



Simbisa Brands Earnings Flash

2022 Sales increased 203%



OCTOBER 2022

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SSA ex SA EARNINGS FLASH

ZIMBABWE **SIMBISA BRANDS**

Prepared by: **Christopher W. Hartland-Peel** **Date: October 4, 2022**

COMPANY INFORMATION

Listed	Zimbabwe	
Market capitalisation	US\$86m	
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\$	ZWL 1.041	

SHARE INFORMATION

P/E:12 month trailing	10.6 times	
Dividend yield	2.6%	
Dividend cover	3.62	
Price/Book	4.76 times	
ROE	44.8%	
Leverage	78%	
Share price Sept 30, 2022	ZWL	159.11
	US\$	\$0.15

June 2022 Full Year Earnings Release. Highlights:

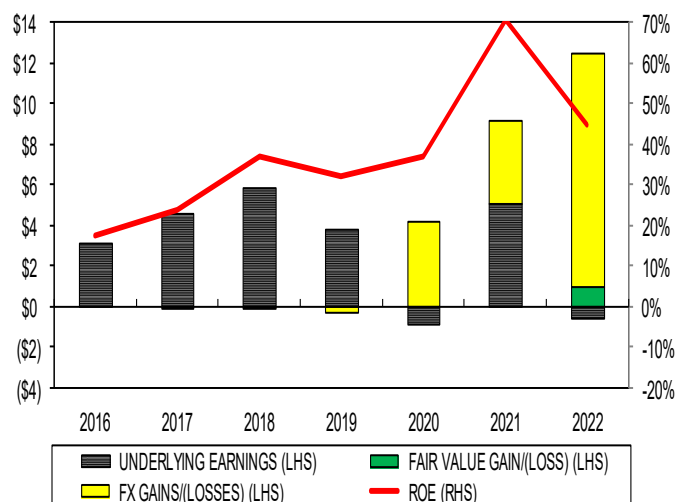
Note: Inflation in year to June 2022 was 192%.

1. Simbisa Brands operates 567 fast food restaurants in Zimbabwe (261) and in the region including Kenya (206), Zambia (33), Ghana (25), Mauritius (13), Namibia (6) and the DRC (29).
2. 52m customers served and 86 new stores opened.
3. The principal restaurant brands are Chicken Inn, Pizza Inn, Creamy Inn, Baker's Inn and Galito's.
4. June 2022 earnings in ZML were up 277% vs inflation of 192%. In US\$ terms earnings were US\$11.8m vs US\$9.1m and includes FX gains of US\$11.5m vs US\$4.1m in 2021 and property fair value gains of US\$0.9m vs nil.
5. 2022 sales rose 203% vs inflation of 192%.
6. Operating margins of 6.8% vs 9.5%.
7. Long-term debt/equity ratio of 78% and interest cover of 9.1 times.
8. Outlook: Management positive and group is continuing its on-going investment programme.

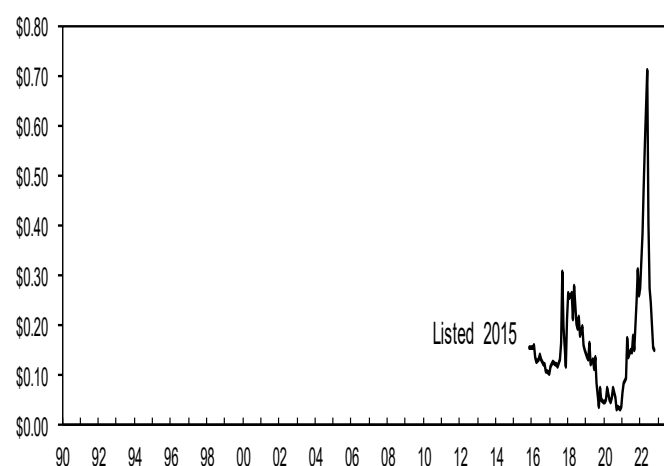
Investors Issues

1. A small underlying loss.
2. FX gains are important but are they sustainable?
3. Operating margins 8.1% vs 9.5%.
4. Positive for FY 23.

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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