

SENS ANNOUNCEMENT

(the "Announcement")

ISSUER

Zambia Bata Shoe Company PLC.

Incorporated in the Republic of Zambia

Company registration number 2557

Share Code: BATA

ISIN: ZM0000000102



BROKER



Pangaea Securities Limited

[a member of the Lusaka Securities Exchange]

Regulated and Licensed by the Securities and Exchange Commission Zambia

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AUTHORISATION

Approval for this Announcement has been granted by:

- The Lusaka Securities Exchange
- The Securities and Exchange Commission Zambia
- Zambia Bata Shoe Company PLC.

DISCLAIMER AND RISK WARNING

The announcement contained herein contains information that may be of a price sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED ON: 29 September 2023



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ISIN: ZM0000000102 (“Bata” or “the Company”)

HALF YEAR RESULTS FOR THE 6 MONTHS TO 30th June 2023

In accordance with the requirements of the Securities and Exchange Act No. 41 of 2016, Zambia Bata Shoe Company PLC announces unaudited interim financial results for the half year ended 30th June 2023.

Financial Performance

It is with pleasure that the Directors of Bata Zambia Shoe Company PLC report the half year results of the Company. The first half of the year saw the Company record a 30% growth in Turnover, from ZMW104million to ZMW136million. This growth was mainly driven by the availability of stock and good merchandise mix in all major shoe lines in the Retail Channel of the business. Compared to the same period last year, the Retail Channel sold over 451,000 pairs of shoes, growing 28%.

The exceptional performance delivered on turnover resulted in Profit before tax increase of 51% to hit ZMW32million. This coupled with continued efforts in optimising costs have ensured that the company continues operating profitably.

Business Performance

The Company continued to focus on ensuring that supplies of all NOOS (Never Out of Stock) articles were adequate. The NOOS articles, which include School shoes, Men’s dress, Men’s Canvas, Ladies Canvas, Ladies Casuals and Gum boots, contribute over 75% of the Company’s turnover. The Company has continued to respond quickly to market shifts and customer demands, ensuring that the majority of our NOOS products are locally produced or regionally sourced from South Africa, Kenya, and Zimbabwe.

The Company continued with the reactivation approach on marketing and advertising by creating a new sense of awakening of the Bata Brand. This was done by creating a new look for the Bata Brand – advertising more and being heard more through social media platforms, digital billboards, and electronic media. The goal is to change the Bata persona and be on top of every customer’s mind.

To live our values, the Company has continued to contribute to the communities we operate in through the Bata Childrens Programme. The Company embarked on several initiatives where it partnered with various NGOs and orphanages in a bid to improve lives.

Statement of Profit or Loss and Other Comprehensive Income

For half year ended 30 June 2023

	2023 ZMW '000	2022 ZMW '000
Turnover	135,667	104,399
Cost of Goods Sold	(65,124)	(47,186)
Gross Profit	70,543	57,213
Profit Before Tax	32,179	21,337
Taxation	(9,665)	(8,055)
Net Profit/ (loss)	22,515	13,282
Profit Attributable to:		
Equity Holders of the parent company	16,825	9,926
Minority interest	5,689	3,356
Number of shares issued	76,108	76,108
Basic and Diluted Earnings Per share	0.30	0.17

Statement of Financial Position

For the period ended 30 June 2023

	2023 ZMW '000	2022 ZMW '000
Assets		
Property, plant, and equipment	65,158	63,680
Right-of-use assets	13,465	15,383
Intangible assets	2	8
Total non – current assets	78,624	79,071
Total current assets	123,684	104,546
Total assets	202,308	183,618
Equity		
Share capital	761	761
Revaluation reserves	43,111	44,850
Retained earnings	96,018	71,739
Total equity	139,890	117,350
Liabilities		
Total non-current liabilities	28,433	31,014
Total current liabilities	33,985	35,253
Total liabilities	62,418	66,267
Total equity and liabilities	202,308	183,618

Statement of Cashflows For half Year ended 30 June 2023

	2023 ZMW '000	2022 ZMW '000
Net cash from operating activities	44,487	13,137
Net cashflow from investing activities	(1,790)	(484)
Net cash from Financing activities	(24,096)	(1,642)
Net increase/(decrease) in cash and cash equivalents	18,601	14,295
Cash and cash equivalents at the beginning of period	45,629	49,356
Cash and cash equivalents as at June 2023	64,230	63,651

Statement of Changes in Equity For half year ended 30 June 2023

	Share Capital	Revaluation reserve	Retained earnings	Total
At start of year	761	43,112	100,146	144,019
Profit for the period	-	-	22,515	22,515
Excess depreciation	-	-	-	-
Deferred tax on excess depreciation	-	-	-	-
Dividends paid	-	-	(26,643)	(26,643)
At end of 6 months	761	43,112	96,018	139,891

Outlook

The Company expects to continue recording good results through continued strategic focus on providing our customers with the best quality at the right price, in locations accessible to all.

Through a model of continuous improvement, strategic planning and efficient execution, the Company expects to continue performing above expectation. To ensure sustainability of business performance, the Company has rolled out several Customer service trainings for all store managers and staff. The bedrock of the trainings dubbed “Genesis” is customer retention.

In conclusion, we sincerely thank all our customers, employees, board members, shareholders and the Bata International Group for the unwavering support leading to a very successful first half of the year. With your continued support, we expect to deliver results that exceed the target for the rest of the year.

For and on behalf of the board.

Octavia Bwalya Sakala
Acting Managing Director



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