

Nkonyeni Pre-Cast Limited

(Incorporated in the Kingdom of Eswatini)
(Registration number 484 of 2007)
(Share Code on the ESE: NPC)
(ISIN Code: SZE000331056)



Financial Results for the year ended 30 June

KEY HIGHLIGHTS

REVENUE	CURRENT ASSETS	INVENTORY	RESELLERS	SHARE PRICE
▲ 17%	▲ 13%	▲ 12%	▲ 28%	▲ 50%

ESWATINI QUALITY AWARDS, PRODUCT OF THE YEAR - LARGE ENTERPRISE

ABRIDGED STATEMENT OF COMPREHENSIVE INCOME	Year ended	Year ended
	30 June 2024	30 June 2023
	SZL	SZL
Revenue	50 947 251	43 653 437
Cost of sales	(28 654 311)	(23 964 238)
Gross profit	22 292 940	19 689 199
Other income	315 493	762 268
Distribution expenses	(5 253 233)	(3 883 672)
Operating expenses	(20 497 862)	(15 081 361)
Operating profit/ Loss	(3 142 662)	1 486 434
Net finance costs	(1 259 408)	(1 119 043)
Profit/ Loss before taxation	(4 402 070)	367 391
Income tax expense	1 103 060	265 409
Profit/ Loss for the year	(3 299 010)	101 981
Earnings/ per share	(2.47)	-

ABRIDGED STATEMENT OF FINANCIAL POSITION	30 June 2024	30 June 2023
Assets		
Non-Current Assets		
Property, plant and equipment	53 990 169	52 693 201
Intangible assets	-	785
Investment in subsidiaries	-	-
Loans to related parties	143 877	1 304 823
Deferred tax	3 317 342	2 141 868
	57 451 388	56 140 677
Current assets		
Inventories	4 870 417	4 316 724
Trade and other receivables	6 191 380	5 935 539
Cash and cash equivalents	1 108 035	459 799
	11,311,791	9 833 914
Total assets	69 621 220	66 852 739
Equity and liabilities		
Equity		
Share capital	4 398 110	100
Share premium	24 447	-
Retained earnings	(1 724 056)	1 441 237
Revaluation reserve	30 924 713	30 924 713
	33 623 214	32 366 050
Liabilities		
Non-current liabilities		
Bonds payables	2 530 500	-
Borrowings	1 162 405	350 399
Loans from related parties	9 620 546	10 735 935
	13 313 451	11 086 334
Current liabilities		
Borrowings	526 639	188 224
Bank overdraft	7 742 279	8 997 432
Trade and other payables	11 508 158	11 358 892
Provisions	2 907 479	2 855 807
	22 684 555	23 400 355
Total equity and liabilities	69 621 220	66 852 739

ABRIDGED STATEMENT OF CHANGE IN CASHFLOWS	30 June 2024	30 June 2023
Cash flow from operating activities		
Cash generated from operations	(2 500 711)	4 711 105
Interest received	7 576	15 607
Interest paid	(1 266 984)	(1 134 650)
Net cash (outflow)/inflow from operating activities	(3 760 119)	3 592 062
Cash flow from investing activities		
Purchase of property, plant and equipment	(2 485 427)	(433 942)
Acquisition of subsidiary	-	-
Net Cash flow from investing activities	(2 485 427)	(433 942)
Cash flows from financing activities		
Repayment of borrowings	(149 579)	(630 443)
Issue of shares	4 422 457	-
Disbursement of borrowings	3 830 500	-
Movement in loans with related parties	45 557	(3 769 280)
Net cash inflow/(outflow) from financing activities	8 148 935	(4 399 723)
Total cash movement for the year	1 903 389	(1 241 603)
Cash and cash equivalent at the beginning of the year	(8 537 633)	(7 296 030)
Cash and cash equivalents at end of the year	(6 634 244)	(8 537 633)

ABRIDGED STATEMENT OF CHANGES IN EQUITY	Share capital	Share premium	Revaluation reserves	Retained earnings	Total
Balance at 01 July 2022	100	-	-	1,339,256	1,339,356
Profit for the year	-	-	-	101,981	101,981
Revaluations	-	-	30,924,713	-	30,924,713
Balance at 30 June 2023	100	-	30 924 713	1,441,237	32,366,050
Acquisition of subsidiary	-	-	-	133 717	133 717
Issue of shares	4 398 010	24 447	-	-	4 422 457
Loss for the year	-	-	-	(3 299 010)	(3 299 010)
Balance at 30 June 2024	4 398 110	24 447	30 924 713	(1 724 056)	33 623 214

NOTES

The financial results have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies' Act of 2009.

COMMENTARY

INTRODUCTION

Nkonyeni Pre-cast Limited (NPC), a leading player across diverse sectors such as precast concrete products, hardware, concrete roof tiles, chemicals, printing, construction, and distribution, is pleased to announce its financial results for the year ended 30 June, 2024. While this period presented significant market challenges, NPC demonstrated its resilience and unwavering commitment to its core values.

NPC remains committed to transparency and accountability, sharing its performance and future plans with all valued stakeholders, including investors, community members, customers and employees. This report showcases the company's financial achievements and strategic vision for the future.

NPC remains committed to providing investors with attractive long-term returns, recognizing their vital role in the company's growth and success. The financial results presented in this release demonstrate ongoing efforts to generate sustainable value for shareholders. With a strong market presence in Eswatini and a diversified product offering, NPC is well-positioned to contribute significantly to the Kingdom's construction and manufacturing industries. The company's strategic approach caters to a wide range of market needs, fostering economic development and creating opportunities for local communities.

FINANCIAL HIGHLIGHTS

- Revenue Growth:** We achieved 17% revenue growth, driven by an increase in both new projects and repeat business from long-standing clients.
- Gross Profit Margin:** Our gross profit margin remained strong at 43% (2023: 45%), reflecting our efficient production processes and cost management strategies.
- Balance Sheet:** NPC's balance sheet remains strong, with total assets of E69 619 220 (2023: E66 852 739) and minimal debt levels, providing a solid foundation for future expansion.
- Capital Raised:** The funds raised through our listing have strengthened our liquidity and enabled us to invest in new technology and production capacity.

PORTFOLIO REVIEW

For the year ended 30 June 2024, NPC demonstrated operational resilience amidst challenging market conditions. This period also saw the successful Initial Public Offering (IPO) listing of 50 million shares on the Eswatini Stock Exchange (ESE) at 1 Lilangeni per share, in November 2023. Of these, 24,277,000 shares were subscribed, with 4,277,000 shares paid before the IPO closed and 20,000,000 to be paid before the financial year-end. This strategic move showcased NPC's commitment to expansion and financial stability. In May 2024, the share price increased by 50% to 1.50 Emalangeni per share, reflecting continued investor confidence. Despite economic challenges, the company's diverse portfolio achieved a 17% revenue increase compared to the corresponding period, demonstrating its adaptability and growth potential.

CUSTOMER IMPACT

Our commitment to customers is reflected in our financial plans. The positive results will enable us to:

- Improve Services:** Enhance the quality and range of our services.
- Introduce New Offerings:** Bring innovative products to market.
- Enhance Customer Experience:** Elevate overall satisfaction through enhanced services.

OUTLOOK

Looking ahead, NPC is engaged in negotiations to expand its equity interests, aligning with regional growth strategies. Successful acquisitions and the planned capital raising exercise through equity funding underscore NPC's commitment to strategic growth and shareholder value. NPC remains dedicated to principles of sound corporate governance, ensuring openness, integrity, and accountability in its operations.

NPC continues its mission to contribute significantly to the Kingdom of Eswatini's economic development, providing quality products and services across diverse sectors.

INDEPENDENT AUDITORS REPORT ON ABRIDGED FINANCIAL STATEMENTS

Kobla Quashie, Nkonyeni Precast Limited's independent auditors, have audited the financial statements of Nkonyeni Precast Limited of and have expressed an unmodified opinion on the financial statement. The abridged financial statements have been derived from the audited financial statements and comprise the abridged statement of financial position as at 30 June 2024, abridged statement of comprehensive income, abridged statement of changes in equity and abridged statement of cash flows for the year ended 30 June 2024. The audited financial statements and audit report thereon are available for inspection at Nkonyeni Precast Limited's registered office. The audited financial statements do not necessarily report on all the information contained in this announcement. For a better understanding of the Company's financial position and the statements of its operations for the year, these abridged financial statements should be read in conjunction with the audited financial statements from which the abridged financial statements were derived, and the audit report.

CORPORATE GOVERNANCE

The directors and management of NPC confirm their commitment to the principles of openness, integrity and accountability as advocated by sound principles of Corporate Governance contained in the King Report.

By order of the Board
Frans Pienaar
17 October 2024

Sponsoring Broker



Auditor



Transfer Secretary



Nkonyeni Pre-Cast Limited
(Incorporated in the Kingdom of Eswatini)

Directors: Frans Pienaar (Chairman), Nelisiwe Mathabela (Non-executive), Portia Dlamini (Non-executive), Shaka Ndlangamandla (Non-executive), Marissa van Zuydam Kunene (Managing Director)
Nkonyeni Pre-cast, 523 Nkonyeni Farms, Sidvokodvo, Eswatini.