Bowler Metcalf Limited

BOWLER METCALF LIMITED
(Registration number 1972/005921/06)
Share code: BCF   ISIN number: ZAE000030797
("Bowler" or "the Company" or "the Group")

UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 AND DIVIDEND DECLARATION

CONDENSED STATEMENT OF FINANCIAL POSITION

Rmil	Notes	31 December 2024 Unaudited	% Change	30 June 2024 Audited
Non-current Assets		**456.0**		403.7
Property, plant & equipment		**375.6**		345.3
Investment properties		**7.6**		7.8
Other investments	1	**71.8**	+45	49.6
Deferred tax		**1.0**		1.0
Current Assets		**497.5**		514.2
Inventories	2	**145.2**	+12	130.0
Trade and other receivables	3	**192.4**	+27	151.4
Prepayments	4	**40.4**	+486	6.9
Cash and cash equivalents	5	**117.9**	-48	225.6
Taxation	6	**1.6**	+433	0.3
Total Assets		**953.5**		917.9
Total Equity		**833.0**		802.0
Non-current liabilities		**42.5**		39.0
Deferred Tax		**42.5**		39.0
Current Liabilities		**78.0**		76.9
Trade and other payables		**74.0**		75.1
Taxation	6	**4.0**	+122	1.8
Total Equity & Liabilities		**953.5**		917.9

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

Rmil	Notes	31 December 2024 Unaudited	% Change	31 December 2023 Unaudited
Revenue	7	**459.4**	+6	434.0
Raw materials and operating costs		**(266.3)**		(264.5)
Depreciation	8	**(11.9)**	-5	(12.5)
Rental Cost	9	**(2.4)**	+700	(0.3)
Staffing Cost	10	**(109.7)**	+10	(100.1)
Profit from operations		**69.1**	+22	56.6
Net finance income		**11.7**		12.6
Net profit before tax		**80.8**	+17	69.2
Taxation	11	**(21.5)**	+16	(18.7)
Profit for period		**59.3**	+17	50.5
Attributable to equity holders of parent		**59.3**		50.5
Earnings & diluted earnings per share (c)		**86.25**	+17	73.49

CONDENSED STATEMENT OF CHANGES IN EQUITY

Rmil	Stated Capital	Retained Earnings	Treasury Shares	Total Equity
Balance as at 30 June 2023*	-	757.7	(29.6)	728.1
Comprehensive income for the six months ending 31 December 2023	-	50.5	-	50.5
Dividends paid		(16.9)	-	(16.9)
Balance as at 31 December 2023	-	791.3	(29.6)	761.7
Balance as at 30 June 2024*	-	831.6	(29.6)	802.0
Purchase of Treasury shares	-	-	(2.3)	(2.3)
Comprehensive income for the six months ended 31 December 2024		59.3	-	59.3
Dividends paid	-	(26.0)	-	(26.0)
Balance as at 31 December 2024	**-**	**864.9**	**(31.9)**	**833.0**

* The balances as at 30 June 2024 and 30 June 2023 are audited, with the remaining movements in the Statement of Changes in Equity unaudited.

HEADLINE EARNINGS RECONCILIATION

Rmil	31 December 2024 Unaudited	% Change	31 December 2023 Unaudited
HEADLINE EARNINGS			
Earnings attributable to parent	**59.3**		50.5
Adjustments	**-**		-
Headline Earnings	**59.3**	+17	50.5
Basic & diluted headline earnings per share	**86.25**	+17	73.49

CONDENSED STATEMENT OF CASH FLOWS

Rmil	Notes	31 December 2024 Unaudited	% Change	31 December 2023 Unaudited
Operating activities		**(43.3)**		35.3
Cash (utilised)/generated by operations	12	**(9.5)**	-119	49.2
Net finance income	13	**9.4**	-25	12.6
Taxation paid	14	**(17.2)**	+79	(9.6)
Dividends paid	15	**(26.0)**	+54	(16.9)
Investing activities		**(62.1)**		(18.4)
Property, plant and equipment – additions		**(42.2)**		(45.1)
Proceeds on disposal of property, plant and equipment		**0.1**		-
Acquisition of unit trust investments	16	**(20.0)**	+100	-
Financing activities		**(2.3)**		(1.9)
Repayment of lease liabilities	17	**-**	-100	(1.9)
Treasury shares - acquisitions	18	**(2.3)**	+100	-
Net cash outflow		**(107.7)**		(11.7)
Opening balance		**225.6**		207.9
Closing balance		**117.9**		196.2
Comprising:				
Cash & cash equivalents		**117.9**	-48	196.2

Rmil		31 December 2024 Unaudited	% Change	30 June 2024 Audited
1.	**Other Investments**	**71.8**	+45	49.6
	Cash unit trusts			
	Made up as follows:			
	- Ashburton Income Fund	**26.7**		25.5
	- Gryphon Dividend Income Fund	**24.9**		24.1
	- Investec BCI Enhanced Income Fund	**20.2**		-
		71.8	+45	49.6

During the period under review, additional resources were allocated to income funds in order to maximise returns on cash holdings, while maintaining strict credit rating thresholds.

The investment in the Ashburton Stable Income Fund Portfolio, is under the management of Ashburton Investments, which is part of the FirstRand Group. At period end the investment represented only 0.10% of the fund value.

The fund is an actively managed cash fund with the underlying investments being mainly floating rate notes and cash, which can be liquidated within 48 hours and has annualised returns of 8.90% (2023: 8.26%) for the year.

The fair value of the investment is derived from the market value of the underlying instruments in the unit trust portfolio.

The investment has been classified as a level 2 fair value in terms of the hierarchy.

The investment in the Gryphon Dividend Income Fund at period end represented only 0.90% of the fund value.

The Dividend Income fund is an actively managed fund with annualised effective after-tax returns of 6.95% (2023: 7.26%). Capital risk is restricted as the fund has no exposure to equities. Capital gains are of an incidental nature. The portfolio is permitted to invest in any equity or non- equity securities that generate a dividend return and may be included in the portfolio.

Investments are fully secured by bank deposits with the top five SA banks, i.e. Standard Bank, ABSA, Nedbank, Investec and FirstRand.

The investment has been classified as a level 2 fair value in terms of the hierarchy.

Rmil		31 December 2024 Unaudited	% Change	30 June 2024 Audited
	The investment in the Investec BCI Enhanced Income Fund at period end represented only 0.26% of the fund value. The fund is an actively managed fund with annualised effective after-tax returns of 6.56%. Capital risk is restricted as the fund has only 30% exposure to equities. Capital gains are of an incidental nature. The investment has been classified as a level 2 fair value in terms of the hierarchy. The investment in the unit trusts is in unconsolidated structures and the value is based on the fair value of the shares.			
2.	**Inventories** The growth in inventories is mainly related to the timing of period end deliveries resulting in an increase in Raw Materials. The overall increase in inventory reflects a return to the higher levels previously sought in managing supply chain risk mitigation.	**145.2**	+12	130.0
3.	**Trade and other receivables** Whilst the trade receivables are higher than the comparative traditionally slower mid-year trading period, the balance is also higher than the same period last year. This is a direct result of higher trading levels in the 3 months ending December 2024 when compared to the same period a year ago and resulting customer mix. The ageing profile at period end showed no significant concerns, with the subsequent January inflows being reasonable compared to the previous reporting period.	**192.4**	+27	151.4

Rmil		31 December 2024 Unaudited	% Change	30 June 2024 Audited
4.	**Prepayments**	**40.4**	+486	6.9
	Supply challenges on certain polymers and intentional expansion of our business continuity programs has necessitated that we engage with new suppliers for Raw Materials. The growth in prepayments is mainly as a result of doing business with these new suppliers, and while they have upfront trading terms for our initial dealings, extended credit terms are being negotiated after the period end. All of this prepaid stock was received by mid January 2025.			
5.	**Cash and cash equivalents**	**117.9**	-48	225.6
	The reduction in cash is a combination of investment in working capital, ongoing capital expenditure, additional allocation to income funds and returns to shareholders. It is expected that cashflow will normalise in the second half of this financial year.			
6.	**Taxation**			
	Taxation receivable	**1.6**		0.3
	Taxation payable	**(4.0)**		(1.8)
	Net taxation payable	**(2.4)**	+60	(1.5)
	The increased net tax payable is mainly attributable to the timing differences between the last assessment on which the provisional tax payment was made, and the trading results for the current period.			

NOTES TO THE CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Rmil		31 December 2024 Unaudited	% Change	31 December 2023 Unaudited
7.	**Revenue** Increased Revenue in the Packaging segment was mainly volume related and operationally, the Packaging segment managed higher capacity utilisation than the previous year.			
7.1	**Disaggregate Revenue Sources**			
	Plastic Packaging and related Products	**455.6**	+6	430.5
	Property Leases	**3.8**	+ 6	3.5
		459.4	+6	434.0
7.2	**Revenue by Region**			
	Coastal Regions	**171.0**	+11	153.9
	Inland	**288.4**	+3	280.1
		459.4	+6	434.0
8.	**Depreciation** Comprising:			
	Property, plant and equipment	**11.9**	+11	10.7
	Right of use asset	**-**	-100	1.8
		11.9	-5	12.5
9.	**Rental Cost** All leases and its related payments in the current period were accounted for as a rental expense, unlike in the comparative period when these payments were accounted for as right of use assets due to the leases being of a long term nature during that period.	**2.4**	+700	0.3
10.	**Staffing Cost** The increased staff cost emanates from a combination of annual increases linked to CPI, the filling of critical vacancies and increased wages hours in line with the increased production year on year.	**109.7**	+10	100.1
10.1	**Related party transactions** Directors' emoluments Incentive payments, accrued for in the previous financial year, were only paid to the executive directors in the latter part of the period. Other than the above information on related parties, there have been no other dealings with related parties that are material to an understanding of these results.	**6.5**	+22	5.3
11.	**Taxation** The increased taxation expense is directly related to the increased profit before tax.	**21.5**	+16	18.7

NOTES TO THE CONDENSED STATEMENT OF CASH FLOWS

Rmil		31 December 2024 Unaudited	% Change	31 December 2023 Unaudited
12.	**Cash (utilised)/generated by operations**	**(9.5)**	-119	49.2
	Summarised as follows:			
	Profit from operations	**69.1**		56.6
	Add non-cash items:			
	Depreciation	**11.9**		12.5
	Other non-cash items	**0.4**		2.2
	Cash generated before working capital changes	**81.4**		71.3
	Working capital changes:	**(90.9)**		(22.1)
	(Increase)/decrease in inventories	**(15.2)**		17.8
	Increase in trade and other receivables	**(41.0)**		(19.7)
	Increase in prepayments	**(33.5)**		(6.4)
	Decrease in trade and other payables	**(1.2)**		(13.8)
	Total	**(9.5)**		49.2
13.	**Net finance income** Finance income reduced due to lower average cash holdings (refer note 5), lower interest rates and a reallocation of unrealised gains on investment funds to non-cash movements for this reporting period.	**9.4**	-25	12.6
14.	**Taxation paid** The increased tax paid is directly a result of final payments relating to the increased taxable profit for the 2024 financial year and the higher provisional payment requirements for the 2025 financial year.	**(17.2)**	+79	(9.6)
15.	**Dividends paid** The increased dividend paid is directly related to the higher earnings of the 2024 financial year versus that of the 2023 financial year.	**(26.0)**	+54	(16.9)
16.	**Acquisition of unit trust investment** This relates to the new investment in the Investec BCI Income Fund. (refer note 1).	**(20.0)**	+100	-
17.	**Repayment of lease liabilities** All leases subject to the right of use accounting ended during the previous financial period.	**-**	-100	(1.9)
18.	**Treasury share acquisitions** 173 911 shares (2023: Nil) were purchased during the period at an average cost of R13.07 per share. (2023: Nil) No shares were cancelled during the period. (2023: Nil)	**(2.3)**	+100	-

CONDENSED SEGMENTAL ANALYSIS

Rmil	Plastic Packaging	Property Investment	Holdings	Eliminations	Total
31 December 2024 (Unaudited)					
Total Revenue	455.6	19.6	-	(15.8)	459.4
- External Revenue	455.6	3.8	-	-	459.4
- Intersegment	-	15.8	-	(15.8)	-
Other income	2.3	-	-	(2.3)	-
Expenses	(401.2)	(4.5)	(0.4)	15.8	(390.3)
Operating profit(loss)	56.7	15.1	(0.4)	(2.3)	69.1
Net finance income	0.1	-	11.6	-	11.7
Profit/(loss) before tax	56.8	15.1	11.2	(2.3)	80.8
Taxation	(15.3)	(3.2)	(3.0)	-	(21.5)
Net profit/(loss) for the period	41.5	11.9	8.2	(2.3)	59.3
Attributable to parent	41.5	11.9	8.2	(2.3)	59.3
Revenue by region					
Coastal regions	167.2	3.8	-	-	171.0
Inland	288.4	-	-	-	288.4
Total	**455.6**	**3.8**	**-**	**-**	**459.4**
Total Assets	827.0	94.6	183.5	(151.6)	953.5
Total Liabilities	142.0	39.4	95.4	(156.3)	120.5
Capital expenditure	41.6	0.6	-	-	42.2
30 June 2024 (Audited)					
Total Assets	932.8	107.3	265.4	(387.6)	917.9
Total Liabilities	151.4	38.0	253.2	(326.7)	115.9

31 December 2023 (Unaudited)

Rmil	Plastic Packaging	Property Investment	Holdings	Eliminations	Total
Total Revenue	430.5	18.5	-	(15.0)	434.0
- External Revenue	430.5	3.5	-	-	434.0
- Intersegment	-	15.0	-	(15.0)	-
Other Income	1.5	-	-	(1.5)	-
Expenses	(378.6)	(13.4)	(0.4)	15.0	(377.4)
Operating profit(loss)	53.4	5.1	(0.4)	(1.5)	56.6
Net finance income	-	-	12.6	-	12.6
Profit/(loss) before tax	53.4	5.1	12.2	(1.5)	69.2
Taxation	(14.0)	(1.4)	(3.3)	-	(18.7)
Net profit/(loss) for the period	39.4	3.7	8.9	(1.5)	50.5
Attributable to parent	39.4	3.7	8.9	(1.5)	50.5

Rmil	Plastic Packaging	Property Investment	Holdings	Eliminations	Total
Revenue by region					
Coastal regions	150.4	3.5	-	-	153.9
Inland	280.1	-	-	-	280.1
Total	430.5	3.5	-	-	434.0
Total assets	798.0	106.9	262.0	(300.0)	843.5
Total liabilities	121.4	48.3	240.7	(305.1)	105.3
Capital expenditure	44.6	0.5	-	-	45.1
30 June 2023 (Audited)					
Total assets	833.5	102.0	267.7	(359.7)	843.5
Total liabilities	113.8	47.0	236.9	(282.3)	115.4

	31 December 2024 Unaudited	% Change	31 December 2023 Unaudited
Additional Information			
Ordinary dividend/share paid (c)	37.80	+54	24.60
Ordinary dividend/share proposed (c)	25.00	+4	24.00
Basic ordinary dividend cover (times)	3.45		3.06
Weighted shares in issue ('000)	68.748		68.777
Capital expenditure (Rmil)	42.2	-6	45.1
Capital commitment (Rmil)	37.5	-45	67.9
Closing share price (c)	1 362	+43	950

CEO'S COMMENTARY

There were several positive indicators following the elections. Consumer spending was cautiously optimistic, aided by relief from the two-pot retirement system, lower inflation, and reduced interest rates. However, the war in the Middle East impacted supply chains, affecting forecasting and manufacturing.

The Group's profit increased by 17%, and revenue grew by 6% compared to the previous reporting period's performance. The main contribution in profit growth came from the non-recurrence of once-off roof repair costs in the Property segment for the previous reporting period. The Packaging segment reported a 6.2% increase in operating profit, mainly on the back of volume growth. Ongoing pricing pressures and growth-related extraordinary costs affected its performance while the operations are increasing capacities to meet secured demand.

During this period, the stable energy environment enabled us to concentrate on streamlining business processes, enhancing technical capabilities, and improving operational efficiencies.

Cash flows towards the end of the reporting period were under pressure due to high trading volumes and strategic raw material purchases. Nevertheless, cash flows remain robust and are anticipated to stabilize during the second half of the year. The overall cash position declined as a result of increased working capital, project-related capital expenditures, additional allocation to investment funds, and substantial shareholder returns.

An interim dividend of 25 cents per share is payable on 31 March 2025.

The plastic packaging market continues to offer opportunities. Market dynamics are evolving as retailers and brandholders respond to changes in the consumer base. The business remains focused on efficient operations, while adjusting its capacities and structuring the organization for growth.

PF SASS
CHIEF EXECUTIVE OFFICER

BASIS OF PREPARATION
The condensed consolidated results have been prepared in accordance with, and containing the information required by IAS 34 Interim Financial Reporting and the Financial Reporting Pronouncements as issued by the International Financial Reporting Standards Council. The results comply with the JSE Listings Requirements and the Companies Act, 2008 of South Africa.

This announcement itself has not been audited or reviewed by the Group's auditors, Moore Cape Town Incorporated.

These condensed consolidated results were prepared by Mr AC September CA (SA) in his capacity as group financial manager.

The accounting policies and methods of computation applied in the preparation of these condensed consolidated results are consistent with IFRS and those applied in the most recently issued audited annual financial statements.

The information included in this announcement, including any forward-looking information, has not been reviewed or reported on by the Group's auditors.

ACQUISITIONS AND DISPOSALS
There have been no business additions or disposals during the period under review.

ISSUE AND REPURCHASE OF SHARES
There have been no new issues or repurchases of ordinary shares during the period, other than the 173 911 treasury shares noted above.

STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR
No new standards and interpretations have been adopted during the period under review.

CASH DIVIDEND DECLARATION
An interim gross cash dividend, as defined by the Income Tax Act, of 25.00 cents per share ("cps") for the six months ended 31 December 2024 (2023: 24.00 cps) has been declared and is payable to shareholders on Monday, 31 March 2025. The last day to trade will be Tuesday, 25 March 2025, the ex-date is Wednesday, 26 March 2025 and the record date will be Friday, 28 March 2025. Share certificates may not be de-materialised or re-materialised between Wednesday, 26 March 2025 and Friday, 28 March 2025, both days inclusive. The directors confirm that at the date of this report they are satisfied with the solvency and liquidity test.

The directors confirm that at the date of this report they are satisfied with the solvency and liquidity test.

The dividend will be made from income reserves. The gross dividend is 25.00 cps. Dividend Withholding Tax ("DWT") is 20%. The net local cash dividend to shareholders liable for DWT will therefore be 20.00 cps.

Number of shares in issue at the date of declaration is 74 703 569 shares.

SUBSEQUENT EVENTS
No significant events occurred subsequent to 31 December 2024.

COMPANY TAX NUMBER
9775130710

PF Sass (Chief Executive Officer)

GA Böhler (Chief Financial Officer)

Cape Town
4 February 2025

Prepared by:
AC September CA(SA)

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