

GROUP UNAUDITED RESULTS

FOR SIX MONTHS ENDED 31ST JANUARY 2024

FURNMART LIMITED

HOME CORP
MEGA STORE • MEGA SAVINGS

Furnmart

(ALL AMOUNTS IN PULA '000)

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 Months	6 Months
	31/01/2024	31/01/2023
	Unaudited	Unaudited
Revenue	870 530	787 531
Operating income	133 205	124 246
Depreciation	(58 131)	(60 050)
Exchange loss	(8 855)	(10 567)
Net finance cost	(22 600)	(23 629)
Profit before tax	43 619	30 000
Tax expenses:		
Income tax	(9 910)	(5 919)
Profit after tax	33 709	24 081
Other Comprehensive Income		
Currency translation differences	(2 814)	(3 702)
Total comprehensive income for the period	30 895	20 379
Dividend (gross)		
Dividend rate - Interim per share (thebe)	3.30	3.00
Dividend declared - Interim	16 540	15 037
Weighted average number of shares in issue	501 222 174	501 222 174
Basic earnings per share (thebe)	6.73	4.80

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As of	As of
	31/01/2024	31/01/2023
	Unaudited	Unaudited
Assets		
Right of use assets	368 450	395 574
Property, plant & equipment	79 925	78 514
Intangible assets - developed software	2 280	3 835
Investment in Cell Captives	33 820	32 255
Deferred income tax	32 524	26 432
Investment in associate	61	91
Inventories	248 337	294 317
Trade receivables	650 497	615 515
Other current assets	45 854	61 611
Cash and bank balances	40 043	8 760
Total Assets	1 501 791	1 516 904
Equity and Liabilities		
Stated capital and reserves	661 236	668 226
Non - Current Liabilities		
Lease liabilities	403 478	430 962
Borrowings	150 587	157 962
Deferred income tax	507	741
Current Liabilities		
Lease liabilities	100 869	86 603
Borrowings (including bank overdrafts)	67 667	83 251
Trade and other payables	111 929	88 817
Other current liabilities	5 518	342
Total Equity and Liabilities	1 501 791	1 516 904

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months	6 Months
	31/01/2024	31/01/2023
	Unaudited	Unaudited
Operating activities		
Cash generated from / (utilised in) operations	71 308	(23 218)
Income tax paid	(17 050)	(11 754)
Investing activities		
Purchase of property, plant and equipment (net)	(10 522)	(15 227)
Investments in Cell Captives (net of dividends received)	5 431	(277)
Loan to related party - repayments	35 365	20 869
Interest received	2 276	2 817
Financing activities		
Net movement in borrowings	(2 419)	(2 930)
Lease payments	(56 458)	(58 750)
Interest paid	(7 636)	(9 065)
Dividends paid	(57 641)	-
Net decrease in cash and cash equivalents	(37 346)	(97 535)
Exchange loss on cash and bank balances	(13 452)	(16 380)
Cash and cash equivalents at the beginning of period	31 111	44 686
Cash and cash equivalents at the end of the period (including overdrafts)	(19 687)	(69 229)

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Stated capital	Foreign Currency translation reserve	Retained earnings	Total
Current Year				
Balance as at 31st July 2023	128 474	(39 579)	599 087	687 982
Total comprehensive income		(2 814)	33 709	30 895
Dividend paid - Final 2023			(57 641)	(57 641)
Balance as at 31st January 2024	128 474	(42 393)	575 155	661 236
Prior year				
Balance as at 31st July 2022	128 474	(36 276)	555 649	647 847
Total comprehensive income		(3 702)	24 081	20 379
Balance as at 31st January 2023	128 474	(39 978)	579 730	668 226

RESULTS

Revenue of P870.5m for the six months ended January 2024 was P83.0m (10.5%) higher than the prior year. Sustained growth in credit sales and the resultant increase in the trade receivable book, over the last 24 months, have contributed to higher finance and ancillary services income, compared to the prior year.

Gross profit margins remain under pressure and were below the comparable six-month period.

Operating income of P133.2m is P9.0m (7.2%) higher than the corresponding period. The increase in operating income resulted, in the main, from higher finance income earned, partially offset by higher trade receivable impairment costs.

The trade receivable impairment provision has increased by P34.4m (14.8%), mainly because of the growth in the trade receivable book. The impairment provision on the trade receivable book, expressed as a percentage to the book, has increased marginally compared to the prior year. However, the ratio is in line with the July 2023 year-end percentage. The trade receivable book remains adequately provided for expected credit losses.

As a result of the continued strengthening of the Pula against the South African Rand and Namibian Dollar, the exchange difference on intercompany receivables was again a loss, albeit P1.7m less than the prior year.

Profit after tax of P33.7m is P9.6m (40.0%) higher than the previous year.

OPERATIONS

The Group opened two (2) new Furnmart stores during the 6 (six) month period and will continue with a programme of refurbishing older stores.

Cash generated from operations during the period under review was strong despite the growth in the trade receivable book – due to improved operating income and other working capital management.

DIVIDEND DECLARATION

A gross interim dividend of 3.30t per share was declared on the 18th of April 2024, and is payable to shareholders registered on the 26th of April 2024, for payment on the 3rd of May 2024.

The key dates for this payment are:-

Record date to participate in dividend: 26th April 2024
Payment 3rd May 2024

In terms of the Botswana Income Tax Act, a withholding tax at the applicable rate will be deducted.

For Furnmart Limited

T. L. J. Mynhardt
Deputy Chairman

D. S. le Roux
Managing Director
Date: 18th April 2024

Transfer Secretary
DPS Consulting Services (Pty) Limited
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Fairgrounds Office Park, Gaborone
P. O. Box 1453, Gaborone, Botswana

Auditor
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NOTES

a) The accounting policies and methods of computation used in preparing these financial statements have been consistent with those used in the annual financial statements to 31st July 2023.

b) Figures are regrouped wherever necessary to ensure comparability.

DIRECTORS

J. T. Mynhardt (Chairman), T. L. J. Mynhardt (Deputy Chairman),
D. S. le Roux* (Managing Director), F. B. Lebala, S. Venkataramani+, E. Odendaal*,
L. G. Waldeck*, J. P. McLoughlin*
*South African, +Indian