

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

ISSUER



ZAMBIA SUGAR PLC ["ZSUG"]
[Incorporated in the Republic of Zambia]

Company registration number: 2880
Share Code: ZSUG
ISIN: ZM0000000052
Authorised by: Harriet Kapekele-Katongo – Company Secretary

SPONSOR



Stockbrokers Zambia Limited
[Member of the Lusaka Securities 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 Securities Exchange
- ii. The Securities and Exchange Commission
- iii. Zambia Sugar Plc

DISCLAIMER AND RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price sensitive nature.

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ISSUED: 27 May 2025



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(INCORPORATED IN THE REPUBLIC OF ZAMBIA)
COMPANY REGISTRATION NUMBER: 2880

SHARE CODE: ZSUG

ZM0000000052

ISIN:-

HALF YEAR RESULTS

In accordance with the requirements of the Securities Act No. 41 of 2016, Zambia Sugar PLC announces its results for the 6-month period ended 28 February 2025

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 6 months ended 28 February 2025	Audited 6 months ended 29 February 2024
	K '000	K '000
Revenue	3 970 644	3 261 844
Operating profit	907 495	1 342 838
Net finance costs	(20 129)	(12 333)
Profit before taxation	887 366	1 330 505
Taxation	(97 345)	(250 630)
Profit for the period	790 021	1 079 875
Profit attributable to Shareholders of Zambia Sugar PLC	790 021	1 079 875
	790 021	1 079 875
Determination of headline earnings		
Profit attributable to shareholders of Zambia Sugar PLC	790 021	1 079 875
Headline earnings for the period	790 021	1 079 875
Number of shares in issue ('000)	316 571	316 571
Weighted average number of shares in issue ('000)	316 571	316 571
Basic and diluted earnings per share (ngwee)	249.6	341.1
Headline earnings per share (ngwee)	249.6	341.1

SUMMARISED STATEMENT OF CHANGES IN EQUITY

	Unaudited 6 months ended 28 February 2025	Audited 6 months ended 29 February 2024
	K '000	K '000
Share capital and share premium		
Balance at beginning and end of the period	247 338	247 338
Non-distributable reserves		
Balance at beginning of the period	40	40
Balance at end of the period	40	40
Hedging reserve		
Balance at beginning of the period	-	-
Movements in hedge reserve	-	7 526
Balance at end of the period	-	7 526
Retained earnings		
Balance at beginning of the period	4 657 626	3 704 870
Profit for the period	790 021	1 079 875
Dividends paid	(509 680)	(1 104 834)
Balance at end of the period	4 937 967	3 679 911
Total equity	5 185 345	3 934 815

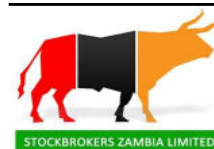
SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 6 months ended 28 February 2025	Audited 6 months ended 29 February 2024
	K '000	K '000
Assets		
Property, plant and equipment	3 228 866	2 515 740
Intangible asset	67 902	67 902
Biological assets	1 666 599	1 164 674
Inventories	1 215 030	1 163 346
Trade and other receivables	667 778	451 499
Derivative financial instruments	-	8 915
Other current assets	194,791	163 579
Cash and bank balances	305 170	226 231
	7 346 136	5 761 886
Equity and liabilities		
Equity attributable to shareholders	5 185 345	3 934 815
Deferred tax liability	386 640	383 029
Bank overdraft	488 679	450 572
Current liabilities	1 285 472	993 470
Total equity and liabilities	7 346 136	5 761 886

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months ended 28 February 2025	Audited 6 months ended 29 February 2024
	K '000	K '000
Cash operating profit	265 992	859,961
Working capital movements	337 572	(256,523)
Finance costs and taxation	(266 666)	(189 277)
Net cash inflows/outflows from operating activities	336 898	414 161
Net cash outflows from investing activities	(335 649)	(372 531)
Net cash inflows/outflows before financing activities	1 249	41 630
Net cash outflows from financing activities	(509 680)	(1 104 834)
Decrease in cash and cash equivalents	(508,431)	(1 063 204)
Cash and bank balances		
Opening bank and cash balance	502 927	838,863
Closing bank and cash balance	(183 509)	(224 341)
Movement	686 436	1 063 204

LUSAKA STOCK EXCHANGE SPONSORING BROKER



STOCKBROKERS ZAMBIA LIMITED

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COMMENTARY FOR THE HALF YEAR PERIOD TO 28 FEBRUARY 2025

Financial Performance Review

Operating profit for the six-month period ended 28 February 2025 was K907 million, compared to K1.34 billion in the corresponding period last year, representing a 32% reduction. The performance was negatively impacted by increased input cost pressures, notably on energy and agricultural inputs, and the depreciation of the Kwacha. These negative factors were partially offset by improved domestic sales performance.

Total revenue for the period grew by 22% to K3.97 billion from K3.26 billion in the prior period. This growth was driven by higher domestic sales volumes and favourable export price realisation. Domestic sales revenue increased by 33%, supported by strong market demand and good management of sales and distribution costs. Export revenues also benefited from exchange rate movements, although this was partially offset by a 34% reduction in regional export volumes.

Operational expenditure increased year-on-year, reflecting cost escalation in electricity, elevated plant maintenance costs, and targeted manpower investments to support a successful start-up of the 2025/26 crop and crushing season. Additionally, higher fuel prices and the depreciation of the Kwacha during the reporting period contributed to increased costs for key agricultural inputs, including fertiliser, chemicals, and cane haulage. To ensure uninterrupted operations, the business secured imported power to support both agricultural and factory operations. The cost of this power was 67% higher than locally produced electricity which significantly increased energy costs.

The combination of lower cash operating profit and increased capital expenditure led to higher utilisation of working capital facilities, resulting in an increase in finance costs to K20.1 million, up from K12.3 million in the prior period.

Profit after tax for the period was K790 million, compared to K1.08 billion in the corresponding period in 2024. This translated to a 27% decline in Earnings Per Share (EPS), from 341.1 ngwee to 249.6 ngwee per share.

Operational Performance

Cane supply for the period under review declined by 31%, primarily due to reduced yields across both own estate and out-grower operations. Average cane yields dropped by 9% in the period under review relative to the same period last year. This variance is largely attributed to the residual impact of the 2023/24 drought.

As a result, sugar production for the period was 114,839 tonnes, representing a decrease of 32% (or 55,228 tonnes) compared to the prior year. The reduction in output was a direct consequence of the lower cane throughput experienced during the period.

Directorate

The following Board changes were made during the period under review:

Ms. Susan Mabaleka Mkandawire Mulikita was appointed as an Independent Non-Executive Director of the Board on 26 February 2025, subject to ratification at the next Annual General Meeting.

Mr. Lekani Katandula was appointed as a Non-Executive Director of the Board on 1 April 2025, subject to ratification at the next Annual General Meeting.

Ms. Amanda Venters resigned from the Board as a Non-Executive Director on 31 March 2025.

Outlook and Strategic Developments

Cane supply for the 2025/26 season is expected to improve, supported by more favourable weather conditions and the anticipated stabilisation of electricity supply from ZESCO. Enhanced factory reliability, following extensive maintenance works undertaken during the off-crop period, is also expected to support improved production efficiencies.

Market demand remains strong, with sustained momentum anticipated in both domestic and regional markets. However, input costs are expected to remain under pressure due to exchange rate fluctuation and elevated inflation levels, particularly in relation to imported production and agricultural inputs.

In line with its long-term growth strategy, the business has commenced the implementation of the K1.72 billion Twazabuka Project—a major investment to construct a modern packing plant and warehouse at the Nakambala mill. This strategically significant and transformational project is aimed at enabling year-round packing capability, strengthening food safety standards, improving product availability and flexibility to meet customer demand. The project is also expected to deliver wider socio-economic benefits through job creation, increased support for local suppliers, and a meaningful contribution to Zambia's economy through increased tax revenue.

Dividend

No interim dividend has been declared for the half-year period as the Board has prioritised financing operational and capital requirements.

By order of the Board

Harriet Kapekele - Katongo
Company Secretary

Issued in Lusaka, Zambia on 27 May 2025

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