

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

ISSUER



Lafarge Zambia Plc ["LAFARGE"]
[Incorporated in the Republic of Zambia]

Company registration number: 304
Share Code: LAFARGE
ISIN: ZM0000000011
Authorised by: Chibuye Mbesuma Ngulube-Company Secretary

SPONSOR



Stockbrokers Zambia Limited
[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. Stockbrokers Zambia Limited

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: 10 September 2020

LAFARGE ZAMBIA PLC

UNAUDITED RESULTS FOR THE HALF YEAR ENDED 30TH JUNE 2020

In compliance with the requirements of the Securities Act No.41 of 2016 of the Laws of Zambia and the Listing Rules of the Lusaka Securities Exchange (LuSE), Lafarge Zambia Plc. announces the unaudited results for the half year ended 30th June 2020.

Half Year Key Figures

- Sales revenue at K637 million for the period up by 27% compared to 2019 amidst increase in exports and local demand.
- Cement sales volume decreased by 9% over the same period in 2019.
- Production costs have been adversely affected by the depreciation of the Kwacha, and increase in prices leading to reduced margins.
- Loss before tax at K12 million compared to loss of K36 million at this time in 2019, a positive increase of over 66%.
- Cash generation of K16m due to decrease in receivables and inventory.

Half Year Company Highlights

- The impact of the Covid 19 Pandemic has not spared Zambia. With inflation at 15.9% from 11.7% at the close of December 19, sales volumes have been negatively impacted.
- The Company continued to innovate and adapt to the operating environment. During this period the company launched its Mobile Retail sale ordering application and a Digital delivery system to enable sales from any location without physical interaction.
- Increase in production costs due to depreciation of the Kwacha against the US Dollar and continued impact of increased energy costs has negatively impacted the margins and profit.

Outlook:

We remain committed to ensuring we provide a safe operating environment during this pandemic through the roll out of mobile platforms to serve the needs of our customers.

The Domestic market has continued to be substantially oversupplied, the company continues to look to developing the export market in order to sustain growth.

We also remain committed to doing business in a safe and sustainable way that allows the community in which we operate in to partake in the benefits the business generates and shelters the environment, in line with global LafargeHolcim standards. Through our Geocycle division we are continuously looking at ways of using alternative energy sources that are more environmentally friendly and carbon neutral.

The Directors of Lafarge Zambia are pleased to announce the company results for the period ended 30 June 2020.

Condensed Financial Statements For The Half Year Ended 30th June 2020

Kwacha Thousands

Condensed statement of comprehensive income for the period ended 30 June	2020 K'000'	2019 K'000'
Revenue	637,394	505,191
Loss before Interest and Tax	(34,746)	(30,535)
Net Financing Income/ (Expense)	(2,393)	(2,588)
Sundry Revenue/ (Expense)	-	-
Net Exchange Gain/ (Loss)	24,832	(3,075)
Profit/ (Loss) Before Tax	(12,307)	(36,198)
Income Tax (Expense)/ Credit	-	(6,972)
PROFIT/ (LOSS) FOR THE PERIOD	(12,307)	(43,170)

Loss Attributable to:		
Equity holders of the Parent	(9,230)	(32,378)
Minority Interest	(3,077)	(10,793)
Basic and Diluted Earnings Per Share (Kwacha per share)	(0.062)	(0.216)

Condensed statement of financial position as at 30 June	2020 K'000'	2019 K'000'
Net Assets Employed		
Property, plant and equipment	1,456,334	1,513,361
Investments	25,265	25,126
Net Current Assets	349,610	279,021
	1,831,209	1,817,507
Liabilities due after one year		
Provision for Environmental Liabilities	24,916	23,727
Deferred Liabilities	-	-
Deferred Tax	217,551	238,432
Net Assets	1,588,742	1,555,349
Financed by		
Share Capital	(10,002)	(10,002)
Reserves	(1,578,740)	(1,545,344)
Total Equity	(1,588,742)	(1,555,346)

Condensed statement of cashflow for the period ended 30 June	2020 K'000'	2019 K'000'
Net Cash from Operating Activities	15,939	(29,860)
Net Cash generated from/ (used in) Investing Activities	(6,000)	(32,541)
Net Cash generated/ (utilised) in Financing Activities	-	(50,010)
Decrease in Cash and Cash Equivalents	9,939	(112,411)
Cash and Cash Equivalents at beginning of the year	76,081	72,163
Cash and Cash Equivalents at end of June	86,020	(40,248)

Statement of changes in equity as at 30 June

	Share Capital	Property Revaluation Reserve	Retained Earnings	Total
Balance at 1 January 2019	10,002	479,363	1,159,160	1,648,525
Loss for the Year	-	-	(12,339)	(12,339)
Amortisation of revaluation reserve and deferred tax	-	(22,874)	22,874	0
Dividend paid in respect of previous year 2018	-	-	(50,010)	(50,010)
Deferred tax on revaluation	-	8,006	-	8,006
Balance at December 2019	10,002	464,495	1,119,685	1,594,182
Balance at 1 January 2020				
Loss for the half year			(12,307)	(12,307)
Prior year adjustment			6,867	6,867
	10,002	464,495	1,114,245	1,588,742