



Company: ZCCM-IH PLC
 Business: Integrated Mining
 Listed: 2000
 Country: Zambia

Company Report
 Equity Research
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ZCCM-IH PLC

ZCCM-IH PLC ("ZCCM-IH") is a premier diversified mining investment and operations group, with significant and focused interests in Zambia's mining and energy sectors. ZCCM-IH's portfolio commodity mix includes copper, gold, amethyst, manganese, limestone, coal and electric power energy. The company has a primary listing on the Lusaka Securities Exchange, and a secondary listing on the Euronext Paris.

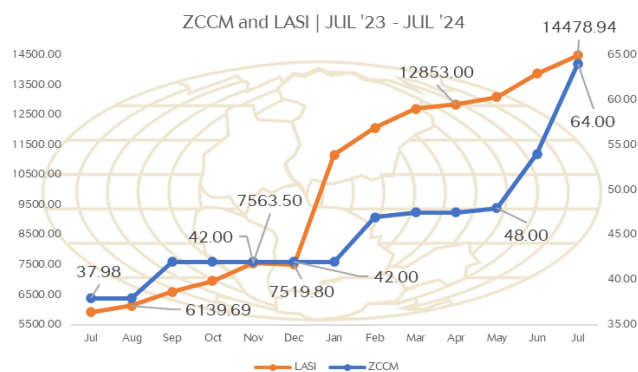
SHAREHOLDING STRUCTURE

Shareholder Name	Percentage
Industrial Development Corporation	60.3
Government of the Republic of Zambia	17.3
National Pension Scheme Authority	15.0
Private Investors	7.4

MARKET INFORMATION AND PERFORMANCE

	Exchange	
	LuSE	EPA
Ticker	ZCCM	MLZAM
Closing price 1.11.24	ZMW 65.00	€ 1.30
Market Cap. 1.11.24	ZMW 10.452B	€ 19.441M
52-Week High	ZMW 65.25	€ 1.68
52-Week Low	ZMW 42.00	€ 1.22
Market Cap. Rank 1.11.24	4	
Issued Shares	149,888,015	10,619,577

ZCCM-IH is the second-most expensive stock on the LuSE, having increased by 55% YTD. ZCCM-IH was ranked 15th in turnover on the LuSE, trading approximately ZMW480,475 for the year 2023, recording 324 trades. This moderate turnover is underpinned by ZCCM-IH's relatively high price and investor reaction to ZCCM-IH's singular dividend announcement in the third quarter.



ZCCM-IH's stock recorded the most activity in March, trading 254 shares. This increase in investor activity was possibly triggered by news about IRH's progress on its potential acquisition of Mopani Copper Mines, signalling to investors a better future for ZCCM-IH's financials through novation of debt and improved operations at Mopani.

In September the share price saw an increase of about 11% from ZMW37.98 to ZMW42.00 following a dividend announcement of ZMW2.41 per share. Contrastingly, there was minimal trading activity after the dividend announcement, signalling shareholders' preferences to hold the stock in anticipation of further appreciation and future dividends. The anticipation may have been fuelled by positive investor sentiments about the aforementioned acquisition of Mopani.

The stock price ended the year without movement at ZMW42.00 but has seen an increase till date, currently trading at ZMW65.00. A dividend payout, completion of IRH-Mopani and resolution of KCM litigation possibly contributed to this rise.

At the 2023 AGM, ZCCM-IH Shareholders approved the aforementioned final dividend of ZMW2.41 for the previous year. In December 2023, ZMW1.51 was declared as the dividend for the year, resulting in a dividend yield of 3.6%.

FINANCIAL RESULTS AND RATIOS

Financials (ZMW Billion)	2024 HY*	2023 HY	%Δ	2023	2022	%Δ
Revenue	2.370	7.115	(67)	11.747	11.920	(1.45)
Operating Profit/Loss	(4.833)	(1.666)	(190)	(2.105)	(3.315)	(36.5)
Net Income	55.324	(2.410)	2396	(4.076)	(3.786)	7.66
Total Assets	56.805	48.309	18	58.464	48.919	19.51
Total Liabilities	9.847	41.802	(76)	64.15	41.01	56.43
Total Equity	46.958	6.507	622	(5.691)	7.909	(171.96)

*unaudited

Key Metrics	2024 HY*	2023 HY	2023	2022
EPS (ZMW)	344.05	(14.98)	(25.35)	(23.54)
Operating P/L Margin	(2.04)	(0.234)	(0.18)	(0.278)
Net Income Margin	23.34	(0.339)	(0.347)	(0.318)
Return on Equity	1.107	(0.370)	0.715	(0.479)
Return on Assets	0.974	(0.05)	(0.07)	(0.077)
Current Ratio	3.645	1.121	0.455	1.110
Debt to Equity	0.21	6.424	(11.27)	5.185

*unaudited

2023 COMPANY PERFORMANCE

ZCCM-IH's increased post-tax loss was primarily from the constant underperformance of Mopani Copper Mines.

The increase in total assets is mainly due to the increase in fair value of investee companies during the year.

Total liabilities increased on account of unpaid interest on Glencore's long-term loan facility and from exchange losses due to the Kwacha's depreciation during the year.

DEVELOPMENTS IN INVESTEE FIRMS

- ZCCM-IH's stake in CEC increased from 24.1% to 31.07%. In April 2023, ZCCM-IH completed the conversion of its dividend right in Kansanshi Mining into a Life of Mine royalty right which would provide ZCCM-IH with predictable income streams going forward. This transaction marked a turning point for a new operating model which would result in improving shareholder value.
- Significant progress was made to resolve outstanding legal matters between ZCCM-IH, Konkola Copper Mines and Vedanta Resources Holdings Limited.
- In early 2024, IRH acquired a 51% stake in Mopani Copper Mines for a total of USD1.1 billion – comprising of USD620 million in new equity capital, USD380 million as a shareholder loan by way of novation of Glencore debt and USD100 million in settlement of existing third-party letters of credit.

2024 UPDATES

- Resolution of outstanding issues with key stakeholders led to resumption of remedial work at Kasenseli mine
 - Following this development, Zambia Gold Company Limited is set to commence operations of exploration and trial mining in Q4 2024.
- HY 2024 delivered strong results with a profit of ZMW55.32 billion compared to a loss of ZMW2.41 billion for the HY 2023
- Kansanshi Royalty revenue model has performed well generating a total royalty income of ZMW564 million in HY 2024
- ZCCM-IH has committed to investing USD50 million in Maamba Energy's 300MW Phase II Project, 70% of which will be through equity.