

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

ISSUER



MINING EXPLOSIVES

AECI MINING EXPLOSIVES PLC
[Incorporated in the Republic of Zambia]

Company registration number: 2736
Share Code: AECI
ISIN: ZM0000000284
Authorised by: Warren Pritchard – Finance Director

SPONSOR



Stockbrokers Zambia Limited
[Founder Member of the Lusaka Securities Exchange]
[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Person: Mchema Chinzewe
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. AECI Mining Explosives 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: 06 March 2024



AECI MINING EXPLOSIVES PLC
 [Incorporated in the Republic of Zambia as a public company]
 Registration number: 2736
 Share Code: AECI
 ISIN: ZM0000000284
 “AECI” or “the Company”

RESULTS FOR THE YEAR ENDED 31 December 2023

In compliance with the Securities Act No. 41 of 2016 and the Listings Requirements of the Lusaka Securities Exchange, AECI Mining Explosives Plc announces the audited results for the year ended 31 December 2023.

SUMMARY STATEMENT OF COMPREHENSIVE INCOME	2023	2022
ZMW'000	Year	Year
	Audited	Audited
Revenue	903,429	904,386
(Loss) profit before tax	(19,737)	40,714
Income tax expenses	(12,095)	(17,061)
(Loss) profit for the year	(31,832)	23,653

Basic earnings per share (ZMW)	(1.56)	1.16
--------------------------------	--------	------

SUMMARY STATEMENT OF FINANCIAL POSITION	2023	2022
ZMW'000	Year	Year
	Audited	Audited
ASSETS		
Non-current assets	92,111	67,156
Current assets	601,485	528,827
Total assets	693,596	595,983
Total equity and reserves	584,324	455,123
Non-current liabilities	17,059	17,685
Current liabilities	92,213	123,175
Total equity and liabilities	693,596	595,983

SUMMARY STATEMENT OF CASH FLOWS	2023 Year Audited	2022 Year Audited
ZMW'000		
Cash from (utilised in) operating activities	45,203	(13,367)
Cash flows from (utilised in) investing activities	2	(1,290)
Cash flows from financing activities	(711)	(18,727)
Total cash movement for the year	44,494	(33,384)
Cash at the beginning of the year	40,627	68,792
Effects of exchange rate movement on cash balances	14,706	5,219
Total cash at end of year	99,827	40,627

SUMMARY STATEMENT OF CHANGES IN EQUITY	2023 Year Audited	2022 Year Audited
ZMW'000		
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	128,844	57,940
Dividends paid	-	(18,356)
Share based payments	357	237
Equity at beginning of period	455,123	415,302
EQUITY AT THE END OF THE PERIOD	584,324	455,123
Made up as follows:		
Ordinary share capital	204	204
Reserves:		
- Foreign currency translation differences	422,067	261,391
- Share based payments	357	237
Retained Earnings	161,696	193,291
	584,324	455,123

REVIEW OF RESULTS

Revenue achieved during the year ended 31 December 2023 amounted to ZMW 903.4 million (2022: ZMW 904.4 million). This decrease is due to reduced sales volumes to local customers. The Zambian Kwacha depreciated against the United States Dollar by 42.3% compared to the prior year. This led to a rise in US Dollar denominated material costs and operating expenses on translation. The material margin for the year was 28.5% compared to 28.2% achieved in the corresponding year of 2022. Margin percentages had partly recovered as a result of lower commodity and raw material prices. However, due to the use of high-cost materials imported in 2022 and early 2023 and the subsequent reduction in selling prices, bulk margins have been negatively affected.

The company posted a net loss after taxation of ZMW 31.8 million (2022: ZMW 23.7 million net profit after taxation), a reduction of 234.5% from the prior year of 2022.

The reported numbers for revenue and net loss after tax were impacted by the depreciation in the value of the Kwacha to the US Dollar since December 2022. The average exchange rate used in 2023 was 20.1061 against the rate of 16.9298 in 2022.

Operating costs were well managed to stay around the expected range.

LOSS PER SHARE

Loss per share are calculated using the loss for the year of ZMW 31.8 million (2022: ZMW 23.7 million profit) and the number of issued shares of 20.407 million (2022: 20.407 million). Loss per share reported in 2023 was ZMW 1.56 compared to earnings per share of ZMW 1.16 for 2022.

DIVIDENDS

The Board of Directors have agreed not to declare a dividend for the year ended 31 December 2023. No interim dividend was declared for the year ended 31 December 2023.

The decision not to declare a dividend was taken after careful consideration of the current level of activity within the business, current cash on hand and future requirements for business working capital.

OUTLOOK

Going forward, conditions in the local and global economy look positive as the investor sentiment remains high for Zambia, not to mention the increasing need for copper and copper-based products worldwide. This should equate to an increase in production for our main customers.

By Order of the Board

Warren Pritchard
Financial Director

Issued in Lusaka, Zambia on 6 March 2024

Lusaka Securities Exchange Sponsoring Broker	
	<p>T +260-211-232456</p> <p>E advisory@sbz.com.zm</p> <p>W www.sbz.com.zm</p> <p>Stockbrokers Zambia Limited (SBZ) is a founder member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia</p>

First Issued on 06 March 2024