

**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 K. 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](http://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

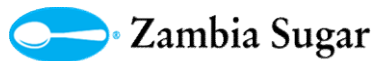
**DISCLAIMER AND RISK WARNING**

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.

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**ISSUED: 01 November 2022**



ZAMBIA SUGAR PLC  
ZAMBIA)  
AN ILLOVO SUGAR AFRICA COMPANY SHARE CODE: ZSUG

(INCORPORATED IN THE REPUBLIC OF  
COMPANY REGISTRATION NUMBER: 2880  
ISIN:-ZM0000000052



An AB Sugar company

## 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 2022

### SUMMARISED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		Company	
	Audited 12 months ended August 2022	August 2021	Audited 12 months ended August 2022	August 2021
	K '000	K '000	K '000	K '000
<b>Revenue</b>	<b>5 111 776</b>	<b>4 988 980</b>	<b>5 111 776</b>	<b>4 988 980</b>
<b>Operating profit</b>	<b>1 242 498</b>	<b>1 614 962</b>	<b>1 101 182</b>	<b>1 479 194</b>
Dividend Income	-	-	86 342	41 744
Exchange movements on leases	11 174	11 251	11 174	11 251
Net finance costs	(74 196)	(274 761)	(80 717)	(274 676)
<b>Profit before taxation</b>	<b>1 179 476</b>	<b>1 351 452</b>	<b>1 117 981</b>	<b>1 257 513</b>
Taxation	(174 328)	(265 385)	(157 008)	(251 383)
<b>Profit for the period</b>	<b>1 005 148</b>	<b>1 086 067</b>	<b>960 973</b>	<b>1 006 130</b>
<b>Profit attributable to:</b>				
Shareholders of Zambia Sugar Plc	1 005 148	1 086 067	960 973	1 006 130
	<b>1 005 148</b>	<b>1 086 067</b>	<b>960 973</b>	<b>1 006 130</b>
<b>Determination of headline earnings</b>				
Profit attributable to shareholders of Zambia Sugar Plc	1 005 148	1 086 067	960 973	1 006 130
Headline earnings for the period	1 005 148	1 086 067	960 973	1 006 130
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)	317.5	343.1	303.6	317.8
Dividend per share (ngwee)	94.44	84.50		
- Final proposed	94.44	84.50		

### SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

	Group		Company	
	Audited 12 months ended August 2022	August 2021	Audited 12 months ended August 2022	August 2021
	K '000	K '000	K '000	K '000
<b>Revenue</b>	<b>3 531 450</b>	<b>3 750 231</b>	<b>3 531 450</b>	<b>3 750 231</b>
Sugar production	1 580 326	1 238 749	1 580 326	1 238 749
Cane growing	5 111 776	4 988 980	5 111 776	4 988 980
<b>Operating profit</b>	<b>783 556</b>	<b>1 081 852</b>	<b>783 572</b>	<b>1 081 855</b>
Sugar production	458 942	533 110	317 610	397 339
Cane growing	1 242 498	1 614 962	1 101 182	1 479 194

### SUMMARISED STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	August 2022	August 2021	August 2022	August 2021
	K '000	K '000	K '000	K '000
<b>Share capital and share premium</b>	<b>247 338</b>	<b>247 338</b>	<b>247 338</b>	<b>247 338</b>
Balance at beginning and end of the year				
<b>Non-Distributable Reserves</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>
Balance at beginning of the year	40	40	40	40
Balance at end of the year	40	40	40	40
<b>Dividend Reserve</b>	<b>267 503</b>	<b>75 977</b>	<b>267 503</b>	<b>75 977</b>
Dividends declared	(267 503)	(75 977)	(267 503)	(75 977)
Dividends paid	-	-	-	-
Balance at end of the year	-	-	-	-
<b>Retained Earnings</b>	<b>2 330 436</b>	<b>1 320 346</b>	<b>2 091 598</b>	<b>1 161 445</b>
Balance at beginning of the year	1 005 148	1 086 067	960 973	1 006 130
Profit for the year	(267 503)	(75 977)	(267 503)	(75 977)
Dividend reserve movement	3 068 081	2 330 436	2 785 068	2 091 598
Balance at end of the year				
<b>Total Equity</b>	<b>3 315 459</b>	<b>2 577 814</b>	<b>3 032 446</b>	<b>2 338 976</b>

### SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Group		Company	
	August 2022	August 2021	August 2022	August 2021
	K '000	K '000	K '000	K '000
<b>Assets</b>	<b>4 899 555</b>	<b>4 583 756</b>	<b>4 690 285</b>	<b>4 402 412</b>
Property, plant and equipment	1 926 526	1 867 529	1 773 809	1 725 776
Intangible asset	67 902	67 902	-	-
ROU Assets	47 800	56 338	47 800	56 338
Investment in subsidiary	-	-	177 163	177 163
Growing cane	589 538	506 258	492 328	426 703
Inventories	1 395 034	1 122 883	1 363 724	1 089 174
Trade and other receivables	698 811	579 181	662 332	545 866
Other current assets	1 164	378	1 164	378
Cash and bank balances	172 780	383 287	171 965	381 014
<b>Total assets</b>	<b>4 899 555</b>	<b>4 583 756</b>	<b>4 690 285</b>	<b>4 402 412</b>
<b>Equity and liabilities</b>	<b>4 899 555</b>	<b>4 583 756</b>	<b>4 690 285</b>	<b>4 402 412</b>
Equity attributable to shareholders	3 315 459	2 577 814	3 032 446	2 338 976
Lease Liabilities	73 025	66 425	73 025	91 477
Deferred tax liability	261 441	287 800	230 238	260 703
Long and short-term borrowings	54 602	417 069	54 602	417 069
Bank overdraft	97 654	207 568	97 654	207 546
Current liabilities	1 097 374	1 027 080	1 202 320	1 086 641
<b>Total equity and liabilities</b>	<b>4 899 555</b>	<b>4 583 756</b>	<b>4 690 285</b>	<b>4 402 412</b>

### SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Group		Company	
	Audited 12 months ended August 2022	August 2021	Audited 12 months ended August 2022	August 2021
	K '000	K '000	K '000	K '000
Cash operating profit	1 303 661	1 620 473	1 176 330	1 495 994
Working capital movements	(300 396)	(204 803)	(283 554)	(149 838)
Finance costs, taxation and dividends paid	(275 982)	(402 122)	(271 744)	(392 560)
<b>Net cash outflows from operating activities</b>	<b>727 283</b>	<b>1 013 548</b>	<b>621 032</b>	<b>953 596</b>
Net cash outflows from investing activities	(178 811)	(79 336)	(71 124)	(17 181)
<b>Net cash outflows before financing activities</b>	<b>548 472</b>	<b>934 212</b>	<b>549 908</b>	<b>936 415</b>
Net cash outflows from financing activities	(649 065)	(833 637)	(649 065)	(833 637)
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>(100 593)</b>	<b>100 574</b>	<b>(99 157)</b>	<b>102 778</b>
<b>Cash and Bank Balances</b>	<b>175 719</b>	<b>75 145</b>	<b>173 468</b>	<b>70 690</b>
Opening bank and cash balance	75 126	175 719	74 311	173 468
Closing bank and cash balance	(100 593)	100 574	(99 157)	102 778

### LUSAKA STOCK EXCHANGE SPONSORING BROKER



STOCKBROKERS ZAMBIA LIMITED

[MEMBER OF THE LuSE and REGULATED BY THE SECURITIES AND EXCHANGE COMMISSION OF ZAMBIA]

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STOCKBROKERS ZAMBIA LIMITED

## COMMENTARY FOR THE FULL YEAR ENDED 31 AUGUST 2022

### Financial Performance Review

Total revenue for the year ended 31 August 2022 was K5.111 billion, 2.4% above the prior year comparative, bolstered largely by a 5% growth in domestic sales volume. Export sales were down compared to previous year as priority was given to satisfying the domestic market in view of limited stocks and the Kwacha appreciation against the US dollar over the year resulting in lower realisations.

Operating profit for the year was K1.243 billion underpinned by the continued strong growth in domestic sales which is the primary market for the business. This was a strong financial performance which is similar to the previous year considering an 8% decrease in sales due to lower production, cost increases and supply chain disruptions triggered by global events and stripping out the effects of the weak Kwacha in 2021. After tax profit reduced marginally from K1.087 billion to K1.005 billion.

The year under review presented difficult trading conditions. Cost escalation was a key challenge in the business with cost increases mainly driven by the increase in key inputs such as fertiliser, packaging materials and fuel due to the impact of global events.

The strong technical performance, in both factory and fields, and focused working capital management resulted in strong cash generation which led to significantly reduced borrowings from K403 million at the beginning of the year to K42 million at year end. Consequently, the business has achieved zero gearing and is well positioned for further investment and growth.

Earnings per share for the year ended August 2022 decreased by 7.5% from 343.1 ngwee per share to 317.5 ngwee per share.

### Dividend

The Board has proposed a final dividend of K299 million (FY 21 K269 million) which represents 94.4 ngwee per share (FY21 84.5 ngwee per share) to be considered for approval by shareholders at the Annual General Meeting scheduled for 24 November 2022.

Issued in Lusaka, Zambia on Tuesday, November 1, 2022

Lusaka Securities Exchange Sponsoring Broker	
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First Issued on November 1, 2022