

# THE KENYA POWER AND LIGHTING COMPANY PLC

## THE AUDITED FINANCIAL RESULTS

### FOR THE YEAR ENDED 30 JUNE 2021

The Directors of the Kenya Power and Lighting Company Plc announce the audited financial results of the Company for the year ended **30 June 2021** as follows:

#### CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	2021 Kshs Million	2020 Kshs Million
Revenue from contracts with customers	144,120	133,258
Cost of sales	(94,220)	(87,499)
<b>Gross Margin</b>	<b>49,900</b>	<b>45,759</b>
Other income	7,046	7,387
Transmission, distribution & administration costs	(39,861)	(47,834)
<b>Operating Profit</b>	<b>17,085</b>	<b>5,312</b>
Interest income	163	123
Finance costs	(9,050)	(12,477)
<b>Profit/(Loss) Before Tax</b>	<b>8,198</b>	<b>(7,042)</b>
Income tax (expense)/credit	(6,708)	6,103
<b>Profit/(Loss) After Tax</b>	<b>1,490</b>	<b>(939)</b>
Other comprehensive income	787	(396)
<b>Total comprehensive income for the year</b>	<b>2,277</b>	<b>(1,335)</b>
<b>Basic and diluted earnings per share (Kshs)</b>	<b>0.76</b>	<b>(0.48)</b>
<b>Dividend Per Share</b>	<b>Nil</b>	<b>Nil</b>

#### CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	2021 Kshs Million	2020 Kshs Million
<b>Assets</b>		
Property, plant and equipment	277,305	276,860
Other Non-current assets	5,290	5,780
Current assets	49,635	42,627
	<b>332,230</b>	<b>325,267</b>
<b>Equity and Liabilities</b>		
Shareholders' equity	57,174	54,897
Non-current liabilities	158,942	152,895
Current liabilities	116,114	117,475
	<b>332,230</b>	<b>325,267</b>

#### CONDENSED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	2021 Kshs Million	2020 Kshs Million
Net cash generated from operating activities	32,466	23,561
Net Cash used in investing activities	(18,229)	(16,241)
Net Cash generated from financing activities	(12,095)	1,977
<b>Increase in cash and cash equivalents</b>	<b>2,142</b>	<b>9,297</b>
Cash and cash equivalents at beginning of year	3,908	(5,426)
Effect of foreign exchange rate changes on cash and cash equivalents	3	37
Cash and cash equivalents at close of year	<b>6,053</b>	<b>3,908</b>

#### PERFORMANCE OVERVIEW

##### Trading Performance

The Company recorded a profit before tax of Shs.8,198 million for the year ended 30 June 2021 compared to a loss before tax of Shs.7,042 million the previous year, an increase of Shs.15,240 million.

This positive growth is attributable to an 8.4% increase in electricity revenue (excluding foreign exchange surcharge and fuel recovery) resulting from growth in electricity sales by Shs.9,755 million to Shs.125,927 million, and a decrease in operating costs by Shs.7,973 million from Shs.47,834 million to Shs.39,861 million. In addition, finance costs went down by Shs.3,427 million from Shs.12,477 million the previous year to Shs.9,050 million.

The increase in electricity revenue was mainly driven by growth in unit sales of 400 GWh from 8,171 GWh the previous year to 8,571 GWh owing to an expanded customer base and increased economic activity.

Non-fuel power purchase costs increased by 2.14% from Shs.74,445 million to Shs.76,037 million due to an increase in units purchased from 9,853 GWh to 10,399 GWh as a result of higher electricity demand. Fuel power purchase costs on the other hand remained relatively unchanged at Shs.11,184 million compared to Shs.11,061 million the previous year.

Operating expenses reduced by 17% from Shs.47,834 million to Shs.39,861 million. This is due to lower provisions as a result of enhanced revenue collection, prudent cost management and resource optimisation initiatives implemented during the year.

Finance costs reduced from Shs.12,477 million to Shs.9,050 million following the partial conversion of overdrafts and continued repayment of commercial loans. In addition, the unrealised foreign exchange losses reduced due to prudent planning of foreign exchange transactions.

##### Profit

During the year, the Company recorded a profit before tax of Shs.8,198 million

compared to a loss before tax of Shs.7,042 million the previous year, an increase of Shs.15,240 million or 216.42%.

##### Dividend

The Directors do not recommend the payment of a dividend to shareholders.

##### Future Outlook

In 2022, Kenya Power will mark a centenary of driving Kenya's social and economic growth. As we prepare to mark this important milestone, we are implementing critical and far reaching reforms to transform this strategically important Company into a pre-eminent local and regional corporate leader.

The transformation, underpinned by a culture of innovation and high performance, is anchored on driving growth in our core business lines, whilst pursuing a strong diversification agenda so as to future proof the business.

Our strategy is aimed at sustainably growing the business by continuously empowering our people, and streamlining processes to make them more robust, agile and responsive to customer needs.

In addition, the Company will remain at the forefront of driving the ongoing dialogue on power purchase agreements to make electricity more affordable for our customers, and to boost Kenya's competitiveness as a business hub to spur social and economic growth.

##### Appreciation

We thank the Government, our shareholders, customers, management team, employees and all stakeholders for their continued support.

#### BY ORDER OF THE BOARD

**I. BORE**  
**COMPANY SECRETARY**

**29 October 2021**