

FINANCIAL RESULTS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

The Board of Directors of EVEREADY East Africa Plc is pleased to announce the audited financial results of the Group and Company for the financial year ended 30th September 2021 as set out below:

EVEREADY E.A. PLC

OUR BUSINESS

EVEREADY East Africa PLC (the "Company" or "EVEREADY") is a consumer goods company focused on providing branded portable power solutions packaged to consumers in Kenya. The Company is headquartered in Nairobi, Kenya. The Company which is one of the largest portable power solutions in Kenya was founded in 1967 and is listed in the Nairobi Securities Exchange.

EVEREADY operates in three segments automotive, lighting and household. The Company sells its products in Kenya primarily through automotive dealers, hypermarkets, wholesalers, electronic stores, institutions, retail stores, petrol stations, high-frequency stores, and e-commerce.

Automotive Segment: The Company offers maintenance free car batteries, vented car batteries, battery water and battery acid in its automotive segment under the brands TURBO® and TURBOPlus®.

Household Segment: The Company offers dry cell batteries in sizes 'D' 'AA' 'AAA' '9V', 'C' and miniature in carbon zinc, alkaline batteries, lithium, and rechargeable constructions. The products under this segment are traded under the brands TURBO® and TURBOPlus®. This segment also includes the company's fabric care segment under the brand EVERCLEAN® and, motor vehicle tyres under the brand name FALKEN TYRES®.

Lighting Segment: The Company offers flashlights, lanterns, and bulbs under the brands TURBO® and TURBOPlus®.

PERFORMANCE AT A GLANCE

Financial Year	2021	2020	2019
Net Sales	KES 90M	KES 134M	KES 191M
Earnings Per Share (EPS)	(0.17)	(0.33)	(1.45)
Profit After Tax	(KES 35M)	(KES 69M)	(KES 304M)
Cash Flows End of Year	KES 29M	KES 68M	KES 78M
Dividend	KES Nil	KES Nil	KES Nil

CATEGORY CONTRIBUTION



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	Share Capital KES '000	Translation Reserve KES '000	Retained Earnings KES '000	Total KES '000
GROUP				
At 1st October 2019	210,000	18,159	(118,158)	110,001
Changes in Equity in 2020				
Loss for the Year	-	-	(69,101)	(69,101)
At 30th September 2020	210,000	18,159	(187,168)	40,991
At 1st October 2020	210,000	18,159	(187,168)	40,991
Changes in Equity in 2021				
Loss for the Year	-	-	(34,691)	(34,691)
At 30th September 2021	210,000	18,159	(221,859)	6,300
COMPANY				
At 1st October 2019	210,000	-	(99,999)	110,001
Changes in Equity in 2020				
Loss for the Year	-	-	(69,010)	(69,010)
At 30th September 2020	210,000	-	(169,009)	40,991
At 1st October 2020	210,000	-	(169,009)	40,991
Changes in Equity in 2021				
Loss for the Year	-	-	(34,691)	(34,691)
At 30th September 2021	210,000	-	(203,700)	6,300

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	GROUP		COMPANY	
	2021 KES '000	2020 KES '000	2021 KES '000	2020 KES '000
Continuing Operations				
Sales	89,816	133,590	89,816	133,590
Cost of Sales	(68,696)	(105,655)	(68,696)	(105,655)
Gross Profit	21,120	27,935	21,120	27,935
Other Income	10,400	9,066	10,400	9,066
Selling & Distribution Expenses	(10,355)	(12,881)	(10,355)	(12,881)
Administrative Expenses	(52,507)	(65,127)	(52,507)	(65,127)
Establishment Expenses	(7,389)	(6,370)	(7,389)	(6,370)
Impairment of Assets	3,133	366	3,133	366
Finance Costs	(3,378)	(2,926)	(3,378)	(2,926)
Loss Before Tax	(38,976)	(49,937)	(38,976)	(49,937)
Tax Income/(Expense)	4,285	(19,073)	4,285	(19,073)
(Loss)/Profit for the Year	(34,691)	(69,010)	(34,691)	(69,010)
Earnings Per Share	KES (0.17)	KES (0.33)	KES (0.17)	KES (0.33)
Loss Per Share - Basic & Diluted	KES (0.17)	KES (0.33)	KES (0.17)	KES (0.33)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH SEPTEMBER 2021

	GROUP		COMPANY	
	2021 KES '000	2020 KES '000	2021 KES '000	2020 KES '000
Cash Flows From Operating Activities				
(Loss) Before Tax	(34,691)	(69,010)	(34,691)	(69,010)
Adjustments For:				
Income Tax	(4,285)	19,073	(4,285)	19,073
Depreciation of Equipment	2,112	972	2,112	972
Depreciation of Right-of-Use Assets	3,880	3,880	3,880	3,880
Gain on Disposal of Assets	-	(1,144)	-	(1,144)
Interest Expense	2,535	2,030	2,535	2,030
Interest Paid on Lease Liabilities	843	896	843	896
Operating Loss Before Working Capital Changes	(29,606)	(43,303)	(29,606)	(43,303)
Decrease/(Increase) in Inventories	19,196	(2,041)	19,196	(2,041)
Decrease in Trade and Other Receivables	4,004	38,510	4,004	38,510
Decrease in Trade and Other Payables	(19,925)	17,953	(19,925)	17,953
Decrease in Provision of Liabilities	(4,424)	(4,423)	(4,424)	(4,423)
Cash (Used in)/Generated From Operations	(30,755)	6,696	(30,755)	6,696
Interest Paid	(2,535)	(2,030)	(2,535)	(2,030)
Interest Paid Lease Liabilities	(843)	(896)	(843)	(896)
Tax Paid	(1,623)	(2,372)	(1,623)	(2,372)
Net Cash (Used In)/Generated From Operating Activities	(35,756)	1,398	(35,756)	1,398
Cash Flows From Investing Activities				
Purchase of Equipment	-	(80)	-	(80)
Proceeds From Disposal of Equipment	-	1,232	-	1,232
Net Cash Generated From Investing Activities	-	1,152	-	1,152
Cash Flows From Financing Activities				
Payment of Principal Portion of The Lease Liability	(3,475)	(3,628)	(3,475)	(3,628)
Proceeds From/ (Repayment of) Borrowings	1,054	(9,490)	1,054	(9,490)
Net Cash Used In Financing Activities	(2,421)	(13,118)	(2,421)	(13,118)
Net Decrease in Cash and Cash Equivalents	(38,177)	(10,568)	(38,177)	(10,568)
Cash and Cash Equivalents at Start of The Year	67,621	78,189	67,621	78,189
Cash and Cash Equivalents at End of The Year	29,444	67,621	29,444	67,621

BALANCE SHEET AS AT 30TH SEPTEMBER 2021

	GROUP		COMPANY	
	2021 KES '000	2020 KES '000	2021 KES '000	2020 KES '000
Equity				
Share Capital	210,000	210,000	210,000	210,000
Translation Reserve	18,159	18,159	-	-
Retained Earnings	(221,859)	(187,168)	(203,700)	(169,009)
Total Equity	6,300	40,991	6,300	40,991
Non-Current Liabilities				
Lease Liabilities	697	3,744	697	3,744
Provision For Liabilities	-	4,424	-	4,424
	697	8,168	697	8,168
	6,997	49,159	6,997	49,159
REPRESENTED BY				
Non-current assets				
Right Of Use Assets	3,879	7,759	3,879	7,759
Equipment	1,393	3,505	1,393	3,505
Deferred Income Tax	37,578	31,872	37,578	31,872
	42,850	43,136	42,850	43,136
Current assets				
Inventories	18,859	38,055	18,859	38,055
Trade And Other Receivables	38,040	42,044	38,040	42,044
Cash At Bank And In Hand	59,444	77,850	59,444	77,850
	116,343	157,949	116,343	157,949
Current liabilities				
Lease Liabilities	3,839	4,267	3,839	4,267
Trade And Other Payables	109,756	129,681	109,756	129,681
Current Tax	4,345	4,547	4,345	4,547
Borrowings	34,256	13,431	34,256	13,431
	152,196	151,926	152,196	151,926
Net Current (liabilities)/asset	(35,853)	6,023	(35,853)	6,023
	6,997	49,159	6,997	49,159

COMMENTS ON THE AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

Company Performance

The year began on a low note following the challenges experienced in the previous year and was made worse by the operational challenges occasioned by working capital, supply chain globally and effects of the Covid-19 pandemic, especially in the first half of the fiscal year. This subsequently improved in the second half of the year as the Company redefined its supply chain strategy to align with global trade flows by considering new trade agreements and appointing alternative suppliers from the South African Development Community (SADC) and Common Market for Eastern and Southern Africa (COMESA) to mitigate the supply chain risk.

The Company reported a loss after tax of KES 35 million compared to KES 69 million the previous year, a 49% improvement. There was a 33% decrease in revenue due to lower sales numbers during the period principally because of the Covid-19 pandemic which impacted our customers and our supply chain and route to market in the period. We adopted strict cost saving measures in response to the pandemic which resulted to 17% reduction in overhead costs.

Dividend

The Directors do not recommend the payment of a dividend.

Outlook

The effects of the Covid-19 pandemic remain a concern, the Board and Management have taken the necessary actions to safeguard our staff and interests of the business in 2022 and beyond. Though the core capital has been eroded over time; the Company shall continue engaging its key stakeholders on initiatives to place it on a path to sustainable recovery.

BY ORDER OF THE BOARD

Lucy W. Waitthaka

Mrs. Lucy W. WAITHAKA, Chairperson

Thomas M. Masaki

Mr. Thomas M. MASAKI, Ag. MD

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