



# NAIROBI BUSINESS VENTURES PLC

## FINANCIAL RESULTS FOR THE SIX-MONTH PERIOD ENDED 30TH SEPTEMBER 2022

THE BOARD OF DIRECTORS OF NAIROBI BUSINESS VENTURES PLC IS PLEASED TO ANNOUNCE THE UNAUDITED INTERIM FINANCIAL RESULTS OF THE GROUP AND COMPANY FOR THE SIX-MONTH PERIOD ENDED 30TH SEPTEMBER 2022 AS SET OUT BELOW

### CONSOLIDATED AND COMPANY STATEMENTS COMPREHENSIVE INCOME FOR THE SIX-MONTHS PERIOD ENDED 30TH SEPTEMBER 2022

KES '000	GROUP		COMPANY	
	SEPTEMBER 2022	SEPTEMBER 2021	SEPTEMBER 2022	SEPTEMBER 2021
<b>Trading Business:</b>				
Sales	348,378	485,298	85,926	91,364
Direct and other operating costs	220,111	337,719	73,297	75,797
<b>Gross Profit/(Loss)</b>	<b>128,267</b>	<b>147,579</b>	<b>12,629</b>	<b>15,567</b>
Administrative and other costs	124,400	112,945	11,457	13,652
<b>Profit Before Tax</b>	<b>3,867</b>	<b>34,634</b>	<b>1,172</b>	<b>1,915</b>
<b>Profit After Tax</b>	<b>3,867</b>	<b>34,634</b>	<b>1,172</b>	<b>1,915</b>

### CONSOLIDATED AND COMPANY STATEMENTS OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2022

KES '000	GROUP		COMPANY	
	SEPTEMBER 2022	SEPTEMBER 2021	SEPTEMBER 2022	SEPTEMBER 2021
Portfolio Investments	-	-	428,756	428,756
Cash and Cash Equivalents	22,571	20,485	12,540	14,648
Inventory	427,814	363,035	24,569	11,000
Other assets	2,532,438	2,528,046	89,288	61,202
Goodwill (Business combination)	-	-	124,500	124,500
<b>Total Assets</b>	<b>2,982,823</b>	<b>2,911,566</b>	<b>679,653</b>	<b>640,106</b>
Borrowings	523,331	542,190	-	-
Other liabilities	630,061	650,407	34,402	60,513
<b>Total Liabilities</b>	<b>1,153,392</b>	<b>1,192,597</b>	<b>34,402</b>	<b>60,513</b>
<b>Total Equity</b>	<b>1,829,431</b>	<b>1,718,969</b>	<b>645,251</b>	<b>579,593</b>
Share Premium	-	-	-	-
<b>Total Capital and Liabilities</b>	<b>2,982,823</b>	<b>2,911,566</b>	<b>679,653</b>	<b>640,106</b>

### CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY AS AT 30TH SEPTEMBER 2022

KES '000	GROUP		COMPANY	
	SEPTEMBER 2022	SEPTEMBER 2021	SEPTEMBER 2022	SEPTEMBER 2021
Share Capital	685,956	683,956	676,855	674,855
Share Premium	51,400	37,400	51,400	37,400
Other Reserves	1,770,000	1,770,000	-	-
Retained Earnings	(124,669)	(219,131)	(83,004)	(132,662)
Proposed Dividends	-	-	-	-
Non-Controlling interests	-	-	-	-
ADJUSTMENT FOR INVESTMENT IN SUBSIDIARIES	(553,256)	(553,256)	-	-
<b>Total</b>	<b>1,829,431</b>	<b>1,718,969</b>	<b>645,251</b>	<b>579,593</b>

### CONSOLIDATED AND COMPANY STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30TH SEPTEMBER 2022

KES '000	GROUP		COMPANY	
	SEPTEMBER 2022	SEPTEMBER 2021	SEPTEMBER 2022	SEPTEMBER 2021
<b>Net cash from operations</b>	<b>36,768</b>	<b>4,725</b>	<b>7,993</b>	<b>(4,579)</b>
Net cash used in investing activities	(79)	(1,810)	-	(1,810)
Cash generated from/(used in) financing activities	(24,883)	(20,265)	-	-
Opening cash and cash equivalents	(125,631)	(69,360)	4,547	21,036
<b>Closing cash and cash equivalents</b>	<b>(113,825)</b>	<b>(86,710)</b>	<b>12,540</b>	<b>14,647</b>

#### Introduction

We hereby present the Half Year un-audited financial results of the Group and Company, for the period 1<sup>st</sup> April 2022 to 30<sup>th</sup> September 2022.

#### Financial Performance

##### Group Performance

For the 6 months' period April 2022 to September 2022 the combined Group revenues were Kshs 348.37 million compared to Kshs 485.29 million in the previous year, same period. The drop in revenue was mainly attributed to the effect of the disruption to business caused by the general elections and the general state of the economy, which affected spending especially in the trading business due to a slowdown in the construction sector. The transport sector was also affected hence resulting in lower levels of business in the automobile division. Total direct and other operating expenses amounted to Kshs. 220.11 million (2021 was Kshs. 337.72 million), resulting in a Gross profit of Kshs. 128.26 million (2021 was Kshs. 147.52 million). Administrative and other costs amounted to Kshs. 124.4 million (2021 was Kshs. 112.94 million) resulting in Profit Before Tax of Kshs. 3.86 million (2021 was Kshs. 34.63 million). The reduction in profit was attributed to depreciation realized in the Aviation Division (non-cash expenses), as well as the increased cost of materials and other inputs. The Russia-Ukraine war greatly affected steel prices and shipping, leading to higher costs incurred in getting material. There was also global scarcity of all major commodities which also pushed up material costs, that also affected construction and transport business in the country.

##### Trading Division

The Company contributed a revenue of Kshs 85.9 million during the 6 months' period under review and generated a Net Profit before tax of Kshs 1.17 million. The performance of the division was mainly affected by the increased cost of materials, increased shipping costs and a slowdown in the construction sector.

##### Automobile Division

Delta Automobile Ltd continues to provide quality service in repair and maintenance of Heavy Commercial Trucks. The Company contributed a revenue of Kshs 247 million during the 6 months' period under review and generated a Net Profit before tax of Kshs 25.56 million. The drop in revenue compared to the previous year same period (Kshs. 374.43M) was mainly attributed to a reduction in road transport business and high cost of fuel that constrained most transporters, hence low maintenance levels.

##### Aviation Division

This Division comprises of Aviation Management Solutions Ltd (AMS) and Air Direct Connect Ltd (ADC). These two firms operate together to repair and maintain various aircraft types and provide other support services. These subsidiaries reported a combined turnover of Kshs. 15.30 million for the six months under review, and a net loss of Kshs. 22.87 million. The loss was mainly attributed to

depreciation and amortization of land and buildings in AMS, interest on term loans and fixed overhead expenses. Revenues have also been constrained due to the effects of the pandemic that affected the aviation industry.

#### Company Performance

The Group continues to find ways of growing its business across all the divisions, despite the harsh economic environment, uncertainty and spiraling operational costs. The Board remains optimistic that the strategies put in place will mitigate against these challenges and ensure that costs are contained while growing the revenues.

#### Future Outlook

NBV Management is highly committed to the good performance of all its divisions in order to build a strong, sustainable and profitable business group in line with its vision and mission "To be a major contributor to the development of local communities and the African economy through smart investments and ventures, hastening the evolution of Africa into an advanced economy on par with the rest of the world"

The proposed 1 MT/PA Cement Manufacturing Unit shall use very advanced technology in order to produce high quality and low-cost cement. We expect that this unit shall be the major contributor to NBV's revenue and profit in coming years.

The Automobile Division will benefit from the increased transport logistics as a result of the policy changes in the country. This will in turn increase the number of Heavy Commercial Vehicles on the road leading to increased demand for maintenance services. We expect this to improve the Group's revenues and profitability going forward.

The Aviation Division shall seek to take advantage of all the opportunities of repair and maintenance of aircrafts locally and for the international market. Currently, aircraft owners incur high costs when they send their aircrafts abroad for repair and maintenance services. The Company is focused on engaging lessors of aircrafts to offer maintenance of their aircraft at our premises and so far negotiations were ongoing with several potential long-term customers. This will ensure that the investments in the facilities are fully utilized thus providing the shareholders with long term value.

NBV which commenced its business in 2012 as an SME, now has a strong balance sheet and positive NAV and is working towards creating more value for its investors and stakeholders.

#### Dividend

The Board of Directors did not declare any dividend for the period under review.

#### By Order of the Board

**Hareesh V. Soni**  
Chief Executive Officer  
Dt. 25-11-2022