

# GUINNESS GHANA BREWERIES PLC - RESULTS FOR THE 6 MONTHS ENDED 31 DECEMBER 2018



Net sales in the first half increased 7% compared to the same period last year, largely driven by price increases taken in October across majority of our portfolio, a step up in one-way convenience packs of our Adult Premium Non-alcoholic Drinks as well as growth of Guinness Foreign Extra Special. Cost of Goods Sold increased by 8% driven by local inflationary pressures combined with the irrecoverable 5% VAT levy on sourced materials and services. This resulted in Gross Profit growth of 4% above the same period last year.

Selling, General and Administrative expenses reduced by 23% versus the same period last year driven by phasing of brand owner contribution on Marketing spend. This resulted in Operating Profit of GHS 23m for the half. Finance charges reduced versus the same period last year as we continue to benefit from the improved funding structure. The tax charge for the half comprises tax for the half and prior years adjustment.

## UNAUDITED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER, 2018

	2018	2017
	GH¢'000	GH¢'000
Revenue	336,962	315,176
Cost of sales	(258,957)	(240,502)
<b>Gross profit</b>	<b>78,005</b>	<b>74,673</b>
Selling, general & administrative expenses	(55,196)	(71,285)
<b>Operating profit</b>	<b>22,809</b>	<b>3,388</b>
Financial charges	(7,889)	(8,393)
<b>Profit/(Loss) before income tax</b>	<b>14,920</b>	<b>(5,005)</b>
Income tax credit/(expense)	(7,901)	353
<b>Profit/(Loss) for the Period</b>	<b>7,019</b>	<b>(4,652)</b>
Other comprehensive income	-	-
<b>Total comprehensive income (loss) for the period</b>	<b>7,019</b>	<b>(4,652)</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	Share Capital	Retained Earnings	Total
	GH¢'000	GH¢'000	GH¢'000
<b>Balance at 1 July 2018</b>	<b>272,879</b>	<b>21,762</b>	<b>294,641</b>
Comprehensive income (loss) for the period		7,019	7,019
<b>Total comprehensive income (loss) for the period</b>	<b>272,879</b>	<b>28,781</b>	<b>301,660</b>
<b>Dividends Paid</b>		(2,117)	(2,117)
<b>Balance at 31 December 2018</b>	<b>272,879</b>	<b>26,664</b>	<b>299,543</b>

## UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	2018	2017
	GH¢'000	GH¢'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant and equipment	390,761	355,633
Intangible assets	2,595	3,124
<b>Total non-current assets</b>	<b>393,356</b>	<b>358,758</b>
<b>Current Assets</b>		
Inventories	103,441	85,916
Trade and other receivables	44,207	50,788
Amounts due from related companies	2,192	2,475
Current tax asset	-	2,804
Cash and bank balances	64,282	60,171
<b>Total current assets</b>	<b>214,122</b>	<b>202,154</b>
<b>Total assets</b>	<b>607,478</b>	<b>560,912</b>
<b>EQUITY AND LIABILITIES</b>		
Stated capital	272,879	272,879
Income surplus account	26,664	(6,582)
<b>Total equity</b>	<b>299,543</b>	<b>266,297</b>
<b>Non-Current Liabilities</b>		
Obligation under finance lease	14,845	21,081
Borrowings	109,024	108,988
Employee benefit obligations	2,233	1,406
Deferred tax liability	21,508	13,579
<b>Total non-current liabilities</b>	<b>147,610</b>	<b>145,054</b>
<b>Current Liabilities</b>		
Bank overdraft	5,457	6
Trade and other payables	147,218	118,462
Current tax liability	1,421	
Amounts due to related companies	6,229	31,092
<b>Total current liabilities</b>	<b>160,325</b>	<b>149,560</b>
<b>Total liabilities</b>	<b>307,935</b>	<b>294,615</b>
<b>Total equity and liabilities</b>	<b>607,478</b>	<b>560,912</b>

## UNAUDITED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

	2018	2017
	GH¢'000	GH¢'000
<b>Cash flows from operating activities</b>		
Profit/ (Loss) before taxation	14,920	(5,005)
<i>Adjustment for</i>		
Depreciation and amortisation charges	28,398	29,808
Profit/ (loss) on disposal of property, plant and equipment	272	(44)
Unrealised exchange difference	1,354	481
Net interest expense	7,889	8,393
	<b>52,833</b>	<b>33,633</b>
Changes In: Inventories	(21,527)	(6,130)
Trade and other receivables	(27,273)	(28,064)
Trade and other payables	63,971	26,569
Related company balances	(3,761)	12,262
Provisions	(716)	(158)
Employee benefits	88	(365)
<b>Cash generated from operating activities</b>	<b>63,615</b>	<b>37,747</b>
Interest paid	(9,396)	(10,254)
Income tax paid	(7,366)	
<b>Net cash generated from operating activities</b>	<b>46,853</b>	<b>27,492</b>
<b>Cash flow from investing activities</b>		
Additions to property, plant and equipment	(46,101)	(17,274)
Proceed of sales from property, plant and equipment	726	284
Interest Received	1,522	1,173
<b>Net cash used in investing activities</b>	<b>(43,853)</b>	<b>(15,817)</b>
<b>Cash flows from financing activities</b>		
Movement in finance Lease	(4,219)	(4,893)
Dividends paid	(2,117)	-
<b>Net Cash flow from financing activities</b>	<b>(6,336)</b>	<b>(4,893)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(3,336)</b>	<b>6,783</b>
<b>Analysis of changes in cash &amp; cash equivalents end of period</b>		
Cash and cash equivalents at 1 July	62,836	52,572
Increase/(Decrease) in cash and cash equivalents	(3,336)	6,783
Effect of movements in exchange rates on cash held	(675)	810
<b>Cash and cash equivalents at 31st December</b>	<b>58,825</b>	<b>60,165</b>

