

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

ISSUER



PUMA ENERGY ZAMBIA PLC ("PUMA")
[Incorporated in the Republic of Zambia]

Company registration number: 2575
Share Code: PUMA
ISIN: ZM0000000185
Authorised by: Kalunga Lutato – Company Secretary

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited
[Member of the Lusaka Stock 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 Stock 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: 07 March 2019



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 [Incorporated in the Republic of Zambia]
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 [“PUMA” or “the Company”]

In compliance with Securities Act No.41 of 2016 of the Laws of Zambia and the Listing Requirements of the Lusaka Securities Exchange, Puma Energy Zambia Plc is pleased to announce the audited financial results for the year ended 31 December 2018.

Statement of Profit or Loss and Other Comprehensive Income

	Year ended 31-Dec-18 K'000'	Year ended 31-Dec-17 K'000'
Revenue	<u>4,158,737</u>	<u>3,437,058</u>
Profit from ordinary activities before exchange gain/(loss), other operating expense, interest and taxation	236,509	177,955
Exchange gain/(loss)	1,452	1,628
Finance income	493	1,033
Other operating expense	-	(56,456)
Finance expense	<u>(62,403)</u>	<u>(40,857)</u>
Profit before income tax	176,051	83,303
Income tax expense	<u>(60,918)</u>	<u>(28,988)</u>
Profit for the year	<u>115,133</u>	<u>54,315</u>
Other comprehensive income		
Re-measurement of actuarial gains/(losses) on defined benefit plans	(1,482)	(3,515)
Income tax effect	519	1,230
Fixed assets revaluation	-	-
Total comprehensive income	<u>114,170</u>	<u>52,030</u>
Interim dividend paid	-	-
Final dividend proposed	-	11,000
Total dividend	-	11,000
Earnings per share (Kwacha)	0.230	0.109
Headline Earnings per share (Kwacha)	0.230	0.109
Dividends per share (Kwacha)	-	0.022

Statement of Financial Position (Abridged)

	As at 31-Dec-18 K'000'	As at 31-Dec-17 K'000'
ASSETS EMPLOYED		
Property, plant and equipment	420,833	422,528
Other receivables – Non-current	31,295	33,610
Pension surplus	16,727	15,354
Current assets	<u>833,771</u>	<u>675,825</u>
Total assets	<u>1,302,626</u>	<u>1,147,317</u>
EQUITY & LIABILITIES		
Shareholders' funds	713,367	610,197
Non-current liabilities	78,945	97,649
Current liabilities	<u>510,314</u>	<u>439,471</u>
Total Equity & Liabilities	<u>1,302,626</u>	<u>1,147,317</u>

Statement of Cash Flows

Abridged Statement of Cash Flow for the year ended 31 December 2018

	2018 K'000	2017 K'000
Net cash from Operating activities	280,246	(25,565)
Net cash used in Investing activities	(14,108)	(34,334)
Net cash used in Financing activities	(88,038)	(96,200)
Increase in Cash and Cash equivalents	178,100	(156,099)
Cash and Cash equivalents at the beginning of the year	(214,384)	(58,285)
Cash and Cash equivalents at the end of the year	<u>(36,284)</u>	<u>(214,384)</u>

Statement of Changes in Equity for the year ended 31 December 2018

	Share capital	Revaluation reserves	Employee defined benefit scheme	Retained earnings	Total Equity
	K'000	K'000	K'000	K'000	K'000
Balance at 1 January 2017	5,000	116,930	4,337	459,100	585,367
Profit for the year	-	-	-	54,315	54,315
Depreciation transfer	-	(225)	-	225	-
Other comprehensive income	-	-	(2,285)	-	(2,285)
Total comprehensive income	-	(225)	(2,285)	486,440	52,030
Dividends declared in 2017	-	-	-	(27,200)	(27,200)
Balance at 31 December 2017	5,000	116,705	2,052	486,440	610,197
Balance at 1 January 2018	5,000	116,705	2,052	486,440	610,197
Profit for the year	-	-	-	115,133	115,133
Other comprehensive income	-	-	(963)	-	(963)
Total comprehensive income	-	-	(963)	115,133	114,170
Dividends for 2018	-	-	-	(11,000)	(11,000)
Balance at 31 December 2018	5,000	116,705	1,089	590,573	713,367

REVIEW OF FINAL RESULTS FOR 2018 AND PERFORMANCE

Company Performance

For the year ended 31 December 2018 the Company recorded a profit after tax of K115.13 million compared to K54.31 million recorded in the previous financial year. Volumes were 5.2% higher than those achieved for the same period last year.

A profit before finance costs, taxation and exchange gains of K236.51 million was achieved for the year ended 31 December 2018 compared to K177.96 million for the previous year, while the pre-tax profit was K176.05 million compared to K83.30 million the previous year.

Contingencies

Contingencies are as disclosed in the Financial Statements.

The key highlights of the financial performance for the period were as follows:

1. Volumes for the year under review were 5.2% higher than last year. This was mainly due to increase in demand in the Business-to-Business and Aviation segments. In Retail segment, volumes were lower due to price increases in February and October.

2. During the period under review, the Company invested a total of K15.10 million in capital projects compared to K35.51 million for the previous year. This expenditure was mainly incurred on various projects in our Retail network and towards assets invested in our Mining / Business-to-Business line.
3. The Kwacha was relatively stable for most part of the year. However, in September, it depreciated against the US dollar and closed the year at 11.95 compared to K9.95 at close of 2017.

PROSPECTS

With the Company's new business prospects in some of its key business segments, sales volumes are expected to grow in 2019. Also, with its strong investment program, the Company is confident that it will continue to grow and remain a key player in the energy sector.

Safety of operations and personnel will remain a key priority.

PROPOSED FINAL DIVIDENDS

On account of liquidity challenges caused by substantial sums of receivables, whose timing of realisation is uncertain, the Board of Directors resolved not to recommend a dividend for the year ended 31st December 2018.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Members of the Company will be held on Thursday, 28th March 2018 in the Zango Hall at the Southern Sun Ridgeway Hotel, Lusaka, Zambia commencing at 10:00 hours.

By Order of the Board

Kalunga Lutato
Company Secretary

Issued in Lusaka, Zambia on 07 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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