



Company: National Breweries PLC
 Business: Alcoholic Beverages
 Listed: 1998
 Country: Zambia

Company Report
 Equity Research
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 05 November 2024



National Breweries PLC

National Breweries PLC (“NATB”, “The Company”) is a leading brewer of local alcoholic beverages and traditional African beer with operations spread across Lusaka, Kitwe and Ndola. The company is listed on the Lusaka Securities Exchange (“LuSE”). The Company is widely known for its renowned ‘Chibuku’ line of local alcohol.

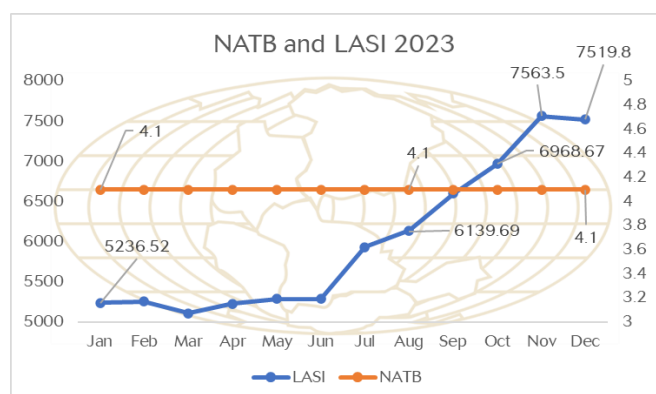
SHAREHOLDING STRUCTURE

Shareholder Name	Percentage
Chibuku Breweries Limited	70.00
Various Zambian Pension Funds/Trusts	12.06
Standard Chartered Zambia Securities Services Nominees Limited	8.68
NAPSA	2.22
Workers’ Compensation Fund Control Board	1.24
Local Authority Superannuation	0.6
Free Float (LuSE)	5.19

MARKET INFORMATION AND PERFORMANCE

Ticker	NATB
Closing price 5.11.24	3.80
Market Cap. 5.11.24	239.4 million
52-Week High	4.10
52-Week Low	3.80
Market Cap. Rank 5.11.24	18
Issued Shares	63 million

NATB fell by 7.89% YTD. It was ranked second-to-last in turnover on the LuSE, trading ZMW10,352 for the year 2023, recording 32 trades. This low turnover is underpinned by NATB’s lack of dividends as the latter are detrimental to activity and performance on the LuSE. It is an extremely illiquid stock.



NATB experienced an increased volume of 33% in 2023 reporting year. A combination of a richer sales mix and price adjustments, in response to the rapid increase in production costs and overheads led to doubling of revenues. To cushion the business against future cost escalations the company embarked on an inaugural grain contracting programme with smallholder farmers for sorghum crop. Demand was strong in the first half of the reporting year but softened in the second half following a 11% price adjustment and the subsequent overpricing by traders.

2023 FINANCIAL RESULTS

Financials (ZMW Million)	2023 (for the year ended 31.3.24)	2022 (for the year ended 31.3.23)	% Change
Revenue	532.8	254.3	106
Operating Profit/Loss	(488.4)	(194.3)	151
Net Income	(545.5)	(237.6)	130
Total Assets	286.5	251.5	14
Total Liabilities	1376.1	795.5	73
Total Equity	(1089.6)	(544.1)	100

2023 FINANCIAL RATIOS

Key Metrics	2023 (for the year ended 31.3.24)	2022 (for the year ended 31.3.23)
EPS (ZMW)	(8.66)	(3.77)
Operating P/L Margin	(0.917)	(0.764)
Net Income Margin	(1.024)	(0.934)
Return on Equity	0.500	0.437
Return on Assets	(1.904)	(0.945)
Current Ratio	0.087	0.099
Debt to Equity	(1.263)	(1.462)

DEVELOPMENTS IN 2023

Gross revenue grew 103% because of the impact of the strategic shift in sales mix towards high value packaged products and the aforementioned price increase. However, the latter did not fully cover the impact of cost escalation, resulting in an operating loss.

During the second half of the year NATB launched a new product offering, Chibuku Super Banana.