

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: Chewe Hamabuyu – Acting 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: 11 March 2025



AUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors of British American Tobacco Zambia Plc (“the Company”) present the audited financial results for the year ended 31 December 2024.

Net revenue (ZMW) 892mn +41%	Profit before tax (ZMW) 287mn +83%	Taxes (ZMW) 506mn +16%	Dividend per share (ZMW) 0.72
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The results below have been extracted from the audited consolidated Financial Statements of British American Tobacco Zambia Plc, for the year ended 31 December 2024. The Financial Statements have been audited by KPMG Zambia, who have expressed an unqualified audit opinion:

Condensed Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 December

	2024 ZMW'000	2023 ZMW'000
Gross revenue	1,323,707	1,002,906
Excise Duty and Value Added Tax (VAT)	(431,497)	(370,110)
Net revenue	892,210	632,796
Cost of operations	(606,556)	(467,796)
Operating profit	285,654	165,000
Net finance (cost) / income	1,113	(8,320)
Profit before tax	286,767	156,680
Income tax expense	(90,610)	(44,651)
Profit after tax	196,157	112,029
Other comprehensive income	-	-
Total comprehensive income	196,157	112,029
Dividend	57,363	31,869
Basic and diluted earnings per share (ZMW)	0.92	0.53

Condensed Statement of Financial Position as at 31 December

	2024 ZMW'000	2023 ZMW'000
Non- current assets	178,026	168,141
Current assets	355,930	271,092
Total assets	533,956	439,233
Non-current liabilities	(30,813)	(22,168)
Current liabilities	(178,911)	(231,627)
Total net assets	324,232	185,438
Shareholders' funds	324,232	185,438
Total capital employed	324,232	185,438

Condensed Cash Flow Statement for the year ended 31 December

	2024 ZMW'000	2023 ZMW'000
Cash generated from operations	236,427	181,460
Tax paid	(53,980)	(50,033)
Net cash from operating activities	182,447	131,427
Net cash used in investing activities	(12,770)	5,232
Net cash used in financing activities	(129,750)	(110,949)
Movement in cash & cash equivalents	39,927	25,710
At the start of the year	140,993	115,283
At the end of the year	180,920	140,993

Condensed Statement of Changes in Equity

	Share capital ZMW'000	Retained earnings ZMW'000	Total equity ZMW'000
At 1 January 2023	2,125	103,153	105,278
Comprehensive income	-	112,029	112,029
Dividends declared	-	(31,869)	(31,869)
At 31 December 2023	2,125	183,313	185,438
As at 1 January 2024	2,125	183,313	185,438
Comprehensive income	-	196,157	196,157
Dividends declared	-	(57,363)	(57,363)
At 31 December 2024	2,125	322,107	324,232

Operating environment

2024 was an exceptionally challenging year characterised by rising inflation, high interest rates and exchange rate volatility. Additionally, the country experienced an unprecedented drought which occasioned rationing of electricity, increased production costs and adversely impacted consumer purchasing power.

Illicit trade in tax evaded cigarettes remains a significant challenge facing our industry, posing threats to the sustainability of legitimate business, government revenues, and overall economic stability. In 2024, illicit trade was exacerbated by the further upward adjustment of excise duties on cigarettes, pushing duty paid cigarette prices up and consequently expanding the black market for tax evaded products.

Illicit trade in tax evaded cigarettes is estimated at above 10% share of industry based on market observations and deprives the Government of an estimated USD 10 million annually. We urge the Government to intensify enforcement actions and review aggressive tax policies against market realities, failure to which consumer affordability is set to worsen amidst the rising cost of living, driving them to purchase lower priced noncompliant, tax-evaded products.

Despite the challenges experienced in 2024, the Company delivered strong results, continuing to demonstrate resilience and adaptability. We remain confident in navigating the operating environment and driving sustainable shareholder value.

Financial highlights

- Revenue increased by 41% to ZMW892.2 million, driven by an optimal pricing strategy and execution excellence implemented during the year.
- Cost of operations increased by 30% to ZMW606.6 million, mainly due to local currency devaluation against the USD, which affected the cost of imported materials. This was partially offset by benefits from cost saving initiatives implemented during the period.
- Profit before tax increased by 83% to ZMW286.8 million, attributable to the higher operating profit and lower financing costs.
- Cash generated from operations increased by 30% to ZMW236.4 million, driven by effective working capital management initiatives implemented during the year.
- Taxes in the form of Excise Duty, Value Added Tax (VAT), Pay as You Earn (PAYE), Withholding Tax, Customs Duty and Corporate Income Tax (CIT) increased by 16% to ZMW506.2 million, reflecting the improved business performance.

Dividend

For the year ended 31 December 2024, the Board proposes a final dividend of ZMW0.60 per ordinary share, to be recommended for approval by shareholders at the Annual General Meeting to be held on 31 March 2025.

The final dividend, when added to the interim dividend already paid, gives a total dividend of ZMW0.72 per ordinary share.

Issued in Lusaka, Zambia on 11 March 2025

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