

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30th SEPTEMBER 2022 (AUDITED)

The below extract is based on the consolidated financial statements of Sasini PLC for the year ended 30th September 2022 as audited by KPMG Kenya

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
	30.09.2022 Ksh '000	30.09.2021 Ksh '000	30.09.2022 Ksh '000	30.09.2021 Ksh '000
Revenue	7,345,305	5,389,963	2,792,609	2,223,680
Gains arising from changes in fair value of biological assets less cost to sell	543,413	514,157	241,425	286,668
Results from operating activities	1,446,632	721,069	696,269	271,750
Finance income	134,573	63,524	20,995	32,759
Finance cost	(28,252)	(16,497)	(38,782)	(14,598)
Profit before tax	1,552,953	768,096	678,482	289,911
Income tax expense	(384,941)	(194,896)	(106,387)	(77,281)
Profit for the year	1,168,012	573,200	572,095	212,630
Other Comprehensive income:				
Items that are or may be reclassified subsequently to profit or loss				
Net change in favour value of Debt investments at FVOCI	(10,832)	-	-	-
	(10,832)	-	-	-
Items that will not be reclassified subsequently to profit or loss				
Impact of change in tax rate and revaluation	-	(95,074)	-	(31,801)
Remeasurement of post employment benefits net of tax	(8,799)	20,878	1,026	1,236
Impact of change in tax rate on defined benefit reserve	-	5,950	-	(228)
	(8,799)	(68,246)	1,026	(30,793)
Total Comprehensive income:	1,148,381	504,954	573,121	181,837
Profit attributable to:				
Owners of the company	1,166,383	567,844	572,095	212,630
Non-controlling interest	1,629	5,356	-	-
	1,168,012	573,200	572,095	212,630
Total comprehensive income attributable to:				
Owners of the company	1,146,654	501,801	573,121	181,837
Non-controlling interest	1,727	3,153	-	-
	1,148,381	504,954	573,121	181,837
Earning per share				
Basic and diluted (KShs)	5.12	2.49	2.51	0.93
Dividend per share (KShs)	1.00	1.00	1.00	1.00
Issued and fully paid shares of Kshs 1 each	228,055	228,055	228,055	228,055



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital Ksh '000	Capital Reserve Ksh '000	Revaluation Reserve Ksh '000	Biological Assets Fair Value Reserve Ksh '000	Defined Benefit Reserve Ksh '000	Bond Fair Value Deficit Ksh '000	Retained Earnings Ksh '000	Proposed Dividends Ksh '000	Total Attributable to owners Ksh '000	Non Controlling Interest Ksh '000	Total Equity Ksh '000
2021:											
Balance as at 1 October 2020	228,055	98,530	9,833,774	159,401	112,725	-	2,316,442	-	12,748,927	304,138	13,053,065
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	567,844	-	567,844	5,356	573,200
Other Comprehensive income											
Impact of change in tax rate	-	-	(92,745)	-	5,950	-	-	-	(86,795)	(2,329)	(89,124)
Reclassification of fair value gain on biological assets net of tax, from retained earnings to separate equity reserve	-	-	-	129,778	-	-	(129,778)	-	-	-	-
Remeasurement of post employment benefits net of tax	-	-	-	-	20,752	-	-	-	20,752	126	20,878
Total comprehensive income for the year	-	-	(92,745)	129,778	26,702	-	438,066	-	501,801	3,153	504,954
Transactions with owners of the company recorded directly in equity											
Interim 2021 dividend paid	-	-	-	-	-	-	(114,028)	-	(114,028)	-	(114,028)
Proposed dividend 2021	-	-	-	-	-	-	-	114,028	-	-	-
Total distribution to owners of the company	-	-	-	-	-	-	(228,056)	114,028	(114,028)	-	(114,028)
At 30 September 2021	228,055	98,530	9,741,029	289,179	139,427	-	2,526,452	114,028	13,136,700	307,291	13,443,991
2022:											
Balance as at 1 October 2021	228,055	98,530	9,741,029	289,179	139,427	-	2,526,452	114,028	13,136,700	307,291	13,443,991
Total comprehensive income for the year											
Profit for the year	-	-	-	-	-	-	1,166,383	-	1,166,383	1,629	1,168,012
Other Comprehensive income											
Fair value loss on investments in Bonds	-	-	-	-	-	(10,832)	-	-	(10,832)	-	(10,832)
Reclassification of fair value gain on biological assets net of tax, from retained earnings to separate equity reserve	-	-	-	72,026	-	-	(72,026)	-	-	-	-
Revaluation reversal on disposal of buildings	-	-	(28,444)	-	-	-	28,444	-	-	-	-
Remeasurement of post employment benefits net of tax	-	-	-	-	(8,897)	-	-	-	(8,897)	98	(8,799)
Total comprehensive income for the year	-	-	(28,444)	72,026	(8,897)	(10,832)	1,122,801	-	1,146,654	1,727	1,148,381
Transactions with owners of the company recorded directly in equity											
Dividend Paid to Non-controlling interests	-	-	-	-	-	-	-	(114,028)	(114,028)	(9,000)	(9,000)
Final Dividend paid 2021	-	-	-	-	-	-	-	-	(114,028)	-	(114,028)
Interim 2022 dividend paid	-	-	-	-	-	-	(228,056)	-	(228,056)	-	(228,056)
Total distribution to owners of the company	-	-	-	-	-	-	(228,056)	(114,028)	(342,084)	(9,000)	(351,084)
At 30 September 2022	228,055	98,530	9,712,585	361,205	130,530	(10,832)	3,421,197	-	13,941,270	300,018	14,241,288

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share Capital Ksh '000	Capital Reserve Ksh '000	Revaluation Reserve Ksh '000	Biological Assets Fair Value Reserve Ksh '000	Defined Benefit Reserve Ksh '000	Bond Fair Value Deficit Ksh '000	Retained Earnings Ksh '000	Proposed Dividends Ksh '000	Total Equity Ksh '000
2021:									
Balance as at 1 October 2020	228,055	40,594	7,078,272	132,414	8,818	-	1,123,216	-	8,611,369
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	212,630	-	212,630
Other Comprehensive income									
Reclassification of fair value gain on biological assets net of tax, from retained earnings to separate equity reserve	-	-	-	84,323	-	-	(84,323)	-	-
Impact of change in tax rate	-	-	(31,801)	-	(228)	-	-	-	(32,029)
Remeasurement of post employment benefits net of tax	-	-	-	-	1,236	-	-	-	1,236
Total comprehensive income for the year	-	-	(31,801)	84,323	1,008	-	128,307	-	181,837
Transactions with owners of the company recorded directly in equity									
Interim 2021 dividend paid	-	-	-	-	-	-	(114,028)	-	(114,028)
Proposed dividend 2021	-	-	-	-	-	-	(114,028)	114,028	-
Total distribution to owners of the company	-	-	-	-	-	-	(228,056)	114,028	(114,028)
At 30 September 2021	228,055	40,594	7,046,471	216,737	9,826	-	1,023,467	114,028	8,679,178
2022:									
Balance as at 1 October 2021	228,055	40,594	7,046,471	216,737	9,826	-	1,023,467	114,028	8,679,178
Total comprehensive income for the year									
Profit for the year	-	-	-	-	-	-	572,095	-	572,095
Other Comprehensive income									
Reclassification of fair value gain on biological assets net of tax, from retained earnings to separate equity reserve	-	-	-	(16,378)	-	-	16,378	-	-
Remeasurement of post employment benefits net of tax	-	-	-	-	1,026	-	-	-	1,026
Total comprehensive income for the year	-	-	-	(16,378)	1,026	-	588,473	-	573,121
Transactions with owners of the company recorded directly in equity									
Final Dividend paid 2021	-	-	-	-	-	-	-	(114,028)	(114,028)
Interim 2022 dividend paid	-	-	-	-	-	-	(228,056)	-	(228,056)
Total distribution to owners of the company	-	-	-	-	-	-	(228,056)	(114,028)	(342,084)
At 30 September 2022	228,055	40,594	7,046,471	200,359	10,852	-	1,383,884	-	8,910,215

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 30th SEPTEMBER 2022 (AUDITED)

The below extract is based on the consolidated financial statements of Sasini PLC for the year ended 30th September 2022 as audited by KPMG Kenya

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30.09.2022 Ksh '000	30.09.2021 Ksh '000	30.09.2022 Ksh '000	30.09.2021 Ksh '000
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	11,132,410	11,268,638	7,330,442	7,351,938
Capital work-in-progress	203,594	152,704	50,693	45,236
Intangible assets	14,526	21,845	9,699	14,819
Biological assets	1,346,829	1,136,449	225,601	151,587
Deferred tax asset	-	3	-	-
Right of use asset	69,133	25,709	59,029	15,504
Investments in subsidiary companies	-	-	637,727	817,727
Other Investments	277,691	-	-	-
	<u>13,044,183</u>	<u>12,605,348</u>	<u>8,313,191</u>	<u>8,396,811</u>
CURRENT ASSETS				
Inventories	739,051	484,901	331,589	91,652
Biological assets	197,094	309,760	167,411	264,822
Trade and Other receivables	812,426	909,217	202,018	308,912
Current income tax recoverable	7,411	11,540	-	-
Amount due from related companies	-	-	233,918	118,029
Short term deposits	467,146	-	165,269	-
Cash and bank balances	1,088,406	821,973	368,475	247,324
	<u>3,311,534</u>	<u>2,537,391</u>	<u>1,468,680</u>	<u>1,030,739</u>
TOTAL ASSETS	<u>16,355,717</u>	<u>15,142,739</u>	<u>9,781,871</u>	<u>9,427,550</u>
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	228,055	228,055	228,055	228,055
Non - distributable reserves	10,292,018	10,268,165	7,298,276	7,313,628
Distributable reserves	3,421,197	2,640,480	1,383,884	1,137,495
	<u>13,941,270</u>	<u>13,136,700</u>	<u>8,910,215</u>	<u>8,679,178</u>
Non - controlling interest	300,018	307,291	-	-
Total equity	<u>14,241,288</u>	<u>13,443,991</u>	<u>8,910,215</u>	<u>8,679,178</u>
Non - current liabilities				
Deferred tax liability	1,166,212	1,155,508	457,220	468,193
Lease liability	48,869	-	48,869	-
Post-employment benefits	130,410	145,555	21,306	20,019
	<u>1,345,491</u>	<u>1,301,063</u>	<u>527,395</u>	<u>488,212</u>
Current liabilities				
Amounts due to related companies	-	-	60,334	111,276
Trade and Other Payables	510,020	371,457	222,777	113,355
Lease liability	10,160	17,697	10,160	17,697
Current income tax payable	238,145	-	49,288	16,467
Post employment benefits	10,613	8,531	1,702	1,365
	<u>768,938</u>	<u>397,685</u>	<u>344,261</u>	<u>260,160</u>
TOTAL EQUITY AND LIABILITIES	<u>16,355,717</u>	<u>15,142,739</u>	<u>9,781,871</u>	<u>9,427,550</u>

CONSOLIDATED CASHFLOW STATEMENT

	GROUP		COMPANY	
	30.09.2022 Ksh '000	30.09.2021 Ksh '000	30.09.2022 Ksh '000	30.09.2021 Ksh '000
OPERATING ACTIVITIES				
Cash flow generated from operations	1,660,038	534,206	610,749	92,275
Gratuity paid	(47,150)	(51,945)	(1,005)	(1,736)
Interest paid on lease liability	(744)	(2,878)	(744)	(2,878)
Income taxes paid	(128,189)	(11,686)	(84,978)	(4,485)
Net cash flows generated from operating activities	<u>1,483,955</u>	<u>467,697</u>	<u>524,022</u>	<u>83,176</u>
INVESTING ACTIVITIES				
Interest received	59,522	29,241	9,531	8,122
Purchase of other investments - (infrastructure bonds)	(288,523)	-	-	-
Purchase of short term deposits	(467,146)	-	(165,269)	-
Purchase of property and equipment	(133,995)	(46,141)	(44,094)	(10,837)
Purchase of capital work-in-progress assets	(59,593)	(86,757)	(7,471)	(6,520)
Purchase of intangible assets	(424)	(9,062)	(333)	(9,062)
Proceeds from sale of property and equipment	10,152	2,004	7,383	1,832
Net cash flow used in investing activities	<u>(880,007)</u>	<u>(110,715)</u>	<u>(200,253)</u>	<u>(16,465)</u>
FINANCING ACTIVITIES				
Interest paid on other borrowings	(13,416)	(14,116)	(27,385)	(14,116)
Payment of lease liability - principal	(17,697)	(15,954)	(17,697)	(15,954)
Borrowing received	852,548	969,889	852,548	969,889
Borrowing repaid	(852,548)	(969,889)	(852,548)	(969,889)
Proceeds from redeemed preference shares	-	-	180,000	-
Dividend paid to non-controlling interest	(9,000)	-	-	-
Dividend paid on ordinary shares	(342,084)	(114,028)	(342,084)	(114,028)
Net cash flow used in financing activities	<u>(382,197)</u>	<u>(144,098)</u>	<u>(207,166)</u>	<u>(144,098)</u>

CONSOLIDATED CASHFLOW STATEMENT...cont

	GROUP		COMPANY	
	30.09.2022 Ksh '000	30.09.2021 Ksh '000	30.09.2022 Ksh '000	30.09.2021 Ksh '000
Net increase / (decrease) in cash and cash equivalents	<u>221,751</u>	<u>212,884</u>	<u>116,603</u>	<u>(77,387)</u>
Cash and cash equivalents at the beginning of the year	821,973	593,689	247,324	317,603
Effects of movements in exchange rates on cash held	44,682	15,400	4,548	7,108
Cash and cash equivalents at the end of the year	<u>1,088,406</u>	<u>821,973</u>	<u>368,475</u>	<u>247,324</u>

COMMENTS ON THE RESULTS

The Group posted a very strong performance in both profitability and cash flows during the year despite the continuing effects of the COVID-19 pandemic on the global economy. The Group's performance showed resilience and improved significantly compared to the prior years. The company endured a difficult time during the year due to a lot of uncertainties in the market and other extraneous factors that impact the business environment. The financial year continued to experience the remnant effects of the COVID-19 pandemic, especially in the first half of the year before the Government announced the suspension of its Coronavirus containment measures as infections and fatalities dipped and vaccinations took root. Other challenges during the year included the prolonged adverse weather conditions experienced in the country, the increased cost of doing business exacerbated by the war in Europe, reduced purchasing power in the local market, and a rise in inflation (rising to a 62-month high of 8.3 percent in July) due to the higher cost of imported goods, fuel and raw materials. Nonetheless, most of the business units performed exceptionally and beyond expectations. Notably, the main segments of Tea, Coffee and Macadamia trading surpassed expectations.

Despite the challenges, the year recorded a **turnover of KShs 7.34 billion compared** to KShs. 5.39 billion in the previous year **representing an increase of 36.3% in revenue**. The cost of sales increased to KShs. 5.54 billion against the prior year's KShs. 4.49 billion (a corresponding increase of 23.3%). We managed to grow revenue at a faster pace than costs of sales which is exceptional towards profit generation.

The Group, therefore, posted an overall **profit after tax** and non-controlling interest (including the changes in the fair value of biological assets) **of KShs. 1,168.01 million** (prior year KShs. 573.2 million). This comprises, profit from operating activities of KShs. 1,094.35 million compared to KShs. 438.06 million in the previous year for the group **(149% improvement)**; Minority interest profit of KShs. 1.62 million (prior year loss KShs. 5.36 million). The gain from changes in the value of biological assets was KShs. 72.03 million (prior year loss of KShs. 129.78 million).

The measures devised during the year by the board and management effectively produced results manifested in **high-quality products and consistent quality** that attracted **higher sales prices** resulting in **increased turnover to a record high compared to previous years**.

OUTLOOK

As we prepare to craft a new strategic route to enhance our current achievements, we will continue focusing on aspects of business growth that complement our existing skill base but will also look to innovation as well as acquiring new skills that can challenge us to deliver in areas and business units we do not have today.

To do all this, we will strongly base all our operations on being sustainable. Our alignment with global objectives in this area underpins our intentions of seeking industry leadership in the continent.

Although the effects of the pandemic have eased, geopolitical risks, climatic changes, economic downturns, rising inflation, and other challenges in the country are still a threat to doing business in Kenya. Nonetheless, our liquidity position is stable and firm and is well poised to support the company in driving forward and achieving profitable growth. We, however, continue to exercise prudent business decisions to mitigate these negative effects and aim to continue delivering the desired results in the next financial year and subsequently.

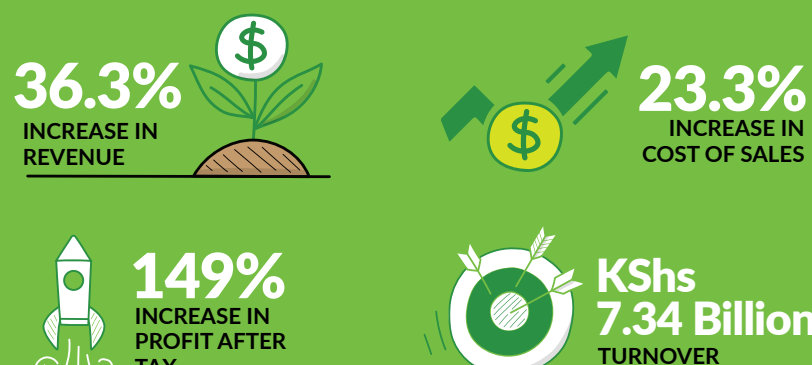
In view of the exceptionally strong performance during the year, the management will continue to explore new lines and ideas in a bid to fit in with the changing business environment to expand and enhance shareholder value. Emphasis on quality coupled with quantity based on a sustainable model remains top on the agenda for delivery.

DIVIDEND

An interim dividend of 100% amounting to KShs. 228.05 million (KShs. 1.00 per share; 2021 - Kshs 0.50 per share) was declared and paid on 14 July 2022.

The Directors do not recommend the payment of a final dividend (2021 - Kshs 0.50 per share).

PERFORMANCE AT A GLANCE



By order of the Board

James Boyd McFie

FCPA, Dr. James Boyd McFie, Ph. D.
Chairman

Martin R. Ochien'g

Mr. Martin R. Ochien'g, MBA, BSc.
Group Managing Director

10th January 2023