

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

ISSUER



NATIONAL BREWERIES PLC

NATIONAL BREWERIES PLC (“NATBREW”)

[Incorporated in the Republic of Zambia]

Company registration number: 4999
Share Code: NATBREW
ISIN: ZM00000000086
Authorised by: Simbarashe Banga – Company Secretary

SPONSOR



STOCKBROKERS ZAMBIA LIMITED

Stockbrokers Zambia Limited

[Founder Member of the Lusaka Securities Exchange]

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

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. National Breweries 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: 25 July 2025



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[Incorporated in the Republic of Zambia]

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(“Natbrew” or “the Company”)

ABRIDGED FINANCIAL RESULTS YEAR ENDED 31 MARCH 2025

The Directors of National Breweries PLC (“Natbrew” or “the Company”) present the audited financial results for the year ended 31st March 2025.

Statement of Comprehensive Income For The Year Ended 31 March 2025

	2025 K' 000	2024 K' 000
Revenue	435,838	532,799
Operating loss	(331,264)	(488,397)
Net finance charges	(110,985)	<u>(57,065)</u>
Loss before tax	(442,249)	(545,462)
Taxation	<u>(252)</u>	<u>(80)</u>
Total comprehensive loss	<u>(442,501)</u>	<u>(545,542)</u>
Basic and Diluted Loss Per Share (K)	(7.02)	(8.66)

Statement of Financial Position
As At 31 March 2025

	2025 K' 000	2024 K' 000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	162,797	174,140
Intangible assets	-	6
Total Non-Current Assets	162,797	174,146
Current Assets		
Inventories	78,968	44,435
Trade and other receivables	117,909	55,912
Current tax asset	3,613	-
Cash and cash equivalents	10,288	11,988
Total Current Assets	210,778	112,335
Total Assets	373,575	286,481
EQUITY		
Share capital	630	630
Accumulated losses	(1,532,730)	(1,090,229)
Total Equity	(1,532,100)	(1,089,599)
LIABILITIES		
Non-Current Liabilities		
Shareholder Loans	97,634	90,911
Total Non-Current Liabilities	97,634	90,911
Current Liabilities		
Short-term borrowings	39,175	630
Trade and other payables	356,149	359,583
Current tax	-	82
Amounts due to related parties	1,412,717	924,874
Total Current Liabilities	1,808,041	1,285,169
Total Equity & Liabilities	373,575	286,481

**Statement of Changes in Equity
For The Year Ended 31 March 2025**

	Share Capital K' 000	Accumulated Losses K' 000	Total K' 000
Balance at 31 March 2023	630	(544,687)	(544,057)
Total Comprehensive Loss For The Year Ended 31 March 2024	-	(545,542)	(545,542)
Balance at 31 March 2024	630	(1,090,229)	(1,089,599)
Total Comprehensive Loss For The Year Ended 31 March 2025	-	(442,501)	(442,501)
Balance at 31 March 2025	630	(1,532,730)	(1,532,100)

**Statement of Cash Flows
For The Year Ended 31 March 2024**

	2025 K' 000	2024 K' 000
Cash flow from operating activities		
Cash utilised in operating activities	(405,934)	(522,677)
Net changes in working capital	389,966	551,615
Net finance costs	(11,002)	(2,422)
Income Tax paid	(3,865)	-
Net cash (utilised in)/generated from operating activities	(30,835)	26,516
Cash flow from investing activities		
Purchase of property, plant & equipment	(7,967)	(13,173)
Net movement in containers	(693)	(1,008)
Net cash utilised in investing activities	(8,660)	(14,181)
Cash flow from financing activities		
Borrowings repaid – Principal	(62,205)	(24,772)
Proceeds from borrowings	100,000	-
Net cash generated from/(utilised in) financing activities	37,795	(24,772)
Net decrease in cash and cash equivalents	(1,700)	(12,437)
Effects of unrealised exchange differences	-	870
Cash and cash equivalents at the beginning of the year	11,988	23,555
Cash and cash equivalents at the end of the year	10,288	11,988

COMMENTARY FOR THE YEAR ENDED 31 MARCH 2025

Overview

The effects of the devastating 2023-24 drought lingered on throughout the financial year.

- Lower disposable incomes for agriculture-based communities dampened demand in key markets;
- The power supply situation deteriorated and loadshedding was extended, significantly reducing production capacity;
- The use of alternative energy through diesel powered generators, significantly increased production costs;
- Pricing of cereals, especially maize, reached unprecedented levels driving up inflation;
- The Kwacha continued to be under pressure, negatively impacting the costs of imported raw materials as well as increasing the exchange losses arising from outstanding liabilities to foreign suppliers; and
- The pricing of petroleum products continued to drive distribution costs due to its link to the exchange rate.

Though new hurdles were encountered during the year, the strategic decisions made over the past couple of years have started to deliver value to the Company. The Company celebrated the success of its pilot sorghum contracting project which saw the empowerment of over 1,300 farmers and in line with our import substitution drive.

- The Company's annual requirements of maize were sourced at competitive prices which allowed the business to reduce its production costs for most of the financial year;
- Generators were deployed to mitigate power supply disruptions to sustain production, though at a higher cost due to the increased use of diesel; and
- Local suppliers have been developed for some raw materials to support the import substitution drive.

Production and sales volumes decreased by 30% due to the impact of power loadshedding. The decrease was mitigated by the resilience of the distribution footprint and route to market which continue to sustain the sales volume despite the challenges.

The sales mix, biased towards the higher margin offerings, and unavoidable price increases implemented during the year resulted in sales in monetary terms dropping by only 18%.

There was some improvement in margins and profitability as the initiatives around grain procurement and import substitution started bearing fruit resulting in an operating loss of K331.2m for the year, compared to a loss of K488.4m in the same period in prior year. This culminated in a loss after tax of K442.5m (2024: K545.5m) and loss per share of K7.02 (2024: K8.66) on account of higher exchange losses on foreign currency liabilities due to the depreciating Kwacha as well as financing charges from outstanding loans.

Corporate Governance

National Breweries Plc. remains committed to regulatory compliance with a strict corporate governance culture. The Company achieved nil breaches of corporate governance and anti-bribery codes in the period under review.

Prospects

Despite the challenges, the Board remains positive about the business' prospects.

- New product innovations are anticipated to be launched to increase the appeal of our products to a larger consumer base.
- The expansion of the distribution footprint and improvement of customer service will continue to set a strong foundation for volume recovery going forward.
- The successful 2024-25 summer cropping season has already seen competitive pricing of cereals which bodes well for our production costs. The Company expanded its contracting for maize and sorghum, and this has generated excitement for farmers having a guaranteed off taker for farm produce which the Company anticipates will trickle down into the greater economy.
- Development of local suppliers for reduced costs and lead times of supplies has been successful for some key raw materials which will result in increased local manufacturing incomes.

By Order of the Board

Simbarashe Banga

Company Secretary

Issued in Lusaka, Zambia on 25 July 2025

Lusaka Securities Exchange Sponsoring Broker



T | +260-211-232456
E | advisory@sbz.com.zm
W | www.sbz.com.zm

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