

CHOPPIES ENTERPRISES LIMITED
 Registration number BW00001142508
 ISIN: BW0000001072
 BSE SHARE CODE: CHOPPIES
 JSE SHARE CODE: CHP
 Tax Reference Number: C08710401018
 “Choppies” or the “Company” or “the Group”



CONDENSED REVIEWED INTERIM GROUP FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

The board of directors of Choppies (“the Board”) announces the results of the Group for the 6 months ended 31 December 2021 (“HY2022”). These results have been reviewed by the external auditors who have expressed an unmodified review conclusion thereon.

This short-form announcement is the responsibility of the Board and is only a summary of the information contained in the Group’s full HY2022 interim results announcement.

Continuing operations (reviewed)	HY2022	HY2021	Change
	Pula Millions	Pula Millions	
Revenue	3,223	2,711	19%
Gross Profit	686	598	15%
Operating Profit	181	138	31%
Operating margin	5.6%	5.1%	53 bps
Profit from continuing operations	108	64	69%
Basic earnings per share	8.0 Thebe	5.0 Thebe	60%
Headline earnings per share	8.1 Thebe	4.2 Thebe	93%
Net cash flows generated from operating activities	290	168	122
Cash and cash equivalents at end of the period	51	(70)	121
Total operations including continuing and discontinued operations			
Basic earnings per share	8.0 Thebe	3.3 Thebe	142%
Headline earnings per share	8.1 Thebe	4.2 Thebe	93%

Financial highlights

The Group’s revenue increased by 18.9% to BWP 3 223 million (2020: BWP 2 711 million), driven by six new stores coupled with strong volume and price growth in the Rest of Africa. The Group’s like for like sales growth was 13.9%.

Botswana experienced modest revenue growth to BWP 2 231 million (2020: BWP 2 186 million) mainly as a result of negative volume growth due to the impact of the COVID-19 pandemic on the economy and consumer spending. The Rest of Africa revenue increased by 89.0% to BWP 992 million (2020: BWP 525 million) driven by the addition of five new stores, inflationary increases in Zimbabwe and Zambia and volume growth in all countries.

In Pula terms, gross profit grew by 14.7% to BWP 686 million (2020: BWP 598 million) despite the challenging economic environment.

Total operating costs increased by 9.7%, mainly driven by a 15.0% increase in administrative expenses which was offset a BWP 29 million foreign exchange gain on lease liabilities from the Zambian operation following the strengthening of the Kwacha. As a result, operating profit (EBIT) increased by 31.2% from BWP 138 million to BWP 181 million. EBIT margins improved from 5.1% to 5.6%.

The effective tax rate reduced from 28.1% to 16.9% due to unrecognised tax losses in Zambia.

The Group continues to manage its cash resources and liquidity prudently with a reduction of BWP 83 million in net debt over the past six months. Free cash flow of BWP 72 million (2020: BWP 3 million) was generated during the past six months compared to BWP 74 million for the 12 months to June 2021.

The Board has resolved not to declare an interim dividend given the prolonged impact of the Covid-19 pandemic, the continuing uncertain economic environment as well as the rebuilding phase of the Group's capital structure (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/2022/JSE/ISSE/CHP/CHPDEC2021.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.

Review Opinion

Mazars, the Group's independent auditor, has reviewed the condensed consolidated interim financial statements for the six month period ended 31 December 2021 and has expressed an unmodified review conclusion thereon.

A copy of the auditor's review report is included on pages 3 and 4 and is available for inspection at the Company's registered office together with the financial information identified in the auditor's report.

The auditor's review report does not necessarily report on all the information in these interim financial statements. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's review report together with the accompanying financial information from the Company's registered office and on the company website.

Mazars' review report is published on XNews and SENS simultaneously with this condensed release of results and is also available on the Group's website: <https://choppiesgroup.com/investor-relations/>.

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

15th February 2022

BSE Sponsoring Broker
Stockbrokers Botswana Limited



JSE Sponsor
PSG Capital

