

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]
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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: 30 September 2024



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(Incorporated in the Republic of Zambia)
Company registration number 2557
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ISIN: ZM0000000102
("Bata" or "the Company")

HALF YEAR RESULTS FOR THE 6 MONTHS TO 30th June 2024

In accordance with the requirements of the Securities and Exchange Act No. 41 of 2016, Bata announces unaudited interim financial results for the half year ended 30th June 2024.

Statement of Profit or Loss and Other Comprehensive Income

For half year ended 30 June 2024

| | 2024 ZMW '000 | 2023 ZMW '000 |
|---|------------------|------------------|
| Turnover | 150,899 | 135,667 |
| Cost of Goods Sold | (74,659) | (65,124) |
| Gross Profit | 76,240 | 70,543 |
| Profit Before Tax | 34,999 | 32,179 |
| Taxation | (10,500) | (9,665) |
| Net Profit/ (loss) | 24,499 | 22,515 |
| Number of shares issued | 76,108 | 76,108 |
| Basic and Diluted Earnings Per share (ZMW) | 0.32 | 0.30 |

Statement of Cashflows

For half Year ended 30 June 2024

| | 2024 ZMW '000 | 2023 ZMW '000 |
|--|------------------|------------------|
| Net cash from operating activities | 14,903 | 44,487 |
| Net cashflow from investing activities | (3,249) | (1,790) |
| Net cash from Financing activities | (22,292) | (24,096) |
| Net increase /(decrease) in cash and cash equivalents | (10,638) | 18,601 |
| Cash and cash equivalents at the beginning of period | 49,552 | 45,629 |
| Cash and cash equivalents as at June 2024 | 38,505 | 64,230 |

Statement of Changes in Equity

For half year ended 30 June 2024

| | Share Capital | Revaluation reserve | Retained earnings | Total |
|-------------------------------------|---------------|---------------------|-------------------|----------------|
| At start of year | 761 | 41,055 | 88,938 | 130,754 |
| Profit for the period | - | - | 24,499 | 24,499 |
| Excess depreciation | - | - | - | - |
| Deferred tax on excess depreciation | - | - | - | - |
| Dividends paid | - | - | - | - |
| At end of 6 months | 761 | 41,055 | 113,437 | 155,253 |

Statement of Financial Position

For the period ended 30 June 2024

| | 2024 ZMW '000 | 2023 ZMW '000 |
|-------------------------------------|------------------|------------------|
| Assets | | |
| Property, plant, and equipment | 78,275 | 65,158 |
| Right-of-use assets | 13,507 | 13,465 |
| Intangible assets | - | 2 |
| Total non – current assets | 91,782 | 78,624 |
| Total current assets | 148,201 | 123,684 |
| Total assets | 239,983 | 202,308 |
| Equity | | |
| Share capital | 761 | 761 |
| Revaluation reserves | 41,055 | 43,111 |
| Retained earnings | 113,437 | 96,018 |
| Total equity | 155,253 | 139,890 |
| Liabilities | | |
| Total non-current liabilities | 27,229 | 28,433 |
| Total current liabilities | 57,501 | 33,985 |
| Total liabilities | 84,730 | 62,418 |
| Total equity and liabilities | 239,983 | 202,308 |

Financial Performance

It is with pleasure that the Directors of Bata report the half year results of the Company. The Company saw a growth of 11% in turnover to hit ZMW151million. This growth is a result of growth in pairs sold of 3% to reach 515,570 pairs and an increase in average selling price of 8%. The growth is supported by various activities of the Company, including expansion in our shoe range, driving value per pair and footprint expansion. We continue to critically analyse our operations, as a response to various global and local challenges facing the economy. This is in a bid to optimise costs and deliver value. This has helped hold the gross profit margin at 51%. It is these efforts that have led to a growth of 9% in the net profit.

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.

As we continue to strengthen our position in the market, we are excited to announce an enhanced marketing strategy designed to drive visibility and engagement with our customers. Our focus in the coming months will be to showcase our exciting new arrivals and ensure our brand is heard loud and clear in the market through innovative marketing approaches such as social media platforms, digital billboards, and electronic media.

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.

Outlook

The current operating environment presents significant challenges for businesses across Zambia, and as the Bata, we are not immune to these difficulties. Over the past few months, we have been navigating multiple external factors that have affected our operations, including foreign exchange (FX) volatility, load management (power outages), and the impact of drought on both supply chains and consumer purchasing power. However, we remain very enthusiastic about the future, as the current challenges facing the general global economy have presented various opportunities for business reengineering. This business engineering is the tool with which the Company intends to continue delivering value for both customers and shareholders. This value is expected to take various forms including reduced production costs, optimised logistics spend, deeper and wider shoe collections, and all at a quality that has been known and trusted by our wide range of customers. With this strategy, we reinforce our "Stepping Forwarding" strategy.

As we continue to deliver results as promised, we understand that at the heart of our success is our investment in structures and resources. We continue to put at the centre of our performance an enhanced experience for our customers, through high class stores and customer service. Our continued dedication to improving our people through training and employee wellness programs cannot be over emphasised.

To conclude, we send our heartfelt thank you to our customers, employees, board members, shareholders and the Bata International Group. Your continued support is all the indication we need for your trust in our Company. As we continue moving forward, we are excited about where we can take the company together.

For and on behalf of the board.

Octavia Bwalya Sakala
Managing Director



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