

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: 27 August 2024



UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

The Directors of British American Tobacco Zambia plc announce the unaudited results for the six months ended 30 June 2024 as shown below:

Net revenue (ZMW) 387.4mn	Operating profit (ZMW) 119.8mn	Profit before tax (ZMW) 114.2mn	Taxes paid (ZMW) 218.5mn	Interim dividend per share (ZMW) 0.12
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Condensed Statement of Comprehensive Income

	2024 ZMW'000	2023 ZMW'000
Gross revenue	580,500	429,188
Excise Duty and Value Added Tax	(193,106)	(159,319)
Net revenue	387,394	269,869
Total cost of operations	(267,559)	(180,730)
Operating profit	119,835	89,139
Finance costs	(5,641)	(13,661)
Profit before tax	114,194	75,478
Income tax expense	(29,931)	(24,783)
Profit after tax	84,263	50,695
Total comprehensive income	84,263	50,695
Basic and diluted earnings per share (ZMW)	0.40	0.24

Condensed Statement of Financial Position

	30 Jun 24 ZMW'000	31 Dec 23 ZMW'000
Non-current assets	169,982	168,141
Bank balances and cash	130,523	140,993
Other current assets	166,084	130,099
Total current assets	296,607	271,092
Total assets	466,589	439,233
Non-current liabilities	(22,168)	(22,168)
Current liabilities	(206,589)	(231,627)
Total net assets	237,832	185,438
Total shareholders' funds	237,832	185,438
Total capital employed	237,832	185,438

Condensed Cash Flow Statement

	2024 ZMW'000	2023 ZMW'000
Cash generated from operations	71,069	129,231
Tax paid	(23,442)	(22,315)
Net cash from operating activities	47,627	106,916
Net cash used in investing activities	3,477	(22,738)
Net cash used in financing activities	(61,574)	(66,996)
Decrease in cash & cash equivalents	(10,470)	17,182
At the start of the period	140,993	115,283
At the end of the period	130,523	132,465

Condensed Statement of Changes in Equity

	Share capital ZMW'000	Accumulated (Losses)/ Profits ZMW'000	Total equity ZMW'000
At 1 January 2023	2,125	103,153	105,278
Profit for the year	-	112,029	112,029
Other comprehensive income for the year	-	-	-
Dividends declared	-	(31,869)	(31,869)
At 31 December 2023	2,125	183,313	185,438
At 1 January 2024	2,125	183,313	185,438
Comprehensive income	-	84,263	84,263
Dividends declared	-	(31,869)	(31,869)
At 30 June 2024	2,125	235,707	237,832

Operating environment

The Company demonstrated resilience in the face of continued macro-economic headwinds. The operating landscape was characterised by both global and domestic disruptions, inflationary pressures and currency volatility, thereby impacting our cost of doing business.

Illicit trade in tax evaded cigarettes (estimated at 10% based on market observations) continues to impact legitimate industry revenues and deprive the Government of an estimated ZMW 100 million in taxes annually. It is imperative that the Government intensifies its efforts to strengthen enforcement and bolster regulations aimed at combating illicit trade effectively.

Financial highlights

- Gross revenue increased by 35% to ZMW 580.5 million, driven by an optimal pricing strategy implemented during the period.
- Cost of operations increased by 48% to ZMW 267.6 million, mainly due to local currency devaluation against the USD, which affected the cost of imported materials. This was partially offset by cost management initiatives during the period under review.
- Operating profit increased by 34% to ZMW 119.9 million, reflecting the impact of higher net revenue partially offset by higher cost of operations.
- Subsequently, profit before tax increased by 51% to ZMW 114.2 million. The improved performance is attributable to the higher operating profit and lower financing costs.

Taxes

Taxes in the form of Excise Duty, Value Added Tax (VAT), Pay as You Earn (PAYE), Withholding Tax, Customs Duty and Corporate Income Tax amounted to ZMW 218.5 million, a 16% increase compared to the same period last year.

Interim dividend

In view of the financial performance recorded during the period under review, the Board of Directors has approved an interim dividend in respect of the year ending 31 December 2024 of ZMW 0.12 per ordinary share.

Looking Forward

Looking ahead, we are confident that our continued investment in the simplification of our business, our consumer-centric brand portfolio and winning culture, will enable us to deliver sustained shareholder value and contribute to the socio-economic growth and development of the country.

We remain committed to the BAT Group's corporate purpose to create A Better Tomorrow™ by Building A Smokeless World. Sustainability continues to be at the front and center of everything we do, underpinned by our Environment, Social and Governance (ESG) priorities: driving excellence in environmental management, delivering a positive social impact and ensuring robust corporate governance across the business.

By Order of the Board
Chewe Hamabuyu
Acting Company Secretary
Lusaka

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Issued in Lusaka, Zambia on 27 August 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 27 August 2024