

CEC RELEASES UNAUDITED RESULTS FOR THE HALF-YEAR ENDED 30 JUNE 2024

Financial Indicators

22%	(62%)	(62%)	(50%)	160%	68%
Revenue	EBITDA	Profit After Tax	Lost Time Injury:	Cash Generation from Ops:	Adjusted PAT*
USD 227.843m 2023: USD 186.588m	USD 70.839m 2023: USD 184.302m	USD 43.186m 2023: USD 112.992m	1 2023: 2	USD 48.968m 2023: USD 18.803m	USD 46.166m 2023: USD 27.467m

*Adjusted PAT represents PAT less post-tax writebacks and impairments.

CEO, Owen Silavwe, commented:

"I am pleased to share the performance highlights of Copperbelt Energy Corporation Plc (CEC) for the period ending 30th June 2024. This period has been marked by significant improvements in our performance and continued embedment of strategic developments that underscore our commitment to growth, sustainability, and operational excellence amidst a national energy crisis.

The Zambian market is faced with an acute supply gap resulting from the unprecedented drought conditions experienced during the 2023/2024 rainy season. Consequently, the national power shortfall is expected to peak at 1500MW or more, necessitating the introduction of high-cost power from imports and emergency sources in addition to the nationwide rollout of an extensive demand management program.

Despite the challenges on the supply side, we recorded exceptional operational and financial performance supported by demand growth and steady access to regional power imports enabling the supply of full demand for our Zambian and DRC markets. We continue to leverage growth driven by the increasing mining activity in the two markets. Our ability to meet the rising demand during this challenging period is testament to our operational excellence in delivering for our customers.

The generation from CEC Renewables' solar power plants has been an important contribution to our sourcing portfolio, enabling us to meet the demand in the period effectively. One of the most notable developments during the period was the commissioning of the 60MW Itimpi one Solar Plant in April 2024 by our subsidiary, CEC Renewables. Being new, the Itimpi Solar plant has adopted latest technology, substantially improving on the power generation and financial capacity of CEC Renewables. Early performance to expectation by this solar plant, aided the payment of the first Green Bond coupon of USD 2.4 million in respect of the USD 53 million first tranche issued in 2023 under our USD200 million Green Bond term note program (TNP). This represents a significant step forward in our renewable energy agenda.

Prioritising safety remains at the core of our operations, as demonstrated in the reduction of lost time injuries to one during the period under review from two in 2023. Given the nature of our business, the safety of our employees, contractors and communities around us demands our full attention at all times.

Looking ahead, we remain committed to expanding our renewables footprint as our contribution to the diversification of the national energy mix. In line with this ambition, we have commenced work on the development of phase two of the Itimpi solar project involving construction of a 136MW PV solar plant. This project will be funded through the tranche two capital raise under the USD 200 million Green Bond TNP.

Furthermore, we remain committed to investing in the expansion and improvement of the capacity of the power infrastructure in our markets. These investments are essential to meeting growing demand and ensuring continuing reliable and efficient supply to customers. Infrastructure requirements are ever growing, demanding that governments adopt policies that attract both public and private capital in generation, transmission and distribution. As we move forward, we remain focused on leveraging our strengths, partnerships and opportunities to deliver continued value to our shareholders."

Summary statement of profit or loss and other comprehensive income

	Unaudited six months to 30 June 2024	Unaudited six months to 30 June 2023	Audited year ended 31 December 2023
	USD '000	USD '000	USD '000
Revenue	227,843	186,588	382,270
Gross profit	78,848	67,383	138,815
Other income/(expenses)	4,794	4,000	(1,144)
Operating expenses	(20,110)	(21,866)	(50,934)
Writeback/ (Impairment of receivables)	(4,257)	122,178	120,656
Operating profit	59,275	171,695	207,393
Share of loss from associate	(2)	(6)	(4)
Net finance costs	2,555	4,947	6,461
Income tax expense	(18,642)	(63,644)	(76,201)
Profit after tax	43,186	112,992	137,649
Other comprehensive income	-	-	1,808
Total comprehensive income	43,186	112,992	139,457
Earnings per share (cents)	0.0266	0.0695	0.085

Summary statement of financial position

	Unaudited six months ended 30 June 2024	Unaudited six months ended 30 June 2023	Audited year ended 31 December 2023
	USD '000	USD '000	USD '000
Total non-current assets	508,531	476,320	495,759
Total current assets	228,682	173,991	179,870
Total assets	737,213	650,311	675,629
Total equity	458,943	444,545	415,760
Total non-current liabilities	204,224	157,763	217,392
Total current liabilities	74,046	48,003	42,477
Total equity & liabilities	737,213	650,311	675,629

Summary consolidated statement of cash flows

	Unaudited six months to 30 June 2024	Unaudited six months to 30 June 2023	Audited year ended 31 December 2023
	USD '000	USD '000	USD '000
Net cash flows from operating activities	48,968	18,803	80,846
Net cash flows from investing	(19,488)	(15,161)	(45,368)
Net cash flows from financing activities	(-)	(3,221)	(13,036)
Net (decrease)/increase in cash and cash equivalents	29,480	421	22,442
Cash and cash equivalents at 1 January	108,889	83,384	83,384
Cash and cash equivalents at 30 June	720	2	3,063
Cash and cash equivalents at 30 June/31 December	139,089	83,807	108,889

Summary statement of changes in Equity for the period ended 30 June 2024

	Share Capital	Share Premium	Translation Reserve	Revaluation Reserve	Retained Earnings	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Year ended 31 December 2023	2,849	60,078	10	146,070	122,545	331,552
Profit for the year	-	-	-	-	137,649	137,649
Translation differences on subsidiary	-	-	(35)	-	-	(35)
Transfer of excess depreciation	-	-	-	(9,054)	9,054	-
Defined benefits plan actuarial losses	-	-	-	-	(1,247)	(1,247)
Related tax	-	-	-	2,716	374	3,090
Total comprehensive income	-	-	(35)	(6,338)	145,830	139,457
Transactions with owners						
Dividends paid	-	-	-	-	(55,249)	(55,249)
At year end	2,849	60,078	(25)	139,732	213,126	415,760
Half-year ended 30 June 2024	-	-	(25)	139,732	213,126	415,760
Profit for the half year	-	-	-	-	-	-
Translation differences on subsidiary	-	-	(3)	-	-	(3)
Total comprehensive income	-	-	(3)	-	43,186	43,183
Transactions with owners						
Dividends paid	-	-	-	-	-	-
At the half year end	2,849	60,078	(28)	139,732	256,312	458,943

Financial Highlights

Total revenue for the six months to 30th June 2024 was USD 227.8 million, 22% above the comparative period last year primarily driven by growth in our regional power supplies of 63%. Local power sales recorded some recovery, growing by 7% while wheeling revenue had a marginal growth of 2%.

Both the EBITDA and the profit for the period reduced by 62% from USD 184.3 million to USD 70.8 million and USD 113.0 million to USD 43.2 million respectively. The 2023 results included two one-off transactions: the debt write-back arising from the Debt Settlement Agreement reached with KCM (USD 171.6 million) and the impairment of our investment in Kabompo Hydro Power Company (USD35.4 million). The adjusted EBITDA is USD 74.5 million, compared to USD 60.5 million in 2023.

The cash balance at 30th June 2024 was USD 139.1 million compared to the balance of USD 83.8 million as at 30th June 2023.

Dividends

The CEC Group recognises the need to reward its shareholders with dividends in addition to share appreciation, which is a consequence of the financial and operational performance of the business. To this effect, our dividend policy provides for a pay-out of about 50% of the earnings, subject to the availability of cash and reserves, having provided sufficiently for working capital and other obligations. Similar to the financial year 2023 no dividend was declared and paid during the period under review.

Cautionary on Forward-looking Information

This summary results announcement contains financial and non-financial forward-looking statements about the Company's performance and position. We believe that while all forward-looking information contained herein is realistic at the time of publishing this report, actual results in the future may differ from those anticipated. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause CEC's actual results, performance, or achievements to differ materially from the anticipated results, performance or achievements expressed or implied by these forward-looking statements. Although CEC believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. We take no obligation to revise or update these forward-looking statements to reflect events or circumstances that arise after the statements have been made.

About the Company

CEC's core business is the supply of power to the copper mines in the Copperbelt Province of Zambia and the DRC. CEC provides the transmission use of system and wheels power through its network on behalf of ZESCO Ltd and other users in Zambia and the Southern Africa Power Pool. The Company operates a transmission interconnection with the DRC.

CEC has four incorporated subsidiaries and two associate companies - CEC Renewables (CEC-R), CEC-Kabompo Hydro Power Limited (CEC-KHPL), CEC DRC Sarl, CEC-InnoVent South, InnoVent-CEC North and Power Dynamos Sports Limited (PDSL). CEC-R was incorporated as a platform for renewable energy expansion, designed to scale up the deployment of renewable energy across the Zambian Grid. CEC-DRC Sarl is a special purpose vehicle incorporated to secure the power trading segment and grow the Company's interest in the DRC market, while PDSL is a special-purpose vehicle that runs Power Dynamos Football Club.

By Order of the Board
Julia C Z Chaila (Mrs.)
Company Secretary

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