownership.

**Financial Performance**

**Financial performance comments:**

Revenue from contracts with customers decreased by 16.0% mainly due to the high fuel prices which affected consumers. Retail volumes decreased marginally by 1.6% and Commercial volumes decreased by 32.3%. There were six price adjustments and one industry margin increase during the year.

Foreign exchange gains decreased from P9.4 million at the end of 2022 to P3.9 million at the end of 2023.

The group exercised good margin management and cost control throughout the year.

Overall, the group's performance reflects a net profit after tax of P266.1 million.

The group performed below expectations on a replacement cost basis, which represents the net profit after tax excluding the effects of inventory revaluations, caused by movements in global crude oil prices. The replacement cost net profit decreased from P104.0 million to P75.1 million from 2022 to 2023 representing a 27.8% decrease.

**Operating Review**

Crude oil prices decreased steadily due to increased supply globally. The steady decrease in crude oil prices resulted in significant inventory revaluation losses throughout the year.

Despite the difficult and unprecedented trading conditions, both within Botswana and internationally, the group continued to perform relatively well by growing shareholder value during the course of 2023.

Fuel supply of most of the products into Botswana from our supply sources was reasonably stable during the course of the year and we were able to supply our customers without any stock outs.

The retail network operated lower than expected mainly due to the high cost of fuel which curtailed travel of many consumers and others changed modes of travel to economise on transport costs.

The group competed effectively in the market and utilised its strong brand profile and consistent convenience and service offering to retain existing business and attract new customers.

The commercial side of the business was affected by the loss of government accounts to citizen owned companies. Distributors of lubricants continued to play a pivotal role in the good financial performance of this channel. The group achieved a good Net Promoter Score which was testimony to Engen Botswana team's dedication to customer centricity. There was very strong price competition in this sector, however, the group managed to deliver robust performance. The group was awarded the Diamond Arrow Award for

the most admired petroleum brand in Botswana for the second year in a row.

Health, Safety, Environmental and Quality (HSEQ) Key Performance Indicators for the year under review were met and in many cases exceeded. This continues to be a key focus area in our business and there is zero tolerance to actions or behaviour that will compromise our stringent HSEQ standards. No major health and safety incidents were recorded in 2023.

Efficiency continued to be enhanced in the Distribution part of the business in order to ensure 'On Time and In Full' deliveries, a healthy level of 'Inventory Days of Supply' and the effective management the 'Cost to Serve'.

**Conclusion**

The Directors of the group would like to thank our valued customers, suppliers, shareholders and all other stakeholders for their on-going support which contributed towards the successful year of Engen Botswana Limited. The directors would also like to extend their appreciation to the management and staff for the tremendous effort applied during the year under review that ensured that we maintained our position as one of the leading petroleum companies in Botswana.

**By order of the Board**

**Dr S Ndzinge** (Chairman)

**B F Sameke** (Acting Managing Director)

25 March 2024

**Declaration of Final Dividend No. 62**

Notice is hereby given that a final gross dividend of 193.0 thebe per share in respect of the year ended 31 December 2023 has been declared payable to ordinary shareholders registered in the books of the Group at the close of business on 12 April 2024 with an ex-dividend date of 10 April 2024.

In compliance with the requirements of the Income Tax Act, withholding tax at the rate of 10% will be deducted by the company from all dividends.

Dividend transfers will be dispatched by the Transfer Secretaries on or about 24 April 2024. A shareholder who requires the company to make any changes regarding the payment of their dividend must lodge a written request with the Transfer Secretaries on or before 23 April 2024.

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**Transfer Secretaries**  
**CSD Botswana**  
**Fairscape Precinct**  
**Plot 70667**  
**P Bag 00417**  
**Gaborone**