UGANDA CLAYS LIMITED

Rating Date: 10-12-2025

Report Type: Unsolicited Rating

SUMMARY

ICRA assigned a "CCC" rating with a "Negative" outlook to "Uganda Clays Limited" on 10th December 2025, assuming no material adverse events affecting the business activities occur during the validity period. The assigned rating reflects a balanced assessment of the entity's business model, competitive advantages, market conditions and overall financial stability, which contribute to the overall creditworthiness of the company based on ICRA credit rating methodology for corporates. Below are the key points, including credit strengths as well as credit challenges, reflected in the assigned rating.

The assigned rating reflects UCL's moderate business profile and conservative leverage, which provide a solid operational foundation. These strengths, however, are undermined by declining earnings and weakening profitability, a deteriorating capital structure with rising liabilities, significant financial strains from debt obligations, and a decline in liquidity over the past four years. While the company's business fundamentals remain solid, these financial pressures limit flexibility and weaken the overall credit profile.

OUTLOOK

The Negative outlook assigned to the issuer rating of UCL factors on the company's solid structural potential (housing growth, brand, capacity investment) but must overcome operational inefficiencies, cost pressures and market substitution. If the capacity upgrades and strategic initiatives succeed, profitability could be restored in the medium-term, but near-term risk remains high.

RATING UPGRADE TRIGGERS

– Significant revenue increase, turnaround of operating and net losses into material profits, along with considerable Gross profit and EBITDA growth.
– Improvement in profitability underpinned by stable gross margins and prudent management of operating expenses.
– Sustained generation of cash flows enough to cover operating expenses, debt service obligations, and capital expenditures.
– Sustained and significant improvement in the liquidity ratios through better cash flow management.

RATING DOWNGRADE TRIGGERS

– Continued net losses, weak or negative cash flows, and continued inability to service debt.
– Continued deterioration of liquidity ratios.
– Rising interest-bearing liabilities without corresponding capital support weakens the debt-to-equity profile.
– High or rising leverage, and continued declining decline of the equity base.

Rating Assignment

Rating	Outlook
CCC	Negative

Table 1

Key Financials

Company Year End is in December

UGX bn	FY23	FY24
Revenue	30.45	31.6
EBITDA	2.80	1.95
Profit/ (Loss) Before Tax	(4.34)	(5.97)
Net Profit/(Loss)	(2.85)	(4.95)
Property and equipment	35.50	35.55
Cash and Cash Equivalent	0.75	0.33
Total Assets	76.84	76.38
Total Debt	20.36	23.10

Table 2

Key Ratios

	FY23	FY24
EBITDA margin (%)	9%	6%
Net Profit Margin (%)	(9%)	(16%)
Return on Equity (%)	(7%)	(12%)
Return on Assets (%)	(4%)	(6%)
Current Ratio (times)	0.63x	0.47x
Debt-to-Equity Ratio (times)	0.78x	0.99x
Debt-to-EBITDA Ratio (times)	7.26x	11.85x

Table 3

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BUSINESS PROFILE

Uganda Clays Limited (UCL), incorporated on 10 July 1950, is Uganda's oldest manufacturer of baked clay building products and a key player in the country's construction materials industry. Notably, UCL was the first company to list on the Uganda Securities Exchange (USE) in January 2000, reflecting its pioneering role in the domestic capital market. Over its 75-year operating history, the company has built a strong reputation for product quality and innovation, supplying a broad range of clay-based construction materials, including roofing tiles, floor tiles, walling and partitioning blocks, decorative grills, and ventilators. UCL operates two manufacturing plants, namely Kajjansi and Kamonkoli, which, together with a well-established distribution network of outlets and agents, enable broad market coverage across Uganda.

As of February 2025, UCL's two major shareholders comprise National Social Security Funds (NSSF) with 32.5% and National Insurance Corporation Limited (NICL) with 17.8% of the total shares. NSSF is a government-managed retirement savings scheme that collects monthly contributions from employees and their employers to provide financial security when workers retire, become invalid, or pass away, while NICL is one of the oldest and largest insurance company in Uganda. Other shareholders are drawn from individuals and corporates. UCL's partial ownership by NSSF is a key strength, as it provides strong institutional backing, enhances financial stability and governance standards, and reinforces investor confidence. This ownership structure positions the company well to pursue long-term strategic initiatives and withstand short-term market or operational challenges.

MARKET COMPETITION

UCL's products industry is assessed as moderately competitive, with UCL as the dominant domestic player facing growing pressure from small players and alternative materials. The market is fragmented across product types. For example, according to the 2018 Baseline Assessment of Development Minerals in Uganda, the majority of clay bricks production is dominated by artisanal and small-scale producers, accounting for 95% of output. These producers offer low-cost alternatives but often lack consistency in quality. Furthermore, UCL's flagship product, clay roofing tiles, faces stiff competition from corrugated iron sheets, which dominate the national roofing market. The National Population and Housing Census 2024 reported that clay roofing tiles account for only 4.9% of roofs, compared with 74.7% for iron sheets, highlighting UCL's position within a niche segment.

MANAGEMENT AND GOVERNANCE QUALITY

The Board is composed of ten directors made up of nine non-executive directors and one executive director, led by the Chairman, Eng. Martin Kasekende. The Board members collectively possess the necessary qualifications and experience in marketing and business development, engineering and construction, human resources management, accounting, law, and finance. Furthermore, the Board has an appropriate level of independence, with the roles of Chairman and Managing Director separated, and non-executive directors leading key roles for Board Committees. The Board's accountability and oversight functions are supported by the Administration and Technical Committee, Audit and Risk Committee, and Finance Committee. As of 31 December 2024, seven meetings were convened, with high attendance levels of 91%, suggesting strong commitment and accountability among the Board members. Similarly, attendance for subcommittees were also high, with Audit and Risk Committee, Administration and Technical Committee and Finance Committee recording 84%, 87.5%, and 75% respectively.

The management team of UCL, led by Mr. Reuben Tumwebaze, comprises six members who collectively bring a wealth of experience and expertise in engineering, human resources, auditing, and manufacturing. Five of the members joined the company in 2021, while one joined in 2019, indicating a relatively new but experienced leadership team bringing fresh and diverse perspectives. The management team is credited for successfully renegotiating loan terms, particularly those related to the NSSF facilities, which helped ease the company's liquidity pressures. Furthermore, under the leadership of Mr. Tumwebaze, the company secured a UGX 6bn loan with a three-year tenure to support investments in plant and machinery as well as working capital requirements. The facility was signed on 10 February 2025, with drawdowns beginning the same month.

DETAILED CREDIT RATIONALE

Moderate business profile: This is underpinned by (i) A revenue base spanning multiple products, although roofing tiles remain the dominant product, complemented by bricks, paving, and related clay products, (ii) a competitive landscape marked by low-cost small-scale producers and alternative roofing materials, which the company mitigates through affordability measures such as discounts and hire-purchase options, (iii) Long operational history of over 75 years, establishing strong brand recognition and reputation for quality and innovation, (iv) Extensive nationwide distribution network through factories, outlets, and agents, (v) Strong institutional ownership providing financial stability, governance, and investor confidence, and (vi) The company is led by a highly experienced and qualified management team, with an average of over a decade of industry experience.

Declining earnings with weakening profitability (FY21-FY24) resulting in losses in recent years (FY23-FY24): The institution has experienced a deterioration in profitability over the review period (FY20–FY24), with a notable dip between FY22-FY24. UCL's revenue recorded a modest CAGR of 2% over the review period, reflecting overall stagnation in topline performance. Revenue improved slightly by 4% y/y, from UGX 30.45bn in FY23 to UGX 31.60bn in FY24, driven by improved machinery availability during the period, which consequently increased product supply. However, the increase in top-line could not be transferred to the bottom-line as the cost of sales rose by 7% due to higher input prices and limited pricing flexibility. Consequently, gross profit fell by 5% to UGX 8.28bn in FY24, while operating losses widened by 10% to UGX 2.78bn in the same period. Net losses deepened by 74% to UGX 4.95bn in FY24, largely driven by the higher operating loss and a 76% surge in finance costs to UGX 3.21bn in FY24, mainly attributable to interest on the NSSF loan and the provident fund.

The institution's weakened performance over the review period is further evidenced by the deterioration in key profitability ratios, including the gross profit margin, operating profit margin, net profit margin, return on assets (ROA), and return on equity (ROE). The gross profit margin declined from 29% in FY23 to 26% in FY24, reflecting an imbalance between the growth of sales revenue and the cost of sales. Similarly, the net loss margin widened from -9% in FY23 to -16% in FY24, underscoring the company incurring losses, yielding no returns to shareholders.

Income Statement					
UGX '000	**Dec-20**	**Dec-21**	**Dec-22**	**Dec-23**	**Dec-24**
Revenue	29,662,677	36,686,157	36,616,096	30,449,841	31,601,824
Gross Profit/(Loss)	13,529,930	17,238,120	14,750,216	8,684,383	8,282,758
OPEX	(7,603,550)	(9,769,025)	(11,835,002)	(11,199,784)	(11,048,403)
EBITDA	9,651,472	13,743,450	7,282,891	2,803,387	1,949,006
EBIT	5,926,380	7,469,095	2,915,214	(2,515,401)	(2,765,645)
Net Profit/(Loss)	4,873,942	5,920,562	2,441,750	(2,851,250)	(4,950,038)

Table 4

Profitability Ratios					
	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
Gross Profit Margin (%)	46%	47%	40%	29%	26%
Operating Profit Margin (%)	20%	20%	8%	-8%	-9%
Net Profit Margin (%)	16%	16%	7%	-9%	-16%
Return on Equity (%)	14%	15%	6%	-7%	-12%
Return on Assets (%)	7%	8%	3%	-4%	-6%

Table 5

Weakening capital structure coupled with increased debt to support asset base (FY23 – FY24): While the asset base of UCL has remained stable, as demonstrated by a modest CAGR of 3% to UGX 76.38bn in FY24 from UGX 68.86bn, its capital structure has weakened. On a y/y basis, total shareholders' equity declined by 11% to UGX 38.29bn in FY23 from UGX 43.24bn on the back of the repeated losses incurred for the latest two years. On the other hand, total interest-bearing liabilities (debt) increased by 13% y/y to UGX 23.10bn in FY24 from UGX 20.36bn in FY23 on the back of accrued interest from FY23, as no material interest charges were paid for borrowings. The capital structure of UCL is driven by growing debt and declining equity in FY24. The deterioration in equity stems from the erosion of retained earnings due to sustained losses, while the increase in debt suggests pressure on liquidity and reliance on borrowings to support operations.

Significant financial strains related to its debt obligations: As of December 2024, total interest-bearing liabilities (debt) accounted for 61% of the total liabilities. On a y/y basis, the interest costs increased by 76% to UGX 3.21bn in FY24 from UGX 1.82bn in FY23, and it was also evident that these interest payments related to borrowings have not been paid throughout the review period. The entity's high borrowings, largely from its majority shareholder, NSSF, continue to strain the company's cash flows. The original UGX 11.05bn loan, obtained in 2010 at an interest rate of 15%, was frozen in 2015 after UCL failed to meet its repayment obligations. In 2023, the loan was derecognised, with UGX 4.79bn recognised in other components of equity and the remaining balance of UGX 15.81bn reinstated as a liability. Interest accrued in FY23 was capitalised. The renegotiated loan balance was scheduled for repayment beginning in 2025 over 10 semi-annual instalments at 14% interest. Further restructuring occurred on 28 February 2025, when interest accrued in 2024 and an additional portion of the NSSF loan totalling UGX 2.95bn was restructured, with repayments now deferred to 2028. Given this extensive history of loan modifications, the profitability reported in FY20 to FY22 should be interpreted cautiously, as it may have been influenced by these financing arrangements.

Statement of Financial Position: Net worth					
UGX '000	FY20	FY21	FY22	FY23	FY24
Share Capital	900,000	900,000	900,000	900,000	900,000
Share Premium	9,766,028	9,766,028	9,766,028	9,766,028	9,766,028
Other Components of Equity	-	-	-	4,789,730	4,789,730
Retained Earnings	20,498,613	26,428,598	29,779,772	27,780,860	22,830,822

Revaluation Reserve	3,571,185	2,211,761	852,338	-	-
Proposed Dividends	1,218,486	1,350,000	450,000	-	-
Total Net Worth	35,954,312	40,656,387	41,748,138	43,236,618	38,286,580

Table 6

Statement of Financial Position: Assets & Liabilities					
UGX '000	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**
Total Assets	68,856,145	74,539,310	76,888,242	76,841,502	76,381,236
Total Non-Current Assets	44,270,285	55,757,320	59,677,824	57,645,707	60,590,308
Total Current Assets	24,585,860	18,781,990	17,210,418	19,195,795	15,790,928
Cash & Cash Equivalents	2,179,742	5,903,531	1,370,508	753,329	332,467
Total Non-Current Liabilities	26,061,287	25,145,437	24,806,513	20,378,772	19,072,165
Total Liabilities	32,901,833	33,882,922	35,140,104	33,604,884	38,094,656
Total Interest-Bearing Liabilities	20,592,838	20,601,259	21,389,672	20,359,549	23,095,248

Table 7

Conservative Leverage Maintained Despite Operational and Financial Constraints: UCL maintains a conservative leverage position, with the debt-to-equity ratio fluctuating between 0.47x and 0.6x over the period under review. As of 2024, the debt-to-equity ratio stood at 0.99x, reflecting the company's continued strategy of keeping debt levels relatively low relative to equity. Similarly, the equity ratio fluctuated between 0.5x and 0.56x during the same period, underscoring a stable capital structure. However, these low leverage levels need to be interpreted cautiously, considering: (i) The multiple debt restructurings, along with significant interest expenses, further evidenced by negative interest coverage ratios both in FY23 and FY24 due to ongoing operating losses, (ii) Constrained cash resulted from ongoing capital expenditure on ageing equipment, high energy costs, and supply chain challenges, resulting in negative free cash flows since FY22. This also highlights how operational inefficiencies directly impact financial flexibility, even when leverage is conservatively managed.

Leverage Ratios					
	FY20	**FY21**	**FY22**	**FY23**	**FY24**
Debt to Equity Ratio (times) (Total Debt/ Total Equity)	0.57x	0.51x	0.51x	0.47x	0.60x
Debt to Equity Ratio Adjusted (times) (Total liabilities/ Total Equity)	0.92x	0.83x	0.84x	0.78x	0.99x
OCF to Debt Ratio (times)	0.39x	0.51x	0.30x	0.08x	0.35x
Equity Ratio	0.52x	0.55x	0.54x	0.56x	0.50x
Debt Ratio (times)	0.30x	0.28x	0.28x	0.26x	0.30x
Debt to EBITDA (times)	2.13x	1.50x	2.92x	7.24x	11.83x
Interest Coverage Ratio (times)	N/A	N/A	520.20x	-1.37x	-0.86x

Table 8

Continuous Deterioration in Liquidity Position Throughout the Last 4 Years: In FY24, the institution's overall liquidity deteriorated notably across different matrices. The total current assets decreased from UGX 19.2bn in FY23 to UGX 15.79bn, recording a y/y decline of 18%, while the total current liabilities increased to UGX 19.02bn in FY24 from UGX 13.22bn in FY23, indicating a weakening liquidity profile, with rising short-term liabilities outpacing the reduction in current assets. Similarly, the current ratio decreased from 3.54x to 0.47x, indicating that the current assets can cover only 47% of the total current liabilities. Cash and cash equivalents dropped sharply from UGX 753.33m in FY23 to UGX 332.47m in FY24, recording a y/y decline of 56%, extending the downward trend from the FY21 peak of UGX 5.9bn. This sustained decline signals a significant erosion of the company's immediate liquidity buffer. Operating cash flows trend remained volatile during the review period and surged to UGX 8.09bn in FY24, mainly on the back of improved collections and holding back of payments for the trade payables. Continuous and increased CAPEX was observed throughout the review period on the ageing equipment resulting in a free cash flow burn since FY22.

Liquidity					
UGX '000	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**
Total Current Assets	24,585,860	18,781,990	17,210,418	19,195,795	15,790,928
Cash & Cash Equivalents	2,179,742	5,903,531	1,370,508	753,329	332,467
Total Current Liabilities	6,840,546	8,737,485	10,333,591	13,226,112	19,022,491
Operating Cash Flows	6,055,059	9,278,523	5,168,896	1,423,667	8,090,389
Free Cash Flows	4,262,727	211,391	(6,048,595)	(6,368,548)	(641,057)
Current Ratio (times)	3.54x	2.10x	0.92x	0.63x	0.47x
Quick Ratio (times)	2.26x	1.19x	0.33x	0.21x	0.08x
Operating Cash Flow Ratio (times)	0.89x	1.06x	0.50x	0.11x	0.43x
Cash Ratio (times)	0.32x	0.68x	0.13x	0.06x	0.02x

Table 9

ANNEXTURES

Income Statement

Statement of Profit and Loss					
UGX '000	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
Revenue	29,662,677	36,686,157	36,616,096	30,449,841	31,601,824
Cost of service	(16,132,747)	(19,448,037)	(21,865,880)	(21,765,458)	(23,319,066)
Gross Profit/(Loss)	**13,529,930**	**17,238,120**	**14,750,216**	**8,684,383**	**8,282,758**
Other operating income	1,843,107	2,312,471	1,700,071	1,003,087	298,088
Selling and distribution expenses	(1,332,119)	(1,667,476)	(897,573)	(294,307)	(235,426)
Employee benefits expense	-	-	(7,452,216)	(6,226,326)	(6,025,585)
Depreciation of PPE and amortisation of intangibles	-	-	(1,300,722)	(1,734,843)	(806,746)
Depreciation of right-of-use asset	-	-	(250,764)	(463,728)	(494,967)
Administrative expenses	(7,568,134)	(8,539,812)	(3,670,566)	(2,992,093)	(3,409,566)
(Increase)/decrease in impairment losses	798,518	(170,869)	36,768	(491,574)	(374,201)
Other operating expenses	(1,344,922)	(1,703,339)	-	-	-
Total Operating Expenses	**(7,603,550)**	**(9,769,025)**	**(11,835,002)**	**(11,199,784)**	**(11,048,403)**
Operating Profit/(Loss)	**5,926,380**	**7,469,095**	**2,915,214**	**(2,515,401)**	**(2,765,645)**
Finance costs			(5,604)	(1,825,838)	(3,207,553)
Profit/(Loss) Before Tax	**5,926,380**	**7,469,095**	**2,909,610**	**(4,341,239)**	**(5,973,198)**
Income Tax	(1,052,438)	(1,548,533)	(467,860)	1,489,989	1,023,160
Net Profit/(Loss)	**4,873,942**	**5,920,562**	**2,441,750**	**(2,851,250)**	**(4,950,038)**

Table 10

Balance Sheet

Statement of Financial Position					
UGX'000	FY20	FY21	FY22	FY23	FY24
Assets					
Non-Current Assets					
Property, Plant and Equipment	38,702,285	40,572,423	40,891,841	35,499,647	35,554,656
Capital Work in Progress	-	3,482,258	9,773,694	11,630,565	16,810,498
Clay reserves				6,174,431	5,453,362
Intangible assets	-	7,260	4,453	6,790	2,679
Investment securities: non-current	4,742,120	9,527,126	6,457,950	2,000,021	927,828
Right-Of-Use Asset	825,880	2,168,253	2,549,886	2,334,253	1,841,285
Total Non-Current Assets	**44,270,285**	**55,757,320**	**59,677,824**	**57,645,707**	**60,590,308**
Current Assets					
Inventories	8,741,211	7,958,204	6,129,690	5,644,537	7,491,613
Net trade receivables	958,281	2,071,260	1,431,608	1,273,832	342,328
Other receivables	440,675	2,334,719	73,478	22,062	158,478
Prepayments	396,657	393,466	7,656,517	10,834,434	6,827,641
Investment securities: current	-	-	420,426	135,703	36,334
Staff advances	86,055	120,810	128,191	123,483	96,258
Current tax recoverable	812,275			408,415	505,809
Cash and bank balances	2,179,742	5,903,531	1,370,508	753,329	332,467
Government securities	10,970,964				
Total Current Assets	**24,585,860**	**18,781,990**	**17,210,418**	**19,195,795**	**15,790,928**
Total Assets	**68,856,145**	**74,539,310**	**76,888,242**	**76,841,502**	**76,381,236**
Equity					
Share Capital	900,000	900,000	900,000	900,000	900,000
Share premium	9,766,028	9,766,028	9,766,028	9,766,028	9,766,028
Other components of equity	-	-	-	4,789,730	4,789,730
Retained earnings	20,498,613	26,428,598	29,779,772	27,780,860	22,830,822
Revaluation reserve	3,571,185	2,211,761	852,338	-	-
Proposed dividends	1,218,486	1,350,000	450,000	-	-
Net Worth	**35,954,312**	**40,656,387**	**41,748,138**	**43,236,618**	**38,286,580**
Liabilities					
Non-Current Liabilities					
Loan from related party: non-current	20,592,838	20,600,381	20,600,381	17,421,361	17,179,652
Deferred tax liability	5,468,449	4,545,056	4,051,091	2,885,762	1,855,687
Lease liabilities: non-current			155,041	71,649	36,826
Total Non-Current Liabilities	**26,061,287**	**25,145,437**	**24,806,513**	**20,378,772**	**19,072,165**
Current Liabilities					
Loan from related party: current	-	-	-	-	2,952,909
Trade payables	2,735,939	3,798,787	4,375,960	3,661,324	4,664,980
Taxes and levies liabilities	3,188,933	2,726,482	723,736	1,705,464	3,940,870
Accruals	115,430	293,626	899,174	1,002,899	1,180,409
Legal provision	-	-	-	-	92,000
Other payables	800,244	1,513,905	106,360	316,847	335,295
Contract liabilities	-	-	3,382,651	3,673,039	2,930,167
Provident fund payable	-	878	634,250	1,752,147	2,793,773

Statement of Financial Position					
UGX'000	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**
Bank overdraft	-	-	-	503,523	-
Borrowed funds	-	-	-	533,520	66,660
Lease liabilities: current	-	-	-	77,349	65,428
Current tax payable	-	403,807	211,460	-	-
Total Current Liabilities	**6,840,546**	**8,737,485**	**10,333,591**	**13,226,112**	**19,022,491**
Total Liabilities	**32,901,833**	**33,882,922**	**35,140,104**	**33,604,884**	**38,094,656**
Total Equity and Liabilities	**68,856,145**	**74,539,309**	**76,888,242**	**76,841,502**	**76,381,236**

Table 11

Cash Flow Statement

Statement of Cash Flow					
UGX'000	FY20	FY21	FY22	FY23	FY24
Profit before income tax	5,926,380	7,469,095	2,909,608	(4,341,239)	(5,973,198)
Adjustments for:					
Depreciation of property, plant and equipment	3,632,361	3,585,019	4,114,107	4,849,977	4,215,574
Amortisation of intangible assets	-	1,160	2,807	5,083	4,111
Depreciation of right-of-use assets	-			463,728	494,967
Write-offs	-	121,296	486,066	47,615	-
Gain on disposal of property, plant and equipment	-	-	-	(47,141)	-
Interest income	-	-	(797,782)	(587,434)	(253,849)
Interest on a finance lease	-		5,604	-	-
Restatement of the loan	-	7,543	-	-	-
Interest expense	-	-	-	1,825,838	3,207,553
Impairment of financial assets	(798,518)	-	(36,768)	491,574	374,201
Unrealised foreign exchange gain				(104,508)	(79)
Amortization of prepaid operating lease rentals	92,730	112,701	241,424	-	-
Amortization of right use of asset	-	-	9,340	-	-
Fair value loss on trading financial assets	-	170,869	104,467	-	-
	2,926,573	**3,998,588**	**4,129,265**	**6,944,732**	**8,042,478**
Changes in working capital:					
Inventories	(4,021,531)	783,007	1,791,336	485,153	(1,847,076)
Trade and other receivables	863,840	(3,174,701)	(4,288,212)	(3,449,017)	4,451,259
Staff advances	27,950	(34,755)	(7,381)	4,708	27,225
Provident fund payable	-	-	-	1,117,897	690,974
Trade and other payables	2,484,455	1,492,254	1,155,079	581,304	3,527,020
Contract liabilities	-	-	-	290,388	(742,872)
Retirement benefits obligation	(73,775)	878	633,372		
Cash generated from operating activities	**8,133,892**	**10,534,366**	**6,323,067**	**1,633,926**	**8,175,810**
Interest paid on lease liabilities				(8,053)	(10,573)
Tax paid	(2,078,833)	(1,255,843)	(1,154,171)	(202,206)	(74,848)
Net cash generated from operating activities	**6,055,059**	**9,278,523**	**5,168,896**	**1,423,667**	**8,090,389**
Investing Cash Flow					
Cash paid to purchase of property, plant and equipment, intangible assets and right of use asset	(1,792,332)	(9,067,132)	(11,217,491)	(7,792,215)	(8,731,446)
Proceeds from disposal of Property, plant and equipment	-	-	-	47,141	-
Maturities of investment securities	-	-	-	4,457,120	1,105,695

Statement of Cash Flow					
UGX'000	**FY20**	**FY21**	**FY22**	**FY23**	**FY24**
Interest received on investment securities	-	-	938,905	778,144	265,145
Proceeds from sale/ (cash paid for the purchase) of fixed deposits	10,499,236	-	2,403,160	-	-
Cash paid for purchase of prepaid operating lease	-	(1,455,074)	(476,494)	-	-
Cash paid for purchase of treasury bonds	-	(4,785,006)	-	-	-
Net cash used in investing activities	**8,706,904**	**(15,307,212)**	**(8,351,920)**	**(2,509,810)**	**(7,360,606)**
Cash flows from financing activities					
Dividends paid to ordinary shareholders	-	(1,218,486)	(1,350,000)	(450,000)	-
Proceeds from borrowed funds	-	-	-	1,000,000	1,400,000
Repayment of borrowed funds	-	-	-	(555,807)	(1,992,713)
Payment of the principal portion of lease liabilities	-	-	-	(19,283)	(56,020)
Net cash flows from financing activities	**-**	**(1,218,486)**	**(1,350,000)**	**(25,090)**	**(648,733)**
Net +/(-) Cash Flows	**14,761,963**	**(7,247,175)**	**(4,533,024)**	**(1,111,233)**	**81,050**
Cash and cash equivalents at the start of year	3,130,863	13,150,706	5,903,531	1,370,508	249,806
Net ECLs and foreign exchange differences on bank balances	-	-	-	(9,469)	1,611
Closing Cash Balance	**17,892,826**	**5,903,531**	**1,370,507**	**249,806**	**332,467**

Table 12

***The closing cash balance for FY20 is not aligned with the cash and cash equivalents at the start of year for FY21.*

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