

Speakers:

- › Mr. Merid Demissie – Managing Director, Bralirwa
- › Evariste Kabagamba - Acting Finance Director
- › Jessica Mwiseneza- Host, African Alliance Rwanda

START OF TRANSCRIPT

Host

Good day ladies and gentlemen, and welcome to Bralirwa Plc first half year 2020 investor conference call hosted by African Alliance Rwanda. My name is Jessica and I will be your moderator today. We are with the management of Bralirwa who will take us through a presentation of the half year results and participants will have an opportunity to ask questions and receive answers from the management. Should you have questions you can type them in the Q&A box on your screen or raise your hand during the Q&A section after the presentation. Please note that all participants are in a mute mode for now. Welcome to the Bralirwa team, please go ahead, thank you.

Merid Demissie

Thank you Jessica. Good afternoon everyone and thank you for joining us today for our 2020 half year result conference call. For those who may not know me, my name is Merid Demissie. I am the managing director of Bralirwa. Consistent with previous calls I am joined with Evariste Kabagamba, our Acting Finance Director at Bralirwa who is currently standing in for Ms. Merlijne Van der Zwan, our finance director who had to go to the Netherlands, following a car accident she had in the month of May this year. So the good news is that she's doing well and recovering very fast. Before opening the call to take your questions we would like to take you through a few opening remarks on Bralirwa's first half year results which were released at the beginning of this month. There are also some slides accompanying this call which you should be able to access from our company website. With that I would like to get started.

Slide two contains our usual disclaimer. I will leave it for a few seconds for you to just quickly go through it then I will move to the next slide. As this disclaimer slide is not new I will go to the next slide and we are all on slide three and I will start by providing a bit of context on the macro-economic conditions in Rwanda so far in 2020. This year the real GDP growth in sub-Saharan Africa is expected to contract by 3.2% resulting from the Covid-19 pandemic. In this context and despite the pandemic negative impact Rwanda continues to perform reasonably well with GDP growth staying ahead of the sub-Saharan Africa growth. The real GDP grew by 3.6% mainly driven by good performance in service driven by digital banking, construction, and industry sectors which recorded 5.6%, 5.3% and 1.9% growth respectively.

Export growth resulting from Made in Rwanda policy, continued public investment such as Bugesera airport and the country's strong record of implementing reforms to achieve its long-term development goals played a big role in driving this performance. Inflation however, increased to 8.5% and trade deficit increased by 12.1% while currency pressures remained and the Rwandan Franc depreciated 1.6% relative to the Us dollar and 1.9% to the Euro. The source for this macro-economic numbers is from the National Bank of Rwanda and the Central bank of Rwanda.

Moving on to slide number 4, I would like to provide sub context on the Rwandan beer market in 2020 and as it was the case in the prior year the beer market remained challenging and very competitive with consumers spending power still constrained. The situation has gotten worse as a result of Covid-19 where the government of Rwanda has taken strict measures to contain the spread of the virus. Some of the measures that negatively impacted our business are; the full lockdown for the first month and a half that highly affected our consumers spending power, the restriction on number of employees coming to work that caused an enormous challenge on our

production, logistics and sales operations, the curfew first from 7pm to 5am and now from 9pm to 5am that changed consumer behaviours by keeping them at home, the closure of bars and night clubs since the start of Covid etc. This has highly affected our ability to freely drive our business both operationally and commercially. To tackle the challenges brought by this measures; what I mentioned above; we had to completely redesign our route to market, our distribution system to ensure that our products are available in the off-trade channels may be in the neighbourhood kiosks and grocery stores. In doing so, we successfully managed to drive home consumption, something that barely existed prior the pandemic. Additionally, the currency depreciation which I referred to in the previous slide, resulted in higher raw materials and other costs that are continuing to put pressure on margins.

Turning to slide number 5, you can see some of the developments with our brands during the first half of the year. As I said, again the previous slide, our focus this year has been more about working on our route to market to ensure the availability of our products in the off-trade channel. Due to Covid-19 we haven't been able to do any significant campaign behind our brands due to the restrictions that were put by the government of Rwanda which are restrictions that we, as Bralirwa plc, fully support.

With this in mind, and due to affordability challenges coupled with the financial uncertainty that the pandemic has created, the majority of our consumers has decided to shift to affordable SKUs like Primus 50cl. Mutzig continues to perform relatively well mainly driven by the 33cl and 65cl packs but not at the level of Primus 50cl. Heineken and Amstel, although they are still performing relatively well in the more affluent parts of the country and high-end restaurants are two of our SKUs that are currently underperforming.

With that, I would like to hand you over to Evariste to take you through the 2020 half year financials.

Evariste Kabagamba

Thank you, Merid. Good afternoon everyone. Moving on the next slides, slide six shares some of the key performance highlights from 2020 half year results. Our volume decreased by 3.4% and top line was down by 5.4% driven by lower volume as a result of Covid-19 pandemic negative impact in addition to unfavourable mix. Our result from operating activities went up by 19.8% versus half year 2019 at 8.9billion helped by improved gross margin due to local production of Heineken, lower marketing costs, and Covid-19 mitigating actions which lowered our operating expenses. Moving down the P&L, we benefited from lower financing costs in the half year thanks to continued repayment of loans and leveraging the improved financing terms and conditions. This was partly offset by currency developments. Profits and total comprehensive income for the half year was up by 70.6% at 3.9billion Frw.

Turning to slide 7, there is some details on our financial results for the first half of 2020. As I have talked through the key drivers of the improved operating results already, I won't spend any time on this slide and with that; I would now like to hand the call back to Merid to take us through the community support initiatives and the outlook for the rest of 2020. Thank you.

Merid Demissie

Thank you, Evariste. So moving to the next slide, I would like to share some of the initiatives we took with respect to the support we gave to the government of Rwanda and the community. With the ministry of health, we gave disinfection supplies such as ethyl alcohol sanitizer, surface spray disinfectants, hand held and backpack sprayers and an assortment of our soft drink products for health workers. With the Coca-Cola company and with the Coca-Cola foundation, we are providing medical supplies worth 150,000 USD through Rwanda Red cross. This is a project that is currently in progress and with the Heineken Africa foundation we gave support worth 200,000 Euros to

Water-Aid for the WASH project. WASH stands for Water, Sanitation and hygiene. And this is for the period of July to December.

Finally, our last slide details our outlook for the rest of the year which you have likely already seen in the 2020 half year results press release. In the second half and despite Covid-19, Bralirwa expects a volume and top line growth resulting from the business normalisation driven by the relaxation of some of the measures that the government has put in place while it continues to work around the clock to contain the spread of the Corona virus. Whilst, the market environment in Rwanda is expected to remain competitive and constrained by consumer spending power; the overall beverage market is expected to be probably positive. Bralirwa will continue to invest in their route to market, projects that we have already started. It will invest on its plans and people to continue to drive performance. Cost pressure and the uncertain tax environment will like continue to be challenging, but further focus on cost management and reducing debt should enable margin improvement in the second half of the year.

With that we would like to open the floor to you for questions. Thank you.

Host

Thank you Mr. Merid; Thank you Bralirwa team. I would like to remind the participants that they have an opportunity to ask questions through texting in the Q&A box right in front of your screens or raise your hand if you would like to speak. Should you want to speak please unmute your audio and share your question and mute again afterwards. We will start by receiving questions from those who have raised their hands and receive questions from the Q&A box. Mr. Shaheen please go ahead.

Nick Padgett

This is Nick Padgett from Frontaura. So I'm interested in; I think you said there is still curfew from 9pm to 5am. are there still restrictions on the number of employees that you can have coming to work? Are bars still closed? If they are, when do you expect they might be allowed to reopen? Or if they have reopened, when was that? And just in the other comments with regard to just what things are like now, is there free movement within the country or are people limited just to their home area? Things like this that would have an impact on your ability to do business.

Merid Demissie

Okay, thank you for the question. Yes, the curfew is from 9pm to 5am. and first and foremost we highly appreciate what the government of Rwanda is currently doing and we are also proud that the government together with Rwandans have so far perfectly managed to contain the spread of the virus and as I said in my presentation we are also in full support of what is happening despite the impact that it has on our business. In terms of the measures that are in place right now, currently we are allowed to use 50% of our work force and obviously we make sure that we give priority to the production team those who cannot work from home and we also give priority to the sales team. Aside from that, the majority of employees are working from home and including ourselves and most of the time we operate from home.

In general, for the question on free movement. Yes, there is relatively free movement to be honest but of course there are places that are in partial lockdown and these are busy areas, market places where the spread of the virus can be extremely prominent and the decision was really to slow down the movement in those areas and as I said in the presentation the bars are still closed, and night clubs are not operating and of course movement after 9pm is not allowed. So far this is what is happening on the ground. Every two weeks, more or less, if I'm not wrong every two weeks there is a government cabinet meeting whereby the government that is led by the president they sit and go through the development of Covid and based on that we receive directives and those directives could at times loosen the measures and other times depending on what is happening on the ground they get a bit more stricter. So, so far this is what is happening on the ground.

- Nick Padgett Thank you for that. Has there been any talk of when bars might reopen or is that simply unknown at this point.
- Merid Demissie for now it is unknown. But one thing that we know because we also follow this on a daily basis. One thing that we know is that the spread of the virus is really reducing and maybe on an average not exceeding 15 people per day and this has come down from an average, let's say 200 people per day, so in that regard things are looking quite positive and it also gives us a lot of hope in over lifting of some of these measures.
- Nick Padgett Then my final question is just one of competition, we see in many countries that when you have a shock like this often it benefits the largest market share player such as yourself. Do you think you have gained competitively because of a better ability to withstand and adapt to these changing conditions or do you see that it's weakened your competition or not really? Is it sort of status quo in terms of market share and ability to compete in this new world.
- Merid Demissie Yeah, you know as I said before, you know we don't really usually comment on competition. What I can talk about is what we are doing of course you know when the decision on the first lockdown was decided of course it was a shock for us. We had to completely reengineer the way we operate, first of all, you know all of us staying home and being able to communicate from home through MS Teams on a daily basis, having a crisis team that was discussing on a daily basis to try and see, first to protect our people. Then that was the first step we took. Then the second one is to also keep our business afloat. So this was our first concern and to do so we determined the minimum volume that we needed to deliver to keep our business afloat and based on that we start operating and within less two weeks we completely reengineered our distribution system as I said in the presentation and started you know, a full blown operation and with that all we can say is that we are doing well and the numbers also speak for themselves and we assume that competition is also trying their best to stay afloat.
- Host Thank you Shaheen. Tristan you raised your hand for a question, please go ahead.
- Tristan Van Strien there we go. Hi it's Tristan Van Strien from Redburn partners. can you hear me?
- Host Yes we can hear you.
- Tristan Van Strien Just A few Q, just three for me actually. Just first question, your soft drinks performance seems to be much weaker or your beer performance seems to be much stronger, it's another way of putting it. Why? What's the difference between the two? Why did that happen?
- Merid Demissie Okay, that's a good question. So what happened is that usually our soft drink actually does well in the busy market areas, in the open market areas, that's where [unclear]. And the other area where we get a lot of volumes from is in gatherings and by gatherings I mean weddings which are extremely big here in Rwanda and they are also quite a lot. And as a result of Covid, you know gathering are not allowed and as I said earlier in the previous question you know, some of the areas where there is busy traffic there is also limitation of movement to avoid the spread of the virus. So these has affected our performance of soft drinks and you can also imagine that the way soft drinks are consumed here it's more of on-the-go consumption as opposed to people moving to family pack and consuming from home. So that is the main reason why soft drinks business has been impacted.
- Tristan Van Strien Interesting! Okay maybe related about that you talked about the changes you had to make in route to markets and I'm understanding that Rwanda as always particularly in beer 98-99% on premise

so I guess, how significant has that shift been to take, I mean, how much of that you think will be permanent cause that's quite a big shift to do that.

Merid Demissie Yes, this is also a big question that we have. You know at the end of the day when bars go back to full operation we feel that there will still a lot of volume that will be left in those kiosks and grocery stores. We are seeing that as an opportunity in the future but at this point in time it is a bit difficult to put a number behind it but we feel that that it will be a growth opportunity.

Tristan Van Strien Maybe just last thing, I don't know if it relates to you or not. But the broader Heineken group obviously is spending a lot of money and time on improving your IT infrastructure, which are some big and expensive projects. I was wondering, does that impact you guys at all especially now going forward as we go beyond Covid? Is there anything you need to do on the back?

Merid Demissie Well, in terms of IT of course you know the world is getting more and more digital and we are also on the same band wagon. We have been investing in the past on different projects in commerce, in supply chain, in human resources. So yes, we are in that project and we have been investing in the past and I could tell you that majority of investments have already and for us it's actually to use them more and more.

Tristan Van Strien How do you prevent your business from being overwhelmed with these projects? Because obviously it's a lot of time and efforts. I mean, how do you make sure It doesn't over complicate your business?

Merid Demissie Well, the good thing about operating under a bigger umbrella such as Heineken. you know many of the things are already tested and obviously it's not a menu of digital tools that you have but it's a menu of proven tools that actually can help you. So in doing so, we have in the past chosen what we needed to actually drive our business from as I said, from the different functions, and in terms of them being, whether they will be overwhelming or not, this is not something that came to us just because of Covid. We have been having them and gradually investing in them and gradually practising on using them. So right now these are becoming our tools to actually help us develop our business further and so far we do not feel any difficulties in using the tools.

Tristan Van Strien You've implemented the whole base program and everything already? So you're basically done with it [unclear]. get on with it basically.

Merid Demissie Yeah

Tristan Van Strien Okay, thank you. I'll let someone else. Thank you Merid, I appreciate it.

Host Thank you Tristan, Bernard you raised your hand for a question, please go ahead.

Bernard Griesel Thank you. Hi! I just wanted to ask you about as you do Heineken local manufacturing, as I understood the plan was to do it in Rwanda and to export those to neighbouring countries next to Rwanda. How was that, I mean obviously Covid has had [unclear] impact but what is your long-term expectation for Heineken exports to these markets? given that it's obviously quite a high margin and It could be quite a [unclear]. I'm just trying to understand what is your long-term expectations of Heineken exports?

Merid Demissie again another good question. You know, yes the investment behind the capability to produce Heineken locally is partly to do exports and obviously the countries that we've been eyeing or still looking into are DRC, Burundi, Uganda and Tanzania. Unfortunately, last year with the DRC we had a little bit of challenge because of Ebola and at some point we were not able to; although we had finalized some of the necessary agreements to start exporting into DRC, we were not able to do so.

With Uganda, there is also demand and we also have a challenge there because of the current relationship between the two countries and the border has been closed since last year and this was way before Covid. In Burundi, same thing you know preparation for the presidential election of last year the border has been closed and the other challenge that we also face with Burundi is the lack of Forex and exporting to Burundi has been a challenge. Then the last one is Tanzania, last year we exported just a few Heineken and Amstel but so far the volume has not been satisfactory. And again now this year things are a bit different for the most obvious reason. But yeah, this is still something that we are working on, we are looking at, we are ready, the minute borders are open we should be able to export.

Bernard Griesel and then just a follow up, the next question is; on cost cutting you obviously been able to cut costs on marketing due to some of the restrictions [unclear]. How much has that helped in your cost savings? And I mean if things are opening up and revert back to more normal marketing spend. What do you see as that impacting on margins going forward?

Merid Demissie Sorry come again please.

Bernard Griesel Sorry, as you have obviously cut back on marketing, you've been cutting back on marketing spend due to restrictions and the current market environment but as things open up I assume you will be spending more normal spend marketing expenditure. Can one expect your expenses to increase again as such obviously, you've been able to improve margins? One can expect margins to come under strained because of increased market spend again. I'm just trying to understand if we could expect marketing spend to increase in the period going forward as the market opens.

Evariste Kabagamba Yeah indeed due to lower levels of activities. So of course together with mitigating actions in order to reduce the negative impact of Covid. We have reduced the marketing spend and as we go for more relaxations on Covid measures, actually yeah, we are going to increase the marketing activities and this is something that we have already planned for and as the marketing activities increases, of course this will also have an impact on volume increase which will also mitigate marketing cost increase impact. So we will assure that our performance is consistent based on current trends.

Bernard Griesel Okay! And then maybe just the last question is just on excise duties. Do you have any expectation of what could happen going forward? Obviously governments are under strained, they are also looking for increased revenues, do you believe there is any pressure on increasing excise duties above inflation or more? I mean, I know in Rwanda [unclear], so any big increase in excise duties is hard to pass on. I'm just trying to understand if you any expectations of what could excise duties. What can happen with excise duties going forward.

Evariste Kabagamba It has always been put on our lists due to the fact that the tax environment is really uncertain but we do not really have a clue on what will happen in the near future. So we do not really have any information about that.

Bernard Griesel and government does have, you do not have any correspondence with the government and they try and talk to you about how it could be implemented? is there any two ways discussions on looking at how it could impact your business and what is the base for or do they just decide on it?

Merid Demissie Yeah, obviously with the government and especially with the Rwanda revenue Authority we of course discuss regularly of course you know, what we try to do is to make them understand what our business is all about and also help them also compare our business with other businesses from other countries. So yes, we have a long going relationship with the Rwanda Revenue Authority as we are one of the biggest tax payers here in Rwanda. Yeah but at the same time we cannot dictate on what should excise tax be or what other taxes should be.

Host Thank you Bernard! We have questions in the Q&A box, Mr. Merid please go ahead.

Merid Demissie The first question is saying what is the trajectory of market share? And well, we have always said that we don't specifically talk about market share. We have said in the past that it is around 75%. One thing that I can say that despite the challenges, yes, Bralirwa is doing really well and I wouldn't make further comment on it.

With soft drinks market share, we don't have a direct competitor here in the country. So who we compete with are products that are coming from other markets, from Tanzania, from Uganda in the past but less nowadays. Those are our competitors in a way. So they are still at a very low level but we also keep an eye on them so that they do not start eating too much into our volume.

Then the next question. Our share of Heineken for our business? Yes, Heineken is a new product specially one that we started producing locally, although I'm not in a position to tell you the kind of contribution it has but one thing I can tell you is that this is still a new product in our portfolio. This is a product that we need to nurture and grow and give it legs. We have been doing that, and of course unfortunately with Covid this year it has been a bit of a challenge to really work behind that brand. But this is a brand that is highly promising, highly profitable and something that we want to ensure that we grow and not just in volume but in its entire contribution.

Exports we have already talked it number 4. Number 5, how do import affect your business normally? Okay so, I just mentioned before for soft drinks that is where we have the most products that are imported here into Rwanda, just flavoured drinks; flavoured soft drinks, energy drinks. You know mainly just the main ones. There are also some juices but we are not competing in the juice category so we do not really follow on those ones. Yeah, but of course is it now affecting our business? I wouldn't say so. But is it something we should keep an eye on? Definitely!

Next question, how large is the illicit market and what is your strategy to address it? It depends the definition of illicit market. Are we talking about illicitly imported soft drinks or beer, or are we talking about illicit brew; the local brew. So that would be a good one to understand. Then whoever asked that question it would be nice if they can explain a bit more.

And then the next one, is it possible to give the investor full financials for the first half? What we shared is according to requirement of the Rwanda Stock Exchange, we don't give less and we cannot give more as well. You also have to understand that we are in a competitive environment, the more information that we give out there would also weaken the strengths of the company that you invested in. so we will not be in the position to be [unclear] than we are right now. And I hope that this is something you can understand.

Host Thank you the first question. We have four more questions in the box

Merid Demissie Okay, so the beer top line performance much better than feared and you are asking what has gone better during the lockdown than expected, and this is something that I have already covered. This is our route to market, our ability to bring our beers close up to the homes and this is where we benefited from. And of course soft drinks also followed the same foot print. Unfortunately, soft drinks are more consumed on-the-go than at home and that did not really support the soft drink business to the level of growing versus last year. But had we not done that, soft drinks would have struggled even more.

Can you disclose debt levels of the first half and what percentage of debt remain in USD? Quickly, we are remaining with an equivalent of Rwf14.6billion in terms of debt.

Estimate of the size of illicit/informal market in Rwanda? On the illicit part, we can understand it in two different ways. The first way I understand is, products that are imported into Rwanda from neighbouring countries. That one I talked about it, this is mainly soft drinks in PET bottles. These are products that we are looking into. Of course they play the price game but of course but they do not have the quality to actually persuade consumers. So are they [unclear], yes they are. Are they growing? It is a bit of a challenge to talk about that but one thing that I can tell you with the decision on plastic ban here in Rwanda, there will be a punitive, we expect a punitive taxation system on Pet importers because those of us who have already established our business here in Rwanda, and have invested and are paying tax will be the ones who will be also creating coalition to create a PET collection and recycling system and those people cannot grow on our investment while they are not hiring or making any investment or hiring any significant amount of people. And of course this is something that we expect that the government is looking at. We've had our share of with other companies here in Rwanda like the biggest other company called Inyange who produce water in PET and Juices in PET bottles. We have also discussed with the ministry of environment to dress some of the challenges. And this work that is ongoing.

The other one is, if we are talking about illicit brew. This is locally brewed beers that are also called traditional brews. There is quite significant volume that is out there but you know, one thing that we are doing here in Rwanda is to make or keep our products as affordable as possible. But price-wise it is not something that we can compete. I have tried it in a different market outside of Rwanda before my appointment here. It is something that is extremely difficult to tackle them. One thing that we know the government is doing is following on the quality of those products and nowadays more and more we see them trying to trying to industrialize their products but of course the minute that you go into an industrial state you cannot be able to maintain a low price. And that is the information that we have as at now.

Okay, which other question please?

Evariste Kabagamba

Yeah, the question related to full year 2019 results with regards to the list of one-offs as well as the following questions with one-off areas incurred in 2019. We have already discussed this in our annual reports and accounts and yeah, we can refer you to our website where you can find the full date where you will be having that information that you are looking for.

Merid Demissie

Okay, any other question?

Nick Padgett

This is Nick Padgett with Frontaura again. can you hear me?

Merid Demissie

Yes we can.

Nick Padgett

Okay, so I have a question about the second half revenue. Historically, you've always had a stronger second half than the first half for example last year second half revenue was 14% higher than first half. And that's fairly typical. I mean if I average the sequential gain over the last decade it also works at 14%. So with that as a baseline assumption I'm just curious if, [unclear] a tricky year right? Because things were very locked down in the first half but not for the first two and a half months of the first half, so I'm trying to think in my mind, will this year the second half be even stronger than normal relative to the first half? Or perhaps less strong cause there's still a number of Covid measures; restrictive measures in place? Any thoughts you have on this would be appreciated.

Merid Demissie

Yeah, so normally, you know when you cycle a higher hurdle rate, of course your growth cannot be as much as the numbers or the months that you cycle with the lower hurdle rate, but of course you know the decisions that we have taken or the measures that we have taken in the way we are

moving our business forward, the way we are running our business right now; so the hurdle rates that we are facing are getting higher because last year this time when in the second half were relatively high, however you know, one thing that has changed is now our ability to really, to fully control our route to market and the projects that we are currently running. Cause when we said we redesigned our route to market to go to the off trade channel but we didn't stop there. We are really redesigning our route to market to perfect it, to have more visibility of the market, to have a bit of; not a bit but quite a lot of touch to our business, to have a bit of... a lot of visibility of what is going on in terms of numbers stock that we sell to our customers and the stock that they sell to our retailers to the point that the products that they sell to the consumers. So we are really double clicking on every level to make sure that we follow the full cycle of our products. The other thing that made us really successful this year and that was not there last year is the ability to turn around our trucks. So our trucks are really going back and forth quickly and that also helped us in the rotation of our bottles increase. So these are the tools that we are using to make sure that we will continue to grow and the beauty of it is that as we go forward because the first part of the year we were in the complete darkness and we didn't know where we were going in terms of what this pandemic was bringing. And at the same time right now, when we look at it we feel that we are a bit more in control and the measures we also expect them to get better because government also has a good grip on what is on the pandemic. So with that, you know we strongly believe that we will definitely do much better than compared to the previous year.

- Nick Padgett Okay, thank you. And then the final this for me a few minutes ago you gave the gross debt figure but I didn't quite hear the number. Would you mind repeating the figure you gave?
- Merid Demissie come again please? I didn't get it.
- Nick Padgett in response to a prior question you gave what the gross debt figure was at mid-year but I didn't hear the number. Could you repeat the number please?
- Evariste Kabagamba So I was explaining the equivalent in Franc Rwandais of our us\$ debt 14.6billion.
- Merid Demissie 14.6 billion
- Nick Padgett 14.6billion is the Rwandan Franc total gross debt number?
- Evariste Kabagamba yeah, responding to the question related to the remaining debt in Us\$.
- Nick Padgett okay, that is the amount in USD is that correct?
- Evariste Kabagamba the 14.6 billion expressed in Franc Rwandais
- Merid Demissie Rwandan Francs
- Evariste Kabagamba Yes, Rwandan francs
- Nick Padgett I assume there is additional gross debt that is denominated in Rwandan Francs, do you have that figure?
- Evariste Kabagamba this is part of the other financials from which we are limited to any disclosure.
- Nick Padgett Okay, I understand what you said on that. I will just express the opinion and I think other people will probably agree with me. Around the world, you know we own companies in many countries as I'm sure do the other investors in this call. And I actually quite common to receive, not only the income statement but the balance sheet and the cash flow statement as well whenever a company reports

and especially in countries where there's only two reports a year, that would be quite appreciated. I understand your answer that you're complying with the regulation and you prefer not to give out more than you're required to do perhaps maybe we should take it up with the stock exchange or the regulator asking them to require everyone to release more information. It would be welcome as a long-term shareholder to have that. Anyway I'm not expecting you to answer that I just wanted to give you my perspective on that matter. But I thank you for the call, this has been very helpful so thank you for continuing to speak to us all.

Evariste Kabagamba

Thank you.

Merid Demissie

I think we have come to. We have not more questions.

Host

Just one question from Tristan on our Q&A Box.

Nick Padgett

No need to answer. It's the same category as Mr. Featherby was mentioning

Evariste Kabagamba

the WACC we apply is at 15.2%

Host

Thank you, should there be no further questions I'll then give the floor to Bralirwa team to close the call. Mr Merid any closing remarks before we end the call.

Merid Demissie

No, just to say thank you and this year so far has been challenging but at the same time fulfilling in being able to not only keep our company afloat but being able to deliver positive results while keeping our employees and really covering all the overhead costs. This is quite impressive. This is of course a result of a very fantastic alignment but not just within the management team but the entire Bralirwa employees who have really decided to come together and fight for this company and this has translated into this fantastic or at least promising first half. We will continue to drive performance and continue to do well and we are on the right track. So I would like to thank every investor here on this call and I wish you all the best and stay safe and see you next time.

Host

Thank you Merid; Thank you the Bralirwa team and all the participants. You are now free to leave. A transcript and a recording can be accessible on the website of the company during the course of next week. And if you have any further questions you can forward them through African Alliance Rwanda who can be able to get you assisted. Thank you for your participation and enjoy the rest of your day.

END OF TRANSCRIPT