



# AUDITED FINANCIAL RESULTS

## FOR THE YEAR ENDED 30 JUNE 2019



Namibia Breweries Limited

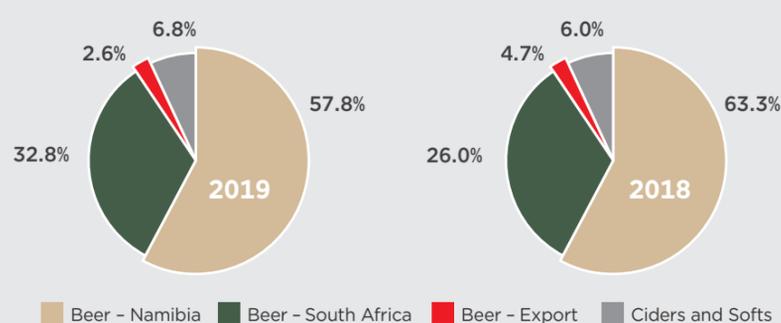
### SALIENT FEATURES

- **Namibian volume growth** for the first time in three years, despite a recessionary environment in Namibia.
- **Stellar growth** in the South African market through our partnership with Heineken South Africa.
- **Successful portfolio expansion** following the launch of *Tafel Radler*, new *McKane* mixer flavours and *Camelthorn* India Pale Ale.
- Water- and energy-saving solutions ensured **sustainable use of natural resources**.
- **NBL certified as a Great Place to Work® in Africa** and ranked as one of the top seven large corporate organisations in the best practice awards.

### KEY INDICATORS

<b>+45.5%</b>	<b>BEER VOLUMES TO SOUTH AFRICA</b> (2018: -13.7%)	<b>+134.1%</b>	<b>BASIC EARNINGS PER ORDINARY SHARE</b> (2018: +24.9%)
<b>+15.3%</b>	<b>REVENUE</b> (2018: -0.8%)	<b>+131.6%</b>	<b>HEADLINE EARNINGS PER ORDINARY SHARE</b> (2018: +23.3%)
<b>+6.3%</b>	<b>OPERATING PROFIT</b> (2018: +0.34%)	<b>+8.7%</b>	<b>DIVIDEND PER ORDINARY SHARE</b> (2018: +9.5%)
		<b>N\$121.05</b>	<b>SPECIAL DIVIDEND (CENTS)</b> (2018: N\$193.67)

### VOLUME CONTRIBUTION PER CATEGORY



### AUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June

	2019 N\$'000	2018 N\$'000
Revenue	3 097 583	2 687 174
Operating expenses	(2 445 672)	(2 074 089)
<b>Operating profit</b>	<b>651 911</b>	<b>613 085</b>
Finance income	26 607	32 623
Finance costs	(42 455)	(43 325)
Equity profit/(loss) from associate	450 542	(33 441)
<b>Profit before taxation</b>	<b>1 086 605</b>	<b>568 942</b>
Income tax expense	(155 486)	(171 256)
<b>Profit for the period</b>	<b>931 119</b>	<b>397 686</b>
Other comprehensive income	708	702
<b>Total comprehensive income attributable to ordinary shareholders</b>	<b>931 827</b>	<b>398 388</b>

### AUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June

	2019	2018
Property, plant and equipment	995 967	1 018 719
Investment in associate	855 366	404 824
Other non-current assets	33 051	37 544
Current assets	1 221 135	1 250 092
<b>Total assets</b>	<b>3 105 519</b>	<b>2 711 179</b>
Issued capital	1 024	1 024
Non-distributable reserves	(103)	(97)
Retained earnings	1 954 353	1 622 001
<b>Ordinary shareholders' equity</b>	<b>1 955 274</b>	<b>1 622 928</b>
Interest-bearing loans and borrowings (non-current)	183 508	285 480
Other non-current liabilities	206 865	217 158
Current liabilities	759 872	585 613
<b>Total equity and liabilities</b>	<b>3 105 519</b>	<b>2 711 179</b>

### AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June

	2019	2018
<b>Cash flows from operating activities</b>	<b>(81 043)</b>	<b>357 090</b>
Cash receipts from customers	2 963 182	2 543 746
Cash paid to suppliers and employees	(2 272 174)	(1 834 157)
Dividends paid on ordinary shares	(598 274)	(181 745)
Taxation paid	(172 198)	(170 026)
<b>Cash flows from investing activities</b>	<b>(94 505)</b>	<b>(127 840)</b>
Finance income	26 607	32 623
Acquisition of property, plant and equipment	(123 364)	(163 070)
Acquisition of other intangible assets	(808)	(1 194)
Disposal of property, plant and equipment	3 060	3 801
<b>Cash flows from financing activities</b>	<b>(55 859)</b>	<b>(158 029)</b>
Repayment of interest-bearing loans and borrowings	(113 404)	(114 704)
Proceeds from interest-bearing loans and borrowings	100 000	-
Finance costs	(42 455)	(43 325)
<b>Total cash and cash equivalents movement for the year</b>	<b>(231 407)</b>	<b>71 221</b>
Cash and cash equivalents at the beginning of the year	424 010	352 789
<b>Total cash and cash equivalents at the end of the year</b>	<b>192 603</b>	<b>424 010</b>

### NAMIBIA BREWERIES LIMITED GROUP

#### Performance summary

Excellent overall volume growth of 13.8% was the result of a 3.9% volume increase in Namibia and stellar volume growth of 45.5% to South Africa. This was achieved amid tough economic conditions and slow markets characterised by low consumer confidence. Revenue increased by 15.3% to N\$3.09 billion despite a decline in other markets export volumes.

The South African performance is particularly encouraging, as the agreement with Heineken South Africa is now delivering the benefits anticipated when the strategic partnership was formed in 2003. The congruence of great brands, a well-designed infrastructure and considered investment is paying off.

Innovative launches to expand our portfolio contributed to increased volumes and was supported by a variety of exciting brand campaigns. This included *King Lager* (Man with a Plan skills development initiative), *Windhoek Lager* (international Save the Rhino campaign) and *Tafel Lager* (Brave warriors sport sponsorship).

NBL's operating profit increased by 6.3% to N\$652 million. Operating expenses increased by 17.9% on the back of increased volumes; however, higher volumes contributed to lower costs per unit. We continue to manage costs and increase efficiencies throughout the value chain.

A healthy total comprehensive profit attributable to shareholders of N\$931 million (2018: N\$398 million) was delivered – an increase of 134% on the prior year. Heineken South Africa made a significant contribution to profit of N\$451 million in 2019 (N\$335 million recognition of deferred tax asset and N\$116 million share of associate profit) compared to a loss from associate of N\$33 million in 2018.

A range of international and local awards again confirmed the high quality and appeal of our brands. The results from the Great Place to Work Survey® reflected a positive workplace culture aligned to the Group's vision of *Creating a Future, Enhancing Life*.

#### Prospects

The new leadership team at NBL is spearheading the introduction of the new group strategic cycle and continues the focus on innovation, securing a sustainable water supply, optimising our electricity use, and talent management. NBL is committed to remaining relevant in a highly competitive market.

#### Dividend declaration

The Board continues to balance the interests of the business, its stakeholders and its shareholders in dividend distribution decisions. The Board has adopted a progressive dividend policy, which intends to maintain or grow the dividend every year. In addition to the interim dividend of 50 cents per ordinary share, the Board declared a final dividend of 50 cents per ordinary share and a special dividend in total of N\$250 million. Payment will be made to the shareholders of ordinary shares registered in the books of the Company at the close of business on 4 October 2019 and will be paid on 8 November 2019.

Signed on behalf of the Board

Sven Thieme  
Chairperson

4 September 2019

Marco Wenk  
Managing Director

Appointed 1 July 2019

Namibia Breweries encourages all stakeholders to access the full financial statements, including accounting policies and notes, on the website:

[www.nambrew.com](http://www.nambrew.com)

These summarised consolidated financial statements for the year ended 30 June 2019 are the responsibility of the directors, have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and have been extracted from the audited consolidated financial statements prepared in compliance with IFRS. The accounting policies used in the preparation of these results are in accordance with IFRS and are consistent in all material respects with those used in the audited annual financial statements for the year ended 30 June 2019.

The external auditors, Deloitte & Touche, have issued their opinion on the consolidated financial statements for the year ended 30 June 2019. The audit was conducted in accordance with the International Standards on Auditing. They have issued an unmodified audit opinion. These financial results have been derived from and are consistent in all material respects with the audited consolidated financial statements but are themselves not audited. A copy of their audit report and the full set of audited consolidated financial statements are available for inspection at the Company's registered office. Any reference to future financial performance included in this announcement has not been reviewed or reported on by the Group's external auditors.

**Directors:** S Thieme (Chairperson), Marco Wenk (Managing Director), W von Lieres, H-B Gerdes, P Grüttemeyer, G Hanke (alternate to S Thieme), R Pirmez, L McLeod-Katjirua, S Siemer, L van der Borgh (alternate to R Pirmez)

**Auditors:** Deloitte & Touche (Namibia), PO Box 47, Windhoek

**Attorneys:** Engling, Stritter & Partners, PO Box 43, Windhoek

**Secretaries:** Ohlthaver & List Centre (Proprietary) Limited, PO Box 16, Windhoek

**Sponsor to Namibia Breweries Limited:** PSG Wealth Management (Namibia) (Proprietary) Limited Member of the Namibian Stock Exchange

The summarised consolidated results of the Group were approved by the Board of Directors on 4 September 2019.

**ISIN:** NA0009114944 **NSX share code:** NBS