

# Interim Results

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Zambeef Products PLC  
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**Zambeef Products plc**  
("Zambeef" or the "Group")

## Interim results for the Half Year Ended 31 March 2022

Zambeef (AIM: ZAM), the fully integrated cold chain foods and retail business with operations in Zambia, Nigeria and Ghana, today announces its results for the half-year ended 31 March 2022.

### Financial Highlights

Figures in 000's	2022	2021	%	2022	2021	%
	ZMW	ZMW		USD	USD	

<b>Revenue</b>	<b>2,568,680</b>	<b>2,150,473</b>	<b>19.4%</b>	<b>148,136</b>	<b>102,501</b>	<b>44.5%</b>
Cost of sales	(1,715,287)	(1,411,049)	21.6%	(98,921)	(67,257)	47.1%
<b>Gross profit</b>	<b>853,393</b>	<b>739,424</b>	<b>15.4%</b>	<b>49,215</b>	<b>35,244</b>	<b>39.6%</b>
Administrative expenses	(622,986)	(584,654)	6.5%	(35,928)	(27,867)	28.9%
<b>Operating profit</b>	<b>230,407</b>	<b>154,770</b>	<b>48.9%</b>	<b>13,287</b>	<b>7,377</b>	<b>80.1%</b>
Profit from asset held for sale	10,330	-	-	596	-	-
Share of profit equity accounted investment	(1,287)	(915)	40.7%	(74)	(44)	68.2%
Exchange losses	113	(42,558)	100.3%	7	(2,029)	100.3%
Finance costs	(58,413)	(56,360)	3.7%	(3,369)	(2,686)	25.4%
Profit before taxation	<b>181,150</b>	<b>54,937</b>	<b>229.7%</b>	<b>10,447</b>	<b>2,618</b>	<b>299.0%</b>
Taxation charge	(33,587)	(21,846)	53.7%	(1,937)	(1,041)	86.1%
<b>Profit for the period from continued operations</b>	<b>147,563</b>	<b>33,091</b>	<b>345.9%</b>	<b>8,510</b>	<b>1,577</b>	<b>439.6%</b>
<b>Profit from discontinued operations</b>	-	20,843	-	-	993	-
<b>Total profit for the period</b>	<b>147,563</b>	<b>53,934</b>	<b>173.6</b>	<b>8,510</b>	<b>2,570</b>	<b>231.1%</b>
<b>EBITDA</b>	<b>310,422</b>	<b>193,398</b>	<b>60.51%</b>	<b>17,902</b>	<b>9,217</b>	<b>94.2%</b>
Gross Profit Margin	33.2%	34.4%		33.2%	34.4%	
EBITDA Margin	12.1%	9.0%		12.1%	9.0%	
Debt/Equity (Gearing)	14.9%	25.4%		14.92%	25.43%	
Debt-To-EBITDA	1.91	5.19%		1.83	4.93	

## PERFORMANCE OVERVIEW

The period saw relative macroeconomic stability with the kwacha appreciating relative to the US Dollar and inflation on a steady downward trajectory. However, input costs to our livestock division increased as a result of increasing commodity prices and fuel costs. Together with a tight monetary policy, this resulted in constrained consumer spending which affected the demand for our products.

However, the Group posted results that were ahead of market expectations (with this improved performance being notified in the Company's Trading Update announcement of 27 April 2022), driven by good performance in our cropping and stockfeed division and continued focus on cost control. Market share gains and increased Layer feed prices in our stock feed business

resulted in increased profitability and sustained margins.

Zambeef's chain of 237 retail outlets, both own-brand and within Shoprite supermarkets, remain at the heart of the business, with demand from consumers driving supply.

### **KEY FINANCIAL HIGHLIGHTS**

Revenue measured in at ZMW2.6 billion (USD148.1 million) with a gross profit of ZMW853.4 million (USD49.2 million), a growth of 19% and 15% when compared to the previous corresponding period in kwacha terms as well as 45% and 40% in USD terms respectively.

The Group's topline performance was due to performance in Cropping and Stockfeed. Higher grain prices, stockfeed market share gains and good farming interventions enabled the business to post profitability. Cost pressures stemming from covid related global supply chain disruptions, fuel costs and subdued demand on our protein products resulted in margin erosion.

Management continued the cost optimisation agenda through streamlining administrative costs while the continued direct cost control measures helped deliver strong operating profit leverage.

The Group combined strength as a diversified and vertically integrated business with strong brands, supportive partners and an experienced management team continues to be a major factor on the sustained profitability of the Group.

#### **Commenting on these results, Mr Michael Mundashi said:**

"The Group faced margin pressure arising from a rise in input costs such as Soya and energy across our value chains. However, our diversified portfolio of brands and vertically integrated businesses ensured the impact is balanced across the divisions, thereby enabling the overall growth in Group profitability.

The Board believes the key to sustainable growth lies in remaining committed to its strategic priorities, while mitigating the effects of dynamic economic and climate cycles. As such, the focus remains to invest in growth and optimisation opportunities and invest in our core businesses and the divestiture of non-core businesses. The vertical and horizontal integrated business structure remains essential to sustained profitability growth and balancing economic and climatic cyclicality.

"We anticipate macro-economic stability for Zambia to continue over the medium term supported by improved investor sentiment, elevated copper prices and the possibility of an International Monetary Fund supported debt management program.

The kwacha is expected to remain relatively stable supported by increased mining output.

The copper price, which is a major foreign exchange earner for the country, is expected to continue holding as the global economy continues to recover from the Covid-19 related shocks. The inflation rate is expected to continue on the downward trajectory, although the outcome of the Russo-Ukrainian tensions will lead to further rises in global food and energy prices which still pose a risk of higher inflation locally. The world at large and Zambia in particular, have acclimatised to living with the Covid-19 pandemic. Therefore, we expect Covid-19 related shocks to the business and the economy to remain minimal."

**For further information, please visit [www.zambeefplc.com](http://www.zambeefplc.com) or contact:**

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**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.

## **CHAIRMAN'S REPORT**

### **Dear Shareholder,**

It is my great pleasure to present to you the Chairman's Report with respect to the half year ended 31 March, 2022.

The period saw relative macroeconomic stability with the kwacha appreciating relative to the US Dollar and inflation on a steady downward trajectory. However, input costs to our livestock division increased as a result of increasing commodity prices and fuel costs. Together with a tight monetary policy, this resulted in constrained consumer spending which affected the demand for our products. Despite these headwinds, the Group posted results that were ahead of market expectations (with this improved performance being notified in the Company's Trading Update announcement of 27 April 2022), driven by good performance in our cropping and stockfeed division and continued focus on cost control.

The Group faced margin pressure arising from a rise in input costs such as Soya and energy across our value chains. However, our diversified portfolio of brands and vertically integrated businesses ensured the impact is balanced across the divisions, thereby enabling the overall group to profitability growth.

The Group generated an operating profit, including profit from asset held for sale, of ZMW240.7 million (USD13.8 million) compared to ZMW175.6million (USD8.4 million) in the prior financial year. The operating profit, excluding profit from asset held for sale, was ZMW230.4 million (USD13.3 million) compared to ZMW154.8 million (USD7.4 million) achieved in the previous financial year. Profit before tax was ZMW181.1 million (USD10.4 million) compared to ZMW54.9 million (USD2.6 million) achieved in the prior financial year. The Group's performance in the face of headwinds illustrates the strengths of our vertically integrated business model, the strength of our brands and a good management team.

The Board believes the key to sustainable growth lies in remaining committed to its strategic priorities, while mitigating the effects of dynamic economic and climate cycles. As such, the focus remains to invest in growth and optimisation opportunities and invest in our core businesses and the divestiture of non-core businesses. The vertical and horizontal integrated business

structure remains essential to sustained profitability growth and balancing economic and climatic cyclicality.

### **The Economic Environment**

The Zambian economy saw signs of macroeconomic recovery, following the successful general elections which resulted in positive market sentiments and a positive economic outlook. The Zambian kwacha remained relatively stable, with elements of volatility being seen at the end of both the first and second quarters. The strength of the currency was supported by foreign participation in the bond market and a higher copper price on the international commodity market.

Despite recovery in the global economy, the Zambian economic recovery remains gradual, given the high debt burden and reduced consumer spending.

Inflationary pressures, particularly food inflation, had resulted in a significant drop in our customers' disposable income and has continued to put pressure on the consumers' share of wallet going towards food spend. However, inflation continued on the downward trend for the period under review closing at 13.1% compared to 22.8% for the previous financial year, supported mainly by a reduction in food inflation rates as it came off a high base from the previous year. This however did not offset steep cold chain foods sales volume losses for the half-year period.

### **Retail and Cold Chain Food Products**

Revenue in the Retail and Cold Chain Food business grew by 11% to ZMW2.6 billion with operating profit growth of 26% to ZMW96 million, supported by sustained revenue management and cost control in light of margin pressure due to a reduction in demand in the face of rising input costs.

Rising global food prices, particularly grain, precipitated in high animal feed costs. As a result, the division saw margin pressures across most protein categories as feed is a significant cost in primary protein production.

The Poultry business saw demand reduction owing to sustained chicken price escalations, which resulted in consumers downgrading to cheaper protein sources. Management has responded and implemented measures that are expected to see a recovery in the second half-year period.

### **Cropping and Milling (Cropping, Stockfeed and Wheat Milling)**

Zambia experienced a late onset to the summer rainfall season, and as a result, yields for the summer crop declined. However, favourable grain prices deliver strong growth.

The first quarter resulted in below expected stockfeed sales volumes with the second quarter showing strong gains in market share due to Stockfeed strong raw material position.

### **Debt reduction**

During the half year period, the Group continued to deleverage by making repayments on debt obligations as they became due and utilising the internally generated cash to reduce our short-term debt. Net debt for the half year period closed at ZMW592 million (USD33million) from ZMW715 million (USD46million) as at 30 September 2021. The resultant balance sheet positions the Group with capacity to finance efficiency upgrades and production capacity expansion.

The steps that management took in 2021, to restructure the Company's debt profile by replacing the majority USD debt with kwacha debt to match the primary revenue base currency to the Company's debt service profile is beginning to yield results. We now have greater certainty of committed debt repayment amounts which has resulted in significantly reduced exchange rate risks.

### **Outlook**

We anticipate macro-economic stability for Zambia to continue over the medium term supported by improved investor sentiment, elevated copper prices and the possibility of an International Monetary Fund supported debt management program. The kwacha is expected to remain relatively stable supported by increased mining output.

The copper price, which is a major foreign exchange earner for the country, is expected to continue holding as the global economy continues to recover from the Covid-19 related shocks. The inflation rate is expected to continue on the downward trajectory, although the outcome of the Russo-Ukrainian tensions will lead to further rises in global food and energy prices which still pose a risk of higher inflation locally. The world at large and Zambia in particular, have acclimatised to living with the Covid-19 pandemic. Therefore, we expect Covid-19 related shocks to the business and the economy to remain minimal.

The Group remains committed to delivering value to shareholders and is well positioned to navigate the turmoil while capitalising on opportunities.

### **Strategy**

Following the strategy reset process of 2021, I am happy to report that the board remains committed to and is on track in implementing the strategic imperatives. The following are the pillars on which the five year strategy was underpinned:

- Focus 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

- Enhancement of shareholders value

## **Acknowledgement**

On behalf of the Company and the Board of Directors, I would like to express my sincere gratitude to Yollard Kachinda and Frank Braeken who resigned from the board on 14 April 2022 and 27 May, 2022, respectively. Their dedication and contributions to the business during the period they served as directors will be greatly missed.

I also thank my fellow board members for steering the Group through the first half of the year and positioning it for the next phase of growth. To our management and staff, I express my gratitude to them for another solid performance, dedicated efforts and resilience in the face of challenges. I am proud of our achievements to date and I am excited by the potential opportunities upon which we will build our future progress.

**Michael Mundashi**

**Chairman**

**15 June 2022**

## **CHIEF EXECUTIVE OFFICER'S REVIEW**

### **Overview**

Despite the 2022 half-year period being characterised by difficult trading conditions, the Group results exceeded market expectations, as previously announced, due to the performance in the Cropping and Milling division. Higher grain prices and Stockfeed market share gains enabled the business to post strong profits. However, in light of the macroeconomic fundamentals stabilising, the reduced consumer spend on the back of a rise in input costs put pressure on volumes and margins in the Retail and Cold Chain Food Products (CCFP) segment. The increase in raw material input costs, such as soya and wheat, negatively impacted primary protein and milling production costs with the consequent increase in food prices to our customers resulting in reduced demand for our products as customers traded down, particularly in the first

quarter of the financial year. The second quarter saw a slight volume recovery in the Retail and CCFP segments as management responded to the changing commercial environment.

The Group posted revenue, including from assets held for sale, of ZMW2.6 billion (USD150 million) and we achieved a gross profit of ZMW884 million (USD51 million), being 16% and 13% above the prior year in kwacha terms, and 40%



and 37% growth in USD terms, respectively.

The Group's strong performance was driven by the Cropping and Milling division. Management continued optimising top line growth through revenue management initiatives while the continued cost control measures helped deliver a robust operating profit performance.

Our diversified and vertically integrated business with strong brands, supportive partners and an experienced management team helped deliver encouraging results during the first half-year of the 2022 reporting period.

### Strategic focus

Our strategic focus remains to optimise our asset utilisation and maximise returns. We remain committed to focusing on our existing core businesses, in which we strive to be the best in class, continued divestiture of non-core assets and a fit for purpose people strategy. As part of delivering on our strategic imperatives, the business will progressively turn towards capacity expansion opportunities across our business, which will see increased profitability in the medium to long term.

### 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 during a peaceful transition of power has brought investor confidence and optimism. The consequent appreciation of the kwacha continued during the half year as foreign direct investment prospects improved. This coupled with high copper prices, a potential International Monetary Fund (IMF) Country program and reliable electricity supply has improved the country's economic outlook. We expect a continued slowdown in inflation and reduced interest rates. As a result, we look forward to increased economic activity translating into sustained macroeconomic stability.

Our strong brands will help us maintain customer loyalty while the vertically integrated business model positions us well to secure both supply and a market for our products. The future recovery in the economy and a strong management team have positioned us well for improved stakeholder value creation in the coming years.

The Russo-Ukraine conflict poses risks but at the same time presents opportunities for our business. The consequent rise in input costs such as fertiliser and energy could negatively impact our profitability while the rise in commodity prices, such as wheat and soya, will benefit our Cropping and Milling division.

## ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)

### Divisional Performance

Table 1 (ZMW) and Table 2 (USD) below provide a summary of the consolidated performance of the key business divisions reported at an operating profit level.

Table 1: Divisional financial summary in ZMW'000

ZMW Division	Revenue		Gross Profit		Overheads		Operating Profit	
	2022	2021	2022	2021	2022	2021	2022	2021
	ZMW'000	ZMW'000	ZMW'000	ZMW'000	ZMW'000	ZMW'000	ZMW'000	ZMW'000
Retail & CCFP	2,631,327	2,367,486	399,734	387,745	(303,646)	(311,636)	96,088	76,109

Cropping & Milling	1,382,510	1,032,887	453,659	351,679	(200,580)	(182,289)	253,079	169,390
<b>Total</b>	<b>4,013,837</b>	<b>3,400,373</b>	<b>853,393</b>	<b>739,424</b>	<b>(504,226)</b>	<b>(493,925)</b>	<b>349,167</b>	<b>245,499</b>
Less: Intra/ Inter Group Sales	(1,445,157)	(1,249,900)	-	-	-	-	-	-
Central Overhead					(118,760)	(90,729)	(118,760)	(90,729)
<b>Group Total</b>	<b>2,568,680</b>	<b>2,150,473</b>	<b>853,393</b>	<b>739,424</b>	<b>(622,986)</b>	<b>(584,654)</b>	<b>230,407</b>	<b>154,770</b>

Table 2: Divisional financial summary in USD'000

USD Division	Revenue		Gross Profit		Overheads		Operating Profit	
	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000	2022 USD'000	2021 USD'000
Retail & CCFP	151,748	112,845	23,053	18,481	(17,512)	(14,853)	5,541	3,628
Cropping & Milling	79,730	49,232	26,162	16,763	(11,567)	(8,689)	14,595	8,074
<b>Total</b>	<b>231,478</b>	<b>162,077</b>	<b>49,215</b>	<b>35,244</b>	<b>(29,079)</b>	<b>(23,542)</b>	<b>20,136</b>	<b>11,702</b>
Less: Intra/ Inter Group Sales	(83,342)	(59,576)						
Central Overhead					(6,849)	(4,325)	(6,849)	(4,325)
<b>Group Total</b>	<b>148,136</b>	<b>102,501</b>	<b>49,215</b>	<b>35,244</b>	<b>(35,928)</b>	<b>(27,867)</b>	<b>13,287</b>	<b>7,377</b>

**ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES**  
**CHIEF EXECUTIVE OFFICER'S REVIEW (CONTINUED)**

Taking the performance of each of our key business areas in turn:

**Retail and Cold Chain Food Products**

Sales volumes came under pressure on the back of input price increases that reduced consumer spending on proteins and oils and resulting in the trading down to cheaper nutritional alternatives. The resulting strong supply situation across all protein categories necessitated price reductions in the second quarter which started to contribute to a volume recovery. March 2022 saw the outbreak of African Swine Fever in Lusaka Province which resulted in our pork processing operation being shut down and therefore started to impact on volumes. Chicken sales volumes struggled as the price of chicken products remained relatively high compared with other proteins due to sustained high feed prices.

Despite the challenges, the Retail and CCFP business registered a revenue growth of 11% above the prior year. However, higher input prices, particularly feed and fuel, resulted in margin erosion, thereby posting gross profit growth of only 3%.

The Retail and CCFP division generated an EBIT margin of 3.7% which increased by 43.9 basis points from the previous financial year to ZMW96 million (2021: ZMW76 million) in kwacha terms and grew impressively by 53% to USD5.5 million (2021: USD3.6 million) in dollar terms. Overhead spend discipline ensured strong operating profit leverage. Reduced load shedding helped lower fuel costs of running our electricity generators, which further contributed to the increased profitability.

**Cropping and Milling (Cropping, Stockfeed and Wheat Milling)**

The summer farming season started off poorly due to the delay in the onset of summer rains which impacted on summer crop yields. However, high world grain prices enabled the business to post better than expected results.

The Stockfeed milling business was a major contributor to profitability in the division due to market share gains owing to good sales and operations planning.

Revenue in the Cropping and Milling division grew by 34% in kwacha terms and 62% in USD terms, while the operating profit grew by 49% to ZMW 253 million (2021: ZMW169 million) or 81% to USD14.6 million (2021: USD8.1 million) in dollar terms. Production costs were impacted by rising costs of inputs, particularly fertiliser and other inputs.

**Walter Roodt**

**Chief Executive Officer**

**15 June 2022**

**ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2022**

	Unaudited		Audited
	31 Mar 2022	31 Mar 2021	30 Sept 2021
<b>Group</b>	ZMW'000s	ZMW'000s	ZMW'000s
<b>Revenue</b>	2,568,680	2,150,473	4,974,351
Net profit arising from price changes in fair			

value of biological assets	5,273	17,242	6,651
Cost of sales	(1,720,560)	(1,428,291)	(3,510,286)
<b>Gross profit</b>	<b>853,393</b>	<b>739,424</b>	<b>1,470,716</b>
Administrative expenses	(597,097)	(554,461)	(1,150,658)
Distribution costs	(29,850)	(33,114)	(66,848)
Other income	3,961	2,921	14,120
<b>Operating profit</b>	<b>230,407</b>	<b>154,770</b>	<b>267,330</b>
Share of loss equity accounted investment	(1,287)	(915)	(3,358)
Profit from asset held for sale	10,330	-	31,949
Exchange gains/(losses) on translating foreign currency transactions and balances	113	(42,558)	23,332
Finance costs	(58,413)	(56,360)	(115,282)
<b>Profit before taxation</b>	<b>181,150</b>	<b>54,937</b>	<b>203,971</b>
Taxation charge	(33,587)	(21,846)	(35,148)
<b>Profit/(loss) for the period from continued operations</b>	<b>147,563</b>	<b>33,091</b>	<b>168,823</b>
Profit from discontinued operations	-	20,843	-
<b>Total profit for the period</b>	<b>147,563</b>	<b>53,934</b>	<b>168,823</b>
<b>Profit/(loss) attributable to:</b>			
Equity holders of the parent	146,754	54,056	167,980
Non-controlling interest	809	(122)	843
	<b>147,563</b>	<b>53,934</b>	<b>168,823</b>
<b>Other comprehensive income</b>			
Exchange gains/(losses) on translating presentational currency	(28,156)	117,226	(286,645)
Remeasurement of net defined benefit liability	-	-	(2,813)
Revaluation of assets	-	-	192,403
<b>Total other comprehensive income</b>	<b>119,407</b>	<b>117,226</b>	<b>(97,055)</b>
<b>Total comprehensive income for the period</b>	<b>119,407</b>	<b>171,160</b>	<b>71,768</b>
<b>Total comprehensive income for the period attributable to:</b>			

Equity holders of the parent	121,786	173,523	73,867
Non-controlling interest	(2,379)	(2,363)	(2,099)
	<b>119,407</b>	<b>171,160</b>	<b>71,768</b>
<b>Earnings per share</b>	Ngwee	Ngwee	Ngwee
Basic earnings per share from continued operations	45.39	11.05	55.89
Basic earnings per share from discontinued operations	3.44	6.93	-
<b>Total</b>	<b>48.83</b>	<b>17.98</b>	<b>55.89</b>

## ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2022

	Unaudited		Audited
	31 Mar 2022	31 Mar 2021	30 Sept 2021
Group	USD'000s	USD'000s	USD'000s
<b>Revenue</b>	148,136	102,501	235,528
Net profit arising from price changes in fair value of biological assets	304	822	315
Cost of sales	(99,225)	(68,079)	(166,207)
<b>Gross profit</b>	<b>49,215</b>	<b>35,244</b>	<b>69,636</b>
Administrative expenses	(34,435)	(26,428)	(54,482)
Distribution costs	(1,721)	(1,578)	(3,165)
Other income	228	139	669
<b>Operating profit</b>	<b>13,287</b>	<b>7,377</b>	<b>12,658</b>
Share of loss equity accounted investment	(74)	(44)	(160)
Profit from asset held for sale	596	-	1,513
Exchange gains/(losses) on translating foreign			

currency transactions and balances	7	(2,029)	1,105
Finance costs	(3,369)	(2,686)	(5,458)
<b>Profit before taxation</b>	<b>10,447</b>	<b>2,618</b>	<b>9,658</b>
Taxation charge	(1,937)	(1,041)	(1,663)
<b>Profit/(loss) for the period from continued operations</b>	<b>8,510</b>	<b>1,577</b>	<b>7,995</b>
Profit from asset held for sale	-	993	-
<b>Total profit for the period</b>	<b>8,510</b>	<b>2,570</b>	<b>7,995</b>
<b>Profit/(loss) attributable to:</b>			
Equity holders of the parent	8,463	2,577	7,955
Non-controlling interest	47	(7)	40
	<b>8,510</b>	<b>2,570</b>	<b>7,995</b>
<b>Other comprehensive income</b>			
Exchange (losses)/gains on translating presentational currency	(18,552)	(11,265)	25,338
Remeasurement of net defined benefit liability	-	-	(133)
Revaluation of assets	-	-	9,110
<b>Total other comprehensive income</b>	<b>(18,552)</b>	<b>(11,265)</b>	<b>34,315</b>
<b>Total comprehensive income for the period</b>	<b>(10,042)</b>	<b>(8,695)</b>	<b>42,310</b>
<b>Total comprehensive income for the period attributable to:</b>			
Equity holders of the parent	(9,921)	(8,581)	42,440
Non-controlling interest	(121)	(114)	(130)
	<b>(10,042)</b>	<b>(8,695)</b>	<b>42,310</b>
<b>Earnings per share</b>	Cents	Cents	Cents
Basic earnings per share from continued operations	2.62	0.53	2.65
Basic earnings per share from discontinued operations	0.20	0.33	-
<b>Total</b>	<b>2.82</b>	<b>0.86</b>	<b>2.65</b>







comprehensive income								
Exchange gains on translating presentational currency	—	—	—	—	—(24,968)	—	—(24,968)	—(3,188)
<b>Total</b>								
comprehensive income for the period	—	—	—	—(25,711)	—(24,968)	172,465	121,786	—(2,379)
<b>At 31 March</b>								
<b>2022</b>	<u>3,006</u>	<u>1,125,012</u>	<u>1,000</u>	<u>1,290,028</u>	<u>695,163</u>	<u>852,183</u>	<u>3,966,392</u>	<u>—(4,998)</u>

## ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2022

	Share capital	Share premium	Preference share capital	Revaluation reserve	Foreign exchange translation reserve	Retained earnings	Total attributable to owners of the parent	Non- controlling Interest	Total equity
	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s	USD'000s
<b>At 1 October 2020</b>	449	185,095	100	171,271	(250,418)	80,729	187,226	(26)	187,200
<b>Transactions with owners</b>									
Profit for the period	-	-	-	-	-	2,577	2,577	(7)	2,570
Transfer of surplus depreciation	-	-	-	(1,103)	-	1,103	-	-	-



depreciation	-	-	-	(1,483)	-	1,483	-	-	-
<b>Other</b>									
<b>comprehensive</b>									
<b>income</b>									
Exchange gains on									
translating									
presentational									
currency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,384)</u>	<u>-</u>	<u>(18,384)</u>	<u>(168)</u>	<u>(18,552)</u>
<b>Total</b>									
<b>comprehensive</b>									
<b>income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,483)</u>	<u>(18,384)</u>	<u>9,946</u>	<u>(9,921)</u>	<u>(121)</u>	<u>(10,042)</u>
<b>At 31 March 2022</b>	<u>449</u>	<u>185,095</u>	<u>100</u>	<u>176,797</u>	<u>(243,294)</u>	<u>100,598</u>	<u>219,745</u>	<u>(277)</u>	<u>219,468</u>

## ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 31 MARCH 2022

	Unaudited		Audited
	31 Mar 2022	31 Mar 2021	30 Sept 2021
	ZMW'000s	ZMW'000s	ZMW'000s
<b>ASSETS</b>			
<b>Non - current assets</b>			
Goodwill	166,801	166,801	166,801
Property, plant and equipment	3,092,010	3,419,935	3,115,018
Investment in associate	39,181	42,911	40,468
Deferred tax assets	<u>16,305</u>	<u>8,680</u>	<u>9,050</u>
	<u>3,314,297</u>	<u>3,638,327</u>	<u>3,331,337</u>
<b>Current assets</b>			
Biological assets	718,383	689,646	358,997

Inventories	972,887	906,914	1,197,846
Trade and other receivables	187,309	149,606	234,076
Assets held for disposal	167,577	175,654	170,550
Amounts due from related companies	3,484	4,949	4,202
Income tax recoverable	994	19,800	3,707
Cash and Cash equivalents	<u>226,654</u>	<u>83,678</u>	<u>201,539</u>
	<u>2,277,288</u>	<u>2,030,247</u>	<u>2,170,917</u>
<b>Total assets</b>	<b><u>5,591,585</u></b>	<b><u>5,668,574</u></b>	<b><u>5,502,254</u></b>

## EQUITY AND LIABILITIES

### Capital and reserves

Share capital	3,006	3,006	3,006
Preference share capital	1,000	1,000	1,000
Share premium	1,125,012	1,125,012	1,125,012
Reserves	<u>2,837,374</u>	<u>2,815,244</u>	<u>2,715,588</u>
	3,966,392	3,944,262	3,844,606
Non-controlling interest	<u>(4,998)</u>	<u>(2,883)</u>	<u>(2,619)</u>
	<u>3,961,394</u>	<u>3,941,379</u>	<u>3,841,987</u>

### Non - current liabilities

Interest bearing liabilities	146,667	124,233	195,555
Leases	3,797	10,242	7,253
Deferred liability	7,845	10,578	8,891
Deferred taxation	<u>94,229</u>	<u>85,041</u>	<u>88,056</u>
	<u>252,538</u>	<u>230,094</u>	<u>299,755</u>

### Current liabilities

Interest bearing liabilities	239,231	359,159	210,709
Leases	6,012	16,446	12,418
Trade and other payables	483,404	400,006	464,103
Provisions	197,491	120,857	169,307
Taxation payable	28,864	23,940	13,771
Bank overdrafts	<u>422,651</u>	<u>576,693</u>	<u>490,204</u>
	<u>1,377,653</u>	<u>1,497,101</u>	<u>1,360,512</u>

<b>Total equity and liabilities</b>	<b><u>5,591,585</u></b>	<b><u>5,668,574</u></b>	<b><u>5,502,254</u></b>
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ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - 31 MARCH 2022

	Unaudited		Audited
	31 Mar 2022	31 Mar 2021	30 Sept 2021
	USD '000s	USD '000s	USD '000s
<b>ASSETS</b>			
<b>Non - current assets</b>			
Goodwill	9,241	7,554	9,964
Property, plant and equipment	171,302	154,888	186,082
Investment in associate	2,170	1,943	2,417
Deferred tax asset	<u>903</u>	<u>394</u>	<u>541</u>
	<u>183,616</u>	<u>164,779</u>	<u>199,004</u>
<b>Current assets</b>			
Biological assets	39,800	31,234	21,445
Inventories	53,900	41,074	71,556
Trade and other receivables	10,377	6,776	13,983
Assets held for disposal	9,284	7,955	10,188
Amounts due from related companies	193	224	251
Income tax recoverable	55	897	221
Cash and Cash equivalents	<u>12,557</u>	<u>3,790</u>	<u>12,039</u>
	<u>126,166</u>	<u>91,950</u>	<u>129,683</u>
<b>Total assets</b>	<b><u>309,782</u></b>	<b><u>256,729</u></b>	<b><u>328,687</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	449	449	449
Preference share capital	100	100	100
Share premium	185,095	185,095	185,095
Reserves	<u>34,101</u>	<u>(6,999)</u>	<u>44,022</u>
	219,745	178,645	229,666
Non-controlling interest	<u>(277)</u>	<u>(140)</u>	<u>(156)</u>

	<u>219,468</u>	<u>178,505</u>	<u>229,510</u>
<b>Non - current liabilities</b>			
Interest bearing liabilities	8,126	5,626	11,682
Leases	210	464	433
Deferred liability	435	479	531
Deferred tax liability	<u>5,220</u>	<u>3,852</u>	<u>5,260</u>
	<u>13,991</u>	<u>10,421</u>	<u>17,906</u>
<b>Current liabilities</b>			
Interest bearing liabilities	13,254	16,266	12,587
Leases	333	745	742
Trade and other payables	26,780	18,116	27,723
Provisions	10,941	5,474	10,113
Taxation payable	1,599	1,084	823
Bank overdrafts	<u>23,416</u>	<u>26,118</u>	<u>29,283</u>
	<u>76,323</u>	<u>67,803</u>	<u>81,271</u>
<b>Total equity and liabilities</b>	<b><u>309,782</u></b>	<b><u>256,729</u></b>	<b><u>328,687</u></b>

## ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 31 MARCH 2022

	<b>Audited</b>		
	<b>6 months to</b>	<b>6 months to</b>	<b>Year to</b>
	<b>31 Mar 2022</b>	<b>31 Mar 2021</b>	<b>30 Sept 2021</b>
	<i>ZMW'000s</i>	<i>ZMW'000s</i>	<i>ZMW'000s</i>
<b>Cash inflow/(outflow) from Operating activities</b>			
Profit before taxation	181,150	54,937	203,971
Finance costs	58,413	56,360	115,282
Loss on disposal of property, plant and equipment	3,756	(1,345)	2,260
Depreciation	60,576	84,275	160,471
Share of loss of equity accounted investment	1,287	915	3,358
Profit from asset held for sale	-	20,843	-
Fair value price adjustment on biological assets	(5,273)	(17,242)	(6,651)

Defined benefits liability movement	-	-	4,473
Defined benefits paid	-	-	(6,971)
Net unrealised foreign exchange losses/(gains)	<u>10,513</u>	<u>(5,345)</u>	<u>(19,422)</u>
<b>Earnings before interest, tax, depreciation and amortisation, fair value adjustments and net unrealised foreign exchange losses</b>	<b>310,422</b>	<b>193,398</b>	<b>456,771</b>
(Increase)/decrease in biological assets	(354,113)	(496,099)	(176,041)
Decrease in inventory	224,959	196,726	(94,206)
Decrease in trade and other receivables	46,767	(16,938)	(101,408)
Decrease in amounts due from related companies	718	4,388	5,135
Decrease in trade and other payables and provisions	47,485	85,868	198,415
Increase in amount due to related companies	-	(443)	(443)
(Decrease)/increase in deferred liability	(1,046)	(811)	-
Income tax paid	<u>(16,863)</u>	<u>-</u>	<u>(4,734)</u>
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>258,329</u></b>	<b><u>(33,911)</u></b>	<b><u>283,489</u></b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	(62,652)	(59,829)	(116,629)
Proceeds from sale of assets	<u>405</u>	<u>2,247</u>	<u>51</u>
<b>Net cash outflow from investing activities</b>	<b><u>(62,247)</u></b>	<b><u>(57,582)</u></b>	<b><u>(116,578)</u></b>
<b>Net cash inflow/(outflow) before financing</b>	<b><u>196,082</u></b>	<b><u>(91,493)</u></b>	<b><u>166,911</u></b>
<b>Financing</b>			
Long term loans repaid	(52,436)	(81,925)	(262,705)
Receipt from term loans	-	-	220,000
Repayment of short term funding	(158,471)	(228,246)	(477,906)
Receipt of short term funding	101,000	232,646	449,619
Leases repaid	(9,862)	(16,321)	(32,513)
Finance costs including discontinued operations	<u>(58,413)</u>	<u>(56,360)</u>	<u>(115,282)</u>
<b>Net cash outflow from financing</b>	<b><u>(178,182)</u></b>	<b><u>(150,206)</u></b>	<b><u>(218,787)</u></b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>17,900</b>	<b>(241,699)</b>	<b>(51,876)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>(288,665)</b>	<b>(236,909)</b>	<b>(236,909)</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>74,768</u>	<u>(14,407)</u>	<u>120</u>



Cash and cash equivalents at end of period	(195,997)	(493,015)	(288,665)
<b>Represented by:</b>			
Cash in hand and at bank	226,654	83,678	201,539
Bank overdrafts	(422,651)	(576,693)	(490,204)
	<b>(195,997)</b>	<b>(493,015)</b>	<b>(288,665)</b>

**ZAMBEEF PRODUCTS PLC AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 31**  
**MARCH 2022**

	Unaudited	Audited	
	6 months	6 months	Year to
	to	to	Year to
	31 Mar	31 Mar	30 Sept
	2022	2021	2021
	USD'000s	USD'000s	USD'000s
<b>Cash inflow/(outflow) from/(on) operating activities</b>			
Profit before taxation	10,447	2,618	9,658
Finance costs	3,369	2,686	5,458
Loss on disposal of property, plant and equipment	217	(64)	107
Depreciation	3,493	4,017	7,598
Share of loss of equity accounted investment	74	44	160
Profit from discontinued operations	-	993	-
Fair value price adjustment on biological assets	(304)	(822)	(315)
Defined benefits liability movement	-	-	212
Defined benefits paid	-	-	(330)
Net unrealised foreign exchange losses/(gains)	<u>606</u>	<u>(255)</u>	<u>(920)</u>
<b>Earnings before interest, tax, depreciation and amortisation, fair value</b>	<b>17,902</b>	<b>9,217</b>	<b>21,628</b>
<b>adjustments and net unrealised foreign exchange losses</b>			
Increase/(decrease) in biological assets	(20,422)	(23,646)	(8,335)
Decrease in inventory	12,973	9,377	(4,461)
Decrease in trade and other receivables	2,697	(807)	(4,802)
Decrease in amounts due from related companies	41	209	243
(Decrease) in trade and other payables	2,738	4,093	9,395
Increase in amount due to related companies	-	(21)	(21)
(Decrease) in deferred liability	(60)	(39)	-
Income tax paid	<u>(972)</u>	<u>-</u>	<u>(224)</u>

<b>Net cash inflow/(outflow) from operating activities</b>	<u>14,897</u>	<u>(1,617)</u>	<u>13,423</u>
<b>Investing activities</b>			
Purchase of property, plant and equipment	(3,613)	(2,852)	(5,522)
Proceeds from sale of assets	<u>23</u>	<u>107</u>	<u>2</u>
<b>Net cash outflow from investing activities</b>	<u>(3,590)</u>	<u>(2,745)</u>	<u>(5,520)</u>
<b>Net cash inflow/(outflow) before financing</b>	<u>11,307</u>	<u>(4,362)</u>	<u>7,903</u>
<b>Financing</b>			
Long term loans repaid	(3,024)	(3,820)	(12,439)
Receipt from term loans	-	-	10,417
Repayment of short term funding	(9,139)	(10,773)	(22,628)
Receipt of short term funding	5,825	10,952	21,289
Lease finance repaid	(569)	(778)	(1,539)
Finance costs	<u>(3,369)</u>	<u>(2,686)</u>	<u>(5,458)</u>
<b>Net cash outflow from financing activities</b>	<u>(10,276)</u>	<u>(7,105)</u>	<u>(10,358)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>1,031</b>	<b>(11,467)</b>	<b>(2,455)</b>
<b>Cash and cash equivalents at beginning of period</b>	(17,244)	(11,763)	(11,763)
Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>5,354</u>	<u>902</u>	<u>(3,026)</u>
<b>Cash and cash equivalents at end of period</b>	<u>(10,859)</u>	<u>(22,328)</u>	<u>(17,244)</u>
<b>Represented by:</b>			
Cash in hand and at bank	12,557	3,790	12,039
Bank overdrafts	<u>(23,416)</u>	<u>(26,118)</u>	<u>(29,283)</u>
	<u>(10,859)</u>	<u>(22,328)</u>	<u>(17,244)</u>

A copy of the Interim Report will shortly be available to view on the Company's website at [www.zambeefplc.com/aim-rule-26/](http://www.zambeefplc.com/aim-rule-26/)

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