

**Bowler Metcalf Limited****BOWLER METCALF LIMITED**

(Registration number 1972/005921/06)

Share code: BCF ISIN number: ZAE000030797  
("The Company")**PROVISIONAL CONDENSED REPORT OF THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2021 AND DIVIDEND DECLARATION****CONDENSED STATEMENT OF FINANCIAL POSITION**

Rmil	Notes	30 June 2021	% Change	30 June 2020
<b>Non-current Assets</b>		<b>367.7</b>		178.6
Property, plant & equipment	1	213.0	+34	159.3
Investment properties	2	8.3	+63	5.1
Intangible assets		3.4		3.4
Other Investments	3	139.3	+100	-
Right of use assets	4	1.0	-68	3.2
Deferred tax		2.7		7.6
<b>Current Assets</b>		<b>459.8</b>		588.3
Inventories	5	105.3	+22	86.2
Trade and other receivables		99.9		102.2
Prepayments	6	6.1	-16	7.3
Other Investments	3	-	-100	11.0
Cash and cash equivalents	7	248.2	-35	381.6
Taxation		0.3		-
<b>Total Assets</b>		<b>827.5</b>	+8	766.9
<b>Total Equity</b>		<b>732.7</b>	+8	681.0
<b>Non-current liabilities</b>		<b>22.2</b>		28.9
Long term lease obligation		-		0.9
Deferred Tax		22.2		28.0
<b>Current Liabilities</b>		<b>72.6</b>		57.0
Trade and other payables	8	70.5	+30	54.1
Short term lease obligation	9	1.6	-38	2.6
Taxation		0.5		0.3
<b>Total Equity &amp; Liabilities</b>		<b>827.5</b>		766.9

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Rmil	Notes	30 June 2021	% Change	30 June 2020
Revenue	10	635.5	+14	558.7
Other income		0.3		0.2
Operating costs	11	(524.6)	+12	(469.0)
<b>Profit from operations</b>		<b>111.2</b>	+24	89.9
Net finance income	12	15.5	-39	25.3
<b>Net profit before tax</b>		<b>126.7</b>	+10	115.2
Taxation		(35.2)		(32.8)
<b>Profit for year</b>		<b>91.5</b>	+11	82.4
<b>Attributable to equity holders of parent</b>		<b>91.5</b>		82.4
<i>Earnings &amp; diluted earnings per share (c)</i>		<b>127.31</b>	+15	111.03

## CONDENSED STATEMENT OF CHANGES IN EQUITY

Rmil	Stated Capital	Retained Earnings	Treasury Shares	Total Equity
<b>Balance as at 30 June 2019</b>	-	709.2	(30.1)	679.1
Purchase of treasury shares	-	-	(49.6)	(49.6)
Cancellation of treasury shares	-	(46.8)	46.8	-
Comprehensive income	-	82.4	-	82.4
Dividends paid	-	(30.9)	-	(30.9)
<b>Balance as at 30 June 2020</b>	-	<b>713.9</b>	<b>(32.9)</b>	<b>681.0</b>
Purchase of treasury shares	-	-	(4.6)	(4.6)
Comprehensive income	-	91.5	-	91.5
Dividends paid	-	(35.2)	-	(35.2)
<b>Balance as at 30 June 2021</b>	-	<b>770.2</b>	<b>(37.5)</b>	<b>732.7</b>

## CONDENSED STATEMENT OF CASH FLOWS

Rmil	Notes	30 June 2021	30 June 2020
<b>Operating activities</b>		<b>75.4</b>	<b>64.4</b>
Profit from operations		111.2	89.9
Net finance income		12.3	25.4
Non-cash items		25.0	21.5
Working capital changes		(1.7)	(9.6)
Taxation paid		(36.2)	(31.9)
Dividends paid		(35.2)	(30.9)
<b>Investing activities</b>		<b>(200.7)</b>	<b>(12.9)</b>
Property, plant and equipment – additions	1	(72.3)	(13.5)
Investment property additions	2	(3.4)	-
Proceeds on disposal of assets		-	0.6
Investment in cash unit trusts		(125.0)	-
<b>Financing activities</b>		<b>(8.1)</b>	<b>(52.7)</b>
Repayment of lease liabilities		(3.5)	(3.1)
Treasury shares – acquisitions	13	(4.6)	(49.6)
<b>Net cash outflow</b>		<b>(133.4)</b>	<b>(1.3)</b>
Opening balance		381.6	382.9
<b>Closing balance</b>		<b>248.2</b>	<b>381.6</b>
Comprising:			
Cash & cash equivalents		248.2	381.6

	30 June 2021	% Change	30 June 2020
<b>ADDITIONAL INFORMATION</b>			
Ordinary dividend/share paid (c)	48.90	+16	42.00
Ordinary dividend/share proposed (c)	51.40	+11	46.50
Basic dividend cover (times)	2.48		2.39
Weighted shares in issue (mil)	71.861		74.293
Capital expenditure (Rmil)	75.69	+462	13.46
Capital commitment (Rmil)	35.38	+539	5.54
Closing share price (c)	936	+29	723

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Rmil	30 June 2021	% Change	30 June 2020
<b>1. Property, Plant and Equipment</b>	<b>213.0</b>	+34	159.3
The increase pertains to the expansion of the Philippi warehouse, a new transformer, replacement of moulds for specific projects and investments into new lines of plant and machinery.			
<b>2. Investment property</b>			
- at cost less depreciation	<b>8.3</b>	+63	5.1
- director's valuation	<b>43.8</b>		42.9
The increase pertains to the improvements at the Epping property for enhanced risk mitigation management.			
<b>3. Other investments</b>			
Cash unit trusts	<b>139.3</b>	+1 166	11.0
Split as follows:			
Non-current	<b>139.3</b>		-
Current	-		11.0
Made up of:			
- Money Market Fund	<b>96.9</b>		-
- Income Fund	<b>22.0</b>		11.0
- Dividend Income Fund	<b>20.4</b>		-
	<b>139.3</b>		11.0

Given the low interest rate environment, these investments offer higher returns, at acceptable risk levels.

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. In the Dividend Income 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.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Rmil	30 June 2021	% Change	30 June 2020
Investments are fully secured by bank deposits with the top five SA banks, ie Standard Bank, ABSA, Nedbank, Investec and FirstRand.			
The fair value of the investment is derived from the market value of the underlying instruments in the unit trust portfolio.			
The investments have been classified as a level 2 fair value in terms of the hierarchy.			
Management's does not envisage utilising these investments within the next twelve months, and have therefore classified the investment in CIS funds as non-current in the current year.			
<b>4. Right of use assets</b>	<b>1.0</b>	-69	3.2
The decrease is in respect of three short term lease agreements nearing end of term.			
<b>5. Inventories</b>	<b>105.3</b>	+22	86.2
The increase in inventories is as a result of higher stockholding in raw materials to counter recent supply shortages coupled with double digit increases in polymer pricing. The price increases are driven by a surge in international oil pricing, a general weakening of the Rand vs the major trading currencies and supply constraints.			
<b>6. Prepayments</b>	<b>6.1</b>	-16	7.3
Decrease in prepayments emanated from the reduced need for prepaid imported components that are soon to be manufactured in-house.			
<b>7. Cash and cash equivalents</b>	<b>248.2</b>	-35	381.6
R125m, accounting for the majority of the cash reduction, was invested in cash unit trusts. Refer to note 3 above.			
<b>8. Trade and other payables</b>	<b>70.5</b>	+30	54.1
Higher levels of trade payables are attributable to the higher activity levels in the months leading up to the year end.			
<b>9. Short term Lease Obligation</b>			
Long term lease obligation	-		0.9
Short term lease obligation	<b>1.6</b>		2.6
<b>Total</b>	<b>1.6</b>	-55	3.5

The reduction in lease liability stems from the leases coming to the end of the term in the new financial year.

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Rmil	30 June 2021	% Change	30 June 2020
<b>10. Revenue</b>	<b>635.5</b>	+14	558.7
A good mix of products and productivity enhancements drove the growth, albeit temporary, in the markets of the business which showed an element of resilience to the impact of COVID-19. This offset the decrease in those markets which were negatively affected.			
<b>10.1 Disaggregate Revenue Sources</b>			
Plastic Packaging and Related Products	<b>629.4</b>	+14	552.8
Property Leases	<b>6.1</b>	+4	5.9
	<b>635.5</b>	+14	558.7
<b>10.2 Revenue by Region</b>			
Coastal regions	<b>270.3</b>	+11	243.8
Inland	<b>365.2</b>	+16	314.9
	<b>635.5</b>	+14	558.7
<b>11. Operating Cost</b>	<b>524.6</b>	+12	469.0
The increase in cost is largely activity driven.			
<b>11.1 Related party Transactions</b>	<b>10.4</b>	+3	10.1
Director's Emoluments			
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>12. Net Finance Income</b>	<b>15.5</b>	-39	25.3
The lower interest received in the current year is due to the significantly reduced commercial interest rates.			
<b>13. Treasury shares – acquisitions</b>	<b>(4.6)</b>	-91	(49.6)
Despite an aggressive share buyback plan, available supply on the market has dried up, resulting in the lower repurchase amounts compared to the prior period.			
567 177 shares (2020: 6 883 966) were repurchased during the period at an average cost of R7.94 (2020: R7.20) per share.			
The repurchases were made through a wholly owned subsidiary. No shares acquired during the period were cancelled during the year or in the period subsequent to year end			

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

Rmil	30 June 2021	% Change	30 June 2020
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### 14. COVID-19

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

During the financial year under review, the Turnover and margins of the business were not directly negatively affected due to the impact of COVID-19. The growth, albeit temporary, in the markets of the business which showed an element of resilience to the impact of COVID-19, offset the decrease in those markets which were negatively affected.

Inventory valuations and Trade and Other Receivables recoverability were assessed at the end of the current financial year and, due to the strength of the customer base of the business and markets in which they operate, no material additional provisions against these current assets, resulting from the impact of COVID-19, were deemed necessary.

In assessing the useful life of the business's Property, Plant & Equipment, management is of the opinion that COVID-19 will not have a materially negative effect thereon.

With regards to the Goodwill asset in the business, the fundamentals of the supporting valuation are considered sound as the related customer base and markets have shown resilience to the negative impact of COVID-19.

Although the prospects of an overall economic 'bounce-back' from the negative impacts of COVID-19 are not yet visible, management deems that the business has sufficient cash resources and cash generating prospects to support itself in the foreseeable future.

Rmil	30 June 2021	% Change	30 June 2020
<b>HEADLINE EARNINGS</b>			
Earnings attributable to parent	91.5		82.4
Disposal of assets net of tax			(0.2)
- Gross	-		(0.3)
- Tax	-		0.1
Impairment of goodwill	-		1.5
<b>Headline Earnings</b>	<b>91.5</b>	<b>+9</b>	<b>83.7</b>

<b>HEADLINE EARNINGS PER SHARE (HEPS)</b>	<b>Cents</b>		<b>Cents</b>
Earnings attributable to parent:	127.31	+15	111.03
Disposal of assets net of Tax	-		(0.26)
Impairment of goodwill	-		1.98
<b>HEPS – (cents)</b>	<b>127.31</b>	<b>+13</b>	<b>112.75</b>
<b>Basic &amp; diluted headline earnings per share (c)</b>	<b>127.31</b>	<b>+13</b>	<b>112.75</b>

#### CONDENSED SEGMENTAL ANALYSIS

Rmil	Plastic Packaging	Property	Holdings	Eliminations	Total
<b>30 June 2021</b>					
Revenue	629.4	28.7	-	(22.6)	635.5
- Total Revenue	629.4	6.1	-	-	635.5
- Intersegment	-	22.6	-	(22.6)	-
Other income	3.4	-	-	(3.1)	0.3
Expenses	(540.9)	(5.1)	(1.2)	22.6	(524.6)
Operating profit(loss)	91.9	23.6	(1.2)	(3.1)	111.2
Net finance (cost)/income	(0.3)	-	15.8	-	15.5
Profit before tax	91.6	23.6	14.6	(3.1)	126.7
Taxation	(24.5)	(6.6)	(4.1)	-	(35.2)
Net profit for the year	67.1	17.0	10.5	(3.1)	91.5
Attributable to parent	67.1	17.0	10.5	(3.1)	91.5
<b>Revenue by region</b>					
Coastal regions	264.2	6.1	-	-	270.3
Inland	365.2	-	-	-	365.2
Total	629.4	6.1	-	-	635.5
Total Assets	752.7	102.1	381.0	(408.3)	827.5
Total liabilities	135.2	27.1	343.3	(410.8)	94.8
Capital expenditure	37.3	38.4	-	-	75.7



**30 June 2020**

Revenue	552.8	27.4	-	(21.5)	558.7
- Total Revenue	552.8	5.9	-	-	558.7
- Intersegment	-	21.5	-	(21.5)	-
Other income	3.0	-	-	(2.8)	0.2
Expenses (other than impairment of goodwill)	(483.1)	(5.0)	(1.0)	21.5	467.6
Impairment of goodwill	(1.4)	-	-	-	(1.4)
Operating profit/(loss)	71.3	22.4	(1.0)	(2.8)	89.9
Net finance (expense)/income	(0.3)	-	25.6	-	25.3
Profit before tax	71.0	22.4	24.6	(2.8)	115.2
Taxation	(19.4)	(6.3)	(7.1)	-	(32.8)
Net profit for the year	51.6	16.1	17.5	(2.8)	82.4
Attributable to parent	51.6	16.1	17.5	(2.8)	82.4
<b>Revenue by region</b>					
Coastal regions	237.9	5.9	-	-	243.8
Inland	314.9	-	-	-	314.9
Total	552.8	5.9	-	-	558.7
Total assets	678.7	58.8	386.1	(356.7)	766.9
Total liabilities	123.1	1.0	320.8	(359.0)	85.9
Capital expenditure	13.2	0.2	-	-	13.4

**CEO'S COMMENTARY**

2021 will surely be remembered in Bowler Packaging as a remarkable, unique, defining and hopefully not to be repeated year! Impactful events, counting amongst others COVID-19, load shedding, material shortages, material price volatility, supply chain interruptions have all fostered a deepened resolve to perform. It was the year for laying the future business foundation, for developing the company community and aligning our business processes. What a privilege to lead and interact with so many capable and willing South Africans.

I believe a 13.7% growth in revenue on 2020 was an extraordinary performance. The packaging business has matched its prior best performance of 2017 in real terms. Our ability to optimise situational circumstances has maximised the possible benefits from a good mix of products, productivity enhancements and continuous cost control. This Segment's solid Operating Profit of R91.9m versus the R71.3m in 2020 is a welcomed reward.

Various Capex projects totalling R110m commenced during this period, of which R75m was spent in this period with the remainder to be completed in the coming months. R38m of the allocated R65.6m was spent on the property portfolio with two upgrades in Epping and Philippi. The 5 800m<sup>2</sup> extension of the Philippi site is on schedule to be completed by the end of September 2021.

During July 2021, the Extrusion Blow moulding plant was seamlessly relocated into the enlarged Philippi site. With this relocation and infrastructure build, the company is positioned to expand its container and injection business with the necessary focus and space. Operational Capex in the Packaging Segment totalled R37m which was spent mainly on technology and capacity expansion.

While the recent events in South Africa have dampened the green shoots of hope for a rapidly reviving personal care market, management remains determined to expand its share of the market during 2022 by optimising its available capacities and expanding relevant technologies.

Favourable returns are expected from four rooftop solar energy generation projects. Two additional business line expansions are likely to happen in the coming financial year. These investments are budgeted at R75m. A further R25m is likely to be spent on systems, equipment and technology.

Share liquidity remains low in a lacklustre JSE market. Share buybacks totalled R4.6m for the year. Buybacks remain a priority consideration.

The Group posted earnings before tax of R126.7m (2020: R115.2m a 9.9% increase). These were impacted by lower finance income. The Share Buybacks bolstered HEPS growth of 12.9 % to 127.3c (2020:112.7c) is very pleasing. A final dividend declaration of 32c finalises a total dividend of 51.4c for the year.

With Brian Frost stepping down as Chairman, I thank him for his many years of leadership of the board and mentorship to me. I thank the board, my colleagues and teams and especially my family for their support and encouragement during some very trying times.

**PF SASS**  
**CHIEF EXECUTIVE OFFICER**

**BASIS OF PREPARATION**

The condensed consolidated results have been prepared in accordance with the framework concepts, the measurement and recognition requirements of International Financial Reporting Standards and the Financial Pronouncements as issued by the Financial Reporting Standards Council. They contain the information required by IAS 34 Interim Financial Reporting and are in compliance with the JSE Listings Requirements and the Companies Act, 2008 of South Africa.

Mazars, the group's independent auditor, has audited the annual financial statements for the year ended 30 June 2021 and has expressed an unqualified audit opinion thereon. This results announcement, itself is not audited and it is extracted from the audited Annual Financial Statements (AFS). The AFS will be posted by 17 September 2021 and the AFS and audit report will be made available on that day on the Company's website at [www.bowlermetcalf.co.za](http://www.bowlermetcalf.co.za) and will be available for inspection at the company's registered office on 7 September 2021. The auditor's report does not necessarily report on all of the information contained in this condensed report. 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 report together with the accompanying financial information from the company's registered office. The directors take full responsibility for this report which has been correctly extracted from the underlying audited AFS.

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**

A final gross cash dividend, as defined by the Income Tax Act, of 32.00 cents per share ("cps") for the year ended 30 June 2021 (2020: 29.50 cps) has been declared and is payable to shareholders on Monday, 25 October 2021. The last day to trade will be Tuesday, 19 October 2021, the ex-date is Wednesday, 20 October 2021 and the record date will be Friday, 22 October 2021. Share certificates may not be dematerialised or re-materialised between Wednesday, 20 October 2021 and Friday, 22 October 2021, both days inclusive.

The dividend will be made from income reserves. The gross dividend is 32.00 cps. Dividend Withholding Tax ("DWT") is 20%. The net local cash dividend to shareholders liable for DWT will therefore be 25.60 cps.

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

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 debtors, inventory or goodwill above what was raised at 30 June 2021, up to the date of the release of these AFS. No other significant events occurred subsequent to year end.

The unfortunate riots in KwaZulu-Natal in July 2021 has had an indirect impact on our Plastics Segment revenue at the start of the new financial year, the full impact of which will only be able to be assessed as the year further unfolds. No other significant events occurred subsequent to year end.

## **COMPANY TAX NUMBER**

9775130710

## **ANNUAL REPORT**

The Annual Report will be posted by 17 September 2021 and the AFS and audit report will be made available on that day on the Company's website at [www.bowlermetcalf.co.za](http://www.bowlermetcalf.co.za) and will be available for inspection at the company's registered office on 7 September 2021. The record date for posting of the Annual Report is Friday, 10 September 2021. The thirty second Annual General Meeting of shareholders (AGM) will be held at The Royal Cape Golf Club, 174 Ottery Road, Wynberg, 7800 at 09:00 on Monday, 8 November 2021. The record date for purposes of determining which shareholders are entitled to participate and vote at the AGM is Friday, 29 October 2021. The last day to trade in order to be eligible to vote at the AGM will accordingly be Tuesday, 26 October 2021.

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

## **Cape Town**

7 September 2021

Prepared by: AC September CA(SA)

## **REGISTERED AUDITOR**

Mazars – Partner: Y Ferreira – Registered Auditor  
Mazars House, Rialto Road  
Grand Moorings Precinct, Century City, 7441

## **SPONSOR**

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