

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 of Zambia
- iii. Metal Fabricators of Zambia Plc

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: 20 May 2024



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 six-month period (“Period”) ended 31 March 2024.

Extract from Statement of Profit or Loss and other Comprehensive Income

	Unaudited	Unaudited
	Period ended 31-Mar-2024	Period ended 31-Mar-2023
	ZMW'000	ZMW'000
Revenue	1 396 720	1 028 856
Gross profit	123 496	69 598
Operating profit	83 256	36 967
Net Finance costs	(20 109)	(14 584)
Net foreign exchange losses	(24 145)	(52 946)
Profit/ (loss) before income tax	39 002	(30 563)
Income tax (charge)/ credit	(6 245)	4 232
Profit/ (loss) for the period	32 757	(26 331)
Earnings/ (loss) per Ordinary share	1.21	(0.97)

Extract from Statement of Financial Position

	Unaudited	Unaudited
	31-Mar-2024	31-Mar-2023
	ZMW'000	ZMW'000
Assets		
Non-current assets		
Property, plant and equipment	142 796	136 523
Deferred tax	661	1 223
	<hr/>	<hr/>
Total non-current assets	143 457	137 746
	<hr/>	<hr/>
Current assets		
Other current assets	570 628	531 807
Cash and bank balances	204 894	94 140
	<hr/>	<hr/>
Total current assets	775 522	625 947
	<hr/>	<hr/>
Total assets	918 979	763 693
	<hr/> <hr/>	<hr/> <hr/>
Equity and liabilities		
Capital and reserves		
Share capital	271	271
Equity loan	365 000	365 000
Revaluation surplus	112 188	112 188
Share based payment reserve	-	208
Accumulated losses	(238 751)	(323 467)
	<hr/>	<hr/>
Total equity	238 708	154 200
	<hr/>	<hr/>
Non-current liabilities		
Retirement benefit obligations	8 358	7 673
	<hr/>	<hr/>
Total non-current liabilities	8 358	7 673
	<hr/>	<hr/>
Current liabilities		
Trade payables	626 772	542 148
Bank overdrafts	37 738	59 047
Taxation	7 403	625
	<hr/>	<hr/>
Total current liabilities	671 913	601 820
	<hr/>	<hr/>
Total liabilities	680 271	609 493
	<hr/>	<hr/>
Total equity and liabilities	918 979	763 693
	<hr/> <hr/>	<hr/> <hr/>

Statement of changes in equity

	Share capital	Equity Loan	Revaluation reserve	Accumulated loss	Total
	ZMW'000	ZMW'000	ZMW'000	ZMW'000	ZMW'000
Period ended 31-March-2024					
At start of the period	271	365 000	112 188	(271 508)	205 951
Profit for the period	-	-	-	32 757	32 757
At end of the period	271	365 000	112 188	(238 751)	238 708

	Unaudited	Unaudited
	31-Mar-2024	31-Mar-2023
	ZMW'000	ZMW'000
Statements of cash flows		
Cash flows from operating activities		
Cash (used in)/ generated from operations	(5 594)	43 602
Net Interest paid	(20 109)	(14 584)
Income tax paid	(8 000)	(2 448)
	<hr/>	<hr/>
Net cash (used in)/ generated from operating activities	(33 703)	26 570
Net cash outflow from investing activities	(2 509)	(2 816)
	<hr/>	<hr/>
Net (decrease)/increase in cash and cash equivalents	(36 212)	23 754
	<hr/> <hr/>	<hr/> <hr/>
Movement in cash and cash equivalents		
At start of the period	203 368	11 339
Net (decrease)/increase in cash and cash equivalents	(36 212)	23 754
	<hr/>	<hr/>
At end of the period	167 156	35 093
	<hr/>	<hr/>
Comprising of:		
Cash and bank balances	204 894	94 140
Bank overdraft	(37 738)	(59 047)
	<hr/>	<hr/>
Net cash and cash equivalents	167 156	35 093
	<hr/>	<hr/>

Summary of operating results

	Unaudited	Unaudited
	Period ended 31-Mar-2024	Period ended 31-Mar-2023
	ZMW '000	ZMW '000
Revenue	1 396 720	1 028 856
Operating profit	83 256	36 967
Profit/ (loss) for the period	32 757	(26 331)

Commentary

Revenue increased by 36% to **ZMW 1,396 million** compared to the comparative period in the prior year (2023: ZMW 1,028 million). As most of the Company's revenue was generated in United States Dollars ("USD"), the depreciation of the Zambian Kwacha against the USD contributed to higher revenue in the period under review. Additionally, higher sales volumes also contributed to the increased revenue.

The operating profit for the current period increased to **ZMW 83 million** (2023: ZMW 37 million) due to the improved gross profit margins resulting from a more favourable sales mix, the effect of the depreciation of the Zambian Kwacha against the USD and higher volumes sold compared to the comparative period in the prior year. The Company managed to reduce its net foreign liability position which mitigated the foreign exchange loss for the period to **ZMW 24,1 million** (2023: ZMW 52,9 million). Finance costs of **ZMW 20,1 million** (2023: ZMW 14,6 million) were 38% higher than those of the comparative period in the prior year mainly due to the impact of the weakening of the Zambian Kwacha against the USD on the translation of the USD interest incurred on the company's USD funding.

The Company's cash position at the end of the first half of the current financial year improved to a positive net cash position of ZMW 167 million compared to ZMW 35 million in the prior period.

The Company's earnings per share for the period under review was **ZMW 1.21** while the prior period loss per share was (ZMW 0.97).

By Order of the Board

BDO Zambia Limited – Company Secretaries
Issued in Lusaka, Zambia on 20 May 2024

Lusaka Securities Exchange Sponsoring Broker	
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First Issued on 20 May 2024