



THE KENYA POWER AND LIGHTING COMPANY PLC UNAUDITED TRADING RESULTS FOR SIX MONTHS PERIOD ENDED 31 DECEMBER 2019

Kenya Power

Directors of the Kenya Power and Lighting Company Plc announce the following unaudited accounts for the half-year period ending 31 December 2019:

STATEMENT OF PROFIT OR LOSS

	31.12.2019 KShs. Million	31.12.2018 KShs. Million
Revenue		
Non-fuel revenue	57,491	56,952
Foreign exchange adjustment	572	810
Fuel cost charge	11,544	7,678
Other operating income	3,801	3,932
Total Revenue	73,408	69,372
Operating Expenditure		
Power purchase costs (non-fuel)	(37,190)	(32,599)
Foreign exchange costs	(1,173)	(523)
Fuel costs	(7,152)	(6,887)
Transmission & distribution costs	(22,977)	(20,921)
Total Operating Costs	(68,492)	(60,930)
Operating Profit	4,916	8,442
Finance income	59	63
Finance costs	(3,835)	(4,811)
Profit Before Tax	1,140	3,694
Income tax expense	(447)	(1,236)
Profit for the year	693	2,458
Basic and diluted earnings per Share	KShs.0.35	KShs.1.26

STATEMENT OF FINANCIAL POSITION

	31.12.2019 KShs. Million	31.12.2018 KShs. Million
Assets		
Property and equipment	275,707	275,884
Other non-current assets	4,849	7,404
Current assets	45,227	55,376
	325,783	338,664
Equity and Liabilities		
Shareholders' Equity	56,923	66,665
Non-current liabilities	154,722	166,871
Current liabilities	114,138	105,128
	325,783	338,664

STATEMENT OF CASH FLOWS

	31.12.2019 KShs. Million	31.12.2018 KShs. Million
Cash generated from operating activities	8,806	13,177
Net Cash used in investing activities	(7,171)	(11,323)
Net Cash generated from financing activities	(2,213)	1,523
Increase in cash and cash equivalents	(578)	3,377
Cash and cash equivalents at beginning of the year	(5,426)	(7,603)
Cash and cash equivalents at 31st December	(6,004)	(4,226)

Key Highlights for the Half-Year Ended 31 December 2019

Electricity sales grew to 4,167 GWh from 4,106 GWh recorded in a similar period in 2018. This growth reflects an increase of 61 GWh representing 1.5 percent supported mainly from an expanded customer base.

Non-fuel power purchase costs increased from KShs.32,599 million in the previous period to KShs.37,190 million. The rise is attributed to additional energy charges from new power plants developed to enhance generation capacity and meet future demand as the country's electricity access increases. As a result, the units purchased rose from 5,324 GWh the previous period to 5,447 GWh.

Our transmission and distribution costs increased to KShs.22,977 million from KShs.20,921 million the previous period due to rise in operational expenses in line with general business growth.

Finance costs decreased by 20.3 percent to KShs.3,835 million. This is due to the appreciation of the Kenya shilling against the major trading currencies leading to an unrealised foreign exchange gain.

Profit after Tax

The Company recorded a net profit after tax of KShs.693 million for the period compared to KShs.2,458 million realised the previous similar period.

Improving Our Performance

Our immediate focus is to improve business performance through the implementation of various initiatives to grow sales, reduce system losses, enhance revenue collection and manage costs. These initiatives are part of a wider turnaround strategy and are supported by the Company's drive to improve customer satisfaction in line with our clarion call of 'Tunza Customer, Kuza Biashara'. Towards this, we are enhancing our presence throughout all customer touchpoints and optimising our human capital for improved productivity and customer experience. Further, we are realigning our business units and reengineering key processes to enhance effectiveness in service delivery and improve performance.

BY ORDER OF THE BOARD

IMELDA BORE

COMPANY SECRETARY

February 27, 2020