

SENS ANNOUNCEMENT
(the "Notice" or "Announcement")

ISSUER



ZAMBIA SUGAR PLC ["ZSUG"]
[Incorporated in the Republic of Zambia]

Company registration number: 2880
Share Code: ZSUG
ISIN: ZM0000000052
Authorised by: Harriet Kapekele-Katongo – Company Secretary

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited

[Member of the Lusaka Securities Exchange]
[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Number: +260-211-232456
Website: www.sbz.com.zm

APPROVAL

The captioned Notice or Announcement has been approved by:

- i. The Lusaka Securities Exchange
- ii. The Securities and Exchange Commission
- iii. Zambia Sugar Plc

DISCLAIMER AND 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: 05 November 2024

In accordance with the requirements of the Securities Act No. 41 of 2016, Zambia Sugar PLC announces its results for the financial year ended 31st August 2024.

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Company	
	Audited financial year ended August 2024	Audited financial year ended August 2023	Audited financial year ended August 2024	Audited financial year ended August 2023
	K '000	K '000	K '000	K '000
Revenue	7 529 545	5 827 704	7 529 545	5 827 704
Operating profit	2 566 629	1 248 171	2 348 514	1 174 504
Dividend Income	-	-	46 833	78 972
Exchange movements on leases	(18 932)	(12 658)	(18 932)	(12 658)
Net finance costs	(38 692)	(39 658)	(65 122)	(52 452)
Profit before taxation	2 509 005	1 195 855	2 311 293	1 188 366
Taxation	(451 415)	(260 223)	(422 094)	(247 083)
Profit for the period	2 057 590	935 632	1 889 199	941 283
Profit attributable to:				
Shareholders of Zambia Sugar PLC	2 057 590	935 632	1 889 199	941 283
	2 057 590	935 632	1 889 199	941 283
Determination of headline earnings				
Profit attributable to shareholders of Zambia Sugar PLC	2 057 590	935 632	1 889 199	941 283
Headline earnings for the period	2 057 590	935 632	1 889 199	941 283
Number of shares in issue ('000)	316 571	316 571	316 571	316 571
Weighted average number of shares in issue ('000)	316 571	316 571	316 571	316 571
Basic and diluted earnings per share (ngwee)	650.0	295.6	596.8	297.3
Dividend per share (ngwee)	161.0	349.0		
- Final proposed*	161.0	349.0		

*Final dividend for 2023 financial period included a special dividend of 157.9 ngwee per share.

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	Group		Company	
	Audited financial year ended August 2024	Audited financial year ended August 2023	Audited financial year ended August 2024	Audited financial year ended August 2023
	K '000	K '000	K '000	K '000
Revenue				
Sugar production	5 039 124	4 426 316	5 039 124	4 426 316
Cane growing	2 490 421	1 401 388	2 490 421	1 401 388
	7 529 545	5 827 704	7 529 545	5 827 704
Operating profit				
Sugar production	1 782 770	1 199 038	1 782 774	1 199 043
Cane growing	783 859	49 133	565 740	(24 539)
	2 566 629	1 248 171	2 348 514	1 174 504

SUMMARISED STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	Audited financial year ended August 2024	Audited financial year ended August 2023	Audited financial year ended August 2024	Audited financial year ended August 2023
	K '000	K '000	K '000	K '000
Share capital and share premium				
Balance at beginning and end of the year	247 338	247 338	247 338	247 338
Non-distributable reserves				
Balance at beginning of the year	40	40	40	40
Balance at end of the year	40	40	40	40
Dividend reserve				
Dividends declared	1 104 834	298 843	1 104 834	298 843
Dividends paid	(1 104 834)	(298 843)	(1 104 834)	(298 843)
Balance at end of the year	-	-	-	-
Retained earnings				
Balance at beginning of the year	3 704 870	3 068 081	3 427 508	2 785 068
Profit for the year	2 057 590	935 632	1 889 199	941 283
Dividend reserve movement	(1 104 834)	(298 843)	(1 104 834)	(298 843)
Balance at end of the year	4 657 626	3 704 870	4 211 873	3 427 508
Total equity	4 905 004	3 952 248	4 459 251	3 674 886

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group		Company	
	Audited financial year ended August 2024	Audited financial year ended August 2023	Audited financial year ended August 2024	Audited financial year ended August 2023
	K '000	K '000	K '000	K '000
Assets				
Property, plant and equipment	2 718 258	2 110 201	2 514 443	1 951 383
Intangible asset	67 902	67 902	-	-
ROU Assets	149 650	123 498	149 650	123 498
Investment in subsidiary	-	-	177 163	177 163
Biological assets	921 284	595 776	768 317	491 330
Inventories	1 996 352	1 251 385	1 968 323	1 217 412
Trade and other receivables	628 632	562 238	596 556	534 020
Other current assets	496	332	496	332
Cash and bank balances	553 831	877 924	552 170	876 262
Total assets	7 036 405	5 589 256	6 727 118	5 371 400
Equity and liabilities				
Equity attributable to shareholders	4 905 004	3 952 248	4 459 251	3 674 886
Lease Liabilities	217 838	166 489	217 838	166 489
Deferred tax liability	363 694	266 314	326 708	234 429
Bank overdraft	50 904	39 061	50 904	39 061
Current liabilities	1 498 965	1 165 144	1 672 417	1 256 535
Total equity and liabilities	7 036 405	5 589 256	6 727 118	5 371 400

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Company	
	Audited financial year ended August 2024	Audited financial year ended August 2023	Audited financial year ended August 2024	Audited financial year ended August 2023
	K '000	K '000	K '000	K '000
Cash operating profit	2 497 782	1 465 098	2 297 324	1 381 967
Working capital movements	(605 645)	306 014	(508 417)	287 180
Finance costs, taxation and dividends paid	(341 555)	(319 385)	(344 424)	(316 368)
Net cash outflows from operating activities	1 550 582	1 451 727	1 444 483	1 352 779
Net cash outflows from investing activities	(734 143)	(307 672)	(628 044)	(209 571)
Net cash outflows before financing activities	816 439	1 144 055	816 439	1 143 208
Net cash outflows from financing activities	(1152 375)	(380 318)	(1 152 375)	(380 318)
Increase/(Decrease) in cash and cash equivalents	(335 936)	763 737	(335 935)	762 890
Cash and bank balances				
Opening bank and cash balance	838 863	75 126	837 201	74 311
Closing bank and cash balance	502 927	838 863	501 266	837 201
Movement	(335 936)	763 737	(335 935)	762 890

LUSAKA STOCK EXCHANGE SPONSORING BROKER


STOCKBROKERS ZAMBIA LIMITED
 [MEMBER OF THE LuSE and REGULATED BY THE SECURITIES AND EXCHANGE COMMISSION OF ZAMBIA]
 T: +260-211-232456
 W: www.sbr.com.zm

COMMENTARY FOR THE YEAR TO 31 AUGUST 2024

Financial Performance Review

Total revenue for the year ended 31 August 2024 increased by 29% from K5 827 million to K7 530 million largely on account of a 26% increase in domestic sales volume supported by a 15% increase in sugar production from 368k tons to a record 425k tons and better price realisation in the export market. The strong domestic sales volume was due to strategic enhancements in the route-to-consumer within the domestic market and a decline in illegal imports. Inevitably, the increase in domestic sales resulted in a reduction in export sales volume by 41% despite a 43% increase in the export price realisation.

Operating profit for the year increased by 106% to K2 567 million from K1 248 million in the prior year. The improvement in performance is due to improved revenue from higher domestic sales, better price realisation and cost dilution from increased production volume despite the significant inflationary pressure on key input costs such as fertilisers, chemicals, electricity, employee costs, packaging, and fuel. The record production achieved during the year ended 31 August 2024 presented a significant opportunity to adequately meet the considerable increase in domestic demand.

Finance costs for the year decreased marginally to K38.7 million, improving interest cover from 31.5 to 66.3 times with increased operating profit. Given the improvement in cashflow generation, the Business closed with a positive cash position of K503 million.

The increase in profitability has resulted in a 73% increase in income tax expense from K260 million in prior year to K451 million in the current financial year.

Profit after-tax for the year ended 31 August 2024 increased by K1 122 million to K2 058 million due to the revenue increase coupled with a 3.8% decrease in the effective tax rate resulting from a higher agricultural profit that is taxed at 10%.

Headline earnings for the year ended 31 August 2024 increased to K2 058 million from K935 million for the previous year. Earnings per share also increased by 120% from 295.6 ngwee per share to 650.0 ngwee per share.

Changes in Directorate

Mrs. Roseta Chabala was appointed as Chairperson of the Board of Directors of Zambia Sugar Plc effective 28 February 2024, replacing Mr. Norman Mbazima following his resignation from the Board.

Mr. Hezron Musonda joined the Nakambala Leadership Team as Finance Director on 25 January 2024. He was subsequently appointed to the Board as an Executive Director on 28 February 2024.

Mrs. Amanda Venters was appointed as a Non-Executive Director of the Board effective 28 February 2024, replacing Mr Douglas Kasambala who resigned from the Board.

Mr Gavin Dalglish resigned from the Board effective 30 August 2024 following his resignation from Illovo Sugar Africa.

Dividend

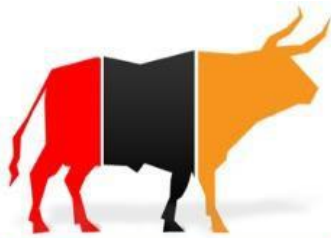
The Board has proposed a dividend of 161 ngwee per share to be considered for approval by shareholders at the Annual General Meeting scheduled for 28 November 2024.

By Order of the Board

Harriet Kapekele-Katongo
Company Secretary

Issued in Lusaka, Zambia on 05 November 2024

Lusaka Securities Exchange Sponsoring Broker



STOCKBROKERS ZAMBIA LIMITED

T | +260-211-232456

E | advisory@sbz.com.zm

W | www.sbz.com.zm

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

First Issued on 05 November 2024