



COMMENTARY

Trading environment

The half year was a tale of two quarters for CAFCA. The second quarter became subdued following a strong Q1 performance. The period was characterized by an increase in competitive products following a shift in market conditions towards increased informalisation of the retail sector. Additionally, the mining sector, particularly the platinum group metals sector, remained subdued due to low commodity prices. The recovery of the agricultural season is also yet to translate into cash flows and therefore infrastructure development, as harvesting for row crops is still pending, with only tobacco in the middle of its selling season.

Financial Performance

Revenue in Zimbabwean Gold (ZWG) increased by 76% compared to the same period last year, reaching ZWG478.5 million. However, due to margin contraction, profit after tax fell by 72% to ZWG15.7 million. The company has quickly adapted to changing market conditions by adjusting its market position to defend its market share. The balance sheet remains strong, with continuous effort being put to organise working capital for balance sheet preservation and agility to react to market conditions.

Operational performance

Sales volumes for the half year were 5% lower than the same period last year due to worsening trading conditions. Copper and Aluminium volumes declined by 12% and 10%, respectively, compared to the same prior period.

Statement of Comprehensive Income  
For the six months ended 31 March 2025

	31 March 2025 Unaudited ZWG	31 March 2024 Reviewed ZWG
Revenue	478 509 082	274 461 199
Operating profit	30 192 492	91 902 113
Finance cost	(657 789)	(4 972 006)
Monetary loss	-	(14 879 367)
Profit before income tax	29 534 703	72 050 740
Income tax expense	(13 807 386)	(13 813 573)
Profit for the period	15 727 317	58 237 167
Other comprehensive income for the period	-	-
Total comprehensive income for the period	15 727 317	58 237 167
Weighted average number of ordinary shares in issue	33 949 000	33 949 000
Basic earnings per share (ZWG cents)	46.33	171.54
Diluted earnings per share (ZWG cents)	46.33	171.54
Headline earnings per share( ZWG cents)	46.12	169.97

Statement of Financial Position  
As at 31 March 2025

	31 March 2025 Unaudited ZWG	30 Sept 2024 Audited ZWG
ASSETS		
Non-current assets		
Property, plant and equipment	457 855 811	519 072 661
	457 855 811	519 072 661
Current assets		
Inventories	353 941 474	321 029 183
Trade and other receivables	107 299 357	72 180 486
Cash and cash equivalents	5 335 120	14 361 284
	466 575 951	407 570 953
Total assets	924 431 762	926 643 614
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the parent		
Share capital	9 073	887
Share premium	8 186 251	7 609 604
Retained earnings	423 926 893	329 036 652
Revaluation reserve	426 104 419	477 599 169
Total equity	858 226 636	814 246 312
LIABILITIES		
Non-current liabilities		
Deferred income tax liabilities	23 271 177	21 389 587
Current liabilities		
Trade and other payables	7 476 620	29 107 152
Provisions for other liabilities and charges	9 488 763	15 860 583
Current income tax liability	16 986 981	1 531 824
Borrowings	4 832 654	-
Dividend payable	4 148 931	44 508 156
	42 933 949	91 007 715
Total equity and liabilities	924 431 762	926 643 614

The commercial business and utilities segments experienced volume growth of 3% and 75%, respectively, against the same period last year, whereas the retail and distribution sector declined by 27%, indicating the change in market dynamics. Foreign currency challenges in Malawi and Mozambique slowed down export business during the period. This coincided with the transition to a more direct sales arrangement without distributors from the previous consignment stock arrangement to improve working capital efficiency in the export business.

During the period, CAFCA's delivery performance was sustained with hit rates maintained at over 100%, albeit at reduced production runs given the subdued demand conditions in the second quarter.

Dividend

The board decided not to declare an interim dividend considering cash flow considerations.

Outlook

While the outlook remains challenging, the board will continue monitoring the strategies put in place, to navigate the turbulence in the trading environment.

By order of Board  
06 May 2025

  
C Kangara  
Company Secretary

Statement of Cash Flows  
As at 31 March 2025

	31 March 2025 Unaudited ZWG	31 March 2024 Reviewed ZWG
Profit before income tax	29 534 703	72 050 740
Adjustments for:		
Depreciation	21 378 147	874 062
Net loss on net monetary assets	-	38 503 602
(Profit) on disposal of property, plant and equipment	(101 709)	(531 100)
Non-cash employee benefit-share based payment charge	-	(101 748)
Finance cost	657 789	4 972 006
Working capital changes:		
Increase in inventories	(32 912 291)	(46 098 619)
(Increase)/decrease in trade and other receivables	(35 118 871)	52 663 092
Decrease in trade and other payables	(21 630 532)	(10 561 315)
Decrease in provision for other liabilities and charges	(6 371 820)	(12 343 929)
Net cash (utilised in)/generated from operations	(44 564 584)	99 426 792
Finance cost	(657 789)	(4 972 006)
Income tax paid	(5 673 221)	(3 345 851)
Net cash (utilised in)/generated from operating activities	(50 895 594)	91 108 935
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(5 530 106)	(639 585)
Proceeds from the sale of property, plant and equipment	101 709	531 100
Net cash utilised in investing activities	(5 428 397)	(108 485)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in borrowings	4 832 654	-
Dividend paid	(40 359 225)	(54 943 913)
Proceeds from issuance of shares - share options	-	25 488
Net cash utilised in financing activities	(35 526 571)	(54 918 425)
Increase in cash and cash equivalents	(91 850 562)	36 082 025
Cash and cash equivalents at the beginning of the year	14 361 284	(4 751 049)
Effects of IAS29	-	(33 470 516)
Effects of exchange rate differences	82 824 398	-
Cash and cash equivalents at the end of the period	5 335 120	(2 139 540)

NOTICE TO SHAREHOLDERS

UNAUDITED ABRIDGED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 MARCH 2025



Statement of Changes in Equity

As at 31 March 2025

	Share capital ZWG	Share premium ZWG	Share options reserve ZWG	Revaluation reserve ZWG	Retained earnings ZWG	Total ZWG
Balance at 1 October 2023	888	2 709 246	4 976 618	-	244 262 687	251 949 439
Total comprehensive income for the period	-	-	-	-	58 237 167	58 237 167
Profit for the period	-	-	-	-	58 237 167	58 237 167
Other comprehensive income for the period	-	-	-	-	-	-
Transaction with owners in their capacity as owners						
Share options exercised	-	25 488	-	-	-	25 488
Transfer between reserves	-	4 874 870	(4 874 870)	-	-	-
Share option credit	-	-	(101 748)	-	-	(101 748)
Balance at 31 March 2024	888	7 609 604	-	-	302 499 854	310 110 346
Balance at 1 October 2024	887	7 609 604	-	477 599 169	329 063 652	814 273 312
Effects of translation differences	8 186	576 647	-	(51 494 750)	79 135 924	28 226 007
Total comprehensive income for the period	-	-	-	-	15 727 317	15 727 317
Profit for the period	-	-	-	-	15 727 317	15 727 317
Other comprehensive income for the period						
Transaction with owners in their capacity as owners	-	-	-	-	-	-
Share options exercised	-	-	-	-	-	-
Transfer between reserves	-	-	-	-	-	-
Share option credit	-	-	-	-	-	-
Balance at 31 March 2025	9 073	8 186 251	-	426 104 419	423 926 893	858 226 636

Notes to the unaudited abridged Financial Statements

As at 31 March 2025

1 General Information

CAFCA Limited (the "Company") manufactures and supplies cables for transmission and distribution of energy listing on the Zimbabwe Stock Exchange and secondary listing on the Johannesburg Stock Exchange.

2 Basis of preparation

The financial statements of CAFCA Limited have been prepared with an aim to comply with IFRS® Accounting Standards and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

3 Functional currency and exchange rates

Following the introduction of the Zimbabwe Gold Currency by the Reserve Bank of Zimbabwe (RBZ) on 5 April 2024 and Statutory Instrument (SI) 60 of 2024,all previously existing Zimbabwe Dollar (ZWL) balances were converted into ZWG as at that date. The swap rate of ZWG 1:ZWL 2498.7242 was used as guided by the closing interbank exchange rate and price of gold as at that date. The previously reported balances and transactions between 1 October 2023 and 31 March 2024 were inflated to the 31st of March 2024.

In light of increased level of USD transactions, the Directors conducted a thorough assessment of factors influencing the determination of the Company's functional currency. The assessment considered factors such as primary economic activities, currency of transactions, cash flows patterns, the regulatory environment and long-term stability.

The Directors effective 1 October 2024 adopted the USD as functional currency.

Compliance with Monetary Policy Statement Issued on 6 February 2025

The USD financials were converted to ZWG using the Reserve Bank of Zimbabwe Exchange rate as at 31 March 2025:-1USD:ZWG 26.7654

4 Going concern

Management has assessed that the Company will continue operating as a going concern, citing the following: -

- a. The company has no exposure to foreign liabilities.
- b. The company has stock cover of 2 months in finished goods.
- c. The company has adequate working capital and facilities from local banks.

5 Related party transactions

	31 March 2025 Unaudited ZWG	31 March 2024 Reviewed ZWG
Purchases of goods		
CBI Electric African Cables - A Division of ATC (Proprietary) Limited	31 129 245	6 035
Metal Fabricators of Zambia Plc (Zamefa)	48 327 873	22 033 815
	79 457 118	22 039 850

Notes to the unaudited abridged Financial Statements (continued)

6 Key management remuneration:

Key management includes directors (executive and non-executive) and executive managers (members of the executive committee)

	31 March 2025 Unaudited ZWG	31 March 2024 Reviewed ZWG
Salaries and short term benefits	14 525 272	11 853 548
Share options credit	-	(101 748)
Directors' emoluments:	-	-
- Fees	1 022 171	1 074 814
	15 547 443	12 826 614

7 Segment information

Company has one product line, and operates in one industry sector.

Revenue is primarily from customers who are domiciled in Zimbabwe and revenue from external customers pertains mainly to customers domiciled in Malawi, Rwanda and Mozambique.

	31 March 2025 Unaudited ZWG	31 March 2024 Reviewed ZWG
Revenue is analysed as follows:		
Revenue from customers domiciled in Zimbabwe	448 701 390	246 225 056
Revenue from external customers	29 807 692	28 236 143
	478 509 082	274 461 199

These revenues are attributable to customers domiciled in Zimbabwe. The breakdown of the major component of the total revenue from three major customers of at least 10% is as follows:

	31 March 2025 Unaudited ZWG	31 March 2024 Reviewed ZWG
Retail Sector	47 646 238	52 094 783

The segment information provided to the executive team for the product reportable segments for the half year ended 31 March are as follows:

	31 March 2025 Reviewed ZWG	31 March 2024 Reviewed ZWG
Revenue from customers	478 509 082	274 461 199
Profit before interest and taxation	29 534 703	72 050 740
Finance cost	657 789	4 972 006
Income tax expense	13 807 386	13 813 573
Total assets	924 431 762	926 643 614
Liabilities	66 205 126	112 397 302

8 Capital commitments

Capital expenditue of ZWG 3.88 million for procurement of plant and equipment was authorised by the Board and is contracted for at the reporting period (2024: ZWL nil).

9 Property, plant and equipment

	31 March 2025 Unaudited ZWG	31 March 2024 Reviewed ZWG
Capital expenditure	5 530 106	639 585
Depreciation charge	21 378 147	874 062
	4 832 654	-

10 Borrowings

All borrowings are short-term (not exceeding 12 months) and bear interest ranging between (30%-45%) per annum. The borrowings are unsecured.