

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

ISSUER



Mining Services
AEL ZAMBIA PLC

[Incorporated in the Republic of Zambia]

Company registration number: 2736
Share Code: AELZ
ISIN: ZM0000000284
Authorised by: Esther Johnson – Finance Director

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. 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: 7 March 2019



Mining Services
AEL ZAMBIA PLC.

(Incorporated in the Republic of Zambia under company registration number: 2736)

Share Code: AELZ

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("AELZ" or "the Company")

ABRIDGED FINANCIAL RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2018

In compliance with the Securities Act No. 41 of 2016 and the Listings Requirements of the Lusaka Securities Exchange, AEL ZAMBIA PLC announces the audited financial results for the year ended 31 December 2018.

SUMMARY OF INCOME STATEMENT	31 Dec 2018	31 Dec 2017
	K'000	K'000
Revenue	650 018	519 834
Profit before income tax	115 570	97 019
Income tax expense	(29 661)	(28 699)
Retained profit attributed to ordinary shareholders	85 909	68 320
Earnings per share		
Basic and diluted earnings per share (Kwacha)	4.21	3.35

SUMMARY OF STATEMENT OF FINANCIAL POSITION	31 Dec 2018	31 Dec 2017
	K'000	K'000
Total non-current assets	50 266	47 048
Total current assets	366 586	282 634
Total assets	416 852	329 682
Total equity	337 693	276 229
Total non-current liabilities	10 247	12 377
Total current liabilities	68 912	41 076
Total equity and liabilities	416 852	329 682

SUMMARY OF STATEMENT OF CASH FLOWS	31 Dec 2018	31 Dec 2017
	K'000	K'000
Net cash from operating activities	74 812	55 958
Net cash (used in) / generated from investing activities	(43 265)	(14 231)
Net cash used in financing activities	(84 775)	(47 853)
Net (decrease) / increase in cash and cash equivalents	(53 228)	(6 126)
Cash and cash equivalents at 1 January	107 365	113 782
Effects of exchange rate movements on cash held	62 981	(291)
Cash and cash equivalents at 31 December	117 118	107 365

STATEMENT OF CHANGES IN EQUITY				
K'000	Share capital	Foreign currency translation reserves	Retained earnings	Total
At 1 January 2017	204	85 362	170 235	255 801
Profit for the period	-	-	68 320	68 320
Foreign currency translation differences	-	1 084	-	1 084
Dividend to Equity holders	-	-	(48 976)	(48 976)
At 31 December 2017	204	86 446	189 579	276 229
At 1 January 2018	204	86 446	189 579	276 229
Transition adjustment – IFRS9	-	-	(86)	(86)
Profit for the period	-	-	85 909	85 909
Foreign currency translation differences	-	62 981	-	62 981
Dividend to Equity holders	-	-	(87 340)	(87 340)
At 31 December 2018	204	149 427	188 062	337 693

NOTES TO THE SUMMARY RESULTS

The year-end financial results have been prepared in compliance with International Financial Reporting Standards. Accounting policies are consistent with those applied in the previous financial year. The above summary is an extract from the audited financial statements for the financial year ended 31 December 2018.

Income tax on profits generated in Zambia has been computed at 35% (2017: 35%), and 15% on profits arising from export revenue.

Revenue reserves are the carried forward recognised income, net of expenses plus current period profit attributable to shareholders. Foreign currency translation reserves comprise foreign exchange differences arising from the gains/losses on translation.

Earnings per share are calculated using income attributable to shareholders of K85.909 million (2017: 68.320 million) and shares of 20.407 million (2017: 20.407 million). Earnings per share for the year ended 31 December 2018 were K4.21 (2017: K3.35).

REVIEW OF YEAR END RESULTS AND OPERATIONS

The turnover for the year 2018 showed an increase of 25.04% from the revenue recorded in 2017. Turnover for the year was K650.018 million (2017: K519.834 million). The increase of 25.04% in turnover is attributable to an increase in the demand from export customers and off-take by new customers during the financial year.

The company achieved a net income after taxation of K85.909 million (2017: K68.320 million) for the year ended 31 December 2018. Foreign exchange gains of K62.981 million (2017: K1.084 million) were recognised. This could be attributed to the weakening of the Kwacha during the second half of the year.

DIVIDENDS

The Board is proposing a dividend of ZMW 0.60 to be declared and approved at the AGM. The dividend declared in the prior year was K0.48. The company also declared a special interim dividend of K3.80 in September 2018.

By Order of the Board

Hendrik Jansen van Rensburg
MANAGING DIRECTOR

Issued in Lusaka, Zambia on Thursday 7th March 2019

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

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