PRESS RELEASE

FTG Holdings Returns to Profit in H1 2026 as Revenue Grows 12% and Operating Profit More Than Doubles

Nairobi, 26th August 2026 — FTG Holdings (FTGH: NSE), a diversified African manufacturer and distributor operating across plastics, packaging, FMCG and household products, today announced a strong improvement in its financial performance for the six months ended 30 June 2026.

Revenue increased by **11.6% to KES 2.315 billion**, while gross profit rose by **12.8% to KES 856.1 million**. Gross margin remained resilient at approximately **37.0%**, compared with 36.6% in H1 2025.

Operating profit more than doubled to **KES 181.0 million**, from KES 81.1 million in H1 2025. The Group returned to profitability, reporting **profit before tax of KES 5.4 million and net profit of KES 5.2 million**, compared with a loss of KES 76.4 million in H1 2025.

Key H1 2026 Highlights

- Revenue: **KES 2.315 billion**, up **11.6%**
- Gross profit: **KES 856.1 million**, up **12.8%**
- Operating profit: **KES 181.0 million**, up **123%**
- Profit before tax: **KES 5.4 million**
- Net profit: **KES 5.2 million**
- Positive working capital of approximately **KES 504 million**
- Improved debt maturity profile, with current borrowings reduced to **KES 48.1 million**.

The Group continues to focus on strengthening liquidity, improving access to raw materials, maintaining disciplined pricing and cost management, and supporting growth across its core businesses.

Heril Bangera, CEO of FTG Holdings, commented:

"H1 2026 represents an important step forward for Flame Tree Group. We are growing again, our operating profit has more than doubled, we have returned to profitability, and our financial structure is significantly stronger.

What gives us the greatest confidence is that this improvement has been achieved while parts of the Group have still been operating below their full potential because of raw-material and working-capital constraints. Demand for our products remains strong, and we believe there is substantial opportunity to grow further as we progressively remove these constraints.

This performance is above all a team achievement. Our people have shown extraordinary commitment, resilience and professionalism in a very demanding environment. They have protected our customers, our brands and our businesses while continuing to look for better ways to operate and grow. I would like to thank every member of the Flame Tree team for their contribution.

We have more work to do, but we enter the second half of the year with much greater confidence in the strength of our business, our people and the opportunities ahead."

Outlook

FTG enters H2 2026 with increased confidence and a stronger operating and financial base.

The Group will remain focused on **profitable and sustainable growth**, increasing production to meet market demand, expanding distribution and product innovation, and continuing to improve its funding structure.

About FTG Holdings

FTG Holdings (NSE: FTGH) is a diversified African manufacturing group operating across Kenya, Rwanda, Ethiopia, Mozambique, Mauritius and the UAE, with established brands across plastics, water and sanitation, packaging, cosmetics, food products and household goods.

Media Contact:
Beatriz Meijide – Group CFO
beatriz.meijide@flametreegroup.com

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Figures in Shillings	6 months to 30 June 2026	12 months to 31 December 2025	6 months to 30 June 2025
Revenue	2,314,930,113	4,229,969,673	2,073,788,049
Cost of sales	(1,458,868,524)	(2,632,411,154)	(1,315,153,412)
Gross profit	**856,061,589**	**1,597,558,519**	**758,634,637**
Other operating income	-	1,051,607	-
Selling and distribution expenses	(346,906,991)	(505,336,817)	(354,982,155)
Administrative expenses	(246,458,787)	(627,902,744)	(232,048,195)
Other operating expenses	(81,665,995)	(231,982,751)	(90,507,757)
Operating profit/(loss)	**181,029,816**	**233,387,814**	**81,096,530**
Finance costs	(175,624,655)	(306,987,270)	(157,459,371)
(Loss)/Profit before tax	**5,405,161**	**(73,599,456)**	**(76,362,841)**
Current tax	(187,333)	(10,069)	-
Deferred tax	-	57,695,641	-
(Loss)/Profit for the period/year	**5,217,828**	**(15,913,884)**	**(76,362,841)**
Other comprehensive income:			
- Exchange differences on translation of foreign operations	(104,694,933)	(18,858,420)	23,354,166
- Gains on property revaluation	-	344,780,958	185,475,438
Transfer to legal reserve	-	-	-
Total other comprehensive income	(104,694,933)	325,922,538	208,829,604
Total comprehensive income for the year	**(99,477,105)**	**310,008,654**	**132,466,763**
(Loss)/Earnings per share - profit for the period/year	0.03	(0.09)	(0.43)
Earnings per share - total comprehensive income for the period/year	(0.56)	1.74	0.74

FTG Holdings Ltd
Report and consolidated financial statements
For the period ended 30 June 2026
Consolidated Statement of Financial Position

Figures in Shillings	6 months to 30 June 2026	12 months to 31 December 2025	6 months to 30 June 2025
Assets			
Non-current assets			
Property, plant and equipment	1,722,975,033	1,755,937,501	1,742,629,229
Right-of-use assets	178,624,381	150,038,169	108,415,524
Goodwill	71,851,809	71,851,809	71,851,809
Intangible assets	193,091,357	198,332,060	201,762,549
Investments in subsidiaries	-	-	-
Deferred tax	135,336,752	135,048,672	84,380,862
	2,301,879,332	**2,311,208,211**	**2,209,039,973**
Current assets			
Inventories	742,666,436	734,601,220	726,607,156
Trade and other receivables	1,270,320,854	1,365,085,886	1,083,084,145
Cash and cash equivalents	41,180,062	57,908,712	75,370,408
Current Tax recoverable	100,801,361	26,709,500	18,275,107
	2,154,968,713	**2,184,305,318**	**1,903,336,816**
Total assets	**4,456,848,045**	**4,495,513,529**	**4,112,376,789**
Equity and liabilities			
Equity			
Share capital	146,894,092	146,894,092	146,894,092
Share premium	152,450,453	152,450,453	152,450,453
Legal reserves	4,962,351	4,962,351	28,316,517
Revaluation reserve	1,154,809,309	1,164,336,037	1,005,030,517
Retained earnings	493,210,345	487,992,517	429,168,872
Translation reserve	(528,416,890)	(423,721,957)	(404,863,536)
	1,423,909,659	**1,532,913,493**	**1,356,996,915**
Liabilities			
Non-current liabilities			
Borrowings	1,192,381,737	576,749,263	681,547,575
Lease liabilities	189,724,598	158,966,834	113,259,903
Deferred tax	-	-	30,158,549
	1,382,106,335	**735,716,097**	**824,966,027**
Current liabilities			
Trade and other payables	1,055,703,352	956,856,546	951,794,156
Borrowings	48,078,011	747,149,331	493,064,939
Commercial papers	80,975,759	48,785,407	-
Bank overdraft	462,021,155	470,038,882	481,500,976
Lease liabilities	4,053,773	4,053,773	4,053,773
	1,650,832,049	**2,226,883,939**	**1,930,413,844**
Total liabilities	**3,032,938,383**	**2,962,600,036**	**2,755,379,871**
Total equity and liabilities	**4,456,848,045**	**4,495,513,529**	**4,112,376,789**

Consolidated Statement of Changes in Equity

Figures in Shillings	Share capital	Share premium	Legal reserves	Translation reserve	Revaluation reserve	Retained earnings	Total equity
Year ended 31 December 2024							
At start of year (01 January 2024)	**146,894,092**	**152,450,453**	**4,303,168**	**(101,256,891)**	**805,746,945**	**302,286,855**	**1,310,424,622**
Other comprehensive income	-	-	659,183	(303,606,645)	15,179,923	-	(287,767,539)
Transfer of realised revaluation reserve	-	-	-	-	(1,371,789)	1,371,789	-
Loss for the year	-	-	-	-	-	201,873,069	201,873,069
At end of year (31 December 2024)	**146,894,092**	**152,450,453**	**4,962,351**	**(404,863,536)**	**819,555,079**	**505,531,713**	**1,224,530,152**
Year ended 31 December 2025							
At start of period	**146,894,092**	**152,450,453**	**4,962,351**	**(404,863,536)**	**819,555,079**	**505,531,713**	**1,224,530,152**
Other comprehensive income	-	-	-	(18,858,421)	345,515,779	-	326,657,358
Prior year adjustment	-	-	-		-	(2,360,133)	(2,360,133)
Revaluation reserve movement	-	-	-	-	-	-	-
Translation reserve movement	-	-	-	-	(734,821)	734,821	-
Loss for the year	-	-	-	-	-	(15,913,884)	(15,913,884)
At end of period	**146,894,092**	**152,450,453**	**4,962,351**	**(423,721,957)**	**1,164,336,037**	**487,992,517**	**1,532,913,493**
Period ended 30 June 2025							
At start of period	**146,894,092**	**152,450,453**	**4,962,351**	**(423,721,957)**	**1,164,336,037**	**487,992,517**	**1,532,913,493**
Other comprehensive income	-	-	-	(104,694,933)	-	-	(104,694,933)
Prior year adjustment	-	-	-	-	-	-	-
Revaluation reserve movement	-	-	-	-	(9,526,728)	-	(9,526,728)
Translation reserve movement	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	5,217,828	5,217,828
At end of period	**146,894,092**	**152,450,453**	**4,962,351**	**(528,416,890)**	**1,154,809,309**	**493,210,345**	**1,423,909,659**

Consolidated Statement of Cash Flows

Figures in Shillings	6 months to 30 June 2026	12 months to 31 December 2025	6 months to 30 June 2025
Operating activities			
Cash from/(used in) operations	449,606,479	480,211,451	231,991,921
Finance cost	(175,624,655)	(306,987,270)	-
Tax paid	(1,767,177)	(16,062,451)	(16,450,777)
Net cash from/(used in) operating activities	**272,214,647**	**157,161,730**	**215,541,144**
Investing activities			
Purchase of property, plant and equipment	(28,056,899)	(125,461,009)	(78,520,901)
Proceeds from disposal of property, plant and equipment	-	-	17,198,532
Purchase/disposal of intangible assets	722,757	6,447,802	2,498,794
Additions of Right-of-Use Assets	-	-	(41,348,180)
Net cash (used in) investing activities	**(27,334,142)**	**(119,013,207)**	**(100,171,755)**
Financing activities			
(Repayment of)/proceeds from borrowings	(83,438,846)	46,686,717	(132,423,465)
Payments of principal portion of the lease liability	30,108,737	(114,943,810)	28,360,091
Net cash from/(used in) financing activities	**(53,330,110)**	**(68,257,093)**	**(104,063,374)**
Increase/(decrease) in cash and cash equivalents	**191,550,395**	**(30,108,570)**	**11,306,015**
Movement in cash and cash equivalents			
At start of period/year	(412,130,170)	(407,947,706)	(407,947,706)
Increase/(decrease)	191,550,395	-	11,306,015
Effect of exchange rate changes	(200,261,317)	25,926,106	(9,488,878)
At end of period/year	**(420,841,092)**	**(412,130,170)**	**(406,130,569)**