

ZAMBIAN BREWERIES PLC

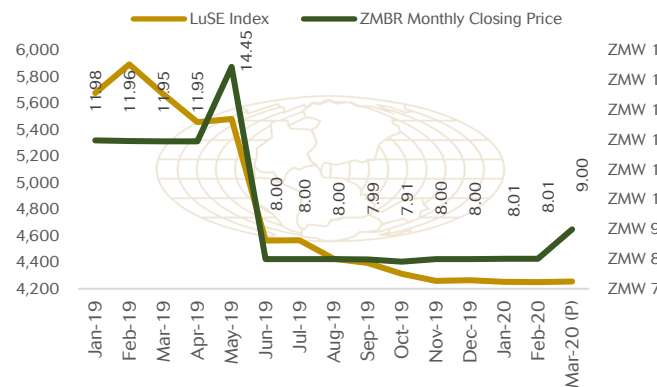
Zambian Breweries PLC (“Zambrew” or the “Company”) is part of Anheuser-Busch InBev (“AB InBev”), the largest brewer in the world. The Company’s product range has grown to include clear beers such as Mosi Lager, Castle, Carling Black Label and Eagle beer as well as Stella Artois and Budweiser.

Shareholder Name	Percentage Owned
AB InBev Africa BV	87.13 %
Public Free Float	12.87 %

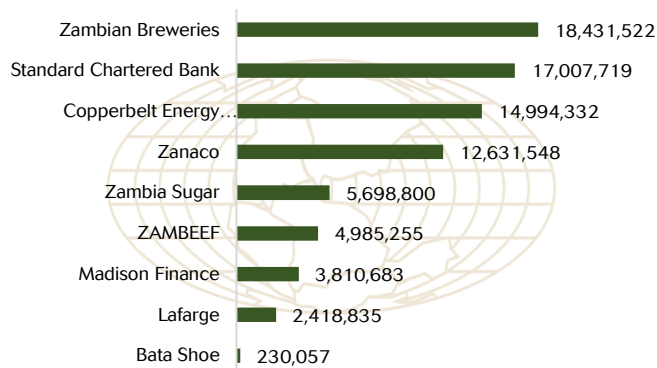
MARKET INFORMATION AND PERFORMANCE

LuSE Ticker	ZABR
LuSE Price, in K (Current)	8.00
LuSE Price, in K (March 26 th , 2020)	8.00
LuSE Price in USD	0.46
Issued Shares	546,000,000
Fully Diluted Shares	546,000,000
LuSE Market Cap, in K [Fully Diluted]	4,368,000,000.00
Market Cap in USD [Fully Diluted]	250,028,620.49
52-Week High [May 2019], in K	14.45
52-Week Low In [Oct 2019], in K	7.51
Forex USD to ZMW [Mar 26 th , 2020]	17.76

ZAMBREW AND LuSE INDEX AVERAGE PERFORMANCE



ZAMBREW TRADING VOLUMES IN 2019



Zambrew was the most traded company in 2019. The improved trading numbers contributed to its stock price fluctuations. Market players were trying to benefit from the 2019 ZMW 2 billion dividend pay-out due to the soft drinks business division sell-off. We anticipate an increase in the Company’s share price by mid-April as the Board of Directors have recommended a dividend payment of ZMW 0.10 per share, for the upcoming annual during the course of March 2020.

YEAR END FINANCIAL RESULTS

	2017*	2018*	2019
ZMW '000			
Revenue	1,189,026	1,787,264	2,092,589
Net Income	194,769	339,688	192,953
EBITA	374,882	473,603	358,188
Total Assets	3,062,546	4,931,900	3,062,292
Total Liabilities	1,633,692	4,166,600	2,022,578

* - These are the alcohol segments only. 2017 & 2018 also had non-alcoholic financials

KEY PERFORMANCE FINANCIAL INDICATORS

	2017*	2018*	2019
Earnings Per Share	0.36	0.62	0.50
PE	19.17	18.59	16.00
Profit Margin	18.57%	19.01%	11.82%
Return on Assets	11.09%	6.89%	8.08%
Return on Equity	15.45%	44.39%	23.80%

These are based on alcohol segments only. 2017 & 2018 also had non-alcoholic financials

COMPANY FINANCIAL AND OPERATIONAL PERFORMANCE

Despite the reduced liquidity on the market, Zambrew recorded a nine percent increase in revenue and a twenty-seven percent increase in net income. After the sale of the soft drinks business division this represents an increase in Company efficiency. This efficiency is represented in an increase in the return on assets of one percent.

The Company invested in its operating systems and processes which resulted in winning of the Africa Quality Culture award as part of the Voyager Plant Optimization (VPO) excellence programme. This was introduced by the AB InBev Group across all its business operations to entrench best manufacturing practices. The Company also joined the ranks of Africa’s top 250 public companies by market capitalization during the year.

COMPANY STRATEGY AND OUTLOOK

The Company will continue to focus on its core clear beer business. The strategy Zambrew will be targeting are to increase market share using their “Go Rural Go Deep” campaign and promote Eagle Lager. This is an effective strategy as it empowers farmers who grow cassava in rural areas while promoting the beer made from the crop – Eagle Lager. An increase in incomes in rural areas translates to purchasing the relatively expensive clear beer compared to the cheaper opaque beer by their suppliers.

COVID-19 (CORONAVIRUS) IMPACT

Zambia has already begun to feel the impacts of this pandemic induced downturn, with the kwacha depreciating by over twenty-five percent in the month of March 2020. A depreciating Kwacha translates to an increase in operating expenses and an increase in inventories which would have a negative impact on the Company’s 2020 financials. One of the key drivers to Zambrew’s growth are high volume sales are social gatherings. In Zambia, these gatherings occur around sports and festivals. The Covid-19 pandemic has led government to closing bars, casinos and large-scale festivals. While the company was expecting a downturn in the premium beer segment – it is clear, that this will impact all beer segments.

The Zambia Statistics Agency recorded year-on-year inflation rate increase of 13.9 percent between February 2019 and February 2020. The coronavirus pandemic will only exacerbate the effects of inflation on raw materials and goods. However, Zambrew does have a healthy free cashflow of ZMW 226 million (US\$ 12.9 million) – this will help it ride out the pandemic and potentially continue its market expansion.