

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

ISSUER



BRITISH AMERICAN TOBACCO (ZAMBIA) PLC
[Incorporated in the Republic of Zambia]

Company registration number: 119630002333
Share Code: BATZ
ISIN: ZM0000000029
Authorised by: Axis Advisory ltd – Company Secretary

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. British American Tobacco Zambia 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: 9 April 2024



AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors of British American Tobacco (Zambia) plc ("the Company") present the audited financial results for the period ended 31 December 2023.

Net revenue (ZMW) 632.8mn +18%	Cost of operations (ZMW) 467.8mn +31%	Profit before tax (ZMW) 156.7mn -5%	Taxes (ZMW) 436.7mn +20%	Dividend per ordinary share (ZMW) 0.15
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The results below have been extracted from the audited consolidated Financial Statements of British American Tobacco Zambia plc, for the year ended 31 December 2023. The Financial Statements have been audited by KPMG Zambia, who have expressed an unqualified audit opinion:

Condensed statement of comprehensive income

	2023 ZMW'000	2022 ZMW'000
Gross revenue	1,002,905	842,629
Excise Duty and Value Added Tax (VAT)	(370,109)	(306,760)
Net revenue	632,796	535,869
Total cost of Operations	(467,796)	(356,055)
Operating profit	165,000	179,814
Finance costs	(8,320)	(14,163)
Profit before tax	156,680	165,651
Income tax expense	(44,651)	(65,289)
Profit after tax	112,029	100,362
Other comprehensive income	-	-
Total comprehensive income	112,029	100,362
Interim dividend	-	-
Basic and diluted earnings per share (ZMW)	0.53	0.47

Condensed statement of financial position

	31 Dec 23 ZMW'000	31 Dec 22 ZMW'000
Non-current assets	168,142	175,417
Bank balances and cash	140,993	115,283
Other current assets	130,098	115,995
Total current assets	271,091	231,278
Total assets	439,233	406,695
Non-current liabilities	(22,168)	(115,538)
Current liabilities	(231,627)	(185,879)
Total net assets	185,438	105,278
Total shareholders's funds	185,438	105,278
Total capital employed	185,438	105,278

Condensed statement of changes in equity

	Share capital	Accumulated losses/profits	Total equity
At 1 January 2022	2,125	24,037	26,162
Comprehensive Income	-	100,362	100,362
Dividends declared	-	(21,246)	(21,246)
At 31 December 2022	2,125	103,153	105,278
At 1 January 2023	2,125	103,153	105,278
Comprehensive Income	-	112,029	112,029
Dividends declared	-	(31,869)	(31,869)
At 31 December 2023	2,125	183,313	185,438

Condensed cash flow statement

	2023 ZMW'000	2022 ZMW'000
Cash generated from operations	181,460	155,034
Interest Paid	(5,018)	(12,203)
Tax paid	(50,033)	(40,088)
Net cash from operating activities	126,409	102,743
Net cash used in investing activities	(1,803)	(22,997)
Net cash used in financing activities	(99,232)	(79,172)
Decrease in cash & cash equivalents	25,374	574
At the start of the period	115,283	114,699
Effect of exchange rate fluctuations on cash and bank	336	10
At the end of the period	140,993	115,283

Sustainable value generation in an uncertain macroeconomic environment

2023 was a challenging year characterized by high inflation, high interest rates and adverse weather conditions. These complexities were exacerbated by depreciation of the Zambian Kwacha against major currencies which put further pressure on consumer purchasing power and input costs. Despite the challenges, the business demonstrated resilience with a focus on sustainable value generation through brand investments and improved factory efficiencies.

Financial highlights

- Net revenue increased by 18% to ZMW632.8million driven by increased sales volume on the back of improved factory and distribution efficiencies.
- Total cost of operations increased by 31% to ZMW467.8million mainly due to the impact of currency devaluation on input costs, partly offset by productivity savings.
- Profit before tax reduced by 5% to ZMW156.7 million reflecting the benefit of increased revenue offset by higher cost of operations.
- Cash generated from operations increased to ZMW181.5 million attributable to working capital management initiatives implemented during the year.
- Taxes in the form of Excise Duty, Value Added Tax (VAT), Pay As You Earn (PAYE) and Corporate Income Tax (CIT) increased by 20% to ZMW436.7 million, mainly driven by higher sales volume.

Looking Forward

With a strong foundation in place, we are confident in our ability to navigate the increasingly challenging operating environment powered by our world class talent, consumer-centric brand portfolio, and sustainable trade partnerships. This is anchored on a robust Environment, Social and Governance (ESG) agenda.

Dividend

The Board of Directors has proposed a final dividend in respect of the year ended 31 December 2023 of ZMW0.15 per ordinary share (2022: ZMW0.15), to be recommended for approval by shareholders at the Annual General Meeting to be held on 30 April 2024.

By Order of the Board
Axis Advisory Limited
Company Secretary

Lusaka

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Issued in Lusaka, Zambia on 09 April 2024

Lusaka Securities Exchange Sponsoring Broker



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

First Issued on 09 April 2024