

## Chilanga Cement Half-Year 2024 (“HY2024”) Operational Efficiency Drives 177% Profit Increase

Chilanga Cement PLC (“Chilanga” or the “Company”), formerly Lafarge Zambia manufactures and sells cement and aggregate products for the local building and construction industry in Zambia and for international export. It was founded in 1945 and was listed on the Lusaka Securities Exchange (“LuSE”) on 22 May 1995 making it the first listed company on LuSE.

### HY2024 Financial Performance

- Sales revenue at ZMW1,185 million for the period up by 34% compared to same period in 2023.
- Profit before tax at ZMW 306 million, 177% increase compared to ZMW110 million in 2023.
- Cash and cash equivalents balance of ZMW458 million, 69% increase compared to ZMW270 million in 2023.

Amid a highly competitive domestic market, the Company demonstrated robust operational and financial resilience in the first half of 2024. Despite navigating significant challenges, including currency volatility and insufficient electricity supply, the Company maintained effective service to both local and export markets.

In a fiercely competitive Zambian cement industry, the Company reported a remarkable 171% increase in earnings per share, reaching ZMW 1.16 compared to ZMW 0.43 in the same period in 2023. This substantial improvement was driven by the successful implementation of key production enhancements and comprehensive cost-efficiency measures throughout the period.

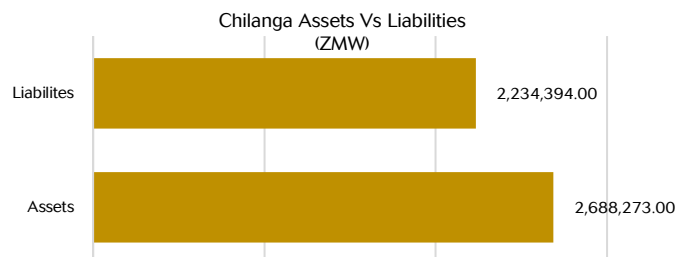
The results highlight the Company’s strategic agility and commitment to optimizing operational efficiencies, positioning it for continued growth despite macroeconomic headwinds.

	2023	2024	Change(%)
	ZMW'000	ZMW'000	
Revenue	885,193	1,185,151	▲33.89
Operating Profit	112,645	304,793	▲170.58
Investment Income	863	8,592	▲895.60
Finance Cost	(3,168)	(7,204)	▲127.40
Profit Before Tax	110,340	306,181	▲177.49
Income Tax (expense)	(24,341)	(73,218)	▲200.80
Profit	85,999	232,963	▲170.89
EPS (ZMW)	0.43	1.16	▲169.77

Source: Pangaea Data & Chilanga SENS announcements for the Unaudited Results for Half year ended 30<sup>th</sup> June 2024 and 30<sup>th</sup> June 2023.

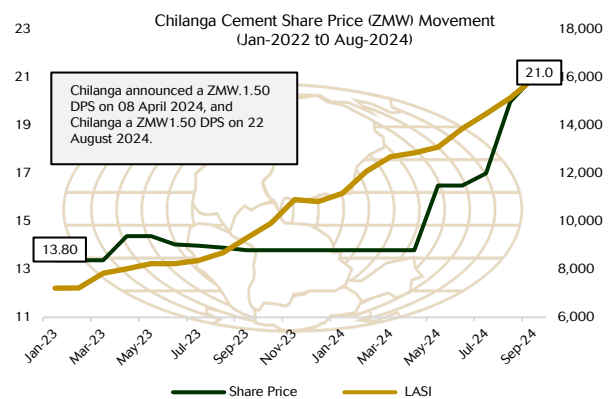
The Company balance sheet position for 2024 indicates a positive financial position for the company compared to 2023. There has been a significant increase in property, plant, and equipment of ZMW 301,024.00. Additionally, the establishment of an Environmental Protection Fund and increased provisions for environmental liabilities highlight a commitment to sustainability.

The Company’s financing structure remains stable, with no changes in share capital of ZMW 10,002.00.



LuSE Ticker	CHIL
LuSE Price, in ZMW [04.11.24]	21.00
LuSE Price in USD	0.642
Issued shares	200,040,457
LuSE Market Cap, ZMW [Fully Diluted]	3,300,667,540.50
LuSE Market Cap, USD [Fully Diluted]	123,297,255.90
52 Week Low, ZMW	13.80
52 Week High, ZMW	25.50
Chief Executive officer	JIANPING CHAI
Exchange Rate ZMW to USD [04.11.24]	26.77

	30-Jun-23	30-Jun-24	Change (%)
	CHIL	CHIL	
LuSE Ticker	CHIL	CHIL	
LuSE Price, In ZMW	14.12	16.67	▲18.06
LuSE Price in USD	0.808	0.692	▼14.40
Issued shares	200,040,457	200,040,457	-
LuSE Market Cap, ZMW	2,824,571,253	3,334,674,418	▲18.06
LuSE Market Cap, USD	161,634,979.00	138,361,918	▼23.60
FOREX Rate ZMW/USD	17.475	24.1011	▼23.60



### Stock Performance

The Chilanga Cement stock (the “Stock” or “CHIL”) remained flat during from the start of the second-half of 2023 (H2Y23) to the first-quarter 2024 (Q1Y24) during which the Stock averaged ZMW13.80. In the second quarter of fiscal year 2024 (Q2Y24), specifically from late April, the Stock exhibited a bullish trend and generated net gains through the fluctuating market conditions. Consequently, the period under review concluded with a substantial 33% share appreciation. These fluctuations in Q2Y24, and consequently, the capital gains, can be directly attributed to the announcement of the ZMW 1.50 per share dividend for the fiscal year 2024 (FY24) on April 8, 2024.

During the H1Y24, Chilanga was the 6<sup>th</sup> most traded stock on the LuSE, with 705 trades, capturing 4.8% of all trade activities during the period. 2,601,517 Shares were traded, translating to ZMW24,396,910.00 in turnover, ranking it 4<sup>th</sup> on the LuSE during H1Y24. This represented 4.17% of the ZMW 585,660,309.00 total LuSE turnover for the period.

Chilanga began the year 2024 with a share price of ZMW13.80 and has since gained 52.2% on that price valuation, ranking it 10th on the LuSE in terms of year-to-date performance as at 04 November 2024. The Stock is now trading at ZMW21.0. Over the trailing three months (Aug 2 - Nov 1, 2024) Chilanga has been the third most traded stock on the LuSE with a cumulative volume of 895,905 shares transacted, equating to a total value of ZMW 18.4 million. The Stock averaged 14,221 shares per trading session, reaching a peak daily volume of 304,194 shares on 28 August 2024.

### Outlook for FY2024

The cement industry in Zambia is anticipated to experience growth in the second half of 2024. This growth will be fueled by substantial investments in infrastructure projects, such as the Lusaka-Ndola dual carriageway, the anticipated revitalization of the mining sector, and favorable investment conditions. These factors are expected to drive an increased demand for construction materials, positively impacting Chilanga’s revenue potential for the period.