

SENS ANNOUNCEMENT

(the "Announcement")

ISSUER



METAL FABRICATORS OF ZAMBIA PLC ("ZAMEFA")

[Incorporated in the Republic of Zambia]

Company registration number: 5079
Share Code: ZAMEFA
ISIN: ZM0000000243
Authorised by: The Board of Directors

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 Announcement has been approved by:

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

RISK WARNING

The 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: 21 November 2022



METAL FABRICATORS OF ZAMBIA PLC
 [Company incorporated in the Republic of Zambia]
 Company Registration Number: 5079
 Share Code: ZAMEFA
 ISIN: ZM0000000243
["ZAMEFA" or "the Company"]

In compliance with the Securities Act No. 41 of 2016 and the Listing Requirements of the Lusaka Securities Exchange, Metal Fabricators of Zambia PLC (ZAMEFA) announces its results for the year ended 30th September 2022.

Extract from Statement of Profit or Loss and other Comprehensive Income

	Company		Group	
	Year ended 30-Sep-2022	Year ended 30-Sep-2021	Year ended 30-Sep-2022	Year ended 30-Sep-2021
	Zmw'000	Zmw'000	Zmw'000	Zmw'000
Revenue	2 056 228	2 424 306	-	2 424 306
Gross profit	68 061	122 205	-	122 205
Operating Income	14 142	42 960	-	42 911
Net Finance costs	(18 210)	(21 579)	-	(21 579)
Net foreign exchange (loss)/ gain	(827)	44 032	-	44 471
(Loss)/ Profit before tax	(4 895)	65 413	-	65 803
Income tax	(2 449)	(13 650)	-	(13 758)
(Loss)/ Profit for the year	(7 344)	51 763	-	52 045
Other comprehensive income				
<i>Items that will be reclassified subsequently to the profit or loss</i>				
Exchange loss on translation of foreign operation	-	-	-	(96)
Total comprehensive (loss)/ profit for the period	(7 344)	51 763	-	51 949
(Loss)/ Earnings per Ordinary Share	(0.27)	1.91	-	1.92

Extract from Statement of Financial Position

	Company		Group	
	30-Sep-2022 Zmw'000	30-Sep-2021 Zmw'000	30-Sep-2022 Zmw'000	30-Sep-2021 Zmw'000
Assets				
Non-current assets				
Property, plant and equipment	135 123	127 442	-	127 442
Total non-current assets	<u>135 123</u>	<u>127 442</u>	<u>-</u>	<u>127 442</u>
Current assets				
Other current assets	460 094	601 864	-	594 293
Cash and bank balances	58 624	38 417	-	41 101
Total current assets	<u>518 718</u>	<u>640 281</u>	<u>-</u>	<u>635 394</u>
Total assets	<u><u>653 841</u></u>	<u><u>767 723</u></u>	<u><u>-</u></u>	<u><u>762 836</u></u>
Equity and liabilities				
Capital and Reserves				
Share capital	271	271	-	271
Equity loan	365 000	365 000	-	365 000
Revaluation surplus	112 188	112 188	-	112 188
Share based payment reserve	208	208	-	208
Foreign currency translation reserve	-	-	-	(1 275)
Accumulated losses	(297 136)	(289 792)	-	(293 653)
Total equity	<u>180 531</u>	<u>187 875</u>	<u>-</u>	<u>182 739</u>
Non-current liabilities				
Deferred tax liabilities	3 100	6 081	-	6 139
Retirement benefit obligations	7 375	7 156	-	7 156
Total non-current liabilities	<u>10 475</u>	<u>13 237</u>	<u>-</u>	<u>13 295</u>
Current liabilities				
Trade payables	412 568	418 359	-	418 550
Bank overdrafts	47 285	148 252	-	148 252
Current tax liabilities	2 982	-	-	-
Total current liabilities	<u>462 835</u>	<u>566 611</u>	<u>-</u>	<u>566 802</u>
Total liabilities	<u>473 310</u>	<u>579 848</u>	<u>-</u>	<u>580 097</u>
Total equity and liabilities	<u><u>653 841</u></u>	<u><u>767 723</u></u>	<u><u>-</u></u>	<u><u>762 836</u></u>

Statement of changes in equity

Company

	Share capital	Equity Loan	Revaluation reserve	Accumulated loss	Share Based Reserve	Total
	Zmw'000	Zmw'000	Zmw'000	Zmw'000	Zmw'000	Zmw'000
Year ended 30-Sep-2022						
At start of the year	271	365 000	112 188	(289 792)	208	187 875
Loss for the year	-	-	-	(7 344)	-	(7 344)
At end of the year	271	365 000	112 188	(297 136)	208	180 531

	Company		Group	
	30-Sep-2022 Zmw'000	30-Sep-2021 Zmw'000	30-Sep-2022 Zmw'000	30-Sep-2021 Zmw'000
Statement of cash flows				
Cash flows from operating activities				
Cash generated from operations	152 251	19 046	-	19 707
Net Interest paid	(18 210)	(21 579)	-	(21 579)
Income tax paid	(2 448)	(0)	-	(0)
Net cash generated from/ (used in) operating activities	131 593	(2 533)	-	(1 872)
Net cash outflow from investing activities	(10 419)	(750)	-	(750)
Net increase/ (decrease) in cash and cash equivalents	121 174	(3 283)	-	(2 622)
Movement in cash and cash equivalents				
At start of the year	(109 835)	(106 552)	-	(104 529)
Net increase/ (decrease) in cash and cash equivalents	121 174	(3 283)	-	(2 622)
At end of the year	11 339	(109 835)	-	(107 151)
Comprising of:				
Cash and bank balances	58 624	38 417	-	41 101
Bank overdraft	(47 285)	(148 252)	-	(148 252)
Net cash and cash equivalents	11 339	(109 835)	-	(107 151)

Summary of operating results

	Company		Group	
	Year ended 30-Sep-2022 Zmw '000	Year ended 30-Sep-2021 Zmw '000	Year ended 30-Sep-2022 Zmw '000	Year ended 30-Sep-2021 Zmw '000
Revenue	2 056 228	2 424 306	-	2 424 306
Operating Income	14 142	42 960	-	42 911
(Loss)/ Profit for the year	(7 344)	51 763	-	52 045

Commentary

Revenue at Zmw 2 056 million is 15% lower than the prior year (2021: Zmw 2 424 million). This is as a result of lower sales volumes in the current year. Additionally, as most of the company's revenue is generated in United States Dollars (USD) the stronger Zambian Kwacha against the USD, resulted in lower revenue in the current year. However, the impact of the stronger Zambian kwacha was partly offset by the pass through effect of higher copper prices in the 2022 financial year when compared to the prior year.

The Operating profit for the year was lower than the prior year mainly due to the lower sales volumes in the reporting period. This was partly mitigated by lower operating expenses in the current financial year when compared to those incurred in the prior year.

The finance costs in the current year were lower than those of the prior year mainly due to the effects of a stronger Zambian Kwacha against the USD this year on the USD denominated financing. The average exchange rate for the Zambian Kwacha to the USD was more stable during the year under review, resulting in a relatively small foreign exchange loss of Zmw 0.8 million compared to a large foreign exchange gain of Zmw 44 million recorded in the prior year.

The Company's cash position improved to a positive net cash position of ZMW 11.3 million compared to a negative net position of ZMW 109.8 million at the end of the prior year. This improvement was achieved through the implementation of strong working capital management measures and the partial collection of long overdue VAT refunds from the Zambia Revenue Authority during the year.

The Company's Loss per share for the year was (Zmw0.27) while the Earnings per share for the prior year was Zmw1.91.

Liquidation of subsidiary

The Company's 100% owned South African subsidiary, Fabcorp Pty Limited, which had been dormant for a number of years, was placed into voluntary liquidation at the end of the prior financial year. Therefore, as from 1 October 2021, the Company no longer controlled this entity. As a result, consolidated financial statements were not required to be prepared for the 2022 financial year.

By Order of the Board

BDO Zambia Limited – Company Secretaries. Issued in Lusaka, Zambia, on 21 November 2022

Lusaka Securities Exchange Sponsoring Broker



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Stockbrokers Zambia Limited (SBZ) is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia

First Issued on 21 November 2022