

CHOPPIES ENTERPRISES LIMITED
(Incorporated in the Republic of Botswana)
Registration number: BW00001142508
JSE share code: CHP
BSE share code: Choppies
ISIN: BW0000001072
("Choppies" or "the Company")



ABRIDGED AUDITED GROUP FINANCIAL RESULTS FOR THE TWELVE MONTHS ENDED 30 JUNE 2021

The board of directors of Choppies ("the Board") announces the results of the Group for the 12 months ended 30 June 2021.

This short-form announcement is the responsibility of the Board and is only a summary of the information contained in the Group's full FY2021 annual results announcement.

Continuing operations (Audited)	2021	2020	Change
	Pula Millions	Pula Millions	
Revenue	5331	5421	(2%)
Gross Profit	1189	1253	(5%)
Gross Margin	22.3%	23.1%	(80 bps)
Operating Profit	226	208	9%
Operating margin	4.2%	3.8%	40 bps
Profit for the period	82	99	(17%)
Basic earnings per share – thebe	6.5	8.1	(20%)
Headline earnings per share - thebe	6.5	9.1	(29%)
Net cash flows generated from operating activities	359	162	197
Cash and cash equivalents at end of the period	6	(88)	94
Total operations including continuing and discontinued operations			
Basic & diluted earnings per share – thebe	5.2	(25.3)	(121%)
Headline & diluted headline earnings per share - thebe	6.5	(15.3)	(142%)

Financial highlights

We are proud to report that the Group achieved its first profit since 2016 as the benefits from restructuring the business, following the exit from underperforming investments, continue to be realised.

Group revenue decreased by 1.7% to BWP 5 331 million (2020: BWP 5 421 million) mainly as a result of negative volume growth in Botswana due to the impact of the COVID-19 pandemic on the economy and consumer spend. The Rest of Africa revenue increased by 2.2% to BWP 1 186

million (2020: BWP 1 160 million) driven by inflationary increases in Zimbabwe and Zambia which were further offset by negative fluctuations in currency exchange rates.

Total operating costs were reduced by 7.2% resulting in an 8.7% increase in EBIT from BWP 208,0 million to BWP 226,2 million. EBIT margins improved from 3,8% to 4,2%.

The increase in the effective tax rate is primarily due to last year's losses related to the divestiture of the South African operations sold in 2020.

The Group has managed its cash resources and liquidity prudently over the course of the COVID-19 crisis with a reduction of BWP 55.4 million in net debt, including the debt disclosed in 2020 under discontinued operations.

All remaining assets and liabilities relating to the discontinued operations were transferred to continuing operations at the end of the 2021 financial year and will be realised in the ordinary course of business.

The Board has considered it prudent not to declare a dividend for the period under review (2020: Nil).

This short form announcement is the responsibility of the Board and is a summary of the information in the full announcement available on the BSE's X-news and on the JSE's SENS at <https://senspdf.jse.co.za/documents/2021/JSE/ISSE/CHP/CHPFY21.pdf> and on the Group's website: <https://choppiesgroup.com/investor-relations/>.

This announcement does not contain full details and should not be used as a basis for any investment decision in relation to the Company's shares. The full announcement is also available for inspection, at no charge, at the Company's registered office (Plot 50371, Fairgrounds office park, Gaborone, Botswana.) and the office of the Company's Sponsors during standard office hours.

Audit opinion

The Group's annual financial statements have been audited by Mazars who issued a qualified opinion where the current period's financial statements is modified only for the possible lack of comparability of the results of operations of the comparative year with the current year. This was due to Mazars being appointed auditors after the FY2019 financial year and they were unable to observe the counting of physical inventories at June 2019. As a result of this matter, Mazars was unable to determine whether any adjustments might have been necessary in respect of the cost of goods sold for FY2020. Mazars' audit report is published on X-News & SENS simultaneously with this abridged release of results. This abridged financial information, has not been reviewed by the Group's external auditor, and has been extracted from the audited annual financial statements.

The Company has a primary listing on the Botswana Stock Exchange and a secondary listing on the JSE Limited.

22 September 2021

BSE Sponsoring Broker
Stockbrokers Botswana Limited



JSE Sponsor
PSG Capital

