

**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]

Contact Number: +260-211-232456  
Website: [www.sbz.com.zm](http://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. 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: 8 September 2025**



# UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Directors of British American Tobacco Zambia plc (“the Company”) announce the Company’s unaudited results for the six months ended 30 June 2025 as shown below:

|                     |                        |                            |             |                                  |
|---------------------|------------------------|----------------------------|-------------|----------------------------------|
| Gross revenue (ZMW) | Profit after tax (ZMW) | Cash from operations (ZMW) | Taxes (ZMW) | Interim dividend per share (ZMW) |
| 581.2mn             | 82.3mn                 | 115.6mn                    | 217.2mn     | 0.30                             |

## Condensed Statement of Profit or Loss and Other Comprehensive Income for the six months ended 30 June

|  | 2025<br>ZMW’000 | 2024<br>ZMW’000 |
|--|-----------------|-----------------|
| Gross revenue                              | 581,242         | 580,500         |
| Excise Duty and Value Added Tax (VAT)      | (181,922)       | (193,106)       |
| Net revenue                                | 399,320         | 387,394         |
| Total cost of operations                   | (265,623)       | (267,559)       |
| Operating profit                           | 133,697         | 119,835         |
| Finance costs                              | (16,057)        | (5,641)         |
| Profit before tax                          | 117,640         | 114,194         |
| Income tax expense                         | (35,292)        | (29,931)        |
| Profit after tax                           | 82,348          | 84,263          |
| Total comprehensive income                 | 82,348          | 84,263          |
| Interim dividend                           | (63,737)        | (25,495)        |
| Basic and diluted earnings per share (ZMW) | 0.39            | 0.40            |

## Condensed Statement of Financial Position as at

|                           | 30 Jun 25<br>ZMW’000 | 31 Dec 24<br>ZMW’000 |
|---------------------------|----------------------|----------------------|
| Non-current assets        | 176,058              | 178,026              |
| Other current assets      | 250,455              | 355,930              |
| Total assets              | 426,513              | 533,956              |
| Non-current liabilities   | (30,813)             | (30,813)             |
| Current liabilities       | (116,594)            | (178,911)            |
| Total net assets          | 279,106              | 324,232              |
| Total shareholders' funds | 279,106              | 324,232              |
| Total capital employed    | 279,106              | 324,232              |

## Condensed Cash Flow Statement for the six months ended 30 June

|                                       | 2025<br>ZMW’000 | 2024<br>ZMW’000 |
|---------------------------------------|-----------------|-----------------|
| Cash generated from operations        | 115,628         | 71,069          |
| Tax paid                              | (73,243)        | (23,442)        |
| Net cash from operating activities    | 42,385          | 47,627          |
| Net cash used in investing activities | (484)           | 3,477           |
| Net cash used in financing activities | (145,599)       | (61,574)        |
| Movement in cash & cash equivalents   | (103,698)       | (10,470)        |
| At the start of the year              | 180,920         | 140,993         |
| At the end of the period              | 77,222          | 130,523         |

## Condensed Statement of Changes in Equity

|                      | Share capital<br>ZMW’000 | Accumulated (Losses)/Profits<br>ZMW’000 | Total equity<br>ZMW’000 |
|----------------------|--------------------------|---|-------------------------|
| 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                 |
| At 1 January 2025    | 2,125                    | 322,107                                 | 324,232                 |
| Comprehensive income | -                        | 82,348                                  | 82,348                  |
| Dividends declared   | -                        | (127,474)                               | (127,474)               |
| At 30 June 2025      | 2,125                    | 276,981                                 | 279,106                 |

## Operating environment

The operating environment has been very challenging for the Company. Despite stability in the monetary policy, easing inflation and growth in GDP, the operating environment continued to present headwinds, notably exchange rate volatility, increased production costs driven by power rationing and the impact of unpredictable and unsustainable tax policy.

In January 2025, the Government implemented a 13% excise duty increase on cigarettes, followed by a substantial 66% increase in August 2025. These tax hikes have been introduced in the context of weakened consumer purchasing power, which is increasingly driving consumers toward lower priced alternatives, many of which evade taxes. This shift has significantly contributed to the growth of illicit trade in the market.

Illicit trade in tax-evaded cigarettes is estimated to account for approximately 24% of the market (based on our market observation and analysis). This illegal activity not only erodes legitimate industry revenues but also results in an estimated annual tax loss of ZMW500million for the Government. While the Government has expressed its commitment to address illicit trade, urgent and coordinated nationwide enforcement action, coupled with robust multi-stakeholder collaboration is essential to effectively curb this growing threat.

We reiterate that excessive and unsustainable excise increases with no corresponding enforcement leads to unintended consequences such as illicit trade, erodes the taxable base of legitimate businesses and ultimately impacts government revenues.

## Financial highlights

- Gross revenue remained relatively stable at ZMW581.2million, reflecting the positive impact of strategic pricing initiatives. However, this was significantly offset by a decline in sales volume, primarily driven by the surge in illicit trade.
- Total cost of operations decreased by 1% to ZMW265.6million, largely attributable to lower sales volume and disciplined cost management.
- Finance costs increased sharply by 185%, mainly due to foreign exchange losses following a 14% appreciation of the Zambian Kwacha against the United States Dollar in Q2 2025.
- Profit after tax declined by 2% to ZMW82.3million, primarily impacted by the higher finance cost.
- Tax contributions comprising Excise Duty, Value Added Tax (VAT), and Corporate Income Tax (CIT) totaled ZMW217.2million, representing a 3% decline versus the same period last year, driven by reduced sales volume.

## Looking forward

A stable and predictable tax policy, complemented by sustained enforcement efforts against illicit trade, is essential to fostering a conducive operating environment. Despite the increasingly challenging market dynamics, we remain confident in our ability to navigate these complexities, deliver strong business performance, and generate sustained value for our shareholders.

## Interim dividend

Despite a challenging period, we remain unwavering in our commitment to deliver sustained shareholder returns. The Board of Directors has therefore, approved an interim dividend in respect of the year ending 31 December 2025 of ZMW0.30 per ordinary share (2024: ZMW0.12).

By Order of the Board  
Chewe Hamabuyu  
Acting Company Secretary  
  
Lusaka

[Incorporated in the Republic of Zambia]  
Company registration number: 119630002333  
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Issued in Lusaka, Zambia on 08 September 2025

**Lusaka Securities Exchange Sponsoring Broker**



STOCKBROKERS ZAMBIA LIMITED

T | +260-211-232456

E | [advisory@sbz.com.zm](mailto:advisory@sbz.com.zm)

W | [www.sbz.com.zm](http://www.sbz.com.zm)

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 08 September 2025**