

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH JUNE 2024

1. INTERIM CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	UNAUDITED 6 MONTHS ENDED 30 JUNE 2024 (US\$ 'M)	AUDITED 2023 (US\$ 'M)
Revenue	15,321	13,299
Cost of sales	(10,242)	(9,644)
Gross profit	5,079	3,655
Other income	162	599
Overhead costs	(5,113)	(5,205)
Operating profit/(loss)	128	(951)
Finance costs	(1,405)	(28)
Loss before income tax	(1,277)	(979)
Income tax credit	383	293
Loss after tax for the period	(894)	(686)
Basic loss per share	(0.99)	(0.76)

2. INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

	UNAUDITED 30 JUNE 2024 (US\$ 'M)	AUDITED 2023 (US\$ 'M)
Non - current assets	54,353	53,689
Current assets	22,657	23,923
Total assets	77,010	77,612
Equity	42,343	41,062
Non - current liabilities	21,663	24,799
Current liabilities	13,004	11,751
Total equity and liability	77,010	77,612

3. INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital (US\$ 'M)	Share premium (US\$ 'M)	Other components of equity (US\$ 'M)	Revaluation reserve (US\$ 'M)	Retained earnings (US\$ 'M)	Proposed dividends (US\$ 'M)	Total (US\$ 'M)
At 1st January 2024	900	9,766	4,790	-	27,781	-	43,237
Loss for the period	-	-	-	-	(894)	-	(894)
At 30 th June 2024	900	9,766	4,790	-	26,887	-	42,343

4. INTERIM CONDENSED STATEMENT OF CASHFLOWS

	UNAUDITED 30 JUNE 2024 (US\$ 'M)	AUDITED 2023 (US\$ 'M)
Operating activities		
Cash from operations	2,460	2,312
Taxes paid	(29)	(716)
Net cash generated from operating activities	2,431	1,596
Investing activities		
Cash paid for purchase property and equipment	(2,845)	(3,284)
Interest received on investment securities	257	513
Net cash used in investing activities	(2,510)	(2,771)
Financing activities		
Net proceeds from short term loan	487	902
Net cash from financing activities	487	902
Movement in cash and cash equivalents		
At 1st January 2024	249	1,371
Increase/(decrease)	330	(273)
At 30th June 2024	579	1,098

Overview

The Board of Directors of Uganda Clays Limited (UCL) is pleased to present the unaudited interim condensed financial results for the six months ending 30th June, 2024. During the first half of 2024, the company achieved an increase in sales revenue compared to the same period last year, primarily driven by higher production volumes resulting from an upgrade and replacement of some old machinery. However, this revenue growth was offset by a larger increase in operating and finance expenses, leading to a loss for the period.

Despite generally positive macroeconomic conditions in Uganda, the economic environment in the first half of 2024 was mixed. While inflation declined and the economy grew, the Ugandan shillings continued to decline against the dollar and euro, impacting the cost of equipment and spare parts purchased from Europe.

The company's production operations continue to be disrupted by outdated machinery, resulting in lower production levels and sales performance. Nevertheless, UCL continues investing in the production capacity enhancements with new machinery and spare parts. These investments aim to enhance production volumes, improve efficiencies and quality, and increase product inventory. Consequently, sales revenue is project to grow in the second half of the year and beyond.

Furthermore, UCL continues to maintain rigorous health and safety standards to ensure the well-being of both its employees and customers.

Performance Highlights

Revenue for the period rose by 15%, reaching UGX 15.3 billion compared to UGX 13.3 billion for the same period in 2023. This increase was mainly due to the replacement of some of the outdated machinery, which reduced operational disruptions. As a result, production volumes increased, leading to more products available for sale.

Gross profit for the period increased by 39%, reaching UGX 5.1 billion, up from UGX 3.7 billion for the same period in 2023. This increase was driven by a 15% rise in revenue due to higher production volumes, while the cost of sales grew by only 6%, arising from effective cost optimization efforts.

Overhead costs decreased by 2%, dropping from UGX 5.2 billion to UGX 5.1 billion. This reduction was in line with the period's plan, underscoring the company's commitment to financial discipline and operational excellence.

Finance costs increased to UGX 1.4 billion during the period, compared to UGX 28 million in 2023. This rise was primarily due to the recognition of interest from the revised terms of the NSSF loan. Although this interest was recorded as an expense, it did not affect the company's cash flows for the period.

As a result, the company reported a **loss after tax** of UGX 0.89 billion for the period compared to UGX 0.69 billion in the previous period.

Total assets increased to UGX 77 billion, a 0.3% rise from UGX 76.8 billion in the previous year. This growth was driven by the acquisition of machinery during the period.

Net cash from operating activities increased to UGX 2.4 billion, up from UGX 1.6 billion in 2023. This improvement was driven by higher sales revenue resulting from increased production.

Dividend

Given the company's loss during the period, the company is unable to declare and pay an interim dividend for the six months ending 30th June 2024.

Message from the Directors

The unaudited interim condensed financial statements are extracts from the books of the Company. The most recent audited financial statements of the company for the year ended 31st December, 2023 are available on the company's website www.ugandaclays.co.ug.

The unaudited interim condensed financial statements were approved for issue by the Board of Directors on 27th August 2024, and signed on their behalf by:



Eng. Martin Kasekende
CHAIRMAN OF THE BOARD



Reuben Tumwebaze
MANAGING DIRECTOR

Shareholders are urged to contact the Company's Share Registrar, SCD Registrars, to update their contact details for ease of communication and receipt of dividends. The contacts of the Share Registrar are: UAP Nakawa Business Park, Plot 3-5, New Port Bell Road, Block A, 4th Floor, P. O. Box 23552, Kampala. Tel: +256-312-370-815/77/8; email: registry@use.or.ug. For more details about the Company, please visit: <http://www.ugandaclays.co.ug>