

SENS ANNOUNCEMENT
(“the notice” or “the announcement”)

THE ISSUER



Zambeef Products Plc.

Incorporated in the Republic of Zambia

Company Registration Number: 31824 Share

code: ZAMBEEF

ISIN: ZM0000000201

THE SPONSORING BROKER



AUTUS SECURITIES LIMITED

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APPROVALS

The captioned Notice or Announcement has been approved by:

- The Lusaka Securities Exchange Plc.
- The Securities and Exchange Commission
- Zambeef Products Plc

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: 15 JUNE 2022



Zambeef Products PLC
 ("Zambeef" or the "Group")
 [INCORPORATED IN THE REPUBLIC OF ZAMBIA]
 COMPANY REGISTRATION NUMBER: 31824
 SHARE CODE: ZAMBEEF
 ISIN: ZM0000000201

In accordance with the requirements of the Securities & Exchange Act No. 41 of 2016, Zambeef Products PLC announces its unaudited results for the half-year period ended 31 March 2022

ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME

	31-Mar-22	31-Mar-21
	Unaudited ZMW'000s	Unaudited ZMW'000s
Revenue	2,568,680	2,150,473
Cost of sales	(1,715,287)	(1,411,049)
Gross profit	853,393	739,424
Administrative expenses	(622,986)	(584,654)
Operating profit	230,407	154,770
Share of loss equity accounted investment	(1,287)	(915)
Profit from asset held for sale	10,330	-
Exchange (losses)/gains on translating foreign currency transactions and balances	113	(42,558)
Finance costs	(58,413)	(56,360)
Profit/(loss) before taxation	181,150	54,937
Taxation charge	(33,587)	(21,846)
Group profit for the period from continued operations	147,563	33,091
Profit from discontinued operations	-	20,843
Total profit/(loss) for the period	147,563	53,934
Group profit/(loss) attributable to:		
Equity holders of the parent	146,754	54,056
Non-controlling interest	809	(122)
	147,563	53,934
Other comprehensive income		
Exchange gains/(losses) on translating presentational currency	(28,156)	117,226
Total comprehensive income for the period	119,407	171,160
Equity holders of the parent	121,786	173,523
Non-controlling interest	(2,379)	(2,363)
	119,407	171,160
Earnings per share	Ngwee	Ngwee
Total	48.83	17.98

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

	31-Mar-22	31-Mar-21
	Unaudited ZMW'000s	Unaudited ZMW'000s
ASSETS		
Goodwill	166,801	166,801
Property, plant and equipment	3,092,010	3,419,935
Biological assets	718,383	689,646
Inventories	972,887	906,914
Trade and other receivables	187,309	149,606
Assets held for disposal	167,577	175,654
Cash and cash equivalents	226,654	83,678
Other Assets	59,964	76,340
Total assets	5,591,585	5,668,574
EQUITY AND LIABILITIES		
Reserves	3,961,394	3,941,379
Long-Term Interest-bearing liabilities	146,667	124,233
Long-Term obligations under finance leases	3,797	10,242
Short-Term Interest-bearing liabilities	239,231	359,159
Short-Term obligations under finance leases	6,012	16,446
Trade and other payables	483,404	400,006
Bank overdrafts	422,651	576,693
Other equity and liabilities	328,429	240,416
Total equity and liabilities	5,591,585	5,668,574

ABRIDGED GROUP STATEMENT OF CASH FLOW

	31-Mar-22	31-Mar-21
	Unaudited ZMW'000s	Unaudited ZMW'000s
Net cash (outflow)/inflow from/on operating activities	258,329	(33,911)
Net cash (outflow)/inflow on investing activities	(62,247)	(57,582)
Net Cash (outflow)/inflow from financing activities	(178,182)	(150,206)
Increase/(decrease) in cash and cash equivalents	17,900	(241,699)
Effects of exchange gains on balances held	74,768	(14,407)
Cash and cash equivalents at the beginning of the period	(288,665)	(236,909)
Cash and cash equivalents at the end of the period	(195,997)	(493,015)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 6-MONTH PERIOD ENDED 31 MARCH 2022

ZMW' 000	Issued share capital	Share premium	Preference share capital	Foreign exchange reserve	Revaluation reserve	Retained earnings	Total attributable to owners of the parent	Minority interest	Total equity
At 30 September 2021	3,006	1,125,012	1,000	720,131	1,315,739	679,718	3,844,606	(2,619)	3,841,987
Profit for the period	-	-	-	-	-	146,754	146,754	809	147,563
Transfer of surplus depreciation	-	-	-	-	(25,711)	25,711	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-	-
Remeasurement of leases	-	-	-	-	-	-	-	-	-
Exchange gains on translating presentational currency	-	-	-	(24,968)	-	-	(24,968)	(3,188)	(28,156)
Total comprehensive income for the period	-	-	-	(24,968)	(25,711)	172,465	121,786	(2,379)	119,407
At 31 March 2022	3,006	1,125,012	1,000	695,163	1,290,028	852,183	3,966,392	(4,998)	3,961,394

Performance Overview

- The period saw relative macroeconomic stability with the kwacha appreciating relative to the US Dollar and inflation on a steady downward trajectory. However, input costs to our livestock divisions increased as a result of increasing commodity prices and fuel costs. Together with a tight monetary policy, this resulted in constrained consumer spending which affected the demand for our products
- However, the Group posted results that were ahead of market expectations, driven by good performance in our cropping and stockfeed division and continued focus on cost control.
- Market Share gains and increased Layer feed prices in our stock feed business resulted in increased profitability and sustained margins.
- The Group faced margin pressure arising from a rise in input costs such as Soya and energy across our value chains. However, our diversified portfolio of brands and vertically integrated businesses ensured the impact is balanced across the divisions, thereby enabling the overall group to profitability growth.

Strategic Focus

- Our strategic focus remains to optimise our asset utilisation and maximise returns. We remain committed to focusing on our existing core businesses, in which we strive to be the best in class, continued divesture of non-core assets and a fit for purpose people strategy. As part of delivering on our strategic imperatives, the business will progressively turn to towards capacity expansion opportunities across our business, which will see increased profitability in the medium to long term.

Outlook

- We anticipate macro-economic stability for Zambia to continue over the medium term supported by improved investor sentiment, elevated copper prices and the possibility of an International Monetary Fund supported debt management program.
- Our strong brands will help us maintain customer loyalty while the vertically integrated business model positions us well to secure both supply and a market for our products. The future recovery in the economy and a strong management team have positioned us well for improved stakeholder value creation in the coming years.

Key Financial Highlights

- Revenue was ZMW2.6 billion (USD148 million) and we achieved a gross profit of ZMW853 million (USD49 million), respectively 19% and 15% above the prior year in kwacha terms, and up by 45% and 40% in US dollar terms, respectively. Performance improvements in USD terms was due to underlying performance and the appreciation of the kwacha (Average rate across the half year under review K17.34/USD compared to K20.98/USD in the previous corresponding period).
- The group delivered operating profit of ZMW230.5 million (USD13.2 million), equating to a growth of 49% in kwacha terms and 80% in USD terms, compared with ZMW154.8 million (USD7.4million) in HY2020.
- The Group's strong performance was driven by performance in the Cropping and Milling divisions. Management continued optimising top line growth through revenue management initiatives while the continued cost control measures helped deliver strong Earnings Before Interest Taxes, Depreciation and Amortisation (EBITDA), and improved operating leverage.
- Market share gains in our feed milling business resulted in increased profitability and sustained margins while improved commodity pricing drove performance in our Cropping business.

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About Zambeef Products PLC

Zambeef Products plc is the largest integrated cold chain food products and agribusiness company in Zambia and one of the largest in the region, involved in the primary production, processing, distribution and retailing of beef, chicken, pork, milk, eggs, dairy products, fish, flour and stockfeed, throughout Zambia and the surrounding region, as well as Nigeria and Ghana.

It has 236 retail outlets throughout Zambia and West Africa.

The Company is one of the largest suppliers of beef in Zambia. Five beef abattoirs and three feedlots are located throughout Zambia, with a capacity to slaughter 230,000 cattle a year. It is also one of the largest chicken and egg producers in Zambia, with a capacity of 8.8m broilers and 22.4 million day-old chicks a year. It is one of the largest piggeries, pig abattoirs and pork processing plants in Zambia, with a capacity to slaughter 75,000 pigs a year, while it's dairy has a capacity of 120,000 litres per day.

The Group is also one of the largest cereal row cropping operations in Zambia, with approximately 7,787 hectares of row crops under irrigation, which are planted twice a year, and a further 8,694 hectares of rainfed/dry-land crops available for planting each year.

By Order of the Board

Mwansa M Mutimushi

COMPANY SECRETARY

LUSAKA, ZAMBIA 15 JUNE 2022

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Autus Securities Limited is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia.

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