

Trafco Group Discloses its Financial Results for Nine Months Ended 30th September 2019.

Trafco Group B.S.C. (Trading code: TRAFKO) announces its third quarter financial results for period ended 30th September 2019. Mr. Ebrahim Zainal, Trafco Group Chairman stated that the group achieved a net profit related to Trafco shareholders during the third quarter of BD 241k, compared to BD 380k during the third quarter of last year, with a decrease of 37%. The group achieved a total comprehensive income related to Trafco shareholders during the third quarter of BD 675k compared to BD 622k of last year, with an increase of 9%. The group also achieved an operating profit (including minority shares) in the third quarter of BD 546k, compared to BD 622k in the third quarter of last year, with a decrease of 12%. With regards to revenue, the group achieved BD 9.2m during the third quarter, compared to BD 9.6m in the third quarter of last year, with a decrease of 4%. Earnings per shares during the third quarter were 3 Fils compared to 5 Fils in the third quarter of last year.

Mr. Zainal stated that though there was 5% growth in gross profit during the third quarter the Revenue dropped due to overall decrease in the selling prices compared to the same period last year. The decrease in the net profit for the third quarter of the year in comparison to the third quarter of last year can be attributed to increase selling & distribution expenses finance cost and depreciation. In addition, the new IFRS accounting standard on leases had an impact on the presentation of P&L account.

With regards to the financial results for the nine months, Mr. S.Sridhar, Group CEO stated that the group achieved a net profit related to Trafco shareholders of BD 1.3m compared to BD 1.62m in the previous year, with a decrease of 20%. The group achieved a total comprehensive income related to Trafco shareholders during the nine months of BD 2.73m compared to BD 1.79m of last year, with an increase of 53%.

The group also achieved an operating profit (including minority shares) during the nine months of BD 1.48m compared to BD 1.93m of last year, with a decrease of



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23%. With regards to revenue, the group achieved BD 28.5m for the nine months, compared to BD 29.7m in last year, with a decrease of 4%. Earnings per shares were 17 Fils compared to 21 Fils last year.

The total shareholders' equity (excluding minority interests) for the nine months was BD 26.2m compared to BD 25.6m last year, with an increase of 2.3%.

The total assets for the nine months reached BD 45m compared to BD 40m last year, with an increase of 12.5%.

The drop in the net profit for the 9 month period in comparison to that of last year for the corresponding period as announced by Mr. S. Sridhar was due to general decline in the market resulting in overall drop of profitability of the parent & subsidiary companies with the increased raw material and cost of fuel & energy leading to higher production cost. A new asset in the Balance Sheet 'Right-of-use' is created as per the requirement of new IFRS reflecting the present value future lease rentals and notional depreciation is charged on this asset in addition to the existing assets. Hence the overall depreciation this year is higher than last year by around BD 329k which has impacted our Net Profit. It is to be noted that as per the new IFRS requirement the group chose the option of accounting the profit on sale of investments under other comprehensive income as against the practice of taking the same to statement of income, which otherwise would have increased the earning per share.

The full set financial statements and the press release are available on Bahrain Bourse's website www.bahrainbourse.com and Trafco Group's website www.trafco.com.
