

SENS ANNOUNCEMENT

(the "Announcement")

ISSUER



CHILANGA CEMENT PLC

Incorporated in the Republic of Zambia

Company Registration Number: 304

SHARE CODE: CHIL

ISIN: ZM0000000011

BROKER



Pangaea Securities Limited

[a member of the Lusaka Securities Exchange]

Regulated and Licensed by the Securities and Exchange Commission Zambia

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AUTHORISATION

Approval for this Announcement has been granted by:

- The Lusaka Securities Exchange
- The Securities and Exchange Commission Zambia
- Chilanga Cement PLC.

DISCLAIMER AND 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.

ISSUE DATE: 3 March 2023



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AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022

In compliance with the requirements of the Securities Act No. 41 of 2016 and the Lusaka Securities Exchange (“LuSE”) Listing Rules, Chilanga Cement PLC (“Chilanga” or “the Company”) announces the audited financial statements results of the Company for the year ended 31 December 2022.

KEY FIGURES

- Sales revenue at K1,784 million for the period down by 16% compared to 2021.
- Profit before tax at K434 million, 3% increase compared to K423 million in 2021.
- Cash generation of K436 million compared to K155 million in 2021.

FULL-YEAR COMPANY HIGHLIGHTS

The Company has demonstrated a highly resilient performance in 2022. The Company continued to focus intensively on commercial transformation and sustainability for continued growth despite the challenges in the operating environment such as tight liquidity, competition and contracting local market. The Company recorded several improvements in industrial performance, commercial transformation, and financial performance.

Post-acquisition of the Company by Huaxin Group from Holcim Group, the Company has focused on shareholders’ value creation through expanding its customer base and promoting the integration of employee cultural diversity.

While competition in the Zambian cement industry remained very high, the Company increased its earnings per share to K1.65 (2021:K1.46) representing 13% increase compared to 2021. This was achieved through the various production and operational cost-efficiency initiatives implemented during the year.

At the next Annual General Meeting, the Directors will propose a final dividend of K1.00 (2021: nil) for the year 31 December 2022.

MR CHAI, CHIEF EXECUTIVE OFFICER OF CHILANGA CEMENT PLC SAID:

Despite the challenges the business faced in the domestic market, the Company continued to focus intensively on commercial transformation and sustainability for continued growth. The rollout of the Company’s sales representatives based in their areas of operations accelerated the expansion of the domestic market and enhanced value for our customers. In 2023, the Company will focus on growing its retail channel, expanding its export market, and optimizing its plant operations.

CONDENSED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

Condensed Statement of Comprehensive Income for the period ended 31 December	2022	2021
	K'000	K'000
Revenue	1,783,838	2,113,725
Gross Profit	957,207	1,215,371
Operating Profit	<u>436,804</u>	<u>424,130</u>
Investment income	3,311	518
Other (losses)/gains	-	713
Finance costs	<u>(5,941)</u>	<u>(2,671)</u>
Profit before tax	434,174	422,690
Income tax (expense)/credit	<u>(104,969)</u>	<u>(131,600)</u>
PROFIT FOR THE YEAR	<u>329,205</u>	<u>291,090</u>
Profit attributable to:		
Equity holders of the parent	265,273	218,318
Minority interest	63,932	72,772
Basic and diluted earnings per share (from normal results for the year) (Kwacha)	1.65	1.46

Condensed Statement of Financial Position as at 31 December	2022	2021
	K'000	K'000
Net assets employed		
Property, plant and equipment	1,818,637	1,427,619
Right of Use Assets	-	3,090
Intangible assets	325	363
Net current assets	<u>722,366</u>	<u>329,272</u>
	<u>2,541,328</u>	<u>1,760,344</u>
Liabilities due after one year		
Provision for Environmental Liabilities	39,039	39,483
Lease Liabilities	-	2,001
Deferred tax	<u>304,059</u>	<u>193,000</u>
	<u>2,198,230</u>	<u>1,525,860</u>
Financed by		
Share capital	10,002	10,002
Reserves	<u>2,188,228</u>	<u>1,515,858</u>
	<u>2,198,230</u>	<u>1,525,860</u>

Condensed Statement of Cashflow for the period ended 31 December		2022	2021
		K'000	K'000
Net cash from operating activities		267,428	406,249
Net cash used in investing activities		(25,261)	(53,480)
Net cash generated (utilised) financing activities		(4,053)	(421,384)
(Decrease)/increase in cash and cash equivalents		<u>238,113</u>	<u>(68,615)</u>
Effect of foreign exchange rate changes		43,763	(60,010)
Cash and cash equivalents at beginning of the year		<u>154,515</u>	<u>283,140</u>
Cash and cash equivalents at end of December		<u>436,391</u>	<u>154,515</u>

Statement of Changes in Equity as at 31 December				
	Share capital K'000	Property revaluation reserve K'000	Retained earnings K'000	Total K'000
Balance at 1 January 2021	10,002	453,238	1,173,636	1,636,876
Profit for the year	-	-	291,090	291,090
Deferred tax on revaluation	-	17,978	-	17,978
Final dividend in respect of 2020	-	-	(50,010)	(50,010)
Interim dividend in respect of 2021	-	-	(370,074)	(370,074)
Amortisation of revaluation reserve	-	(17,319)	17,319	-
Balance at 31 December 2021	10,002	453,897	1,061,961	1,525,860
Balance at 1 January 2022	10,002	453,897	1,061,961	1,525,860
Other comprehensive income for the year, net of income tax	-	303,704	329,205	632,909
Deferred tax on revaluation	-	34,974	4,487	39,461
Amortisation of revaluation reserve	-	(15,146)	15,146	-
Balance at 31 December 2022	10,002	777,429	1,410,799	2,198,230

Chibuye Mbesuma Ngulube
Company Secretary



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