

SENS ANNOUNCEMENT

(the “Announcement”)

ISSUER



METAL FABRICATORS OF ZAMBIA PLC (“ZAMEFA”)

[Incorporated in the Republic of Zambia]

Company registration number: 5079
Share Code: ZAMEFA
ISIN: ZM0000000243
Authorised by: The Board of Directors

SPONSOR



Stockbrokers Zambia Limited

[Founder Member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

Contact Person: Victoria Kawonga
Contact Number: +260-211-232456
Website: www.sbz.com.zm

APPROVAL

The Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Metal Fabricators of Zambia Plc

RISK WARNING

The 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: 20 November 2024



METAL FABRICATORS OF ZAMBIA PLC
 [Company incorporated in the Republic of Zambia]
 Company Registration Number: 5079
 Share Code: ZAMEFA
 ISIN: ZM0000000243
 ["ZAMEFA" or "the Company"]

In compliance with the Securities Act No. 41 of 2016 and the Listing Requirements of the Lusaka Securities Exchange, Metal Fabricators of Zambia PLC (ZAMEFA) announces its results for the year ended 30th September 2024.

Extract from Statement of Profit or Loss and other Comprehensive Income

	Audited	
	Year ended 30-Sep-2024	Year ended 30-Sep-2023
	Zmw'000	Zmw'000
Revenue	3,401,606	2,336,073
Gross profit	367,952	186,476
Operating Income	278,079	113,187
Net Finance costs	(47,775)	(32,535)
Net foreign exchange losses	(32,331)	(49,628)
Profit before tax	197,973	31,024
Income tax	(18,530)	(5,396)
Profit for the year	179,443	25,628
Other comprehensive income		
<i>Items that will not be reclassified to profit of loss</i>		
Revaluation surplus	9,865	-
Deferred tax on current year's revaluation surplus	(1,480)	-
Deferred tax on tax rate change	(6,325)	-
Other comprehensive income, net of tax	2,060	-
Total comprehensive income	181,503	25,628
Earnings per share*	6.62	0.95

*Calculated on profit for the year

Extract from Statement of Financial Position

	Audited	
	30-Sep-2024	30-Sep-2023
	Zmw'000	Zmw'000
Assets		
Non-current assets		
Property, plant and equipment	156,869	141,866
Deferred tax	747	-
Total non-current assets	<u>157,616</u>	<u>141,866</u>
Current assets		
Other current assets	821,204	480,771
Cash and bank balances	369,536	203,368
Total current assets	<u>1,190,740</u>	<u>684,139</u>
Total assets	<u><u>1,348,356</u></u>	<u><u>826,005</u></u>
Equity and liabilities		
Capital and Reserves		
Share capital	271	271
Equity loan	365,000	365,000
Revaluation surplus	114,248	112,188
Share based payment reserve	-	-
Accumulated losses	(92,065)	(271,508)
Total equity	<u>387,454</u>	<u>205,951</u>
Non-current liabilities		
Deferred tax liabilities	-	497
Retirement benefit obligations	1,898	1,953
Total non-current liabilities	<u>1,898</u>	<u>2,450</u>
Current liabilities		
Trade and other payables	925,671	604,368
Bank overdrafts	-	-
Retirement benefit obligations	9,455	5,237
Current tax liabilities	23,878	7,999
Total current liabilities	<u>959,004</u>	<u>617,604</u>
Total liabilities	<u>960,902</u>	<u>620,054</u>
Total equity and liabilities	<u><u>1,348,356</u></u>	<u><u>826,005</u></u>

Statement of changes in equity

	Share capital	Equity Loan	Revaluation reserve	Accumulated loss	Total
	Zmw'000	Zmw'000	Zmw'000	Zmw'000	Zmw'000
At start of the year	271	365 000	112 188	(271,508)	205,951
Profit for the year				179,443	179,443
Other comprehensive income					
Revaluation surplus	-	-	9,865	-	9,865
Deferred tax on current year's revaluation surplus	-	-	(1,480)	-	(1,480)
Deferred tax on tax rate change	-	-	(6,325)	-	(6,325)
At end of the year	271	365 000	114 248	(92,065)	387,454

	Audited	
	30-Sep-2024	30-Sep-2023
	Zmw'000	Zmw'000
Statement of cash flows		
Cash flows from operating activities		
Cash generated from operations	237,294	243,811
Net Interest paid	(47,775)	(32,535)
Income tax paid	(11,700)	(2,982)
	<hr/>	<hr/>
Net cash generated from operating activities	177,819	208,294
Net cash outflow from investing activities	(8,777)	(9,855)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	169,042	198,439
	<hr/> <hr/>	<hr/> <hr/>
Movement in cash and cash equivalents		
At start of the year	203,368	11,339
Effect of exchange rate movements on cash and cash equivalents	(2,874)	(6,410)
Movement in cash and cash equivalents	169,042	198,439
	<hr/>	<hr/>
At end of the year	369,536	203,368
	<hr/> <hr/>	<hr/> <hr/>
Comprising of:		
Cash and bank balances	369,536	203,368
Bank overdraft	-	-
	<hr/>	<hr/>
Net cash and cash equivalents	369,536	203,368
	<hr/> <hr/>	<hr/> <hr/>

Summary of operating results

	Year ended 30-Sep-24 Zmw '000	Year ended 30-Sep-23 Zmw '000
Revenue	3,401,606	2,336,073
Operating Income	278,079	113,187
Profit for the year	179,443	25,628

Commentary

Revenue increased by 46% to **Zmw3,402 million** (2023: Zmw2,336 million). As most of the Company's revenue was generated in United States Dollars ("USD"), the depreciation of the Zambian Kwacha against the USD contributed to the higher revenue in the 2024 financial year. Additionally, higher sales volumes, the pass-through effect of higher copper prices in the financial year and an improved mix of product sold also contributed to the increased revenue.

The operating profit for the current year increased to **Zmw278 million** (2023: Zmw113 million) mainly due to the effect of the depreciation of the Zambian Kwacha against the USD on the revenue and cost of sales which are largely USD denominated, higher volumes sold compared to the prior year, a more favourable sales mix and improved efficiencies in the plant. The Company managed to reduce its net foreign liability position which mitigated the foreign exchange loss for the year to **Zmw32 million** (2023: ZMW50 million). Finance costs of **Zmw47.9 million** (2023: Zmw32.8 million) were 46% higher than those of the prior year, due to the negative effect of a weakening Zambian Kwacha on the USD denominated funding.

The Company's net cash position at the end of the 2024 financial year increased to **Zmw369.5million** (2023: Zmw203 million). The Company's gearing ratio at **71%** (2023: 75%) remains above the Company's targeted gearing and the Company still have an accumulated loss of ZMW92 million.

The Company's earnings per share for the year under review was Zmw6.62, while the prior year per share was Zmw0.95.

By Order of the Board

BDO Zambia Limited – Company Secretaries.
Issued in Lusaka, Zambia, on 20 November 2024

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

First Issued on 20 November 2024