# FINANCIAL RESULTS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

THE BOARD OF DIRECTORS OF EVEREADY EAST AFRICA PLC ARE PLEASED TO ANNOUNCE THE AUDITED FINANCIAL RESULTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED 30TH SEPTEMBER 2022.

**EVEREADY E.A. PLC**

## About Us

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.

## PERFORMANCE AT A GLANCE

| Financial Year | 2022 | 2021 | 2020 |
|---|---|---|---|
| Net Sales | KES 83M | KES 90M | KES 134M |
| Earnings/Loss Per Share (EPS) | ( 0.24 ) | ( 0.17 ) | ( 0.33 ) |
| Profit (Loss) After Tax | ( KES 51M) | ( KES 35M) | ( KES 69M) |
| Cash Flows End of Year | KES 35M | KES 29M | KES 68M |
| Dividend | KES Nil | KES Nil | KES Nil |

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH SEPTEMBER 2022

| | 2022 KES '000 | 2021 KES '000 |
|---|---|---|
| **Continuing Operations** | | |
| Sales | 82,624 | 89,816 |
| Cost of Sales | (59,595) | (68,696) |
| Gross Profit | 23,029 | 21,120 |
| Other Income | 22,607 | 10,400 |
| Selling & Distribution Expenses | (8,045) | (10,355) |
| Administrative Expenses | (47,504) | (52,507) |
| Establishment Expenses | (5,353) | (7,389) |
| Impairment of Assets | 7,695 | 3,133 |
| Finance Costs | (4,158) | (3,378) |
| **Loss Before Tax** | (11,729) | (38,976) |
| Tax Income/(Expense) | (39,137) | 4,285 |
| (Loss)/Profit for the Year | (50,866) | (34,691) |
| Earnings Per Share | KES | KES |
| Loss Per Share - Basic & Diluted | (0.24) | (0.17) |

TURBO #UNSTOPPABLE POWER

TURBO SHIKA PAWA

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH SEPTEMBER 2022

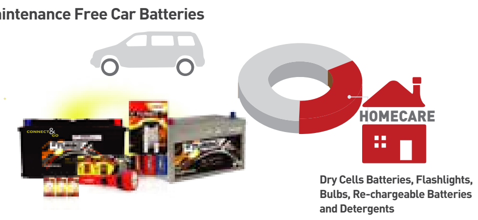
| | Share Capital KES '000 | Translation Reserve KES '000 | Retained Earnings KES '000 | Total KES '000 |
|---|---|---|---|---|
| At 1st October 2020 | 210,000 | - | (169,009) | 40,991 |
| Changes in Equity in 2021 | | | | |
| Loss for the Year | - | - | (34,691) | (34,691) |
| At 30th September 2021 | 210,000 | - | (203,700) | 6,300 |
| At 1st October 2021 | 210,000 | - | (203,700) | 6,300 |
| Changes in Equity in 2022 | | | | |
| Loss for the Year | - | - | (50,866) | (50,866) |
| At 30th September 2022 | 210,000 | - | (254,566) | (44,566) |

## BALANCE SHEET AS AT 30TH SEPTEMBER 2022

| | 2022 KES '000 | 2021 KES '000 |
|---|---|---|
| **Equity** | | |
| Share Capital | 210,000 | 210,000 |
| Translation Reserve | - | - |
| Retained Earnings | (254,566) | (203,700) |
| **Total Equity** | (44,566) | 6,300 |
| **Non-Current Liabilities** | | |
| Lease Liabilities | - | 697 |
| | - | 697 |
| | (44,566) | 6,997 |
| **REPRESENTED BY** | | |
| Non-Current Assets | | |
| Right Of Use Assets | - | 3,879 |
| Equipment | 1,160 | 1,393 |
| Deferred Income Tax | - | 37,578 |
| | 1,160 | 42,850 |
| **Current Assets** | | |
| Inventories | 15,652 | 18,859 |
| Trade And Other Receivables | 21,236 | 38,040 |
| Cash At Bank And In Hand | 64,243 | 59,444 |
| | 101,131 | 116,343 |
| **Current Liabilities** | | |
| Lease Liabilities | - | 3,839 |
| Trade And Other Payables | 111,175 | 109,756 |
| Current Tax | 4,466 | 4,345 |
| Borrowings | 31,216 | 34,256 |
| | 146,857 | 152,196 |
| Net Current (liabilities)/asset | (45,726) | (35,853) |
| | (44,566) | 6,997 |

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH SEPTEMBER 2022

| | 2022 KES '000 | 2021 KES '000 |
|---|---|---|
| **Cash Flows From Operating Activities** | | |
| (Loss) Before Tax | (50,866) | (34,691) |
| **Adjustments For:** | | |
| Income Tax | 39,137 | (4,285) |
| Depreciation of Equipment | 285 | 2,112 |
| Depreciation of Right-of-Use Assets | 3,880 | 3,880 |
| Gain on Disposal of Assets | (4,871) | - |
| Interest Expense | 3,780 | 2,535 |
| Interest Paid on Lease Liabilities | 378 | 843 |
| **Operating Loss Before Working Capital Changes** | (8,277) | (29,606) |
| Decrease/(Increase) in Inventories | 3,207 | 19,196 |
| Decrease in Trade and Other Receivables | 16,804 | 4,004 |
| Increase/(Decrease) in Trade and Other Payables | 1,419 | (19,925) |
| Decrease in Provision of Liabilities | - | (4,424) |
| **Cash (Used in)/Generated From Operations** | 13,153 | (30,755) |
| Interest Paid | (3,780) | (2,535) |
| Interest Paid Lease Liabilities | (378) | (843) |
| Tax Paid | (1,439) | (1,623) |
| **Net Cash (Used In)/Generated From Operating Activities** | 7,556 | (35,756) |
| **Cash Flows From Investing Activities** | | |
| Purchase of Equipment | (52) | - |
| Proceeds From Disposal of Equipment | 4,871 | - |
| **Net Cash Generated From Investing Activities** | 4,819 | - |
| **Cash Flows From Financing Activities** | | |
| Payment of Principal Portion of The Lease Liability | (4,536) | (3,475) |
| Proceeds From/ (Repayment of) Borrowings | (2,240) | 1,054 |
| **Net Cash Used In Financing Activities** | (6,776) | (2,421) |
| **Net Increase/(Decrease) in Cash and Cash Equivalents** | 5,599 | (38,177) |
| **Cash and Cash Equivalents at Start of The Year** | 29,444 | 67,621 |
| **Cash and Cash Equivalents at End of The Year** | 35,043 | 29,444 |




## COMMENTS ON THE AUDITED RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

### Company Performance

The business environment, remained challenging in the year 2022 despite easing of Covid-19 restrictions, was impacted by operational challenges occasioned by deficit in working capital, geopolitical situation, supply constraints following business resumption after two years period of the Covid-19 pandemic and the national general elections.

The Company reported an operational loss before tax of KES 12 million compared to KES 39 million the previous year, a 70% improvement and a loss after tax of KES 51 million (after derecognizing deferred tax asset amounting to KES 38 million) compared to KES 35 million the previous year, a 46% decline. There was 8% decrease in revenue due to lower sales numbers during the period principally because working capital constraints as a result of decreased collections which impacted the supply chain and route to market in the period. We adopted strict cost saving measures which resulted to 13% reduction in overhead costs.

### Dividend

The Directors do not recommend the payment of a dividend.

### Outlook

The company on 20th April 2023 received a notice from a strategic investor who upon acquisition of the majority stake in the Company will:

a) put in place measures to improve the Company financial performance while leveraging on the strong household brand and long-term heritage;

b) leverage on its networks to assist the Company in rolling out a turnaround strategy and support the future growth of the Company;

c) strengthen capacity to fund investment required to support future growth of the company; and

d) introduce diversification in the Company's product lines including oil and gas sectors so as to improve the finance stability while maximizing the shareholders' value going forward.

The Board of Directors has approved the above proposed transaction.

**BY ORDER OF THE BOARD**

**Mrs. Lucy W. WAITHAKA, CHAIRPERSON**

**Mr. Thomas M. MASAKI, Ag. MANAGING DIRECTOR**

**26th April 2023**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