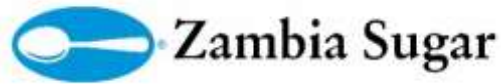


SENS ANNOUNCEMENT
(the “Notice” or “Announcement”)

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

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. Stockbrokers Zambia Limited

DISCLAIMER AND 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: 02 November 2021

FULL YEAR RESULTS

In accordance with the requirements of the Securities Act No. 41 of 2016, Zambia Sugar Plc announces its results for the 12 month period ended 31st August 2021

SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Company	
	Audited 12 months ended August 2021	August 2020	Audited 12 months ended August 2021	August 2020
	K '000	K '000	K '000	K '000
Revenue	4 988 980	3 334 924	4 988 980	3 334 924
Operating profit	1 614 962	774 841	1 479 194	710 155
Dividend Income	-	-	41 744	29 875
Exchange movements on leases	11 251	-	11 251	-
Net finance costs	(274 761)	(325 891)	(274 676)	(326 127)
Profit before taxation	1 351 452	448 950	1 257 513	448 950
Taxation	(265 385)	(214 076)	(251 383)	(207 124)
Profit for the period	1 086 067	234 874	1 006 130	234 874
Profit attributable to:				
Shareholders of Zambia Sugar Plc	1 086 067	234 874	1 006 130	234 874
	1 086 067	234 874	1 006 130	234 874
<u>Determination of headline earnings</u>				
Profit attributable to shareholders of Zambia Sugar Plc	1 086 067	234 874	1 006 130	234 874
Headline earnings for the period	1 086 067	234 874	1 006 130	234 874
Number of shares in issue ('000)	316 571	316 571	316 571	316 571
Weighted average number of shares in issue ('000)	316 571	316 571	316 571	316 571
Basic and diluted earnings per share (ngwee)	343.1	74.2	317.8	74.2
Headline earnings per share (ngwee)	343.1	74.2	317.8	74.2
Dividend per share (ngwee)	84.50	-	-	-
- Final proposed	84.50	24.00	-	-

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	Group		Company	
	Audited 12 months ended August 2021	August 2020	Audited 12 months ended August 2021	August 2020
	K '000	K '000	K '000	K '000
Revenue	3 750 231	2 580 021	3 750 231	2 580 021
Sugar production	1 238 749	754 903	1 238 749	754 903
Cane growing	4 988 980	3 334 924	4 988 980	3 334 924
Operating profit	1 081 852	619 432	1 081 855	619 446
Sugar production	533 110	155 409	397 339	90 709
Cane growing	1 614 962	774 841	1 479 194	710 155

SUMMARISED STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	August 2021	August 2020	August 2021	August 2020
	K '000	K '000	K '000	K '000
Share capital and share premium	247 338	247 338	247 338	247 338
Balance at beginning and end of the year				
Non-Distributable Reserves	40	23 607	-	23 607
Balance at beginning of the year	-	(23 567)	40	(23 567)
Cash flow hedges	40	40	40	40
Balance at end of the year				
Dividend Reserve	75 977	25 326	75 977	25 326
Dividends declared	(75 977)	(25 326)	(75 977)	(25 326)
Dividends paid	-	-	-	-
Balance at end of the year				
Retained Earnings	1 320 346	1 141 734	1 161 445	1 012 918
Balance at beginning of the year	1 086 067	203 937	1 006 130	173 853
Profit for the year	(75 977)	(25 326)	(75 977)	(25 326)
Dividend reserve movement	2 330 436	1 320 346	2 081 598	1 161 445
Balance at end of the year				
Total Equity	2 577 814	1 567 724	2 338 976	1 408 823

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group		Company	
	August 2021	August 2020	August 2021	August 2020
	K '000	K '000	K '000	K '000
Assets	4 583 756	3 898 429	4 402 412	3 768 637
Property, plant and equipment	1 867 529	1 891 307	1 725 776	1 762 647
Intangible asset	67 902	67 902.0	-	-
Right of Use Assets	56 338	42 385.0	56 338.0	42 385.0
Investment in subsidiary	-	-	177 163	177 163
Growing cane	506 258	384 444	426 703	318 495
Inventories	1 122 883	940 388	1 089 174	923 591
Trade and other receivables	579 181	487 741	545 866	468 400
Other current assets	378	7 107	378	3 256
Cash and bank balances	383 287	77 155	381 014	72 700
Total assets	4 583 756	3 898 429	4 402 412	3 768 637
Equity and liabilities	4 583 756	3 898 429	4 402 412	3 768 637
Equity attributable to shareholders	2 577 814	1 567 724	2 338 976	1 408 823
Lease Liabilities	66 425	65 933.0	91 477.0	94 900.0
Deferred tax liability	287 800	229 432	260 703	204 488
Long and short-term borrowings	417 069	1 134 022	417 069	1 134 022
Bank overdraft	207 568	2 010	207 546	2 010
Current liabilities	1 027 080	899 308	1 086 641	924 394
Total equity and liabilities	4 583 756	3 898 429	4 402 412	3 768 637

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Company	
	Audited 12 months ended August 2021	August 2020	Audited 12 months ended August 2021	August 2020
	K '000	K '000	K '000	K '000
Cash operating profit	1 620 473	859 032	1 495 994	798 962
Working capital movements	(204 803)	(100 052)	(149 838)	(92 916)
Finance costs, taxation and dividends paid	(402 122)	(398 703)	(392 560)	(396 375)
Net cash outflows from operating activities	1 013 548	360 277	953 596	309 671
Net cash outflows from investing activities	(79 336)	(86 919)	(17 181)	(40 327)
Net cash outflows before financing activities	934 211	273 358	936 415	269 344
Net cash outflows from financing activities	(833 637)	(511 230)	(833 637)	(511 230)
Increase/(Decrease) in cash and cash equivalents	100 574	(237 872)	102 778	(241 886)
Cash and Bank Balances	75 145	313 017	70 690	312 576
Opening bank and cash balance	175 719	75 145	173 468	70 690
Closing bank and cash balance	100 574	(237 872)	102 778	(241 886)

LUSAKA STOCK EXCHANGE SPONSORING BROKER
STOCKBROKERS ZAMBIA LIMITED

(MEMBER OF THE LuSE and REGULATED BY THE SECURITIES AND EXCHANGE COMMISSION OF ZAMBIA)

T: +260-211-232456

 W: www.sbz.com.zm

STOCKBROKERS ZAMBIA LIMITED

COMMENTARY FOR THE FULL YEAR ENDED 31 AUGUST 2021

Financial Performance Review

Total revenue for the year ended 31 August 2021 was K4.989 billion, 50% above the prior year comparative, largely driven by 26% growth in domestic sales volume and a higher realisation of export sales due to a 25% depreciation of the kwacha against the US dollar over the year. This was however partially offset by an 11% reduction in export sales volumes due to a shift in mix to domestic sales.

Operating profit for the year was K1.615 billion compared to K775 million in the previous year. This profit increase was mainly driven by three factors, namely, higher net revenues, sustained production levels from both the factory and the cane fields and culmination of cost saving measures undertaken in the past years. After tax profit has increased from K235 million to K1.086 billion.

Cost escalation was a key challenge in the business with increases during the period mainly driven by currency depreciation, high inflation and supply chain disruption due to COVID 19 effects. Production costs rose by 28% compared to the prior year. Measures were put in place to mitigate some of these cost escalations including the embedding of a new operating model meant to make the business more agile and resilient.

The strong operational performance and focused working capital management led to strong cash generation which has been applied to significantly reduce the borrowings from K1.1 billion at the beginning of the year to K403 million at 31 August 2021. This has had the effect of reducing the gearing of the business from 40% to 9% and lowering the interest cost.

Earnings per share for the year ended August 2021 increased from 74.2 ngwee per share to 343.1 ngwee per share.

Dividend

The Board has recommended a dividend of 84.5 ngwee per share to be considered for approval by shareholders at the Annual General Meeting scheduled for 24 November 2021.

Changes in Directorate

Mrs Rebecca Katowa retired as Managing Director effective 31 August 2021.

Mr Oswald Magwenzi was appointed as Managing Director effective 1 September 2021.

By order of the Board

Company Secretary
Harriet Kapekele-Katongo

Issued in Lusaka, Zambia on 02 NOVEMBER 2021

Lusaka Securities Exchange Sponsoring Broker



STOCKBROKERS ZAMBIA LIMITED

T | +260-211-232456

E | advisory@sbz.com.zm

W | www.sbz.com.zm

Stockbrokers Zambia Limited (SBZ) is a member of the Lusaka Securities Exchange and is regulated by the Securities and Exchange Commission of Zambia

First Issued on 02 November 2021