



Bata Shoe Company Plc.
(Incorporated in the Republic of Zambia)
Company registration number 2557
Share Code: BATA
ISIN: ZM0000000102 (“Bata” or “the Company”)

In accordance with the requirements of the Securities and Exchange Act No. 41 of 2016, Zambia Bata Shoe Company PLC announces its audited financial results for the year ended 31st December 2021

STATEMENT OF PROFIT AND LOSS

For Year ended 30 December 2021

In Zambia Kwacha

(Expressed in Local Currency '000)

	2021	2020
	ZMW '000	ZMW '000
Turnover	164,340	145,002
Cost of Goods Sold	(87,354)	(82,179)
Gross Profit	76,985	62,823
Profit Before Tax	6,580	2,748
Taxation	(2,646)	(1,438)
Net Profit/ (loss)	3,934	1,309
Profit Attributable to:		
Equity Holders of the parent company	2,940	979
Minority interest	994	331
Number of shares issued	76,108	76,108
Basic and Diluted Earnings Per share	0.05	0.02

STATEMENT OF FINANCIAL POSITION

For the period ending 31 December 2021

In Zambia Kwacha

Assets

Property, plant and equipment

Right-of-use assets

Intangible assets

Total non – current assets

Inventories

Other Current Assets

Total current assets

Total assets

Equity

Share capital

Revaluation reserves

Retained earnings

Total equity

Liabilities

Lease liabilities

Net deferred tax liability

Total non-current liabilities

Total current liabilities

Total liabilities

Total equity and liabilities

	2021	2020
	ZMW '000	ZMW '000
Property, plant and equipment	65,531	49,748
Right-of-use assets	13,014	15,459
Intangible assets	81	102
Total non – current assets	78,626	65,309
Inventories	34,962	21,088
Other Current Assets	63,961	65,997
Total current assets	98,923	87,085
Total assets	177,549	152,394
Equity		
Share capital	761	761
Revaluation reserves	44,850	28,231
Retained earnings	67,591	64,559
Total equity	113,202	93,551
Liabilities		
Lease liabilities	7,385	10,389
Net deferred tax liability	10,524	10,866
Total non-current liabilities	17,909	21,255
Total current liabilities	46,438	37,586
Total liabilities	64,347	58,841
Total equity and liabilities	177,549	152,392

STATEMENT OF CASHFLOWS
For Year ended 30 December 2021
In Zambian Kwacha

	2021 ZMW '000	2020 ZMW '000	Statement of changes in equity For year ended 31 December 2021				
			Share Capital	Revaluation reserve	Retained earnings	Total	
Net cash from operating activities	16,292	44,911					
Net cashflow from investing activities	(10,466)	(2,988)	At start of year	761	28,231	64,559	93,551
Net cash from Financing activities	(7,399)	(4,817)	Profit for the period	-	-	3,934	3,934
Net increase /(decrease) in cash and cash equivalents	(1,573)	37,106	Total comprehensive income	-	16,619	619	17,238
Cash and cash equivalents at the beginning of period	50,929	13,823	Dividends paid	-	-	(1,522)	(1,522)
Cash and cash equivalents as at December 2021	49,356	50,929	At end of period	761	44,850	67,590	113,201

Performance

Merchandizing:

We prioritized on NOOS "Never Out of Stock" collection, best sellers and volume lines which included school shoes, Gumboots, Tomy Takkies, NorthStar, Ladies and Men's Bata. We also changed our sourcing strategy to the regional (Africa) countries of South Africa, Zimbabwe and Kenya and enjoyed considerable gains of (1) shortened lead times, (2) better pricing due to SADDC and COMESA trading bloc advantages (3) faster/shortened reaction periods (4) Minimal stock holding with improved gains on working capital management.

Marketing:

We indeed had to observe a strict marketing budget. However, we invested in priority and must do exceptions including; (1) Back to school campaigns (2) Christmas campaigns (3) 3D launch of the 3D technology shoes which proved a success in our market and (4) Social media advertising with the use of platforms like Facebook and Instagram with minimal charges and a wide reach.

Retail:

As one of the leading Retail chains in the country we have continued to lead by example. Even under the backdrop of a tight budget; (1) our stores were kept clean, hygienic and in strict adherence to Covid 19 protocols (2) Negotiated rental reductions and conversion of dollar designated leases to local currencies and (3) managed to maintain all the 55 stores country wide.

Non-Retail Sales Division (NRSD):

We continued to pride ourselves as the leading local producer of Gumboots in the country which is a key product to the various industries in the country like, hospitals, farmers, mines, hotels and many other institutions. Our range of industrial shoes have also continued to perform well in support of this business channel.

Information Technology:

In the 4th Quarter we implemented Posworx which is a real time IT programme designed to connect our store operations with the related functionalities of Stock management, financial reports and business reports.

Production:

Despite the challenges of the machine performance, we managed to produce over pairs 400,000 of Gum boots and kept the production workforce intact. Capex plans are underway for an additional production line due to increasing demand.

Human Resources:

Staff are indeed our key assets and the company undertook strong initiatives to protect/ care for employees within and outside the company as well as provision of a healthy and enabling environment in the premises. This included; (1) conducting mandatory covid 19 testing on all employees on a monthly basis, (2) Temperature testing at the entrance of company premises (3) Disinfecting the offices daily and fumigation Daily disinfecting the offices every two weeks (4) Facilitation of vaccination to willing individuals etc.

Outlook:

As we "Step forward" into year 2022 we have clear priorities which include the following among others; (1) Safety – safety of our employees and our customers comes first. With the continuing infections around the world, we need to stay cautious, adopt vaccination and other health measures as advised by the local governments. (2) Build Pride in our brands – making Bata shoes a proud and smart choice for all our consumers. (3) Comfort with Style – update our assortment in line with our consumer needs (4) Responsible Citizen – consolidate our social commitment in community support etc (5) Act as one team (6) Export business – expansion of gum boot business for export to neighbouring countries (7) Build a sustainable business model for Zambia Bata shoe company and expand and drive the business to monumental heights.

Conclusion:

In conclusion, we would want to sincerely thank all our customers, employees, board members and the Bata international group for all the unwavering support and rising to the challenge that the disruptions have caused during the year

For and on behalf of the board.

Esiyasi Sichone

Company Secretary



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