

SENS ANNOUNCEMENT
(the "Notice" or "Announcement")

ISSUER



MINING EXPLOSIVES

AECI MINING EXPLOSIVES PLC
[Formerly AEL ZAMBIA PLC]
[Incorporated in the Republic of Zambia]

Company registration number: 2736
Share Code: AECI
ISIN: ZM0000000284
Authorised by: Esther Johnson – Finance Director

SPONSOR



Stockbrokers Zambia Limited

[Founder Member of the Lusaka Securities Exchange]
[Regulated and licensed by the Securities and Exchange Commission of Zambia]

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APPROVAL

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Stockbrokers Zambia Limited

RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price-sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED: 14 March 2022



MINING EXPLOSIVES

AECI MINING EXPLOSIVES PLC [Formerly AEL ZAMBIA PLC]

(Incorporated in the Republic of Zambia under company registration number: 2736)

Share Code: AECI

ISIN: ZM0000000284

("AECI" or "the Company")

ABRIDGED FINANCIAL RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2021

SUMMARY STATEMENT OF COMPREHENSIVE INCOME	2021	2020
ZMW'000	Audited	Audited
Revenue	983,763	798,498
Profit before tax	113,783	156,248
Income tax expenses	(13,917)	(44,586)
Profit for the year	99,866	111,662
Basic and diluted earnings per share (ZMW)	4.89	5.47

SUMMARY STATEMENT OF FINANCIAL POSITION	2021	2020
ZMW'000	Audited	Audited
ASSETS		
Non-current assets	71,789	123,137
Current assets	430,160	643,815
Total assets	501,949	766,952
Total equity and reserves	412,847	609,756
Non-current liabilities	23,878	30,737
Current liabilities	65,224	126,459
Total equity and liabilities	501,949	766,952

SUMMARY STATEMENT OF CASH FLOWS	2021	2020
ZMW'000	Audited	Audited
Cash utilised in operating activities	127,684	53,168
Cash flows from investing activities	4	(51,520)
Cash flows from financing activities	(125,383)	(107,930)
Total cash movement for the year	2,305	(106,281)
Cash at the beginning of the year	235,923	159,076
Effects of exchange rate movement on cash balances	(169,436)	183,129
Total cash at end of year	68,792	235,923

SUMMARY STATEMENT OF CHANGES IN EQUITY	2021	2020
ZMW'000	Audited	Audited
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	(69,570)	294,791
Dividends paid	(127,337)	(102,441)
Equity at beginning of period	609,754	417,404
EQUITY AT THE END OF THE PERIOD	412,847	609,754
Made up as follows:		
Ordinary share capital	204	204
Reserves:		
- Foreign currency translation differences	224,649	394,085
Retained Earnings	187,994	215,465
	412,847	609,754

REVIEW OF INTERIM RESULTS

Revenue increased by 23.2% to ZMW 983.8 million (2020: ZMW 798.5 million), but higher input cost offset this increased revenue. The operating profit achieved in 2021 of ZMW 116.8 million (2020: ZMW 158.5 million) was down by 26.3% on the prior year. Various factors contributed to the lower profitability, amongst others the increase in the cost of raw material which could not be recovered fully from customers due to a very competitive market.

The fluctuation in the USD:ZMW exchange rate contributed to the higher reported revenue. The US dollar equivalent revenue increased by 14.5 % during the current year. Revenue achieved in 2021 totalled USD 49.655 million compared to USD 43.35 million during the previous financial year.

The company achieved a net profit after taxation of ZMW 99.87 million (2020: ZMW 111.66 million), a decrease of 10.6% compared to the prior year.

Fixed costs were also very well managed in order to preserve cash during these uncertain times.

EARNINGS PER SHARE

Earnings per share are calculated using the profit for the year of ZMW 99,868 million (2020: ZMW 111,662 million) and the number of issued shares of 20.407 million (2020: 20.407 million). Earnings per share for the 2021 financial year were ZMW 4.89 compared to ZMW 5.47 reported for the 2020 financial year.

DIVIDENDS

The Board of Directors has proposed a final dividend of ZMW 0.96 (2020: ZMW 0.84) to be declared at the AGM.

OUTLOOK

Conditions in the local and global economy remain very challenging. The cost of raw material, specifically ammonium nitrate (AN), has increased significantly and has a direct impact on the cost of sales, and the resultant material margins.

By Order of the Board

Choice Corporate Services Limited

COMPANY SECRETARY

Issued in Lusaka Zambia on 14 March 2022

Lusaka Securities Exchange Sponsoring Broker	
 STOCKBROKERS ZAMBIA LIMITED	<p>T +260-211-232456 E advisory@sbz.com.zm W www.sbz.com.zm</p> <p>Stockbrokers Zambia Limited (SBZ) is a founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia</p>

First Issued on 14 March 2022