

# THE UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 31<sup>ST</sup> DECEMBER 2023

The Board of Directors of Kenya Electricity Generating Company PLC (KenGen) is pleased to announce the unaudited financial results for the six months ended 31st December 2023.

## SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Half Year ended 31 December	2023 Unaudited KShs Million	2022 Unaudited KShs Million
Revenue	28,523	27,462
Reimbursable expenses (Fuel and water costs)	(3,797)	(4,526)
<b>Revenue net of Reimbursable Expenses</b>	<b>24,726</b>	<b>22,936</b>
Other income	300	259
Other Gains/(losses)-net forex and fair valuation of financial assets	(115)	(206)
	<b>24,911</b>	<b>22,989</b>
<b>Expenses</b>		
Depreciation & Amortization	(7,938)	(7,737)
Operating Expenses	(10,101)	(8,679)
Steam Costs	(2,424)	(1,682)
<b>Operating Profit</b>	<b>4,448</b>	<b>4,891</b>
Finance Income	1,873	1,027
Finance Costs	(1,491)	(1,172)
<b>Profit Before Tax</b>	<b>4,830</b>	<b>4,746</b>
Income Tax Expense	(1,871)	(1,488)
<b>Profit After Tax</b>	<b>2,959</b>	<b>3,258</b>
Other Comprehensive Income (loss)/Income	(22)	-
<b>Total Comprehensive Income</b>	<b>2,937</b>	<b>3,258</b>
<b>Basic Earnings Per Share (KShs)</b>	<b>0.45</b>	<b>0.49</b>

## SUMMARY STATEMENT OF FINANCIAL POSITION

	31 December 2023 Unaudited KShs Million	30 June 2023 (Audited) KShs Million
<b>ASSETS</b>		
Property, plant and equipment	428,534	432,483
Other non-current Assets	53,043	38,221
Current assets	51,922	45,873
	<b>533,499</b>	<b>516,577</b>
<b>EQUITY AND LIABILITIES</b>		
Total Equity	275,152	274,193
Non-current Liabilities	234,938	220,197
Current Liabilities	23,409	22,187
	<b>533,499</b>	<b>516,577</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY

	Share Capital & Share Premium	Other Reserves	Retained earnings	Total Equity
	KShs Million			
<b>As at 1 July 2023</b>	<b>38,639</b>	<b>122,361</b>	<b>113,193</b>	<b>274,193</b>
Total comprehensive income for the period	-	(22)	2,959	2,937
Transfer of excess depreciation	-	(1,985)	1,985	-
Deferred tax on excess depreciation	-	596	(596)	-
Dividends paid	-	-	(1,978)	(1,978)
<b>As at 31 December 2023</b>	<b>38,639</b>	<b>120,950</b>	<b>115,563</b>	<b>275,152</b>
<b>As at 1 July 2022</b>	<b>38,639</b>	<b>129,272</b>	<b>106,686</b>	<b>274,597</b>
Total comprehensive income for the period	-	-	3,258	3,258
Transfer of excess depreciation	-	(1,657)	1,657	-
Deferred tax on excess depreciation	-	497	(497)	-
Dividends paid	-	-	(1,319)	(1,319)
<b>As at 31 December 2022, Restated</b>	<b>38,639</b>	<b>128,112</b>	<b>109,785</b>	<b>276,536</b>

## SUMMARY STATEMENT OF CASH FLOWS

Half Year ended 31 December	2023 Unaudited KShs Million	2022 Unaudited KShs Million
Cash generated from operations	15,710	5,151
Finance income received	1,440	665
Tax paid	(341)	(234)
<b>Net Cash generated from operating activities</b>	<b>16,809</b>	<b>5,582</b>
<b>Net Cash used in investing activities</b>	<b>(3,852)</b>	<b>(4,312)</b>
<b>Net Cash used from financing activities</b>	<b>(5,824)</b>	<b>(5,392)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,133</b>	<b>(4,122)</b>
At the beginning of the year	15,474	14,006
Effects of exchange rate changes on cash and cash equivalents	891	94
<b>Cash and cash equivalents at the end of the period</b>	<b>23,498</b>	<b>9,978</b>

### Operating Environment

The six months ended 31st December 2023 were characterized by heavy rainfall that saw an increase of water levels in our hydro dams thus boosting hydro-generation by 7%. This was key in mitigating the high fuel costs associated with thermal generation which dipped by 3.5% thus shielding consumers against further electricity tariff surges. Overall, our electricity units generated improved by 0.3% from 4,200 GWhs in the period ending 31st December 2022 to 4,211 GWhs for six months ended 31st December 2023. National demand for electricity continues to steadily grow and reached a peak of 2,170.56MW recorded on December 19, 2023. Similarly, the highest energy gross demand of 40,409.85MWh was recorded on August 9, 2023.

### Financial highlights

Net Revenue (Revenue less reimbursable expenses) increased by 7.8% from KShs 22,936 million in December 2022 to KShs 24,726 million for the six months ended 31st December 2023, reflecting the impact of favorable hydrology and plant efficiency.

Profit before tax improved by 1.8% from KShs 4,746 million in 2022 to KShs 4,830 million in 2023. This was largely driven by increased power plant efficiency and relatively high plant availability.

Operating Expenses increased by 16.4% from KShs 8,679 million in 2022 to KShs 10,101 million for the six months ended 31st December 2023. The increase is attributable to higher plant operating and maintenance costs as impacted by depreciation of the Kenya Shilling.

Net finance income increased by KShs 527 million from net finance cost of KShs 145 million for the six months ended 31st December 2022 to a net income of KShs 382 million for the six months ended 31st December 2023 owing to increased return on cash investments.

The tax expense increased from KShs 1,488 million for the six months ended 31st December 2022 to KShs 1,871 million for the period ended 31st December 2023, a 25.7% jump due to increase in unrealised foreign exchange losses owing to the depreciation of Kenya Shilling that are disallowable for

tax purposes among others. Consequently, profit after tax declined by 9.2% from KShs 3,258 million for the six months ended 31st December 2022 to KShs 2,959 million for the six months ended 31st December 2023.

### Outlook

We maintain a positive outlook as the national demand for clean electric energy continues to rise. Our commitment to providing reliable, competitively priced energy that drives Kenya's economic prosperity hinged on the Bottom-up Economic Transformation Agenda (BETA) while reducing greenhouse gas emissions remains unwavering.

Rehabilitation of our forty-one-year-old, 45MW Olkaria I geothermal power plant to give it a new lease of life and increase its capacity to 63MW is well on schedule. As part of optimizing the existing assets, implementation of Olkaria I Additional Units 4 and 5 and Olkaria IV Upgrading Project to increase their combined capacity from the current 300MW to 340MW has commenced and it is expected to be completed by December 2026. Additionally, we are rebuilding the Gogo hydro-power plant from its current 2MW to 8.6MW. We have also secured funding for the 42.5MW Seven Forks Solar PV project. These projects, among others, form part of our primary focus in the months ahead. Their timely delivery is key in ensuring reliability of power supply in the country while growing our business for continued shareholder value creation.

### Dividend

The Board does not recommend an interim dividend for the period.

### Appreciation

We extend our heartfelt gratitude to all our shareholders and other stakeholders including the Government of Kenya for their invaluable support and contribution to the Company's performance.

### By Order of the Board

**FCS AUSTIN OUKO**  
COMPANY SECRETARY

28th February 2024



**8.6MW**

We are upgrading the Gogo hydro-power plant from its current 2MW to 8.6MW to boost reliability of renewable power supply.



**4,211 GWhs**

Our electricity units generated improved by 0.3% from 4,200 GWhs in the period ending 31st December 2022 to 4,211 GWhs.



**KShs 24,726mil**

Net Revenue (Revenue less reimbursable expenses) increased by 8.4% from KShs 22,936 million in December 2022 to KShs 24,726 million.