

## EXTRACT FROM THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30TH JUNE 2022.

1. STATEMENT OF PROFIT OR LOSS		
	2022 (UGX 'M)	2021 (UGX 'M)
Revenue	18,032	17,515
Cost of sales	(10,142)	(10,146)
<b>Gross profit</b>	<b>7,890</b>	<b>7,369</b>
Other Income	562	1,133
Overhead costs	(6,645)	(5,397)
<b>Profit/ (Loss) before income tax</b>	<b>1,807</b>	<b>3,105</b>
Income tax credit/(expense)	(542)	(355)
<b>Profit / (Loss) after tax for the period</b>	<b>1,265</b>	<b>2,750</b>
Basic earnings per share	1.41	3.06
2. STATEMENT OF FINANCIAL POSITION		
	2022 (UGX 'M)	2021 (UGX 'M)
Non - Current Assets	49,594	41,597
Current assets	27,515	29,314
<b>Total assets</b>	<b>77,109</b>	<b>70,911</b>
Equity	41,921	38,704
Non - Current Liabilities	25,145	26,061
Current Liabilities	10,043	6,146
<b>Total Equity and liability</b>	<b>77,109</b>	<b>70,911</b>

### Overview

The Board of Directors of Uganda Clays Ltd is pleased to announce the interim condensed financial statements (un-audited) for the six months ended June 30th, 2022. Trading conditions in the first half of the year have been difficult due to an unfavorable macroeconomic environment characterized by rising inflation and depreciation of the Ugandan shilling against other major international currencies and disruptions in the supply chain due to the geo-political conflict in Europe. This is highly characterized by the elevated fuel prices that increased the prices of all commodities and the supply chain challenges hence reducing marginal propensity to consume. Amidst the strong head winds, the company continues to manage inflation and supply chain pressures and is making good progress with its strategic plan, with investment in new production capacity progressing well, regional market penetration into Tanzania and Kenya. The company continues to enforce appropriate measures to safeguard the environment, monitor the health, safety, and wellbeing of its employees.

### Performance Highlights

**Revenue from sales** was UGX 18 billion, 3% higher than UGX 17.5 billion in June 2021 due to improved production efficiencies and expansion of the domestic market.

**Gross profit** increased by 7% to UGX 7.9 billion compared to UGX 7.4 billion in June 2021, driven by cost control measures put in place resulting in better management of production costs.

3. STATEMENT OF CHANGES IN EQUITY						
	Ordinary share capital (UGX 'M)	share premium (UGX 'M)	Revaluation reserve (UGX 'M)	Retained earnings (UGX 'M)	Proposed dividends (UGX 'M)	Total (UGX 'M)
At start of the year	900	9,766	2,212	26,428	1,350	40,656
Transfer of excess depreciation	-	-	-	-	-	-
Deferred tax on excess transfer of excess depreciation	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Proposed dividends	-	-	-	-	-	-
Profit for the period	-	-	-	1,265	-	1,265
<b>At end of June</b>	<b>900</b>	<b>9,766</b>	<b>2,212</b>	<b>27,693</b>	<b>1,350</b>	<b>41,921</b>

4. STATEMENT OF CASHFLOWS			
	2022 (UGX 'M)	2021 (UGX 'M)	
<b>Operating activities</b>			
Net cash generated from operating activities		5,609	7,129
<b>Investing activities</b>			
Net cash used in investing activities		(10,060)	(6,970)
<b>Movement in cash and cash equivalents</b>			
At start of the year		5,952	2,180
Increase/(decrease)		(4,451)	159
<b>At end of June</b>		<b>1,501</b>	<b>2,339</b>

**Overhead costs** increased by 23% to UGX 6.6 billion from UGX 5.4 billion in June 2021 driven by increased funding of the business initiatives for the period and increased operating costs resulting from increased inflation.

As a result, **Profit after tax** for the period dropped by 54% to UGX 1.3 billion compared to UGX 2.7 billion in June 2021.

**Balance sheet** analysis shows that total assets increased by 9% to UGX 77 billion from UGX 71 billion in June 2021, attributed to continued investment in the capital investments (CAPEX) project.

**Cash from operations** decreased by 21% to UGX 5.6 billion from UGX 7.1 billion in June 2021. This was due to an increase in the production input costs. Investment in plant and machinery increased to UGX 10Bn from UGX 7Bn in June 2021, mainly relating to the acquisition of the new preparation plant.

### Current trading and outlook.

We project the economy to improve in the second half of the year resulting in a steady growth in revenue. In addition, the Capex project for enhancement of production capacity is progressing well.

### Message from the Directors.

The interim condensed statements have been prepared in accordance with IAS 34 (Interim Financial Reporting) and the accounting policies used are consistent with those used in annual financial statements for the year ended December 31st, 2021. The statements should be read in conjunction with the company's audited financial statements for the year ended December 31st, 2021.

A copy of our audited financial statement is available on our company website [www.ugandaclays.co.ug](http://www.ugandaclays.co.ug).

The half year financial statements were approved for issue by the Board of Directors on 24 August 2022, and signed on their behalf by:



Eng Martin Kasekende  
**CHAIRMAN OF THE BOARD**



Reuben Tumwebaze  
**MANAGING DIRECTOR**