

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"), Chilanga Cement Plc. announces the unaudited results for half year ended 30th June 2024.

Year Key Figures

- Sales revenue at K1, 185 million for the period up by 34% compared to same period 2023.
- Profit before tax at K306 million, 177% increase compared to K110 million in 2023.
- Cash and cash equivalents balance of K458 million, 69% increase compared to K270 million in 2023.

Full Year Company Highlights

In the midst of a competitive domestic market, the Company showed its strength and resilience by achieving a strong operational and financial performance during the half year of 2024. The Company continued to effectively serve its local and export markets in the midst of a challenging trading environment marked by unstable currency fluctuations, and insufficient electricity supply in the economy.

While competition in the Zambian cement industry remained very high, the Company increased its earnings per share to K1.16 (2023:K0.43) representing 171% increase compared to 2023. This was achieved through the various significant production and operational cost efficiency initiatives implemented during the year.

Mr Chai, Chief Executive Officer of Chilanga Cement Plc said:

Despite the challenges faced by the cement industry in 2024, I am pleased to report a 34% growth in revenue and a 177% increase in profit before tax. This remarkable growth is attributed to the dedicated efforts of our employees, including strategic cost saving and various marketing initiatives targeting both domestic and export markets.

I would like to express my gratitude to our shareholders for their unwavering confidence, our customers for their continued loyalty, and all our employees for their exceptional hard work. I also extend my thanks to the Huaxin Group for its invaluable guidance and to all stakeholders for their support. I look forward to achieving outstanding company performance by the end of 2024.

Outlook for 2024:

The cement industry in Zambia is anticipated to experience growth in the second half of 2024. This growth will be fueled by substantial investments in infrastructure projects, such as the Lusaka-Ndola dual carriageway, the anticipated revitalization of the mining sector, and favorable investment conditions. These factors are expected to drive an increased demand for construction materials.

CONDENSED FINANCIAL STATEMENTS FOR HALF YEAR ENDED 30 JUNE 2024

Condensed Statement of Comprehensive Income for half year ended 30 June

	2024	2023
	ZMW'000	ZMW'000
Revenue	1,185,151	885,193
Operating Profit	304,793	112,645
Investment Income	8,592	863
Finance Costs	(7,204)	(3,168)
Profit before tax	306,181	110,340
Income tax (expense)	(73,218)	(24,341)
Profit for half year	232,963	85,999
Profit attributed to:		
Equity holders of the parent	174,722	71,379
Minority interest	58,241	14,620
Basic and diluted earnings per share (Kwacha)	1.16	0.43

Condensed Statement of Financial Position as at 30 June

	2024	2023
	ZMW'000	ZMW'000
Net assets employed		
Property, plant and equipment	2,110,594	1,809,570
Intangible assets	7,181	308
Environmental Protection Fund	24,466	-
Net current assets	546,032	617,405
	2,688,273	2,427,283
Liabilities due after one year		
Provision for Environmental Liabilities	74,381	39,038
Deferred tax	379,498	304,056
Total Liabilities due after one year	453,879	343,094
	2,234,394	2,084,189
Financed by		
Share capital	10,002	10,002
Reserves	2,224,392	2,074,187
	2,234,394	2,084,189

Statement of Changes in Equity as at 30 June

	Share Capital	Revaluation Reserve	Retained Earnings	Total
	ZMW'000	ZMW'000	ZMW'000	ZMW'000
Balance at 1 January 2023	10,002	777,429	1,410,799	2,198,230
Profit for the year	-	-	447,441	447,441
Deferred tax on revaluation	-	(56,463)	56,463	-
Depreciation transfer on revalued assets	-	55,902	-	55,902
Dividends paid	-	-	(400,081)	(400,081)
Balance at 31 December 2023	10,002	776,868	1,514,622	2,301,492
Balance at 1 January 2024	10,002	776,868	1,514,622	2,301,492
Profit for the year	-	-	232,963	232,963
Dividends paid	-	-	(300,061)	(300,061)
Balance at 30 June 2024	10,002	776,868	1,447,524	2,234,394

Condensed Statement of Cashflow for the year ended 30 June

	2024	2023
	ZMW'000	ZMW'000
Net cash from operating activities	326,140	(54,882)
Net cash used in investing activities	(136,691)	(28,344)
Net cash generated (utilised) in financing activities	(300,061)	(185,870)
(Decrease)/increase in cash and cash equivalents	(110,612)	(269,096)
Effect of foreign exchange rate changes	(32,787)	105,332
Cash and cash equivalents at beginning of the year	600,912	434,209
Cash and cash equivalents at end of June	457,513	270,445

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