

SENS ANNOUCEMENT

(the “Announcement”)

ISSUER



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

BROKER



Pangaea Securities Limited
[a member of the Lusaka Securities Exchange]
Regulated and Licensed by the Securities and Exchange Commission Zambia

Telephone Number: +260 211 220707 | Website: www.pangaea.co.zm

AUTHORISATION

Approval for this Announcement has been granted by:

- The Lusaka Securities Exchange
- The Securities and Exchange Commission 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 March 7, 2019



Bata Shoe Company PLC.

(Incorporated in the Republic of Zambia)

Company registration number 2557

Share Code: BATA

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

ABRIDGED FINANCIALS FOR BATA PLC

In accordance with the requirements of the Securities and Exchange Act No. 41 of 2016, BATA Shoe Company PLC announces its results for the year ended 31 December 2018.

	2018 (K)	2017 (K)
INCOME STATEMENT		
Revenue	153,803,812.00	141,249,414.00
Cost of sales	(75,292,044.00)	(76,470,634.00)
Gross profit	78,511,768.00	64,778,780.00
Other income	243,219.00	175,747.00
	78,754,987.00	64,954,527.00
Administration expenses	(22,263,269.00)	(21,451,774.00)
Operating expenses	(32,868,797.00)	(27,750,307.00)
Total expenses	(55,132,066.00)	(49,202,081.00)
Operating profit	23,622,921.00	15,752,446.00
Finance income	1,546,090.00	1,107,491.00
Finance expenses	(146,123.00)	(121,103.00)
Profit before tax	25,022,888.00	16,738,834.00
Income tax expense	(10,478,982.00)	(6,291,446.00)
Profit for the year	14,543,906.00	10,447,388.00
Revaluation surplus	-	2,966,477.00
Deferred tax	1,475,032.00	(567,718.00)
Total comprehensive income attributable to ordinary shareholders	16,018,938.00	12,846,147.00
Earnings per share (basic/ diluted)	0.21	0.17

BALANCE SHEET

Assets

Property, plant and equipment	56,711,964	61,602,833
Intangible assets	200,041	181,655
Total non – current assets	56,912,005	61,784,488
Inventories	51,197,288	41,325,381
Trade and other receivables	8,234,196	3,561,530
Amounts due from related companies	4,471,041	1,524,321
Cash at bank and in hand	24,992,664	17,722,425
Total current assets	88,895,189	64,133,657
Total assets	145,807,194	125,918,145

Equity & Liabilities

Share capital & reserves	31,085,713	32,185,676
Retained earnings	72,217,801	60,426,733
Deferred income tax liability	13,171,802	14,726,799
Total non-current liabilities	13,171,801	14,726,799
Current income tax payable	5,370,537	1,089,337
Trade and other payables	15,854,780	10,566,964
Amounts due to related companies	8,106,561	6,922,636
Total current liabilities	29,331,878	18,578,937
Total equity & Liabilities	145,807,193	125,918,145

STATEMENT OF CASH FLOWS

Net cash inflow/(outflow) from/on operating activities	13,583,337	12,365,521
Net cash inflow/(outflow) on investing activities	(1,066,394)	(2,794,540)
Net Cash (outflow)/inflow from financing activities	(5,327,832)	(4,566,456)
Increase/(decrease) in cash and cash equivalents	7,189,111	5,004,525
Cash and cash equivalents at the beginning of the year	17,722,425	12,985,436
Effects of exchange gains on balances held foreign currencies	81,128	(267,536)
Cash and cash equivalents at the end of the year	24,992,664	17,722,425

Performance

The turnover for the year was K 153,803,812 which is an increase of 9 % against K 141,249,414 which was achieved the previous years. Profit before tax achieved was K 25,022,888, which is an increase of 49 % against K 16,738,834 achieved in 2017. These are impressive figures which really means the Zambian public are truly supporting us in a great way. On our part, we shall endeavour to do everything possible to take this Company to greater heights by ensuring that we capture the footwear market in this country.

Dividends

In light of the Company performance this year and despite that we are going to open 3 new stores and renovate 10 stores which will all require financing, I am pleased to announce that the Board of Directors has recommended a dividend payment of K0.10 on each ordinary share (K 0.07 in 2017) held at close of business on 19 April 2019 being the record date. This represents an increase of 43% over last year, which for the first time, has now reached double digits.

Outlook for 2019

We are hopeful that 2019 macroeconomic stability will be sustained, aided by continued implementation of reforms towards the country's economic growth. Downside risks are always pertinent and these include the recent trend in kwacha devaluation and raising oil prices. We are conscious of the effects of the proposed sales tax but the impacts at the moment are too soon to tell. Our focus will always remain to provide quality footwear at affordable prices. Given the general stability of the economy in the country we are confident that the future of your company looks bright. We are once again hopeful that our agricultural and mining sectors will perform well this year and generate positive spin offs in the retail and wholesale sectors. Bata remain confident in our plans for another good year in 2019.

By Order of the Board

Nicholas Mudaly
Company Secretary
Zambia Bata Shoe Company Plc
Plot No. 6437, Mukwa Road
P.O.Box 30479
Lusaka, Zambia.
batashoe@bata.com



Pangaea Securities Limited

(Member of the Lusaka Securities Exchange)
(Regulated by the Securities and Exchange Commission)

Tel: +260 (211) 220 707 or 238 709 / 16 Fax +260 (211) 220 925
Pangaea Office Park, 1st Floor, Great East Road, P.O. Box 30163 Lusaka, Zambia

First Issued: 7 March 2019