



THE ROYAL ESWATINI SUGAR CORPORATION LIMITED AND ITS SUBSIDIARIES

(Incorporated in the Kingdom of Eswatini)

Registration number: 197710032001568

Listed on the Eswatini Stock Exchange (ESE)

Share Code: RSSC

ISIN Code: SZ0005797920

CONDENSED RESULTS FOR THE YEAR ENDED 31 MARCH 2025

THE TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO THE OWNERS OF THE COMPANY AMOUNTED TO E414.3 MILLION

Condensed Consolidated Statement of Comprehensive Income

	Year ended 31-03-25 Audited E'000	Year ended 31-03-24 Audited E'000
Revenue	4 963 924	4 749 409
Cost of sales	(3 897 812)	(3 778 978)
Change in fair value of biological assets	(16 792)	280 265
Gross profit	1 049 320	1 250 696
Other income	121 967	90 074
Distribution expenses	(12 991)	(10 547)
Administration expenses	(636 660)	(590 366)
Impairment loss on trade receivables	(1 344)	(1 080)
Operating profit	520 292	738 777
Finance income	56 261	51 711
Finance costs	(63 155)	(62 455)
Net finance costs	(6 894)	(10 744)
Share of profit of equity accounted investees (net of income tax)	39 832	48 050
Profit before taxation	553 230	776 083
Income tax expense	(130 115)	(137 613)
Profit attributable to owners of the Company	423 115	638 470
Other comprehensive income		
Items that will never be reclassified to profit or loss		
Remeasurements of defined benefit liability	(11 692)	4 595
Related tax	2 923	(1 264)
Other comprehensive income (net of tax)	(8 769)	3 331
Total comprehensive income attributable to owners of the Company	414 346	641 801
Number of shares in issue ('000)	96 346	96 346
Sugar production (tonnes 96° Pol)	412 095	391 100
Ethanol production ('000 litres)	31 922	29 919
Ethanol sales ('000 litres)	26 455	30 797
Basic earnings per share (cents)	439.2	662.7
Dividends per share (cents)	265.0	281.2
Operating margin (%)	10.5	15.6
Interest cover (times)	9.1	12.7
Return on net assets (%)	12.8	19.2
Return on assets managed (%)	10.4	16.0
Return on shareholders' equity (%)	12.7	20.7
Gearing (incl. cash) (%)	12.8	12.0
Debt/Equity (incl. cash) (%)	14.7	13.7
Price earnings ratio (times)	3.9	2.3
Earnings yield (%)	25.8	43.6
Dividend yield ratio (%)	15.6	18.5
Market share price (cents)	1 700	1 520

Condensed Consolidated Statement of Cash Flows

Cash generated from operations	832 603	758 457
Changes in working capital	(126 013)	20 132
Finance costs	(60 729)	(59 715)
Taxation paid	(52 374)	(61 410)
Net cash generated from operating activities	593 487	657 464
Acquisition of property, plant and equipment	(421 085)	(354 617)
Acquisition of intangible assets	(29 907)	(13 262)
Acquisition of equity in associate company	0	(13 158)
Other investing activities	80 098	79 561
Net cash utilised in investing activities	(370 894)	(301 496)
Net increase in loans and borrowings	156 729	81 685
Dividends paid	(265 723)	(128 685)
Net cash utilised in financing activities	(108 994)	(48 000)
Net increase in cash and cash equivalents	115 599	307 968
Cash and cash equivalents at beginning of year	260 733	(50 961)
Effect of exchange rate fluctuations on cash held	(936)	3 726
Cash and cash equivalents at end of the period	373 396	260 733

Condensed Consolidated Statement of Changes in Equity

Balance at beginning of year	3 100 228	2 729 353
Total comprehensive income for the year	414 346	641 801
Dividends declared	(255 318)	(270 926)
Balance at end of the year	3 259 256	3 100 228

Notes to Condensed Consolidated Financial Statements

Business segmental analysis

1. External revenue

- Cane Growing	5 952	9 346
- Sugar production and marketing	4 511 984	4 224 615
- Ethanol production and marketing	414 267	487 494
- External revenue not meeting segment criteria	31 721	27 954
	4 963 924	4 749 409

2. Operating segment results

- Cane growing	285 850	551 543
- Sugar production and marketing	707 616	602 900
- Ethanol production and marketing	85 483	104 341
	1 078 949	1 258 784
- Results of other operations not meeting segment criteria	(22 679)	(20 611)
- Unallocated other income	101 394	88 424
- Unallocated corporate costs	(637 638)	(588 048)
- Unallocated net finance costs	(6 628)	(10 516)
- Share of profit of equity accounted investees	39 832	48 050
Profit before taxation	553 230	776 083

Condensed Consolidated Statement of Financial Position

	As at 31-03-25 Audited E'000	As at 31-03-24 Audited E'000
Non-current assets		
Property, plant and equipment	2 870 295	2 718 123
Goodwill	286 481	286 481
Intangible assets	48 146	39 696
Equity accounted investees	256 007	238 536
Deferred tax assets	1	1
	3 460 930	3 282 837
Current assets		
Inventories	257 239	217 761
Biological assets - growing cane	1 010 519	1 027 738
Biological assets - livestock	17 505	17 078
Trade and other receivables	622 889	459 572
Taxation prepaid	287	67
Derivative assets	-	2 426
Cash and cash equivalents	420 602	272 014
	2 329 041	1 996 656
Total assets	5 789 971	5 279 493
Equity and non-current liabilities		
Ordinary shareholders' funds	3 259 256	3 100 228
Deferred tax liabilities	719 101	654 615
Loans and borrowings	649 420	536 106
Employee benefits	110 249	102 440
	4 738 026	4 393 389
Current liabilities		
Trade and other payables	543 650	437 330
Short term employee benefits	108 940	138 478
Bank overdraft	47 205	11 281
Current portion of loans and borrowings	201 622	148 635
Current tax liabilities	19 692	9 139
Dividends payable	130 836	141 241
	1 051 945	886 104
Total equity and liabilities	5 789 971	5 279 493

COMMENTARY

Statement of Compliance

The condensed consolidated financial information, which has been audited, has been drawn up in compliance with the recognition and measurement criteria under International Financial Reporting Standards and in the manner required by the Eswatini Companies Act.

Accounting Policies

The Group has consistently applied the accounting policies as set out in the RES March 2025 consolidated and separate financial statements.

Commentary on Results

Cane crushed, at 3.13 million tonnes, was at the same level as cane crushed in the prior year. Estate sucrose yields (tonnes sucrose per hectare - t/ha) improved to 12.43 t/ha compared to 12.04 t/ha for the same period last year. The improvement in the current year crop is attributable to the harvesting of cane at the optimal age of 12 months and some older cane from fields which were carried over from the 2023/24 season. This was offset by some cane fields which were damaged by a storm event in March 2024 that affected approximately 43% of the cane area harvested in 2024/25.

Sugar production was 5% higher, at 412 095 tonnes 96° pol sugar, as compared to 391 100 tonnes 96° pol sugar in the previous year. This was driven by the higher sucrose volumes from improved yields and better sugar recoveries in the mills.

Ethanol production at 31.9 million litres was 7% higher than the production in the comparative period due to the ripple effect of the improved cane yields and thus higher molasses available to the distillery. Ethanol sales at 27.4 million litres, were however 11% lower than the comparative period resulting in higher closing inventory. The reduction in sales volumes is attributed to delayed product off take by European customers, the loss of some SACU customers due to their liquidation, and difficult trading dynamics in the East African market.

Sugar and ethanol pricing were both under pressure with sugar and ethanol recording a below inflation increase of 2.8% and 1.7% respectively. The average raw sugar price for the current financial year at 19.88 USc/lb was 19% lower than the comparative period.

Turnover at E5.0 billion was thus 4.5% higher than the comparative period, this increase almost tracking that of cost of sales at 3.1%. The change in the fair value of biological assets was dilutive at E16.8 million as compared to an incremental E280.3 million for the comparative period. The current year movement reflects the impact of lower sucrose yield assumptions as well as a slight price reduction whilst the prior year was impacted by a significant change in the cane age.

Other income is 35% higher, mainly income earned from toll milling cane for the benefit of the Eswatini Sugar Industry as well as once off sugar sweep out gains. Administration expenses were 8% higher than the prior year due to ramped up consultancy costs relating to studies in renewable energy and alcohol diversification as reflected in our strategy.

Share of associate companies profit at E39.8 million was 17% lower than the comparative period with the performances of our associates in the sugar and fertiliser sectors falling off by 12% and 26% respectively. This decline is attributed to flat sugar pricing, aggressive competition in the SACU sugar market, constrained availability of key raw materials in the fertiliser operation and lower fertiliser prices.

Total comprehensive income attributable to the Owners of the Company thus amounted to E414.3 million. This is 35.4% lower than the record results achieved for 2023/24.

Cash generated from operating activities at E593.5 million was 9.7% lower than the comparative period due to unfavourable working capital movements driven by higher inventory and a higher year end sugar price retention.

Current year capital expenditure of E451.0 million included E221.2 million expenditure on brought forward and current year approved growth projects. The Group assumed new debt of E306.2 million, to finance approximately 75% of the 2023/24 and 2024/25 growth project costs.

Dividends declared in the current financial year were E255.3 million compared to E270.9 million in the comparative period. Dividends paid were E265.7 million against E129.7 million in the prior period, with the current year payment including E141.2 million final declaration for 2023/24 in March 2024 compared to E50.0 million final declaration for 2022/23 in June 2023.

The condensed consolidated statement of financial position of the Group shows a strong balance sheet with total assets amounting to E5.8 billion. This is due to 363 hectares new land expansion and mill efficiency projects undertaken during the year. Also contributing are higher inventories, receivables and closing cash.

The financial ratios reflect the commentary above and continue to reflect positive performance albeit being lower than the prior year.

Outlook

The estate crop size for the 2025/26 financial year is forecast to improve by 6.5% due to improved climatic conditions and the harvest of new cane areas. Consequently, sugar production is expected to improve by a similar margin.

Sugar markets are expected to remain under tight pressure with currency remaining exposed to higher-than-normal volatility. 2024/25 delivered a below inflation price increase for both sugar and ethanol with the outlook for 2025/26 also projecting below inflation increases.

The alternative energy project initially planned for 2023/24 was further deferred to 2025/26 due to resource constraints in the market following the large uptake of large scale solar projects in South Africa in 2024/25. The project will commence in June 2025 following the finalisation of all processes required to initiate the project.

A provision of E32 million has been set aside in the 2025/26 budget for research and development in the areas of large scale renewable energy production and diversification of our alcohol offering in an effort to ensure that the Group remains sustainable.

There are no new growth projects approved for 2025/26 while the energy projects are being scrubbed, as the configuration of our mills and proposed power stations must be determined astutely before the initiation of any new growth capital expenditure.

Corporate Governance

The Group is committed to best corporate governance practices and in this regard is guided by, inter alia, the code of corporate best practice and conduct contained in the King reports and other international guidelines on corporate governance. Details of the Group's compliance with corporate governance are set out in the March 2025 Integrated Report and these have been consistently applied during the year.

Review by Independent Auditors

The Group auditors, SNG Grant Thornton Chartered Accountants (Eswatini), have reviewed this press release.

The Group auditors have audited the consolidated financial results for the year ended 31 March 2025 and have issued an unmodified report. This summarised consolidated financial information has been derived from the audited financial statements and is consistent in all material respects. The report of the independent auditors is available for inspection at the registered office of the Company.

Contingencies and Commitments

There have been no material changes to contingencies while capital commitments have decreased by E89 million when compared to the disclosed amounts in the March 2024 Integrated Report. This is due to no new growth and efficiency projects planned for the 2025/26 financial year.

Dividend Declared

A first interim dividend for the year ended 31 March 2025 (dividend 65) of 129.2 cents (2024: 82.7 cents) per share was declared on 13 September 2024 and paid in October 2024, to shareholders who were registered in the books of the Company at the close of business on 18 October 2024.

A Final dividend for the year ended 31 March 2025 (dividend 66) of 135.8 cents (2024: 146.6 cents) per share was declared on 28 March 2025 and will be paid in June 2025 to shareholders registered in the books of the Company at the close of business on 09 May 2025.

This makes a total distribution in the year ended 31 March 2025 of 265.0 cents (2024 - 281.2 cents) per share.

Material Events After the Reporting Date

There were no material events after the reporting date.

Registered Office and Postal Address

The Royal Eswatini Sugar Corporation Limited
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L301, Eswatini



Website: www.res.co.sz

Transfer Secretaries

SNG Grant Thornton (Advisory) (Eswatini) (Proprietary) Limited
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Mhahane
H100, Eswatini



Sponsoring Broker

African Alliance Eswatini Securities Limited
P O Box 5727
Eveni
H100, Eswatini



Auditors

SNG Grant Thornton Chartered Accountants (Eswatini)
P O Box 331
Mhahane
H100, Eswatini



Directors: Dr A T Dlamini (Chairman), N M Jackson (Managing Director), HRH Princess Lomajuba, R Field, J N Gule, Z R Magagula, B Mkhalihi, Chief Z N Ndlangamandla, M S M Shongwe, A Westermeyer, O Madein.

Alternate: M Ndlela (alternate to J N Gule), A Ngcobo (alternate to A T Dlamini), F Ogundairo (Alternate to O Madein).

Company Secretary: L S Masango

Acknowledgements

The Board expresses its appreciation to management and staff for their efforts during the year ended 31 March 2025.

For and on behalf of the Board,

Dr A T Dlamini **N M Jackson**

Simunye

24 June 2025