

SENS ANNOUNCEMENT
(the “Notice” or “Announcement”)

ISSUER



ZAMBIAN BREWERIES PLC (“ZAMBREW”)
[Incorporated in the Republic of Zambia]

Company registration number: 31609
Share Code: ZAMBREW
ISIN: ZM0000000078
Authorised by: Deborah Bwalya – 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

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: 18 August 2022

Interim Results for the six month period ended 30 June 2022

The Board of Directors of Zambian Breweries Plc., in compliance with the requirements of the Securities Act No.41 of 2016 and the Listings Requirements of the Lusaka Securities Exchange is pleased to announce the unaudited results of the company for the six month period ended 30 June 2022.

STATEMENT OF COMPREHENSIVE INCOME			
For the six months to 30 June 2022			
	30-Jun-22 K'000	30-Jun-21 K'000	% Change
Revenue	1,638,587	1,337,909	22%
Gross Profit	645,001	511,665	26%
Profit from ordinary activities before exchange losses, interest and taxation	300,423	213,712	41%
Realised exchange (loss)/gain	(133,093)	(82,753)	61%
Unrealised exchange (loss)/gain	5,295	(51,048)	110%
Operating profit	172,625	79,911	116%
Finance (cost)/ income	(70,610)	(12,325)	473%
Profit before tax	102,015	67,586	51%
Income tax expense	(22,897)	(8,965)	155%
Deferred tax asset	(6,205)	31,720	-120%
Profit after tax	72,913	90,341	-19%
Other comprehensive income/(loss) after tax	-	-	-
Total comprehensive income/(loss) after tax	72,913	90,341	-
Total comprehensive (loss)/income attributable to:			
Majority shareholders	63,529	78,594	
Minority shareholders	9,384	11,747	
Total comprehensive income/(loss)	72,913	90,341	
Earnings per share (Kwacha)	0.13	0.16	-19%

STATEMENT OF CHANGES IN EQUITY				
	Share capital	Share premium	Retained earnings	Total equity
As at 1 January 2022	5,460	450,207	683,337	1,139,004
Comprehensive income:				
Profit for the year to 30 June 2022	-	-	72,913	72,913
Total comprehensive income for half year	-	-	72,913	72,913
Transactions with owners				
Dividends	-	-	-	-
Total transactions with owners	-	-	-	-
At end of the six months to 30 June 2022	5,460	450,207	756,250	1,211,917

Financial Review

The 2022 financial year has remained positive for the business so far with the first half year recording double digit growth in revenue over prior year driven by consumer demand for our brands, as well as progressive easing off of COVID-19 restrictions that partially impacted prior year results. The general economic environment has also presented relatively stable factors notably so the exchange rate against major trading currencies which has not only softened, but also remained impressively predictable allowing for better cost forecasting and control.

A high level summary of results for the first half year relative to prior year is as follows:

- Total Revenues grew 22% owing to volume growth driven by high margin core and premium global brands.
- Profit before tax grew 51% owing to the strong top-line performance as well as excellent cost control of both operational and financial costs.
- The business remains liquid with a positive cash position of ZMW 256.4m with a strengthening balance sheet.

Strategic Review and Prospects

Over the past ten months, Zambia has experienced increasingly improved and stable economic indicators coupled with favorable copper prices and reduced COVID-19 related business risk. This presents a generally positive outlook for the rest of the year with the IMF projecting a real GDP growth of around 3.1%. For the business, such a positive economic environment provides a viable opportunity for sustainable growth and investment into our current operations ultimately contributing to the current economic growth trajectory and creation of both direct and indirect employment throughout our forward and backward value chain.

The industry continues to experience unprecedented demand for our strong and diversified portfolio of brands which remain the consumer's first choice, this along with our world class commercial strategy enables us to continue delivering our growth targets and consumer preference.

As part of the wider AB-Inbev Africa group, the company continues to actively pursue ambitious growth opportunities as demonstrated by the already announced major expansion plan for the Lusaka Brewery Plant, reinforces the company's going concern position.

Sustainability Update

Creating a future with more cheers requires us to look at our sustainability and environmental impact under five key pillars: Smart Agriculture, Smart Drinking, Water Stewardship, Circular Packaging and Climate Change. Our Smart Agriculture initiatives include partnership with the UN World Food Programme to monitor and assess the performance of sorghum

STATEMENT OF CASHFLOWS			
As at 30 June 2022			
	30-Jun-22	31-Dec-21	
K'million			
Cash flows from operating activities	358,876	(182,845)	
Interest received	600	831	
Interest paid (arising on operating financing)	(51,046)	(86,936)	
Income tax paid	(19,515)	(71,536)	
Net cash generated from operating activities	288,915	(340,486)	
Investing activities			
Purchase of property, plant and equipment	(226,581)	(641,442)	
Proceeds from sale of property, plant and equipment	23,924	9,519	
Purchase of intangible assets	-	(2,763)	
Advance of loan to related party	-	-	
Net cash from (outflow)/ inflow from investing activities	(202,657)	(634,686)	
Financing activities			
Interest paid (arising on longterm borrowings)	-	-	
Proceeds from borrowings	256,303	635,000	
Repayment of bank loans	-	(35,000)	
Dividends paid to shareholders	-	-	
Net cash used in financing activities	256,303	600,000	
Net increase/ decrease in cash and cash equivalents	342,561	(375,172)	
Movement in cash and cash equivalents			
At start of the year	(92,795)	280,803	
Increase in cash and cash equivalents	342,561	(375,172)	
Exchange difference in cash and cash equivalents	6,621	1,574	
Cash and cash equivalents at the end of the period	256,387	(92,795)	

STATEMENT OF FINANCIAL POSITION			
As at 30 June 2022			
	30-Jun-22 K'000	30-Jun-21 K'000	% Change
ASSETS EMPLOYED			
Property, plant and equipment	2,577,680	2,351,099	10%
Current assets	1,186,534	916,017	30%
Total assets	3,764,214	3,267,116	15%
EQUITY & LIABILITIES			
Shareholder funds	1,211,917	1,139,004	6%
Non-current liabilities	1,378,153	989,259	39%
Current liabilities	1,174,144	1,196,464	-2%
Total equity and Liabilities	3,764,214	3,324,727	13%

farming in Gwembe District, and Silverlands and Musika in Zimba District. During the period we also launched of the cassava buying harvest in Luapula and Northern Provinces and sorghum buying season in Southern Province.

Our Smart Drinking initiatives included partnership with the Churches Health Association of Zambia (CHAZ) to help the AB InBev Foundation and the Zambian government address the harmful consumption of alcohol through a Screening and Brief Intervention (SBI) programme in selected Lusaka clinics. This is an on-going initiative.

Under Water Stewardship our initiatives included a tree planting event with Lusaka Water and Sewerage Company at the George Compound Community Industrial borehole.

Meanwhile, our Circular Packaging initiatives covered the Manja Pamodzi partnerships with Java Foods, Yalelo Zambia and Nomad's Court Hotels and Lodges to collect recyclable waste from their business premises. We also empowered our network of refuse collectors and aggregators with digital financial skills through our technology-based payment platform called BanQu.

Meanwhile, our Climate Change initiatives included Investing in the technological upgrade and expansion of our Mungwi Road brewing facility plant to reduce carbon emissions.

Dividend Declaration

At a Board meeting held on Wednesday 3rd August, 2022, the Board resolved not to declare an interim dividend for the period 1st January, 2022 to 30th June, 2022.

By Order of the Board

Deborah Bwalya
Company Secretary

Issued in Lusaka, Zambia on 18 August 2022

Issued in Lusaka, Zambia on 18 August 2022

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 founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia

First Issued on 18 August 2022