

UNAUDITED ABRIDGED FINANCIAL RESULTS

FOR THE HALF YEAR ENDED
30 JUNE 2023



SECHABA BREWERY HOLDINGS LIMITED
Incorporated in the Republic of Botswana

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

Sechaba Brewery Holdings Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023

	30-Jun-2023	30-Jun-2022
	P'000	P'000
INCOME		
Share of profit after tax of associates	131,482	101,632
Interest income	2,367	1,583
Other Income	-	2
Administration and other expenses	(1,791)	(2,003)
PROFIT BEFORE TAX	132,058	101,214
Income tax expense	(13,664)	(24,757)
PROFIT FOR THE PERIOD	118,394	76,457
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	118,394	76,457
Earnings per share		
Per share information		
Basic earnings per share (thebe)	107.03	69.12

Sechaba Brewery Holdings Limited

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	30-Jun-2023	30-Jun-2022
	P'000	P'000
Cash flows from operating activities		
Net cash utilised in operations	(1,862)	(2,039)
Income tax paid	(14,021)	(6,105)
Net cash utilised in operating activities	(15,883)	(8,144)
Cash flows from investing activities		
Dividends received	136,752	60,736
Purchase of equipment	(32)	-
Interest received	2,367	1,583
Net cash generated from investing activities	139,087	62,319
Cash flows from financing activities		
Dividends paid to shareholders	(144,147)	(107,959)
Net cash utilised in financing activities	(144,147)	(107,959)
Changes in cash and cash equivalents	(20,943)	(53,784)
Movement in cash and cash equivalents		
Cash and cash equivalents at 01 January	45,000	67,494
Changes in cash and cash equivalents	(20,943)	(53,784)
Cash and cash equivalents at 30 June	24,057	13,710

Statement on basis and preparation of the Annual Financial Statements

The Board of Directors of Sechaba Brewery Holdings Limited (SBHL) has the pleasure to present to you the abridged unaudited financial results and position for the half year period ended 30 June 2023. The accounting policies adopted comply in all material respects with the International Financial Reporting Standards and are consistent with the previous reported period.

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). 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. SBHL's results for the period therefore directly relate to those of its two associates - KBL and CCBB.

Volume performance

Overall volumes sales increased during the half year period ended 30 June 2023, with KBL volumes decreasing slightly by 0.5% (from 732.1 HL to 728.7 HL) whilst CCBB volumes increased by 3% (from 515.8 HL to 532.6 HL).

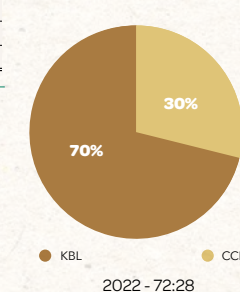
Financial performance

Sechaba Brewery Holdings Limited (SBHL) achieved a 55% overall increase in profit after tax when compared to previous half year results. The main drivers for this performance was the increase in sales revenue. Total volumes increased by 1% from 1,247.9 HL to 1,261.3 HL. SBHL revenue increased by 29% driven by share of Profit after tax of associates. Both CCBB and KBL had a positive net revenue growth rate at 16.6% for CCBB and 6.7% for KBL. In terms of profit after tax, KBL achieved a 33.2% increase in comparison to prior year mainly driven by pricing, cost containment measures and increased other income. CCBB on the other hand had a 10% reduction in profit after tax mainly due to an increase in operational expenditure such as maintenance costs, fuel and utilities. SBHL is pleased to report a robust liquidity position, exemplifying sound financial management and ability to meet our immediate financial commitments. Our liquidity is a testament to our prudent financial practices, operational efficiency, and strategic planning. The company believes that there is sufficient liquidity to sustain operations for the next 12 months and beyond.

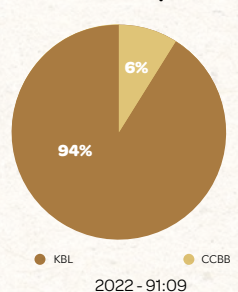
Business outlook

A global economic rebound has become evident in recent times. In the case of Botswana, there was a 5.8% rise in real GDP during the year 2022, which, while positive, marked a decrease from the substantial 11.9% growth seen in 2021. Projections indicate that GDP expansion will persist, with anticipated growth rates of 3.8% and 4.4% forecasted for the years 2023 and 2024, respectively. This resurgence in economic performance is closely linked to the gradual return to normalcy as business operations restrictions related to the pandemic have been lifted. Anticipations suggest that the conducive environment will foster an enhanced performance for SBHL associates. It is essential to recognize that business conditions can change rapidly, therefore, our associates will continue to remain agile, responsive to market trends, and committed to sustainable practices to thrive in the evolving local and global business landscape in pursuit of optimising shareholder value. SBHL and its associates places strong emphasis on sustainability throughout operations, from sourcing ingredients, adopting eco-friendly practices and packaging materials to meet consumer demands and reduce on carbon footprint.

Jun-2023 Contribution to revenue



Jun-2023 Contribution to profit



Sechaba Brewery Holdings Limited

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	30-Jun-2023	31-Dec-2022
	P'000	P'000
ASSETS		
Non-current assets		
Equipment	42	12
Investment in associates	992,836	998,106
	992,878	998,118
Current assets		
Trade and other receivables	360	255
Cash and cash equivalents	24,057	45,000
	24,417	45,255
Total assets	1,017,295	1,043,373
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	194,548	194,548
Hedging reserves	388	388
Retained earnings	741,743	769,363
Total equity	936,679	964,299
Non-current liabilities		
Deferred taxation	70,130	70,656
Current liabilities		
Trade and other payables	484	452
Dividend payable	9,612	7,745
Current taxation payable	390	221
	10,486	8,418
Total liabilities	80,616	79,074
Total equity and liabilities	1,017,295	1,043,373

Sechaba Brewery Holdings Limited

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

	Attributable to equity holders of the company			
	Stated Capital	Hedging Reserves	Retained Earnings	Total
	P'000	P'000	P'000	P'000
Balance at 1 January 2022	194,548	388	683,433	878,369
Profit for the period	-	-	76,457	76,457
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	76,457	76,457
<i>Dividends paid</i>				
2021 financial year - final	-	-	(108,405)	(108,405)
Total transaction with owners	-	-	(31,948)	(31,948)
Balance at 30 June 2022	194,548	388	651,485	846,421
Balance at 1 July 2022	194,548	388	651,485	846,421
Profit for the year	-	-	146,638	146,638
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	146,638	146,638
<i>Dividends paid</i>				
2022 financial year interim dividends	-	-	(28,760)	(28,760)
Total transaction with owners	-	-	(117,878)	(117,878)
Balance at 31 December 2022	194,548	388	769,363	964,299
Balance at 1 January 2023	194,548	388	769,363	964,299
Profit for the period	-	-	118,394	118,394
Other Comprehensive income	-	-	-	-
Total Comprehensive income for the period	-	-	118,394	118,394
<i>Dividends paid</i>				
2022 financial year - final dividends	-	-	(146,014)	(146,014)
Total transaction with owners	-	-	(27,620)	(27,620)
Balance at 30 June 2023	194,548	388	741,743	936,679

Sechaba Brewery Holdings Limited

RECONCILIATION OF NET ASSETS TO EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

	Kgalagadi Breweries Limited (Pty) Ltd	Coca cola Beverages (Botswana) (Pty) Ltd	Total
	P'000	P'000	P'000
30 June 2023			
Total net assets of the associate	1,488,802	319,084	1,807,886
Share of net assets of associates 49.9%	742,913	159,223	902,136
Goodwill	90,700	-	90,700
Carrying value	833,613	159,223	992,836
<i>Reconciliation:</i>			
Investment as at 01 January 2023	839,513	158,593	998,106
Share of profit	123,341	8,141	131,482
Share of dividend received from associates	(129,241)	(7,511)	(136,752)
Investment as at 30 June 2023	833,613	159,223	992,836
31 December 2022			
Total net assets of the associates	1,500,626	317,817	1,818,443
Share of net assets of associates 49.9%	748,813	158,593	907,406
Goodwill	90,700	-	90,700
Carrying value	839,513	158,593	998,106
<i>Reconciliation:</i>			
Investment as at 01 January 2022	698,592	162,309	860,901
Share of profit	224,254	41,633	265,887
Share of OCI	-	-	-
Share of dividend received from associates	(83,333)	(45,349)	(128,682)
Investment as at 31 December 2022	839,513	158,593	998,106

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.

SUMMARISED PERFORMANCE

	30-Jun-2023	30-Jun-2022	% Change
	P'000	P'000	
KBL Volumes (HL '000)	728.7	732.1	(0.5%)
KBL results			
Profit before tax	292,233	217,521	34%
Taxation	(45,057)	(31,949)	41%
Profit after tax	247,176	185,572	33%
CCBB Volumes (HL '000)	532.6	515.8	3%
CCBB results			
Profit before tax	20,620	21,062	(2%)
Taxation	(4,304)	(2,962)	45%
Profit after tax	16,316	18,100	(10%)
SBHL Results			
Share of results of associates	131,482	101,632	29%
Profit before tax for the period	132,058	101,214	30%
Profit after tax for the period	118,394	76,457	55%
Total comprehensive income	118,394	76,457	55%
Earnings per share	107.03	69.12	55%

SECHABA BREWERY HOLDINGS LIMITED CONTACTS

Company Secretaries & Registered Office

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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 interim dividend of 10.3 thebe per share. The dividend distribution is subject to ratification by the shareholders at the Annual General Meeting. This dividend shall be paid on 23rd October 2023, to those shareholders registered on the last date to register, being close of business on 11th October 2023. The ex-dividend date will be 9th October 2023. 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 period ended 30th June 2023 for the dividend amount.

Tabuya Tau
Chairman

Faith Asnath Nteta
Managing Director

Date: 15 September 2023

Directors

Name	Position	Category
Tabuya Tau	Chairman	Non-executive Independent
Faith Asnath Nteta	Managing Director	Executive
Meshack Tsheredi	Member	Non-executive Independent
Boitumelo Paya	Member	Non-executive Independent
Modise Mokone	Member	Non-executive Independent
Jayaraman Ramesh	Member	Non-executive Independent
Gorata Tlhale Dibotelo	Member	Non-executive Independent