

**SENS ANNOUNCEMENT**  
("the notice" or "the announcement")

**THE ISSUER**



Zambeef Products Plc.  
Incorporated in the Republic of Zambia  
Company Registration Number: 31824  
Share code: ZAMBEEF  
ISIN: ZM0000000201

**THE SPONSORING BROKER**



**AUTUS SECURITIES LIMITED**

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**APPROVALS**

The captioned Notice or Announcement has been approved by:

- The Lusaka Securities Exchange Plc.
- The Securities and Exchange Commission
- Zambeef Products 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.

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Issued on 21 June 2024



**Zambeef Products PLC**  
 ("Zambeef" or the "Group")  
 [INCORPORATED IN THE REPUBLIC OF ZAMBIA]  
 COMPANY REGISTRATION NUMBER: 31824  
 SHARE CODE: ZAMBEEF  
 ISIN: ZM0000000201

**In accordance with the requirements of the Securities and Exchange Act No. 41 of 2016, Zambeef Products PLC announces its results for the half-year period ended 31 March 2024.**

	Group		Company			Group		Company	
STATEMENT OF COMPREHENSIVE INCOME	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23	ABRIDGED STATEMENT OF FINANCIAL POSITION	31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
	Unaudited	Unaudited	Unaudited	Unaudited	ASSETS	Unaudited	Unaudited	Unaudited	Unaudited
	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s	Property, plant and equipment	ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
<b>Revenue</b>	<b>3,413,329</b>	<b>2,784,261</b>	<b>3,219,355</b>	<b>1,451,147</b>	Biological assets	5,199,319	3,421,765	4,557,345	2,354,249
Change in fair value of biological assets	768,623	484,630	726,675	449,568	Inventories	777,136	734,997	721,206	689,851
Cost of sales	(3,066,356)	(2,394,019)	(3,037,748)	(1,508,974)	Trade and other receivables	1,398,748	1,126,685	1,286,576	725,391
<b>Gross profit</b>	<b>1,115,596</b>	<b>874,872</b>	<b>908,282</b>	<b>391,741</b>	Assets held for disposal	388,147	427,446	623,612	927,988
Administrative expenses	(757,446)	(658,098)	(648,884)	(337,572)	Cash and cash equivalents	-	160,285	-	160,285
Distribution Expenses	(78,634)	(68,801)	(53,889)	(4)	Other Assets	227,953	168,661	197,918	62,632
Net impairment losses on financial assets	(280)	(449)	-	(1,468)	<b>Total Assets</b>	<b>8,033,687</b>	<b>6,100,404</b>	<b>7,508,046</b>	<b>5,059,966</b>
Other income/(expenses)	(86,122)	(47,950)	(87,353)	(46,446)	Equity	4,738,673	3,696,900	4,149,580	3,236,682
<b>Operating profit</b>	<b>193,114</b>	<b>99,574</b>	<b>118,156</b>	<b>6,251</b>	Long-Term Interest-bearing liabilities	1,055,716	401,778	1,055,716	401,778
Share of loss equity accounted investment	(17,000)	(1,415)	(17,000)	(1,415)	Long-Term leases	19,891	13,992	19,222	6,789
Finance costs	(108,251)	(54,087)	(107,923)	(38,809)	Short-Term Interest-bearing liabilities	1,024,895	1,019,210	1,024,895	825,558
<b>Profit/(loss) before taxation</b>	<b>67,863</b>	<b>44,072</b>	<b>(6,767)</b>	<b>(33,973)</b>	Short-Term leases	6,407	6,340	6,407	4,601
Taxation charge	(7,263)	(14,405)	(515)	11,743	Trade and other payables	805,355	709,365	915,134	433,741
<b>Profit/(loss) for the period from continued operations</b>	<b>60,600</b>	<b>29,667</b>	<b>(7,282)</b>	<b>(22,230)</b>	Deferred income tax	274,817	197,333	239,808	114,649
Profit from discontinued operations	-	(10,654)	-	(10,654)	Other equity and liabilities	107,933	55,486	97,284	36,168
<b>Total profit/(loss) for the period</b>	<b>60,600</b>	<b>19,013</b>	<b>(7,282)</b>	<b>(32,884)</b>	<b>Total Equity and Liabilities</b>	<b>8,033,687</b>	<b>6,100,404</b>	<b>7,508,046</b>	<b>5,059,966</b>
<b>Group profit/(loss) attributable to:</b>									
Owners of Zambeef Products PLC	60,255	18,069	(7,282)	(32,884)					
Non-controlling interests	345	944	-	-					
	<b>60,600</b>	<b>19,013</b>	<b>(7,282)</b>	<b>(32,884)</b>					
<b>Total comprehensive income for the period</b>									
Equity holders of the parent	68,871	3,363	17,402	(31,328)					
Non-controlling interest	(7,324)	140	-	-					
	<b>61,547</b>	<b>3,503</b>	<b>17,402</b>	<b>(31,328)</b>					
<b>Earnings per share</b>	<b>Ngwee</b>	<b>Ngwee</b>	<b>Ngwee</b>	<b>Ngwee</b>					
Continued operations	20.05	9.56	(2.42)	(7.40)					
Discontinued operations	-	(3.54)	-	(3.54)					
<b>Total basic earnings per share</b>	<b>20.05</b>	<b>6.02</b>	<b>(2.42)</b>	<b>(10.94)</b>					
					<b>ABRIDGED GROUP STATEMENT OF CASH FLOW</b>	<b>Group</b>	<b>Company</b>		
						31-Mar-24	31-Mar-23	31-Mar-24	31-Mar-23
						Unaudited	Unaudited	Unaudited	Unaudited
						ZMW'000s	ZMW'000s	ZMW'000s	ZMW'000s
					Net cash inflow from operating activities	(122,245)	(161,947)	(236,370)	(307,182)
					Net cash (outflow) on investing activities	(328,981)	(330,840)	(207,744)	(200,978)
					Net cash inflow from financing activities	460,154	104,355	460,153	107,599
					Exchange differences	-	48	-	(30)
					Cash at the beginning of the period	(380,467)	(127,708)	(417,611)	(27,876)
					<b>Cash at the end of the period</b>	<b>(371,539)</b>	<b>(516,092)</b>	<b>(401,572)</b>	<b>(428,467)</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024

Group	ZMW' 000	Issued share capital	Share premium	Preference Share Capital	Foreign exchange reserve	Revaluation reserve	Retained earnings	Total attributable to owners of the parent	Minority interest	Total equity
<b>At start of year</b>		3,006	1,125,012	1,000	660,390	1,964,087	930,261	4,683,756	(6,630)	4,677,126
Profit for the period		-	-	-	-	-	60,255	60,255	345	60,600
Transfer of excess depreciation		-	-	-	-	(49,059)	49,059	-	-	-
Deferred income tax		-	-	-	-	24,265	-	24,265	-	24,265
Translation losses on foreign operations		-	-	-	(15,649)	-	-	(15,649)	(7,669)	(23,318)
<b>Total comprehensive income for the year</b>		-	-	-	(15,649)	(24,794)	109,314	68,871	(7,324)	61,547
<b>At half-year ended 31 March 2024</b>		<b>3,006</b>	<b>1,125,012</b>	<b>1,000</b>	<b>644,741</b>	<b>1,939,293</b>	<b>1,039,575</b>	<b>4,752,627</b>	<b>(13,954)</b>	<b>4,738,673</b>

Company	ZMW' 000	Issued share capital	Share premium	Preference Share Capital	Foreign exchange reserve	Revaluation reserve	Retained earnings	Total equity
<b>At start of year</b>		3,006	1,125,434	1,000	687,048	1,759,398	556,283	4,132,178
Profit for the year		-	-	-	-	-	(7,282)	(7,282)
Transfer of excess depreciation		-	-	-	-	(40,170)	40,170	-
Deferred income tax		-	-	-	-	24,684	-	24,684
<b>Total comprehensive income for the year</b>		-	-	-	-	(15,486)	32,888	17,402
<b>At half-year ended 31 March 2024</b>		<b>3,006</b>	<b>1,125,434</b>	<b>1,000</b>	<b>687,048</b>	<b>1,743,912</b>	<b>589,171</b>	<b>4,149,580</b>

### Overview

- The reporting period was characterised by the ongoing unstable macroeconomic environment, with elevated inflation and exchange rate volatility. While there were positive developments regarding the government's understanding with international bondholders on debt restructuring, significant underlying factors such as subdued copper mining activity and the adverse impacts of climate change on crop yields and rainfall patterns continued to exert pressure on the macroeconomic landscape. Liquidity remains tight due to the central bank's stringent monetary policy aimed at controlling inflation and exchange rate depreciation. This has led to constrained consumer spending and high borrowing costs.
- The Kwacha began the 2024 financial year at K21.10 per USD and depreciated to K24.93 per USD by the end of the period. Inflation rose from 12.6% at the start of the year to 13.7% by the end of the period, adversely escalating costs of essential inputs and commodities, such as fuel, imported materials, and grain, which ultimately increased production costs for our divisions. Despite these challenges, the Group achieved volume and revenue growth (in ZMW) in most divisions, building on the momentum from the latter half of 2023. This success was driven by a meticulous approach to revenue management and effective sales through regular price reviews and operational execution.
- Despite the financial results for the half-year period not meeting expectations set at the start of the year, the Group achieved significant profitability growth, showcasing agility and adaptability in navigating the ever-evolving market and economic conditions. Management's relentless focus on optimizing top-line growth through effective revenue management, coupled with stringent cost control measures, have been instrumental in striving for our financial goals.

### Outlook

- As we look ahead, our robust brand presence will continue to serve as a cornerstone in maintaining customer loyalty. Furthermore, our vertically integrated business model positions us favourably, ensuring a dependable supply chain and market for our products. We anticipate a stabilization in the economic environment following the recent understanding reached by the government with international bondholders regarding debt restructuring, coupled with the expected upswing in copper production and prices over the medium to long term. With these factors in mind, the Group is well-positioned to capitalize on the opportunities arising from a positive economic outlook, strategically investing for the future in anticipation of an upturn in consumer spending.

### Key Financial Highlights

- The Group achieved a revenue of ZMW 3.4 billion (USD 144.1 million), accompanied by a gross profit of ZMW 1.1 billion (USD 47.1 million). This represents a year-on-year increase of 22.6% and 27.5% in kwacha terms, respectively, and a year-on-year decrease of 9.2% and 5.5% in US dollar terms, respectively.
- The Group delivered an operating profit of ZMW 193.1 million (USD 8.2 million), marking a significant increase of 93.9% in kwacha terms and 43.7% in US dollar terms compared to the prior year's ZMW 99.6 million (USD 5.7 million). This remarkable growth underscores the effectiveness of our commercial strategy and the successful execution of strategic expansion projects.
- Board expectations for trading performance reported in kwacha for the full year to 30 September 2024 (FY24) remain unchanged, and given some continued weakening of the kwacha, this now results in a small reduction in our USD reported revenue guidance for both FY24 and FY25, and a c.7% reduction in our USD reported profit before tax guidance for both FY24 and FY25

### Strategic Focus

Our strategic focus remains to optimise our existing asset utilisation and maximise returns. We remain committed to our strategy of focussing on our core businesses, in which we strive to be the best in class. The continued investment in key strategic assets and divestiture of non-core assets will enable us to increase cash generation and profitability and therefore continue to deliver shareholder value. I am pleased to report that our \$100 million medium-term expansion plans are proceeding as scheduled. We have maintained our dedication to enhancing capacity and efficiency in Cropping, Milling, Stockfeed, Dairy, and Poultry.

The Interim Report for the half-year ended 31 March 2024 will shortly today be available on the Group's website.

For further information, please visit [www.zambeefplc.com](http://www.zambeefplc.com) or contact:

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**By order of the Board**

Mwansa Mutimushi  
**Company Secretary**

**Issued in Lusaka, Zambia on 21 June 2024**

**Notes to Editors**

Zambeef Products plc is the largest integrated cold chain food products and agribusiness company in Zambia and one of the largest in the region, involved in the primary production, processing, distribution and retailing of beef, chicken, pork, milk, dairy products, fish, flour and stockfeed, throughout Zambia and the surrounding region, as well as Nigeria and Ghana.

It has 236 retail outlets throughout Zambia and West Africa.

The Company is one of the largest suppliers of beef in Zambia. Five beef abattoirs and three feedlots are located throughout Zambia, with a capacity to slaughter 230,000 cattle a year. It is also one of the largest chicken producers in Zambia, with a capacity of 9.48m broilers and 25.4 million day-old chicks a year. It is one of the largest piggeries, pig abattoirs and pork processing plants in Zambia, with a capacity to slaughter 75,000 pigs a year, while its dairy has a capacity of 120,000 litres per day.

The Group is also one of the largest cereal row cropping operations in Zambia, with approximately 7,265 hectares of row crops under irrigation, which are planted twice a year, and a further 8,000 hectares of rainfed/dry-land crops available for planting.

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Autus Securities Limited is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia.

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