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SAMEER AFRICA PLC UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30TH JUNE, 2023

The Board of Directors of Sameer Africa PLC announces the unaudited financial results of the group for the six months ended 30th June 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2023

	2023 KShs '000'	2022 KShs '000'
Revenue	201,197	313,575
Cost of sales	(26,636)	(109,848)
Gross profit	**174,561**	**203,727**
Other operating income	20,860	1,289
Operating expenses	(69,730)	(64,019)
Operating profit	**125,691**	**140,997**
Net finance costs	(69,273)	(31,635)
Share of profit of equity accounted investee (net of income tax)	4,893	4,227
Profit before income tax	**61,311**	**113,589**
Income tax expense	(37,079)	(45,959)
Profit for the period	**24,232**	**67,630**
Total other comprehensive income for the period	**7,097**	**1,032**
Total comprehensive income for the period	**31,329**	**68,662**
Earnings per share: Basic and diluted (KShs)	**0.09**	**0.24**

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	30 June 2023 KShs '000'	31 December 2022 KShs '000'	30 June 2022 KShs '000'
ASSETS			
Non-current assets			
Property, plant and equipment	11,011	13,648	26,594
Investment properties	657,111	643,647	599,012
Prepaid operating lease rentals	328	330	332
Equity accounted investee	194,729	189,837	181,788
Total non-current assets	**863,179**	**847,462**	**807,726**
Current assets	**455,753**	**365,224**	**273,625**
TOTAL ASSETS	**1,318,932**	**1,212,686**	**1,081,351**
EQUITY			
Share capital	1,391,712	1,391,712	1,391,712
Retained earnings	(763,008)	(787,240)	(819,874)
Translation reserve	(167,206)	(174,303)	(169,077)
Total equity	**461,498**	**430,169**	**402,761**
LIABILITIES			
Non-current liabilities	**500,372**	**452,386**	**512,945**
Current liabilities	**357,062**	**330,131**	**165,645**
Total liabilities	**857,434**	**782,517**	**678,590**
TOTAL EQUITY AND LIABILITIES	**1,318,932**	**1,212,686**	**1,081,351**

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Share Capital KShs '000'	Retained Earnings KShs '000'	Translation Reserve KShs '000'	Total KShs '000'
At 1 January 2023	**1,391,712**	**(787,240)**	**(174,303)**	**430,169**
Total comprehensive income	-	24,232	7,097	31,329
At 30 June 2023	**1,391,712**	**(763,008)**	**(167,206)**	**461,498**
At 1 January 2022	**1,391,712**	**(887,504)**	**(170,109)**	**334,099**
Total comprehensive income	**-**	**67,630**	**1,032**	**68,662**
At 30 June 2022	**1,391,712**	**(819,874)**	**(169,077)**	**402,761**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2023

	2023 KShs '000'	2022 KShs '000'
Cash generated from operating activities	**100,419**	**122,515**
Interest paid	(18,120)	(19,389)
Income tax paid	(39,125)	(73,671)
Net cash generated from operating activities	**43,174**	**29,455**
Net cash used in investing activities	**(18,318)**	**(26,958)**
Net cash used in financing activities	**-**	**-**
Increase in cash and cash equivalents	**24,856**	**2,497**
Movement in cash and cash equivalents:		
At start of the period	142,874	38,876
At end of the period	**167,730**	**41,373**

GROUP RESULTS

The Group's operating profit for the period was KShs 126 million, a 11% decline from KShs 141 million reported in the first half of 2022. This was mainly attributable to the depreciation of the Kenya shilling in the period to date and the exchange loss of KShs 48 million booked on the term loans. Performance in the property segment continued on an upward trajectory, achieving 100% retention of tenants whose agreements were lapsing over the period and proactively managing operating costs despite the high inflation environment. Operating profit margin improved from 45% reported in the first half of 2022 to 60% over the review period, reflecting the Board's commitment to safeguarding gains in the property segment from the persisting challenges in the tyre trading segment.

OUTLOOK

In the second half of the year, the Group will continue to focus on the strategic objectives set for the period. The infill expansion project is at the final stages of approval and is on course to commence this year. Once completed, the new facilities will provide an opportunity to increase earnings predictably through long-term lease agreements. Further, proceeds from the sale of a portion of undeveloped leasehold land that we expect to conclude in the year will allow the Group to retire a significant portion of the debt, providing savings in finance costs and reducing exposure to foreign exchange losses.

Given the political and economic uncertainties in our primary market, we are cautiously optimistic and continue to closely monitor the unfolding dynamics to ensure we adapt our business operations and strategy in a timely and effective manner.

DIVIDEND

The Board of Directors do not recommend the payment of an interim dividend.

BY ORDER OF THE BOARD
Mercy Mbijiwe
COMPANY SECRETARY

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