



African
FINANCIALS

Simbisa Earnings Flash

H1 2023 US\$ earnings up 38%

APRIL 2023



Hartland-Peel

Africa Equity Research

Address:
Web site:
E-mail:
Telephone:
Mobile:

1 High Silver, Loughton, Essex IG10 4EL, UK
www.hartland-peel.com
christopher.hartland-peel@hartland-peel.com
+44 (0) 20 35 36 35 84
+44 (0) 7780 705000

SSA ex SA EARNINGS FLASH

ZIMBABWE

SIMBISA BRANDS

Prepared by: Christopher W. Hartland-Peel

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COMPANY INFORMATION

Listed	Zimbabwe – VF Stock Exchange	
Market capitalisation	US\$237m	
Main shareholder(s)	ZMD Investments	18.3%
	HM Barbour	17.8%
	Stanbic Nominees	16.1%
Year end	June	
Sector	Quick service restaurants Zimbabwe & East Africa	
FX rate to US\$	US\$ adopted for financial statements	

SHARE INFORMATION

P/E:12 month trailing	11.4 times	
Dividend yield	15%	
Dividend cover	0.56	
Price/Book	4.63 times	
Share price April 13, 2023	ZW\$	Listed VF stock exchange
	US\$	\$0.42

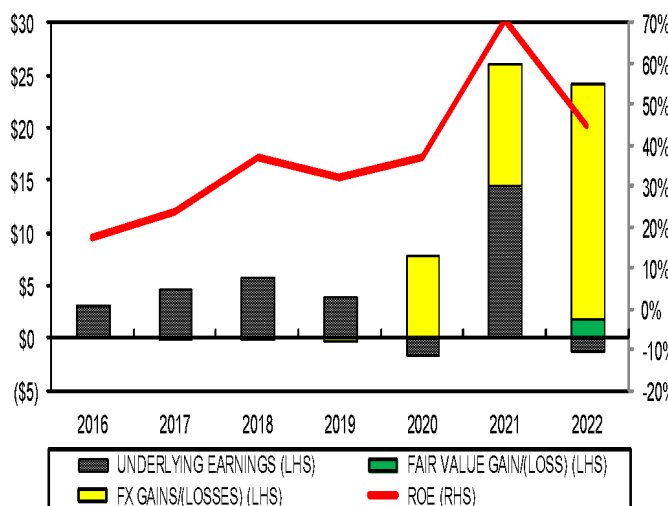
Dec 2022 Six Month Earnings Release. Highlights:

- Effective 2022-23 fiscal year Simbisa now reports in US\$.
- Simbisa operates/franchises a total of 631 fast food restaurants in Zimbabwe (269) and in the region including Kenya (214), Zambia (32), Ghana (29), Mauritius (10) and the DRC (29).
- Average customer spend grew 4% in H1 2023.
- The principal restaurant brands are Chicken Inn, Pizza Inn, Creamy Inn, Baker's Inn and Galito's.
- H1 Dec 2022 earnings in US\$ were up 38%. FX gains increased in H1 2023 to US\$2.4m vs US\$1.9m in H1 2021.
- Non-cash financial assets of US\$25m vs US\$11m. No details provided.
- A bargain purchase gain of US\$2.1m was realised on the establishment of Ndoro Microfinance Bank
- US\$1.0m invested in Harare real estate.
- H1 Dec 2022 sales up 24% to US\$146m.
- Operating margins of 14% vs 15%.
- Long-term debt/equity ratio 25%. Interest cover 45.2 times.
- Outlook: Management positive and group is continuing its on-going investment programme.

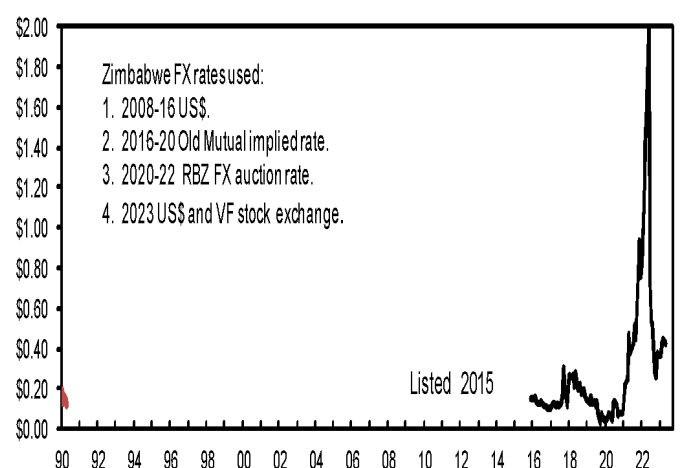
Investors Issues

- FX gains of US\$2.4m are important. Are they sustainable?

SIMBISA BRANDS: 2016-22
ATTRIBUTABLE INCOME: US\$ MILLION



SIMBISA BRANDS
SHARE PRICE: US\$



Sources: All information, graphs, tables and data have been sourced from company annual/interim reports, share prices from the Zimbabwe Stock Exchange, and FX rates from the Financial Times, the Old Mutual implied rate and adjusted for inflation since September 2020.



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support@africanfinancials.com

+44 203 239 7762



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