



The East Africa & Mauritius H1 2022 Earnings Releases

East Africa and Mauritius's major listed companies reported improved six-month earnings (in US\$ terms) to June

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PREPARED BY CHRISTOPHER.HARTLAND-PEEL@HARTLAND-PEEL.COM

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EAST AFRICA & MAURITIUS H1 2022 EARNINGS RELEASES IT'S AN UNJUST WORLD - THE GOOD GET PUNISHED

Prepared: Christopher W. Hartland-Peel

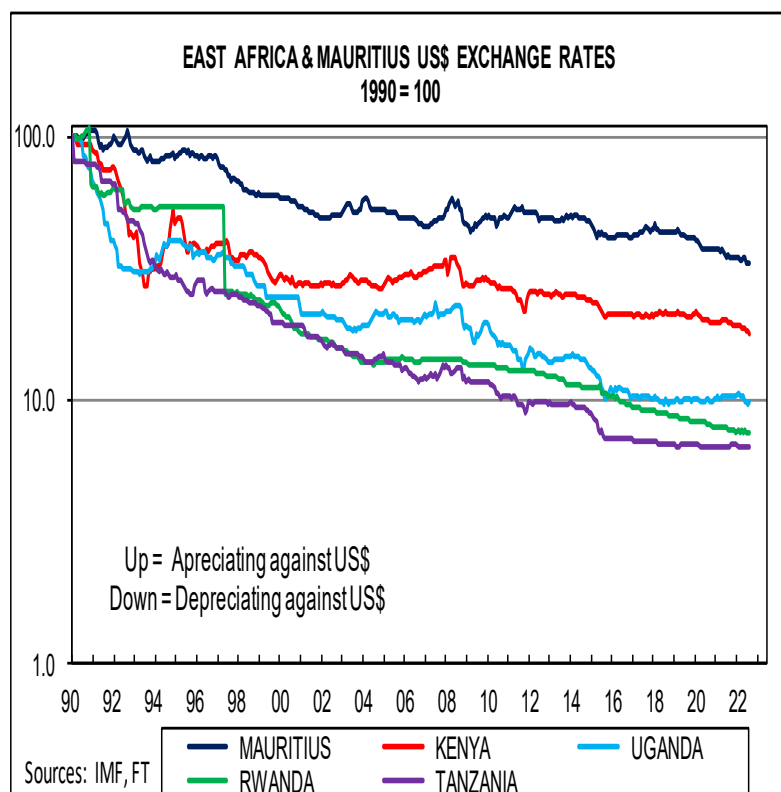
Date: September 9, 2022

	Market cap US\$m	Earnings US\$m			% change	Currency appreciation (depreciation)
		H1 2020	H1 2021	H1 2022		
EAST AFRICA & MAURITIUS						
Kenya	5,985	389	685	799	17%	-10%
Tanzania	3,329	114	150	224	49%	-1%
Uganda	1,207	46	50	69	37%	-6%
Rwanda	459	27	37	37	0%	-4%
East Africa	\$10,980	\$576	\$922	\$1,129	22%	
Mauritius	606	20	33	43	29%	-5%
East Africa & Mauritius	\$11,586	\$596	\$955	\$1,172	23%	

Source: Country stock exchanges and company earnings releases.

Currency devaluation/(revaluation):

CAGR pa	1 yr	5 yr	10 yr	20 yr
Kenya	10.2%	3.2%	3.6%	2.1%
Mauritius	4.8%	6.6%	4.0%	2.1%
Tanzania	0.6%	0.8%	4.0%	4.5%
Uganda	6.2%	1.1%	4.2%	3.8%
Rwanda	4.3%	4.2%	5.4%	3.9%



Sources: Exchange rates IMF & Financial Times, London.

- East Africa and Mauritius's major listed companies have reported improved six month earnings (in US\$ terms) to June. The accompanying graph and table on pages 2-3 set this out.
 - 29 companies have reported with earnings up 23%.
 - 20 companies improved US\$ earnings for the six months.
 - 8 have reported lower earnings.
- In US\$ terms earnings reported are:
 - Up 17% in Kenya at US\$799m.
 - Up 49% in Tanzania at US\$224m.
 - Up 37% in Uganda at US\$69m.
 - Unchanged in Rwanda at US\$37m.
 - Up 29% in Mauritius at US\$43m
- Currency depreciation until 2022 has been modest and dividend yields have more than compensated for this.
- For investors this is good news. But, whilst two-thirds of companies have reported improved US\$ earnings, 10 companies have seen their share price fall. Is this a good buying opportunity?
- Overall, the market looks to have been indiscriminate in dismissing improved earnings although investors have been cautious in view of inflation, FX and risks resulting from the Ukraine war.
- From our vantage point investors are not investing and, if anything, are selling as share prices have fallen.
- One would expect long-term institutional investors to be buying. What we see is:
 - Economies are growing,
 - Inflation is likely to have peaked.
 - Most of the FX weakness is over.
 - Interest rates have likely peaked.
 - P/E's are low.
 - Dividend yields are attractive, and
 - Price/Book ratios are low.

Conclusion:

- Savvy investors buy for the long-term and can now lock in low prices, attractive dividend yields and low P/B ratios.
- It's always nice to buy a US\$1.00 for 50 cents.

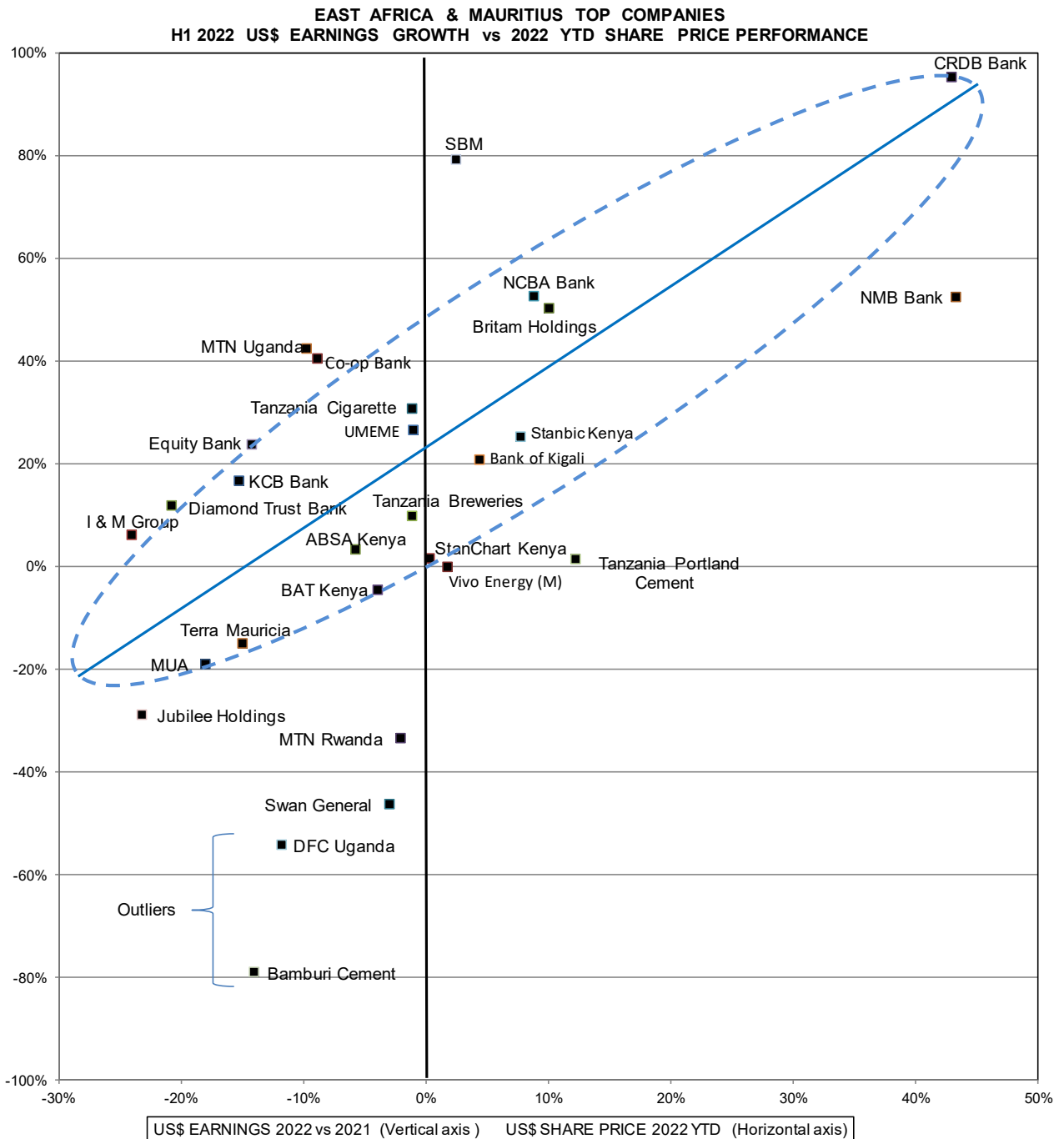
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EAST AFRICA & MAURITIUS LISTED COMPANIES H1 2022 US\$ EARNINGS GROWTH vs 2022 YTD SHARE PRICE CHANGE



Source: Company reports and country stock exchanges.

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EAST AFRICA & MAURITIUS LISTED COMPANIES H1 2022 EARNINGS RELEASES (US\$m)

As of: 31-Aug-22	Sector	Market cap US\$m	Trailing P/E	Dividend yield	Price/ book	ROE	Earnings US\$m			% change	2022 US\$ share price change %
							H1 2020	H1 2021	H1 2022		
KENYA											
Kenya currency depreciation vs US\$ >>											
Banking & Finance											
Equity Bank	Banking - East Africa	\$1,479	3.9	6.2%	1.05	26.8%	\$85	\$163	\$201	23.8%	-14.3%
KCB Bank	Banking - East Africa	\$1,091	3.4	7.3%	0.76	22.3%	\$71	\$142	\$166	16.8%	-15.4%
Co-op Bank	Banking - East Africa	\$605	4.4	8.1%	0.73	17.9%	\$68	\$68	\$97	42.5%	-9.9%
ABSA Kenya	Banking - Kenya	\$535	5.6	11.0%	1.14	20.5%	\$6	\$52	\$53	3.4%	-5.9%
StanChart Kenya	Banking	\$429	5.5	9.3%	0.98	17.9%	\$30	\$44	\$45	1.7%	0.2%
NCBA Bank	Banking - East Africa	\$399	3.6	14.6%	0.62	17.2%	\$25	\$43	\$66	52.7%	8.7%
Stanbic Kenya	Banking	\$328	4.6	7.3%	0.68	14.6%	\$24	\$32	\$41	25.3%	7.6%
I & M Group	Banking - East Africa	\$234	3.1	8.8%	0.42	13.5%	\$29	\$37	\$40	6.2%	-24.2%
Jubilee Holdings	Insurance - East Africa	\$156	3.4	3.5%	0.47	14.0%	\$15	\$40	\$29	-28.8%	-23.3%
Britam Holdings	Insurance - East Africa	\$134	59.1	0.0%	0.85	1.4%	(\$15)	\$3	\$5	50.4%	10.0%
Diamond Trust Bank	Banking - East Africa	\$116	3.1	6.0%	0.21	6.8%	\$23	\$27	\$30	11.9%	-20.9%
Sub-total		\$5,506					\$358	\$652	\$773	18.5%	
Manufacturing & Commercial											
BAT Kenya	Tobacco	\$374	8.0	11.9%	3.01	37.6%	\$25	\$26	\$25	-4.5%	-4.1%
Bamburi Cement	Cement - Kenya, Uganda	\$105	16.1	10.3%	0.40	2.5%	\$6	\$6	\$1	-78.8%	-14.2%
Sub-total		\$479					\$31	\$32	\$26	-18.9%	
Kenya total		\$5,985					\$389	\$685	\$799	16.7%	
TANZANIA											
Tanzania currency depreciation vs US\$ >>											
Banking & Finance											
NMB Bank	Banking	\$622	4.0	6.7%	1.07	26.7%	\$41	\$58	\$89	52.5%	43.2%
CRDB Bank	Banking	\$272	3.4	9.2%	0.60	17.7%	\$30	\$38	\$75	95.3%	42.8%
		\$894					\$72	\$97	\$164	69.5%	
Manufacturing & Commercial											
Tanzania Breweries	Brewing	\$1,379	22.0	1.5%	4.95	22.5%	\$19	\$23	\$26	9.9%	-1.2%
Tanzania Cigarette	Tobacco	\$729	25.3	5.0%	11.13	43.9%	\$9	\$10	\$13	30.8%	-1.2%
Tanzania Portland Cement	Cement	\$298	7.7	10.1%	2.55	33.0%	\$15	\$20	\$20	1.5%	12.1%
Swissport Tanzania	Airport handling	\$29	16.6	1.6%	2.30	13.8%	(\$0)	\$0	\$1	1130%	87.6%
		\$2,435					\$43	\$54	\$60	12.4%	
Tanzania total		\$3,329					\$114	\$150	\$224	49.1%	
UGANDA											
Uganda currency depreciation vs US\$ >>											
Banking & Finance											
DFC Uganda	Banking	\$110	103.0	0.0%	0.70	0.7%	\$8	\$11	\$5	-54.1%	-11.9%
		\$110					\$8	\$11	\$5	-54.1%	
Manufacturing & Commercial											
MTN Uganda	Mobile telephones	\$1,121	10.5	7.9%	5.09	48.2%	\$40	\$37	\$52	40.6%	-9.0%
UMEME	Electricity - distributor	\$86	2.1	27.1%	0.36	17.4%	\$6	\$14	\$17	26.6%	-1.2%
Uganda total		\$1,207					\$46	\$50	\$69	36.8%	
RWANDA											
Rwanda currency depreciation vs US\$ >>											
Banking											
Bank of Kigali	Banking	\$227	4.1	10.8%	0.83	20.1%	\$17	\$23	\$28	20.9%	4.3%
		\$227					\$17	\$23	\$28	20.9%	
Manufacturing & Commercial											
MTN Rwanda	Telecom	\$233	13.5	2.8%	4.22	31.3%	\$10	\$14	\$10	-33.3%	-2.2%
Rwanda total		\$459					\$27	\$37	\$37	0.0%	
East Africa total		\$10,980					\$576	\$922	\$1,129	22.4%	
MAURITIUS											
Mauritius currency depreciation vs US\$ >>											
Banking & Finance											
SBM	Banking	\$258	4.8	4.4%	0.37	7.8%	\$17	\$18	\$32	79.3%	2.3%
MUA	Insurance	\$131	17.4	2.3%	1.67	9.6%	\$0.3	\$5	\$4	-18.9%	-18.1%
Swan General	Insurance	\$80	12.1	2.8%	1.09	9.1%	\$9	\$6	\$3	-46.2%	-3.1%
		\$470					\$26	\$29	\$39	35.8%	2.3%
Manufacturing & Commercial											
Terra Mauricia	Sugar & Electricity	\$136	13.8	3.1%	0.43	3.1%	(\$6)	\$4	\$4	-14.9%	-15.1%
Omnicanne/Mon Tresor & Mon De	Sugar & Electricity	\$27	loss	0.0%	0.20	-0.2%	(\$6)	(\$13)	(\$2)	n.m.	0.3%
		\$136					(\$6)	\$4	\$4	-14.9%	
Mauritius total		\$606					\$20	\$33	\$43	29.4%	2.3%
East Africa & Mauritius total		\$11,586					\$596	\$955	\$1,172	22.7%	

Sources: Company reports and country stock exchanges.

> 25% increase

>25% increase

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