



## Bowler Metcalf Limited

### BOWLER METCALF LIMITED

(Registration number 1972/005921/06)

Share code: BCF ISIN number: ZAE000030797  
("the Company")

## UNAUDITED INTERIM CONDENSED CONSOLIDATED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021 AND DIVIDEND DECLARATION

### CONDENSED STATEMENT OF FINANCIAL POSITION

Rmil	Notes	31 December 2021 Unaudited	% Change	30 June 2021 Audited
<b>Non-current Assets</b>		<b>404.7</b>		367.7
Property, plant & equipment		225.5		213.0
Investment properties		8.4		8.3
Intangible assets		3.4		3.4
Other investments	1	161.1	+16	139.3
Right of use assets	2	3.7	+270	1.0
Deferred tax		2.6		2.7
<b>Current Assets</b>		<b>419.9</b>		459.8
Inventories		111.0		105.3
Trade and other receivables	3	121.9	+22	99.9
Prepayments		6.6		6.1
Cash and cash equivalents	4	178.4	-28	248.2
Taxation		2.0		0.3
<b>Total Assets</b>		<b>824.6</b>		827.5
<b>Total Equity</b>		<b>689.2</b>	-6	732.7
<b>Non-current liabilities</b>		<b>24.9</b>		22.2
Long term lease obligation	5	2.1	+100	-
Deferred Tax		22.8		22.2
<b>Current Liabilities</b>		<b>110.5</b>		72.6
Trade and other payables	6	48.2	-31	70.5
Short term lease obligation	5	1.5		1.6
Shareholders for dividend	7	60.0	+100	-
Taxation		0.8		0.5
<b>Total Equity &amp; Liabilities</b>		<b>824.6</b>		827.5

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

<b>Rmil</b>	<b>Notes</b>	<b>31 December 2021 Unaudited</b>	<b>% Change</b>	<b>31 December 2020 Unaudited</b>
Revenue	8	<b>316.6</b>	-4	331.0
Other income		<b>0.1</b>		0.2
Raw materials and operating costs		<b>(174.0)</b>		(176.9)
Depreciation		<b>(10.3)</b>		(11.0)
Rental Cost		-		(0.2)
Staffing Cost	9	<b>(81.2)</b>		(83.2)
<b>Profit from operations</b>		<b>51.2</b>	-15	59.9
Net finance income		<b>7.9</b>		7.9
<b>Net profit before tax</b>		<b>59.1</b>		67.8
Taxation		<b>(16.6)</b>		(19.0)
<b>Profit for period</b>		<b>42.5</b>	-13	48.8
<b>Attributable to equity holders of parent</b>		<b>42.5</b>		48.8
<i>Earnings &amp; diluted earnings per share (c)</i>		<b>59.37</b>	-12	67.60

**CONDENSED STATEMENT OF CHANGES IN EQUITY**

<b>Rmil</b>	<b>Stated Capital</b>	<b>Retained Earnings</b>	<b>Treasury Shares</b>	<b>Total Equity</b>
Balance as at 30 June 2020 *	-	713.9	(32.9)	681.0
Purchase of Treasury shares	-	-	(4.6)	(4.6)
Comprehensive income for the six months ending 31 December 2020	-	48.8	-	48.8
Dividends paid	-	(21.3)	-	(21.3)
Balance as at 31 December 2020	-	741.4	(37.5)	703.9
Balance as at 30 June 2021 *	-	770.2	(37.5)	732.7
Purchase of treasury shares	-	-	(3.1)	(3.1)
Comprehensive income for the six months ending 31 December 2021	-	42.5	-	42.5
Dividends paid	-	(22.9)	-	(22.9)
Dividends declared	-	(60.0)	-	(60.0)
<b>Balance as at 31 December 2021</b>	<b>-</b>	<b>729.8</b>	<b>(40.6)</b>	<b>689.2</b>

\* The balances as 30 June 2021 and 30 June 2020 are audited, with the remaining movements in the Statement of Changes in Equity Unaudited.

## HEADLINE EARNINGS RECONCILIATION

Rmil	31 December 2021 Unaudited	% Change	31 December 2020 Unaudited
<b>HEADLINE EARNINGS</b>			
Earnings attributable to parent	42.5		48.8
Adjustments	-		-
<b>Headline Earnings</b>	<b>42.5</b>	-13	<b>48.8</b>
<b>HEADLINE EARNINGS PER SHARE (HEPS)</b>			
	<b>Cents</b>		<b>Cents</b>
Earnings attributable to parent:	59.37	-12	67.60
Adjustments	-		-
<b>HEPS – (cents)</b>	<b>59.37</b>	-12	<b>67.60</b>
<b>Basic &amp; diluted headline earnings per share</b>	<b>59.37</b>	-12	<b>67.60</b>

## CONDENSED STATEMENT OF CASH FLOWS

Rmil	Notes	31 December 2021 Unaudited	% Change	31 December 2020 Unaudited
<b>Operating activities</b>		<b>(24.3)</b>		27.1
Profit from operations		51.2	-15	59.9
Net finance income		7.9		7.9
Non-cash items	10	7.5	-27	10.3
Working capital changes	3,6	(49.9)	+366	(10.7)
Movement in prepayments	11	(0.5)	-80	(2.5)
Taxation paid		(17.6)		(16.5)
Dividends paid		(22.9)		(21.3)
<b>Investing activities</b>		<b>(40.9)</b>		(154.3)
Property, plant and equipment – additions	12	(22.0)	-16	(26.3)
Investment property additions	13	(0.1)	-97	(3.0)
Investment in cash unit trusts	1	(18.8)	-85	(125.0)
<b>Financing activities</b>		<b>(4.6)</b>		(6.2)
Repayment of lease liabilities		(1.5)		(1.6)
Treasury shares - acquisitions	14	(3.1)	-33	(4.6)
<b>Net cash outflow</b>		<b>(69.8)</b>		(133.4)
Opening balance		248.2		381.6
<b>Closing balance</b>		<b>178.4</b>		248.2
Comprising:				
Cash & cash equivalents	4	178.4	-28	248.2

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS - STATEMENT OF FINANCIAL POSITION

Rmil	31 December 2021 Unaudited	%	30 June 2021 Audited
		Change	
<b>1. Other Investments</b>			
Cash unit trusts	161.1	+16	139.3
Additional cash resources were allocated to higher performing income funds.			
Made up as follows:			
-Money Market Fund	98.8		96.9
-Income Fund	41.6	+89	22.0
-Dividend Income Fund	20.7		20.4
	<b>161.1</b>	+16	139.3

The Money Market Fund investment is in the Ninety One Money Market Portfolio, under the management of Ninety One Fund Managers SA.

The Income Fund investment is in the Ashburton Stable Income Fund Portfolio, under the management of Ashburton Investments, which is part of the FirstRand Group.

Both Funds are actively managed cash funds with the underlying investments being mainly floating rate notes, cash and a varied range of money market instruments, which can be liquidated within 72 hours.

The Dividend Income Fund investment is in the Gryphon Dividend Income Fund. The fund is an actively managed fund. Capital risk is restricted as the fund has no exposure to equities. Capital gains are of an incidental nature. The portfolio is permitted to invest in any equity or non-equity securities that generate a dividend return and may be included in the portfolio.

Investments are fully secured by bank deposits with the top five SA banks, i.e. Standard Bank, ABSA, Nedbank, Investec and FirstRand.

The fair values of these investments are derived from the market values of the underlying instruments making up the portfolios.

The investments have been classified as a level 2 fair value in terms of the hierarchy.

<b>2. Right of use assets</b>	<b>3.7</b>	+270	1.0
While all property leases in the Western Cape came to an end during the period under review, the property lease in KwaZulu-Natal was extended for a period of two years, resulting in the increased right of use asset on this facility.			
<b>3. Trade and other receivables</b>	<b>121.9</b>	+22	99.9
Whilst the trade receivables are higher than the comparative traditionally slower mid-year trading period, the balance is only marginally higher than the same period last year, and this is a direct result of slightly higher trading levels in December 2021 compared to December 2020. Further, customer payments are traditionally later in December than June of each year due to 'annual shut down holidays'.			
<b>4. Cash and cash equivalents</b>	<b>178.4</b>	-28	248.2
The reduction in cash was a combination of increased working capital requirements (refer to notes 3 and 6), capital expenditure on property, plant and equipment (refer note 12) and additional cash resources allocated to higher yielding income funds (refer note 1).			
<b>5. Lease liability</b>			
Long term lease liability	2.1		-
Short term lease liability	1.5		1.6
<b>Total lease liability</b>	<b>3.6</b>	+125	<b>1.6</b>
The increased lease liability is a direct result of the corresponding increased right of use asset referred to in note 2.			
<b>6. Trade and other payables</b>	<b>48.2</b>	-31	70.5
The reduction in trade and other payables relates mainly to the settlement of large capital expenditure related suppliers and the settlement of a broad-based employee reward accrual for the period ending June 2021.			
<b>7. Shareholders for dividend</b>	<b>60.0</b>	+100	-
Following Reserve Bank approval, a special dividend of 84 cents per share was declared on 9 December 2021. This dividend was paid subsequent to the current reporting period end on 10 January 2022.			

Rmil	31 December 2021 Unaudited		31 December 2020 Unaudited
<b>8. Revenue</b>	<b>316.6</b>	-4	331.0
Lower revenue was mainly the result of lower activity levels in the period under review. The impact of these lower volumes was only somewhat offset by price increases, which proved difficult to implement in the current economic climate.			
<b>8.1 Disaggregate Revenue Sources</b>			
Plastic Packaging and Related Products	<b>313.4</b>	-4	328.0
Property Leases	<b>3.2</b>	+7	3.0
	<b>316.6</b>	-4	331.0
<b>8.2 Revenue by Region</b>			
Coastal Regions	<b>132.9</b>	-4	138.8
Inland	<b>183.7</b>	-4	192.2
	<b>316.6</b>	-4	331.0
<b>9. Related party transactions</b>			
Directors' emoluments	<b>4.7</b>	+4	4.5
Other than the above information on related parties, there have been no other dealings with related parties that are material to an understanding of these results.			
<b>10. Non-cash flows.</b>	<b>7.5</b>	-27	10.3
These are made up as follows:			
Depreciation	<b>10.3</b>	-	11.0
Cash unit trust finance income	<b>(3.0)</b>	+328	(0.7)
Other	<b>0.2</b>	-	-
	<b>7.5</b>	-27	10.3
Cash unit trust finance income increased mainly as a result of the prior periods R125.0m investments in these funds only being made during the last month of that period.			
<b>11. Movements in prepayments</b>	<b>(0.5)</b>	-80	(2.5)
Prepayments decreased due to lower outstanding orders for imported materials.			
<b>12. Additions to property, plant and equipment</b>	<b>(22.0)</b>	-16	(26.3)
Additions to property, plant and equipment reduced due to a lower spend in the Plastics Packaging segment (following on a higher spend in the previous financial year), which offset some higher spend in the Property Investment segment (relating mainly to the finalisation of the new warehouse development in the Western Cape).			

Rmil	31 December 2021 Unaudited	% Change	31 December 2021 Unaudited
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**13. Additions to investment properties**

Additions to investment properties reduced as the upgrade project on the Epping property came to an end in the period under review.

(0.1)      -97      (3.0)

**14. Treasury share acquisitions**

As part of the ongoing share buy-back programme, 272 805 shares (2020: 567 177) were repurchased during this period at an average cost of R11.33 (2020: R8.07) per share.

(3.1)      -33      (4.6)

The repurchases were made through a wholly owned subsidiary. No shares acquired during the period were cancelled subsequent to period end.

**15. COVID-19**

Management has considered the impact of COVID-19 in respect of the accounting policies of the business, including an assessment of the recoverability of the current assets and useful lives of non-current assets of the business.

Despite the current COVID-19 pandemic and suppressed market conditions, there has been no further impact on the write off of debtors, inventory or goodwill above what was raised at period end.

**CONDENSED SEGMENTAL ANALYSIS**

Rmil	Plastic Packaging	Property Investment	Holdings	Eliminations	Total
<b>31 December 2021 (Unaudited)</b>					
Total Revenue	313.4	16.6	-	(13.4)	316.6
- External Revenue	313.4	3.2	-	-	316.6
- Intersegment	-	13.4	-	(13.4)	-
Other income	8.0	-	-	(7.9)	0.1
Expenses	(275.2)	(3.2)	(0.5)	13.4	(265.5)
Operating profit(loss)	46.2	13.4	(0.5)	(7.9)	51.2
Net finance income	-	-	7.9	-	7.9
Profit/(loss) before tax	46.2	13.4	7.4	(7.9)	59.1
Taxation	(10.7)	(3.8)	(2.1)	-	(16.6)
Net profit/(loss) for the period	35.5	9.6	5.3	(7.9)	42.5
Attributable to parent	35.5	9.6	5.3	(7.9)	42.5

Total Assets	772.3	123.9	339.0	(410.6)	824.6
Total Liabilities	122.3	39.3	387.1	(413.3)	135.4

Capital expenditure	5.3	16.8	-	-	22.1
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### 30 June 2021 (Audited)

Total Assets	752.7	102.1	381.0	(408.3)	827.5
Total Liabilities	135.2	27.1	343.3	(410.8)	94.8

### 31 December 2020 (Unaudited) – Restated #

Total Revenue	328.0	14.3	-	(11.3)	331.0
- External Revenue	328.0	3.0	-	-	331.0
- Intersegment	-	11.3	-	(11.3)	-

Other Income #	2.0	-	-	(1.8)	0.2
Expenses #	(279.7)	(2.5)	(0.4)	11.3	(271.3)
Operating profit(loss)	50.3	11.8	(0.4)	(1.8)	59.9
Net finance income	(0.1)	-	8.0	-	7.9
Profit/(loss) before tax	50.2	11.8	7.6	(1.8)	67.8
Taxation	(13.6)	(3.3)	(2.1)	-	(19.0)

Net profit/(loss) for the period	36.6	8.5	5.5	(1.8)	48.8
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Attributable to parent	36.6	8.5	5.5	(1.8)	48.8
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Total assets	757.6	68.2	376.5	(404.0)	798.3
Total liabilities	123.1	2.0	328.8	(359.5)	94.4

Capital expenditure	17.1	12.2	-	-	29.3
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#- In the prior reporting period, the Segmental report did not reflect the line items for Other income and Expenses as currently shown in this year's report.

The Segmental report made no mention of these items.

This change has been done in the interest of visibility and it is in line with the Segmental Report of the Annual Financial Statements.



	<b>31 December 2021 Unaudited</b>	<b>% Change</b>	<b>31 December 2020 Unaudited</b>
<b>Additional Information</b>			
Ordinary dividend/share paid (c)	32.00	+8	29.50
Ordinary dividend/share proposed (c)	19.40		19.40
Special dividend per share declared (c)	84.00	+100	-
Basic ordinary dividend cover (times)	3.06		3.49
Weighted shares in issue (mil)	71.663		72.147
Capital expenditure (Rmil)	22.14	-24	29.30
Capital commitment (Rmil)	8.86	-87	66.0
Closing share price (c)	1 200	+28	939

## CEO'S COMMENTARY

“Has the VUCA world turned completely BANI ? “ – a question worthwhile asking for those trying in vain to find stability in the chaos of the past 6 months !

**B** rittle, **A** nxious, **N** on-linear and **I** ncomprehensible aptly acronymises the past month's challenges of the Bowler supply chain environment, both up and down -stream right to the consumer's front door.

Riot and economic uncertainties' dramatically impacted demand that gradually recovered by December. Disruption in numerous supply chains, Force Majeure declarations, numerous and significant stock shortages, rocketing raw material prices, brazen robberies and random load shedding challenged even seasoned and experienced operation teams. And then there were two disruptive COVID-19 waves!

Profit from operations dropped by 15% to R51.2m. In the main driven by lower activities and also cost pressures. Within this context the operations remained focused on cost containment and a seamless relocation of the blowing plant into the modern and enlarged Philippi site, all was completed on schedule. Gratefully activity levels showed a gradual recovery to good levels by December. Cost pressures are likely to continue in the second half.

Bowler Plastics concluded a conditional, binding offer with the owners of Skye Plastics for the proposed acquisition of business and assets as a going concern. The new business lines and products, additional process capacity, a loyal customer base and skilled staff provide good impetus to the Bowler growth strategy. The integration of this venture will be a focal point for the business in the second half, as will be the solar energy project.

A declaration of R60m from excess cash in the form of a special dividend and a repurchase of 272 805 shares (R3.1m), as per the ongoing share repurchase program, is returned to shareholders.

## PF SASS CHIEF EXECUTIVE OFFICER

### BASIS OF PREPARATION

The condensed consolidated results have been prepared in accordance with and containing the information required by IAS 34 Interim Financial Reporting and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council. The results comply with the JSE Listings Requirements and the Companies Act, 2008 of South Africa.

This announcement itself has not been audited or reviewed by the group's auditors, Mazars.

These condensed consolidated results were prepared by Mr AC September CA (SA) in his capacity as group financial manager.

The accounting policies and methods of computation applied in the preparation of these condensed consolidated results are consistent with IFRS and those applied in the most recently issued audited annual financial statements.

#### **ACQUISITIONS AND DISPOSALS**

There have been no business additions or disposals during the period under review.

#### **ISSUE OF SHARES**

There have been no new issues of ordinary shares during the period.

#### **STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR**

No new standards and interpretations have been adopted during the period under review.

#### **CASH DIVIDEND DECLARATION**

An interim gross cash dividend, as defined by the Income Tax Act, of 19.40 cps for the six months ended 31 December 2021 (2020: 19.40 cps) has been declared and is payable to shareholders on Monday, 28 March 2022. The last day to trade will be Tuesday, 22 March 2022, the ex date is Wednesday, 23 March 2022 and the record date will be Friday, 25 March 2022. Share certificates may not be dematerialised or re-materialised between Wednesday, 23 March 2022 and Friday, 25 March 2022, both days inclusive.

The dividend will be made from income reserves. The gross dividend is 19.40 cps. Dividend Withholding Tax ("DWT") is 20%. The net local cash dividend to shareholders liable for DWT will therefore be 15.52 cps.

Number of shares in issue at the date of declaration is 78 326 023 shares.

Unless otherwise requested in writing, individual dividend cheques of less than R50 will not be paid but retained in the Company's unclaimed dividend account. Accumulated unpaid dividends in excess of R200 may be claimed in writing from the Transfer Secretaries.

#### **SUBSEQUENT EVENTS**

Despite the current COVID-19 pandemic and suppressed market conditions, there has been no further impact on the write off of goodwill, debtors or inventory above what was raised at 31 December 2021, up to the date of the release of these Interim Financial Statements.

Following on unfortunate delays late last year related mainly to COVID-19, the transactional processes relating to the proposed acquisition of the business and assets of Skye Plastics as a going concern have gained momentum since the end of the current reporting period. The proposed acquisition remains subject to certain suspensive conditions and the transactional teams are committed to bringing the process to a conclusive end very shortly.

No other significant events occurred subsequent to 31 December 2021.

#### **COMPANY TAX NUMBER**

9775130710

M Brain (Non-Exec Chairman)  
PF Sass (Chief Executive Officer)  
GA Böhler (Chief Financial Officer)

#### **Cape Town**

8 February 2022

**Prepared by:**  
AC September CA(SA)

**REGISTERED AUDITOR**

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