

**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, +260 761 008 008 [info@autussecurities.com](mailto:info@autussecurities.com)

**APPROVALS**

The captioned Notice or Announcement has been approved by:

- 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.

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**ISSUED: 30 NOVEMBER 2021**



**Zambeef Products PLC**

("Zambeef" or the "Group")

[INCORPORATED IN THE REPUBLIC OF ZAMBIA]

COMPANY REGISTRATION NUMBER: 31824

SHARE CODE: ZAMBEEF | ISIN: ZM000000211

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 2021

**ABRIDGED GROUP STATEMENT OF COMPREHENSIVE INCOME**

	<b>30-Sep-21</b>	<b>30-Sep-20</b>
	Audited ZMW'000s	Audited ZMW'000s
<b>Revenue</b>	<b>4,974,351</b>	<b>3,875,104</b>
Cost of sales	(3,503,635)	(2,659,482)
<b>Gross profit</b>	<b>1,470,716</b>	<b>1,215,622</b>
Administrative and distribution expenses	(1,203,386)	(1,005,091)
<b>Operating profit</b>	<b>267,330</b>	<b>210,531</b>
Share of loss equity accounted investment	(3,358)	(3,177)
Exchange gains/ (losses) on translating foreign currency transactions and balances	23,332	(137,705)
Finance costs	(115,282)	(92,322)
Profit from assets held for sale	31,949	-
<b>Profit/(loss) before taxation</b>	<b>203,971</b>	<b>(22,673)</b>
Taxation charge	(35,148)	(112,957)
<b>Group profit/(loss) for the period from continued operations</b>	<b>168,823</b>	<b>(135,630)</b>
<b>Profit from discontinued operations</b>	<b>-</b>	<b>33,435</b>
<b>Total profit/(loss) for the period</b>	<b>168,823</b>	<b>(102,195)</b>
<b>Group profit/(loss) attributable to:</b>		
Equity holders of the parent	167,980	(103,419)
Non-controlling interest	843	1,224
	<b>168,823</b>	<b>(102,195)</b>
<b>Other comprehensive income</b>		
Exchange (losses)/gains on translating presentational currency	(286,645)	625,042
Remeasurement of net defined benefit liability	(2,813)	6,229
Revaluation	192,403	-
<b>Total Other comprehensive income:</b>	<b>71,768</b>	<b>529,076</b>
Remeasurement of leases	-	315
<b>Total comprehensive income for the period</b>	<b>71,768</b>	<b>529,391</b>
Equity holders of the parent	73,867	525,030
Non-controlling interest	(2,099)	4,361
	<b>71,768</b>	<b>529,391</b>
<b>Earnings per share</b>	<b>Ngwee</b>	<b>Ngwee</b>
Total Basic earnings per share	55.89	(34.00)

**ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION**

	<b>30-Sep-21</b>	<b>30-Sep-20</b>
	Audited ZMW'000s	Audited ZMW'000s
<b>ASSETS</b>		
Goodwill	166,801	166,801
Property, plant and equipment	3,115,018	3,264,505
Investment in associate	40,468	43,826
Biological assets	358,997	176,305
Inventories	1,197,846	1,103,640
Trade and other receivables	234,076	132,668
Assets held for sale	170,550	175,654
Cash and cash equivalents	201,539	111,136
Other Assets	16,959	20,673
<b>Total Assets</b>	<b>5,502,254</b>	<b>5,195,208</b>
<b>EQUITY AND LIABILITIES</b>		
Capital and Reserves	3,841,987	3,770,219
Interest bearing liabilities	406,264	517,117
Obligations under finance leases	19,671	43,009
Deferred liability	8,891	11,389
Deferred tax liability	88,056	69,950
Trade and other payables	464,103	321,648
Provisions	169,307	113,347
Bank overdrafts	490,204	348,045
Other Liabilities	13,771	484
<b>Total Equity and Liabilities</b>	<b>5,502,254</b>	<b>5,195,208</b>

**ABRIDGED GROUP STATEMENT OF CASH FLOW**

	<b>30-Sep-21</b>	<b>30-Sep-20</b>
	ZMW'000s	ZMW'000s
Net cash inflow/(outflow) from/on operating activities	283,489	312,765
Net cash (outflow)/inflow on investing activities	(116,578)	81,052
Net Cash (outflow)/inflow from financing activities	(218,787)	(411,599)
Effects of exchange gains on balances held	120	55,298
Cash and cash equivalents at the beginning of the period	(236,909)	(274,425)
<b>Cash and cash equivalents at the end of the period</b>	<b>(288,665)</b>	<b>(236,909)</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

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
<b>At 30 September 2020</b>	<b>3,006</b>	<b>1,125,012</b>	<b>1,000</b>	<b>1,003,834</b>	<b>1,167,713</b>	<b>470,174</b>	<b>3,770,739</b>	<b>(520)</b>	<b>3,770,219</b>
Profit for the year	-	-	-	-	-	167,980	167,980	843	168,823
Revaluation	-	-	-	-	192,403	-	192,403	-	192,403
Transfer of surplus depreciation	-	-	-	-	(44,377)	44,377	-	-	-
Exchange loss on translating presentational currency	-	-	-	(283,703)	-	-	(283,703)	(2,942)	(286,645)
Remeasurement of net defined benefit liability	-	-	-	-	-	(2,813)	(2,813)	-	(2,813)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(283,703)</b>	<b>148,026</b>	<b>209,544</b>	<b>73,867</b>	<b>(2,099)</b>	<b>71,768</b>
<b>At 30 September 2021</b>	<b>3,006</b>	<b>1,125,012</b>	<b>1,000</b>	<b>720,131</b>	<b>1,315,739</b>	<b>679,718</b>	<b>3,844,606</b>	<b>(2,619)</b>	<b>3,841,987</b>

### Performance Overview

- Despite the rising input costs and global food prices, the difficult operating environment as a direct result of the 2020 economic and Covid-19 related uncertainties, the sustained consumer demand for the Groups products has driven positive full year performance.
- The macroeconomic fundamentals remained relatively stable during the financial year in the context of the previous period. The local currency depreciated at a much slower rate in the first half and experienced steep appreciation in the second half. Increased consumer spending stemming from government dismantling of local arrears and Covid-19 economic stimulus package resulted in increased demand for our products
- The Group generated an operating profit, including profit from asset held for sale, of ZMW299.3 million (USD14.1 million) compared to ZMW212.1 million (USD13.1 million) in the prior financial year. The operating profit excluding profit from asset held for sale was ZMW267.3million (USD12.6 million) compared to ZMW210.5 million (USD13.1 million) achieved in the previous financial year. Profit before tax was ZMW203.9 million (USD9.7 million) compared to a loss before tax of ZMW22.7 million (USD1.4 million) achieved in the prior financial year. The Group's performance in the face of headwinds illustrates the strength of our vertically integrated business model, the strength of our brands and a good management team.

### Strategic focus

Zambeef's management remains committed to implementing the new five-year business strategy which is underpinned by the following pillars:

- Focus on and strengthen our core business by investing in capacity and grow market share
- Divestiture of non-core assets to free up resources
- Develop a human capital strategy that aligns with business objectives
- Strengthen our strategic partnerships

### Key Financial Highlights

- Revenue and gross profit increased by 28% and 21% respectively in Kwacha terms for the group due to the focus on revenue optimisation across most product lines. However due to the depreciation of the Zambian Kwacha, the metrics in USD reduced by 2% and 7% respectively in comparison to 2020.
- Despite an inflationary environment and exceptional costs in the numbers, Managements continued focus on cost control measures ensured administration and distribution expenses were contained within inflationary levels and only increased by 20% (Inflation averaged 21.7% for the period) from ZMW 1 billion in the previous corresponding period to ZMW1.2 billion in the period under review.
- Finance costs reduced by 4.4% in USD following repayments of principal amounts on long term loans. During the period under review, management took steps to restructure the company's debt profile by replacing USD debt with Kwacha debt to match the debt profile to the revenue profile and thus reduce foreign exchange risk, which should help provide predictability to the bottom line going forward. The USD to ZMW debt mix now stands at 15%:85% compared to 80%:20% at the end of the previous financial year. The Group benefited from the central bank's Covid-19 relief fund with favourable interest rates.

### Outlook

The macroeconomic environment is expected to remain stable. The successful holding of general elections on 12 August 2021 and the resultant change in government and peaceful transition has brought investor confidence and optimism.

Despite the macro-economic headwinds and uncertainty caused by the Covid-19 pandemic, Zambeef's underlying performance has been and is expected to remain resilient, improving as the economic situation improves.

Our deleveraging strategy and debt profile reorganisation will help relieve exchange losses and financing cost pressures to the bottom line, which will increase free cash flow to enable us to invest in the future.

We remain committed to implementing and enforcing Covid-19 protocols in our outlets while driving the vaccination of all our employees. We believe that a healthy, sustainable and profitable growth trend can only be achieved when we work together with our partners, communities and customers to curb infections through the observation and implementation of safety protocols.

**For further information, please contact:**

**Zambeef Products plc**

Walter Roodt, Chief Executive Office  
Faith Mukutu, Chief Financial Officer

Tel: +260 (0) 211 369003

**Fincap (Nominated Adviser and Broker)**

Ed Frisby/Kate Bannatyne/Tim Harper (Corporate Finance)  
Tim Redfern (ECM)

Tel: +44 (0) 20 7220 0500

**Autus Securities Limited**

Mataka Nkhoma

Tel: +260 (0) 761002 002

**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, eggs, 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 and egg producers in Zambia, with a capacity of 8.8m broilers and 22.4 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.

**By Order of the Board**

**Mwansa M Mutimushi**

**COMPANY SECRETARY**

**LUSAKA, ZAMBIA 30 NOVEMBER 2021**

**SPONSORING BROKER**



**AUTUS SECURITIES LIMITED**

Tel: +260 840 313, +260 761 002 002 | [info@autussecurities.com](mailto:info@autussecurities.com) [www.autussecurities.com](http://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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