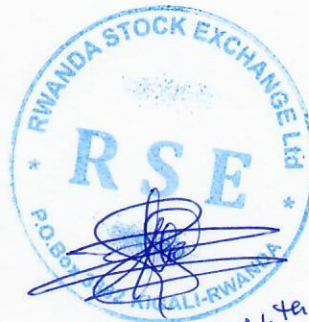


Kigali On 14<sup>th</sup> December 2020  
Ref: 052/2020/CIM/FIN

Mr. Pierre Celestin RWABUKUMBA  
The Chief Executive Officer,  
Rwanda Stock Exchange (RSE)  
1<sup>st</sup> floor, Kigali City Tower,  
P.O.Box 3882, Kigali Rwanda.



14<sup>th</sup> / 12 / 2020

Dear Mr. RWABUKUMBA,

**RE: CIMERWA Plc 2020 Full Year Results for the financial period ended 30<sup>th</sup> September 2020**

I am pleased to share with you CIMERWA Plc's Press Release for the Full Year financial results for the Period ended 30<sup>th</sup> September 2020.

The detailed Press Release is attached for your convenience.

Sincerely,



**John Bugunya**  
Chief Finance Office



## **Media Release**

**14<sup>th</sup> December 2020**

**Kigali, Rwanda**

### **CIMERWA's revenues continue to grow amidst COVID-19 challenges.**

Globally, 2020 was a year ripe with challenges affecting everything from industries, businesses, and individuals. CIMERWA Plc experienced its own share of COVID induced challenges. However, in spite of this, it is ending the year on a positive note.

Addressing the media at CIMERWA's Annual Financial Report Roundtable held at the Kigali Serena Hotel on 14th December 2020, CIMERWA Plc CFO – John Bugunya shed light on the company's financial performance.

"The company was able to record strong Earnings before Interest Tax Depreciation and Amortization (EBITDA) of Rwf 16.56 Billion and Profit After Tax (PAT) of Rwf 1.95 Billion. The company's liquidity position remains strong with the liquidity ratio of 2.07 and cash balances of Rwf 13.3 Billion. This puts the company in an excellent position to meet its obligations and to fund its expansion projects." Bugunya explained.

The company has a syndicated debt facility which was obtained for the construction of the new plant commissioned in 2015. This debt facility was Rwf 43 Billion as at 30 September 2020 with maturity due in October 2024.

CIMERWA's sales revenues increased by 1% compared to the previous year, despite a 40-day shutdown of cement production on account of the country-wide COVID-19 lockdown that was put in effect on 22<sup>nd</sup> March 2020. CIMERWA Plc was able to bounce back strongly with improved production operations, including producing 55,000 Metric Tons in the month of July, a record in its production history. The Company also made other notable achievements during the fiscal year, including launching its application-based "SURE RANGE" products hence diversifying the product portfolio and also listed its shares on the Rwanda Stock Exchange.

"These set of results demonstrate CIMERWA's strong foundation, resilience and great potential. In response to the exceptional situation of COVID-19 pandemic, the team stepped up to the challenge by putting in place measures to ensure business continuity and protect performance. As the market opened up, we were more than ready to continue supplying our SIMANYARWANDA and stay the course of Strengthening Rwanda. We undertook various initiatives that will have long term positive





impact on the business. This includes cost savings initiatives, strengthening the organization and applying innovation to face new challenges. CIMERWA Plc will emerge from this situation even stronger than before.” Explains CIMERWA Plc CEO – Albert Sigei.

CIMERWA Plc put aside close to Rwf 40 Million for various initiatives to help the Muganza community and the Country with respect to the COVID-19 challenge. This includes support with essentials such as handwashing stations, food, and masks. In addition, an amount of Rwf 30 Million was pledged by the Company as contribution to the MINEDUC classrooms construction project and the national COVID relief fund.

“We are cognizant of the fact that people are struggling with challenges as a result of this pandemic. The core purpose of our brand is ‘Strengthening Rwanda’ and, in this period of need, our responsibility to the society is more important than ever before. We are grateful that we could lend a helping hand to a community that has been a major part of our growth story since we started.” Added Mr. Sigei.

As the Company starts a new fiscal year, Mr Sigei explained the reasons behind his positive outlook for the next year.

“We have a formula that works with a strong team, experienced and committed Board, a resilient business model and supportive stakeholders. These coupled with the fact that we are the only Integrated cement manufacturer in Rwanda gives us a clear advantage to defend our market leadership position. We have various initiatives rolled out to follow the fast growth of the Rwanda cement market and are committed to delivering the best value to our customers and improved performance for our shareholders.”

### **About CIMERWA**

Established in 1984, CIMERWA Plc has over three decades worth of experience as Rwanda's first and only integrated cement manufacturer. The firm's production plant is located in Bugarama, Rusizi District near the South Western border of Rwanda.

CIMERWA Plc is the only cement company in Rwanda to mine raw materials, produce the clinker concentrate, pack and sell cement for general and civil construction. CIMERWA Plc is committed to building strong partnerships with leaders and members of the local community. In the process, the firm has helped set up a number of initiatives geared at improving the livelihoods of the people. These include a nursery and primary school, medical clinic, a market, a tailoring workshop and providing them with clean, piped water among many others.



## FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30<sup>TH</sup> SEPTEMBER 2020

### STATEMENT OF FINANCIAL POSITION AS AT 30TH SEPTEMBER 2020

|                                      | 2020               | 2019               |
|--------------------------------------|--------------------|--------------------|
|                                      | Frw'000            | Frw'000            |
| <b>Assets</b>                        |                    |                    |
| <b>Non-current assets</b>            |                    |                    |
| Property, plant and equipment        | 81,359,938         | 86,494,535         |
| Exploration and evaluation asset     | 618,621            | 58,911             |
| Intangible assets                    | 49,698             | 37,677             |
| Right of use assets                  | 31,558             | -                  |
| Restricted cash                      | 8,710              | -                  |
|                                      | <b>82,068,525</b>  | <b>86,591,123</b>  |
| <b>Current assets</b>                |                    |                    |
| Inventories                          | 10,904,555         | 8,467,605          |
| Current income tax                   | 35,443             | 35,443             |
| Trade and other receivables          | 5,840,008          | 6,621,727          |
| Cash and cash balances               | 13,330,241         | 8,137,106          |
|                                      | <b>30,110,247</b>  | <b>23,261,881</b>  |
| <b>Total assets</b>                  | <b>112,178,772</b> | <b>109,853,004</b> |
| <b>Equity and liabilities</b>        |                    |                    |
| <b>Equity attributable to owners</b> |                    |                    |
| Share capital                        | 35,160,976         | 35,160,976         |
| Share premium                        | 22,251,408         | 22,251,408         |
| Retained earnings/ (accumulated)     | 166,956            | -1,784,784         |
|                                      | <b>57,579,340</b>  | <b>55,627,600</b>  |
| <b>Liabilities</b>                   |                    |                    |
| <b>Non-current liabilities</b>       |                    |                    |
| Deferred income tax                  | 1,555,193          | 1,570,714          |
| Borrowings                           | 34,178,229         | 35,674,994         |
| Rehabilitation and decommissioni     | 208,434            | 293,398            |
| Non-current lease liabilities        | 19,006             | -                  |
|                                      | <b>35,960,862</b>  | <b>37,539,106</b>  |
| <b>Current liabilities</b>           |                    |                    |
| Trade and other payables             | 9,066,437          | 7,852,360          |
| Bank borrowings                      | 8,978,828          | 8,594,315          |
| Amounts due to related parties       | 580,585            | 239,623            |
| Current lease liability              | 12,720             | -                  |
|                                      | <b>18,638,570</b>  | <b>16,686,298</b>  |
| <b>Total equity and liabilities</b>  | <b>112,178,772</b> | <b>109,853,004</b> |

### STATEMENT OF COMPREHENSIVE INCOME AS AT 30TH SEPTEMBER 2020

|  | 2020              | 2019              |
|--|-------------------|-------------------|
|  | Frw'000           | Frw'000           |
| Revenue  | 63,092,204        | 62,237,529        |
| Cost of sales                                  | -49,593,393       | -45,552,598       |
| <b>Gross profit</b>                            | <b>13,498,811</b> | <b>16,684,931</b> |
| Other income                                   | 329,787           | 310,378           |
| Interest income                                | 147,972           | 148,204           |
| Administrative expenses                        | -5,538,522        | -5,076,794        |
| Impairment losses on financial ass             | -60,473           | -75,070           |
| <b>Operating profit</b>                        | <b>8,377,575</b>  | <b>11,991,649</b> |
| Net foreign exchange losses                    | -323,542          | -866,869          |
| Finance costs                                  | -6,117,813        | -6,650,716        |
| <b>Profit before income tax</b>                | <b>1,936,220</b>  | <b>4,474,064</b>  |
| Income tax credit/ (expense)                   | 15,520            | -1,019,678        |
| <b>Profit for the year</b>                     | <b>1,951,740</b>  | <b>3,454,386</b>  |
| Other comprehensive income                     | -                 | -                 |
| <b>Total comprehensive income for the year</b> | <b>1,951,740</b>  | <b>3,454,386</b>  |
| Basic Earnings Per Share (Rwf)                 | 2.78              | 4.91              |
| Diluted Earnings Per Share (Rwf)               | 2.78              | 4.91              |
| Gross profit margin                            | 21%               | 27%               |
| EBIDTA (Rwf '000)                              | 16,557,136        | 19,536,842        |
| EBIDTA Margin                                  | 26%               | 31%               |
| Liquidity ratio                                | 2.07              | 1.57              |

Chairperson of the Board of Directors  
Date: 11<sup>th</sup> November 2020

Head Office, CIMERWA House  
Kimiurura, KG 625 st, 1  
P.O. Box 644, Kigali-Rwanda



Chief Executive Officer  
Date: 11<sup>th</sup> December 2020

Tel.: + 250 788 381 134  
Email: [cimerwa@cimerwa.rw](mailto:cimerwa@cimerwa.rw)  
Website: [www.cimerwa.rw](http://www.cimerwa.rw)

### COMMENTARY NOTES TO THE FINANCIALS

1. **Revenue** - revenue was 1% (Rwf 0.854 billion) up compared to similar period last year due to effective execution of pricing strategy to cover cost escalation during the year.
2. **Cost of Sales (COS)** - 10% (Rwf 4.7 billion) up compared to last year mainly due impact of general inflationary increases and timing of the annual major plant maintenance activities undertaken in November 2019 (while there was no major plant maintenance in the previous year). This was partly offset by benefits from our cost savings program, including improved coal substitution.
3. **Financing costs** – This relates to interest expense on the investment loan for construction of the new plant commissioned in 2015. The decline in finance costs in 2020 by 8% is due to reduction in the loan principal amount.
4. **Property, plant & Equipment** – Is 6% (Rwf 5.1 billion) down compared to last year due to depreciation of the assets over their useful life as they generate economic benefits.
5. **Inventories** – increase by 29% year-on-year is due to new critical spares bought in preparation of the plant maintenance done in November 2020 and increased clinker stocks following good production runs in the last quarter of the year.
6. **Trade & Other receivables** – Is 12% (Rwf 0.781 billion) down compared to last year due to improved receivables recovery processes.
7. **Trade & other payables** – 15% (Rwf 1.2 billion) up compared to last year mainly due to customer deposits of Rwf 3.4 billion. This was due to increased demand due to reduction in cement imports from the region due to covid-19 related logistics disruption as well as domestic cement production directed to servicing the school construction project under the Ministry of Education.
8. **Borrowings** - This relates to project financing for construction of our 600k ton capacity plant. Repayment is in line with facility agreement with the debt due to mature in October 2024.