

SENS ANNOUNCEMENT
(the “Notice” or “Announcement”)

ISSUER



MINING EXPLOSIVES

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

Company registration number: 2736
Share Code: AECI
ISIN: ZM0000000284
Authorised by: Warren Pritchard – 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. AECI Mining Explosives 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: 26 September 2023



AECI MINING EXPLOSIVES PLC
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 Registration number: 2736
 Share Code: AECI
 ISIN: ZM0000000284
 “AECI” or “the Company”

INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2023

In compliance with the Securities Act No. 41 of 2016 and the Listings Requirements of the Lusaka Securities Exchange, AECI Mining Explosives Plc announces the unaudited interim results for the half-year ended 30 June 2023.

SUMMARY STATEMENT OF COMPREHENSIVE INCOME	2023	2022	2022
ZMW'000	First half	First half	Year
	Unaudited	Unaudited	Audited
Revenue	429 692	414 828	904 386
Profit before tax	35 541	13 141	40 714
Income tax expenses	-	(3 683)	(17 061)
Profit for the period	35 541	9 458	23 653
Basic and diluted earnings per share (ZMW)	1.74	0.46	1.16

SUMMARY STATEMENT OF FINANCIAL POSITION	2023	2022	2022
ZMW'000	First half	First half	Year
	Unaudited	Unaudited	Audited
ASSETS			
Non-current assets	54 342	65 654	63 356
Current assets	579 318	487 330	532 627
Total assets	633 660	552 984	595 983
Total equity and reserves	478 076	409 393	455 123
Non-current liabilities	13 386	16 195	17 685
Current liabilities	142 198	127 396	123 175
Total equity and liabilities	633 660	552 984	595 983

SUMMARY STATEMENT OF CASH FLOWS	2023	2022	2022
	First half	First half	Year
ZMW'000	Unaudited	Unaudited	Audited
Cash generated /(utilised) in operating activities	7,095	(5,985)	(13,367)
Cash flows from investing activities	-	(908)	(1,290)
Cash flows from financing activities	-	(19,280)	(18,727)
Total cash movement for the period	7,095	(26,173)	(33,384)
Cash at the beginning of the period	40,627	68,792	68,792
Effects of exchange rate movement on cash balances	(983)	(7,792)	5,219
Total cash at end of the period	46,739	34,827	40,627

SUMMARY STATEMENT OF CHANGES IN EQUITY	2023	2022	2022
	First half	First half	Year
ZMW'000	Unaudited	Unaudited	Audited
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	22,953	13,681	58,177
Dividends paid	-	(19,590)	(18,356)
Equity at beginning of period	455,123	415,302	415,302
EQUITY AT THE END OF THE PERIOD	478,076	409,393	455,123
Made up as follows:			
Ordinary share capital	204	204	204
Foreign currency translation reserves	248,802	231,327	261,391
Retained Earnings	229,070	177,862	193,528
	478,076	409,393	455,123

REVIEW OF INTERIM RESULTS

Revenue achieved during the six months period ending 30 June 2023 amounted to ZMW 429.7 million (2022: ZMW 414.8 million). This increase is due to the depreciation of the Zambian Kwacha against the United States Dollar by 10.5% compared to the corresponding period last year. This led to a 3.6% increase in revenues and drop in labour and other Kwacha denominated costs on translation. Export sales increased by 39.6%, compensating for the decreased local sales in the first half of 2023.

The material margin for the period was 29.9% compared to 28.2% achieved in the corresponding period in 2022. The increase is as a result of relative stabilisation in global commodity pricing of raw materials.

The company achieved a net profit after taxation of ZMW 35.5 million (2022: ZMW 9.5 million), an increase of 275.8% from the corresponding period in 2022.

The reported numbers for revenue and net profit after tax were impacted by the depreciation in the value of the Kwacha to the US Dollar since June 2022. The average exchange rate used in 2023 was 19.286 against the rate of 17.455 in 2022.

Operating costs were well managed to stay around the expected range.

EARNINGS PER SHARE

Earnings per share are calculated using the profit for the period of ZMW 35.5 million (2022: ZMW 9.5 million) and the number of issued shares of 20.407 million (2022: 20.407 million). Earnings per share reported in June 2023 were ZMW 1.74 compared to ZMW 0.46 in June 2022.

DIVIDENDS

The Board of Directors have decided not to declare an interim dividend for the period ending 30 June 2023. No interim dividend was declared for the same period in 2022.

The decision not to declare an interim dividend was taken after careful consideration of the current level of activity within the business, current cash on hand and future requirements for business working capital.

OUTLOOK

Conditions in the local and global economy remain very challenging. Reduced productivity in the mining industry, especially in the local market, and continuous fluctuations of the ZMW/USD exchange rate will have a significant influence on year-end results.

By Order of the Board

**Choice Corporate Services
Company Secretary**

Issued in Lusaka, Zambia on 26 September 2023

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