

SENS ANNOUNCEMENT
("the notice" or "the announcement")

THE ISSUER



Zambeef Products Plc.

Incorporated in the Republic of Zambia

Company Registration Number: 31824

Share code: ZAMBEEF

ISIN: ZM0000000201

THE SPONSORING BROKER



AUTUS SECURITIES LIMITED

Contact: Mataka Nkhoma | Tel: +260 840 513 info@autussecurities.com

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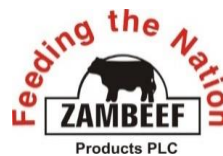
- The Lusaka Securities Exchange Plc.
- The Securities and Exchange Commission
- Zambeef Products Plc

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 on 10 December 2024



Zambeef Products PLC
 ("Zambeef" or the "Group")
 [INCORPORATED IN THE REPUBLIC OF ZAMBIA]
 COMPANY REGISTRATION NUMBER: 31824
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FULL YEAR 2024 FINANCIAL RESULTS

In accordance with the requirements of the Securities and Exchange Act No. 41 of 2016, Zambeef Products PLC announces its results for the year ended 30 September 2024.

STATEMENT OF COMPREHENSIVE INCOME	Group		Company	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	Audited ZMW'000s	Audited ZMW'000s	Audited ZMW'000s	Audited ZMW'000s
Revenue	7,315,845	6,046,157	6,939,511	3,384,408
Change in fair value of biological assets	1,040,358	643,197	933,588	568,975
Cost of sales	(5,881,085)	(4,846,092)	(5,861,282)	(3,046,883)
Gross profit	2,475,118	1,843,262	2,011,817	906,500
Administrative expenses	(1,682,765)	(1,336,486)	(1,431,766)	(741,469)
Distribution Expenses	(208,395)	(96,287)	(190,771)	(1,302)
Impairment of investment	(34,370)	-	(34,370)	-
Net impairment losses on financial assets	(1,264)	(2,713)	1,802	(1,768)
Other income/(expenses)	(61,132)	(46,419)	(74,116)	(18,064)
Operating profit	487,192	361,357	282,596	143,897
Share of loss equity accounted investment	-	(2,595)	-	(2,595)
Net Finance costs and income	(294,531)	(155,089)	(294,188)	(123,921)
Profit/(loss) before taxation	192,661	203,673	(11,592)	17,381
Taxation charge	(12,565)	(72,851)	18,228	(15,704)
Profit/(loss) for the period from continued operations	180,096	130,822	6,636	1,677
Profit from discontinued operations	-	(10,604)	-	(10,604)
Total profit/(loss) for the period	180,096	120,218	6,636	(8,927)
Group profit/(loss) attributable to:				
Owners of Zambeef Products PLC	179,840	118,612	6,636	(8,927)
Non-controlling interests	256	1,606	-	-
	180,096	120,218	6,636	(8,927)
Total comprehensive income for the period				
Equity holders of the parent	286,575	990,425	132,568	870,323
Non-controlling interest	(5,761)	(6,696)	-	-
	280,814	983,729	132,568	870,323
Earnings per share	Ngwee	Ngwee	Ngwee	Ngwee
Continued operations	59.83	42.99	2.21	0.56
Discontinued operations	-	(3.53)	-	(3.53)
Total basic earnings per share	59.83	39.46	2.21	(2.97)

ABRIDGED STATEMENT OF FINANCIAL POSITION	Group		Company	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	Audited ZMW'000s	Audited ZMW'000s	Audited ZMW'000s	Audited ZMW'000s
ASSETS				
Property, plant and equipment	5,577,265	4,818,533	4,791,182	3,595,380
Biological assets	440,895	408,398	362,780	355,755
Inventories	2,088,778	1,656,487	1,929,536	1,104,477
Trade and other receivables	346,130	332,703	472,287	1,277,442
Assets held for disposal	-	157,640	-	157,640
Cash and cash equivalents	334,415	271,222	292,763	209,854
Other Assets	25,015	59,385	93,087	138,390
Total Assets	8,812,498	7,704,368	7,941,635	6,838,938
Equity	4,957,940	4,677,126	3,890,600	4,138,333
Long-Term Interest-bearing liabilities	856,362	687,679	856,362	687,679
Long-Term leases	13,350	15,622	13,350	7,403
Short-Term Interest-bearing liabilities	1,525,671	972,827	1,525,671	783,148
Short-Term leases	8,578	6,448	8,578	6,288
Trade and other payables	917,674	834,191	1,172,966	886,026
Other equity and liabilities	532,923	510,475	474,108	330,061
Total Equity and Liabilities	8,812,498	7,704,368	7,941,635	6,838,938

ABRIDGED GROUP STATEMENT OF CASH FLOW	Group		Company	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
	Audited ZMW'000s	Audited ZMW'000s	Audited ZMW'000s	Audited ZMW'000s
Net cash inflow from operating activities	171,351	177,691	(117,747)	(109,570)
Net cash (outflow) on investing activities	(805,971)	(813,270)	(529,387)	(498,833)
Net cash inflow from financing activities	622,097	382,820	622,097	384,123
Group restructuring transfer	-	-	(164,222)	-
Effects of exchange differences	5,125	-	11,898	-
Cash at the beginning of the period	(380,467)	(127,708)	(252,156)	(27,876)
Cash at the end of the period	(387,865)	(380,467)	(429,517)	(252,156)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024

Group	ZMW' 000	Issued share capital	Share premium	Preference Share Capital	Foreign exchange reserve	Revaluation reserve	Retained earnings	Total attributable to owners of the parent	Minority interest	Total equity
At start of year		3,006	1,125,012	1,000	660,390	1,964,087	930,261	4,683,756	(6,630)	4,677,126
Profit for the year		-	-	-	-	-	179,840	179,840	256	180,096
Revaluation surplus		-	-	-	-	5,734	-	5,734	-	5,734
Transfer of excess depreciation		-	-	-	-	(49,059)	49,059	-	-	-
Deferred income tax		-	-	-	-	133,328	-	133,328	-	133,328
Actuarial remeasurement losses		-	-	-	-	-	(2,523)	(2,523)	-	(2,523)
Translation losses on foreign operations		-	-	-	(26,950)	-	-	(26,950)	(8,871)	(35,821)
Total comprehensive income for the year		-	-	-	(26,950)	90,003	226,376	289,429	(8,615)	280,814
At year ended 30 September 2024		3,006	1,125,012	1,000	633,440	2,054,090	1,156,637	4,973,185	(15,245)	4,957,940

Company	ZMW' 000	Issued share capital	Share premium	Preference Share Capital	Foreign exchange reserve	Revaluation reserve	Retained earnings	Total equity
At start of year		3,006	1,125,012	1,000	687,048	1,561,799	760,468	4,138,333
Reserves from business combination		-	-	-	-	197,599	(577,900)	(380,301)
Profit for the year		-	-	-	-	-	6,636	6,636
Transfer of excess depreciation		-	-	-	-	(40,170)	40,170	-
Deferred income tax		-	-	-	-	128,455	-	128,455
Actuarial remeasurement losses		-	-	-	-	-	(2,523)	(2,523)
Total comprehensive income for the year		-	-	-	-	88,285	44,283	132,568
At year ended 30 September 2024		3,006	1,125,012	1,000	687,048	1,847,683	226,851	3,890,600

Performance Overview

- The year ended 30th September 2024 saw the group achieve profitability growth with volume growth in key categories compared to the prior year, highlighting the Group's agility and adaptability in an ever-evolving market and economic landscape. The management team's relentless focus on optimizing top-line growth through effective revenue management, alongside rigorous cost control measures, has played a vital role in driving this performance success.
- In a challenging operating and economic environment, the company's relative successes underscore the strength of our organization's talent and the value of our enduring partnerships with customers, suppliers, and local communities. Reflecting on the period under review, it is evident that our focus on achieving commercial objectives, maintaining operational excellence, and driving cost optimization has propelled the business forward and strengthened our position across key sectors of operation
- The financial period saw considerable fluctuations in the Kwacha, with a depreciation of 26% against the USD. This volatility was driven by high USD demand, reduced mining activity, and sustained global interest rate hikes, impacting foreign investment in local bond auctions. Inflation closed the period at 15.6%, up from 12% the previous year, driven by currency depreciation and rising food and energy prices

Outlook

- Looking ahead, our strong brand presence will continue to serve as a cornerstone in maintaining customer loyalty. Additionally, our vertically integrated business model positions us favourably, ensuring a dependable supply chain and market for our products. We anticipate a stabilization in the economic environment following the recent understanding reached by the government with international bondholders regarding debt restructuring, coupled with the expected upswing in copper production and prices over the medium to long term. With these factors in mind, the Group is well-positioned to capitalize on the opportunities arising from a positive economic outlook, strategically investing for the future in anticipation of an upturn in consumer spending.
- Our ongoing commitment to consolidating our balance sheet through the disposal of non-core assets, optimising existing assets and the expansion of capacity remains a central focus. These measures are geared towards enhancing shareholder value, a goal we remain dedicated to achieving. By fortifying our financial foundation and strengthening our operational capabilities, we are poised for sustained growth and prosperity in the years ahead

Key Financial Highlights

- Escalating costs of vital inputs and commodities, such as fuel, imported inputs, and grain, resulted in increased production costs for our production divisions. However, the Group demonstrated volume growth in most divisions, leveraging the momentum from the performance at the half-way point of this financial year.
- The Group delivered a strong operating profit of ZMW 487.2 million (USD 19.7 million), reflecting a 35% increase in kwacha terms despite a marginal decline of 1% in US dollar terms compared to the prior year's ZMW 361.4 million (USD 19.8 million). This performance underscores the effectiveness of our cost optimization initiatives and the resilience of our operations amidst a challenging environment
- Volume growth was recorded across most divisions, driven by disciplined revenue management and the successful execution of sales and operational strategies, building on the momentum established at the mid-point of the financial year.
- However, escalating costs of key inputs and commodities—such as fuel, imported materials, and grain—placed upward pressure on production costs across the Group. Additionally, interest expenses doubled, primarily due to increased debt to fund expansion activities, coupled with rising market interest rates.
- The Group ultimately recorded a profit of ZMW180.1 million (USD 7.4 million) for 2024 compared to ZMW130.8 million (USD 7.2 million) of value generated in the previous corresponding period.
- Despite these challenges, the Group remains steadfast in its commitment to delivering high-quality products, strengthening brand equity, and driving value creation. With a diversified and vertically integrated business model, strong brands, and a capable management team, we are well-positioned to capitalize on future opportunities and navigate potential risks with resilience and agility.

Strategic Focus

- Our strategic focus remains to optimise our existing asset utilisation, maximise return and drive profitability. We remain committed to our strategy of focussing on our core businesses, in which we strive to be the best in class. The continued investment in key strategic assets and divestiture of non-core assets will enable us to increase cash generation and profitability and therefore continue to deliver shareholder value. I am pleased to report that our \$100 million medium-term expansion plans are proceeding as scheduled. We have maintained our dedication to enhancing capacity and efficiency in Cropping, Milling, Stockfeed, Dairy, and Poultry.
- Our strategic focus in optimising costs and rationalising the Group's operations continued throughout the period.

For further information, please visit www.zambeefplc.com or contact:

Zambeef Products plc

Faith Mukutu, Chief Executive Office
Patrick Kalifungwa, Chief Financial Officer

Tel: +260 (0) 211 369003

**Cavendish Capital Markets Ltd (Nominated
Adviser and Broker)**

Ed Frisby/Abigail Kelly (Corporate Finance)
Tim Redfern (ECM)

Tel: +44 (0) 20 7220 0500

Autus Securities Limited (Sponsoring Broker)

Mataka Nkhoma (Sponsoring Broker)

Tel: +260 (0) 211 840 513

About Zambeef Products plc

Zambeef Products plc is the largest integrated cold chain food products and agribusiness company in Zambia and one of the largest in the region, involved in the primary production, processing, distribution and retailing of beef, chicken, pork, milk, dairy products, fish, flour and stockfeed, throughout Zambia and the surrounding region, as well as Nigeria and Ghana.

It has 236 retail outlets throughout Zambia and West Africa.

The Company is one of the largest suppliers of beef in Zambia. Five beef abattoirs and three feedlots are located throughout Zambia, with a capacity to slaughter 230,000 cattle a year. It is also one of the largest chicken producers in Zambia, with a capacity of 10.6m broilers and 31.8 million-day-old chicks a year. It is one of the largest piggeries, pig abattoirs and pork processing plants in Zambia, with a capacity to slaughter 75,000 pigs a year, while its dairy has a capacity of 120,000 litres per day.

The Group is also one of the largest cereal row cropping operations in Zambia, with approximately 7,787 hectares of row crops under irrigation, which are planted twice a year, and a further 8,694 hectares of rainfed/dry-land crops available for planting each year.

Mwansa M Mutimushi

COMPANY SECRETARY

Issued in Lusaka, Zambia on 10 December 2024

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AUTUS SECURITIES LIMITED

Tel: +260 840 313, +260 761 002 002 | info@autussecurities.com
www.autussecurities.com

Autus Securities Limited is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia.

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