



TSL Earnings Flash

Logistics up 32%
Rail volumes to Maputo up 117%
Avis vehicle hire up 71%

MAY 2023



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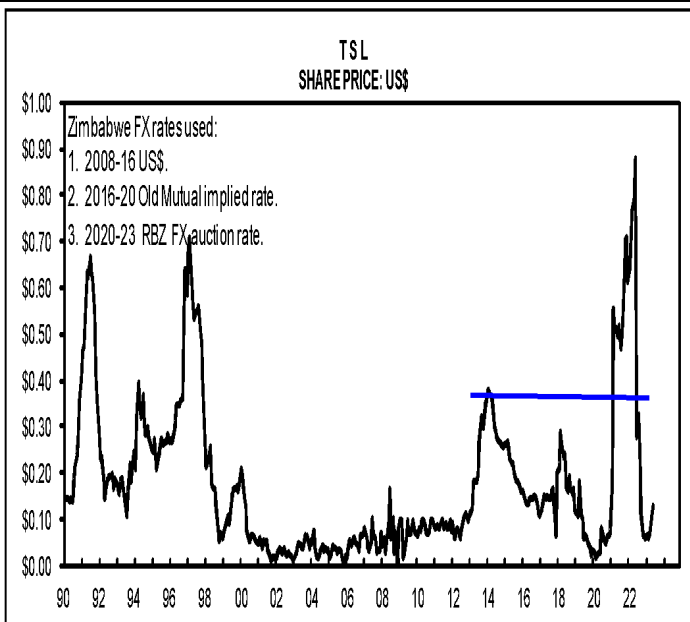
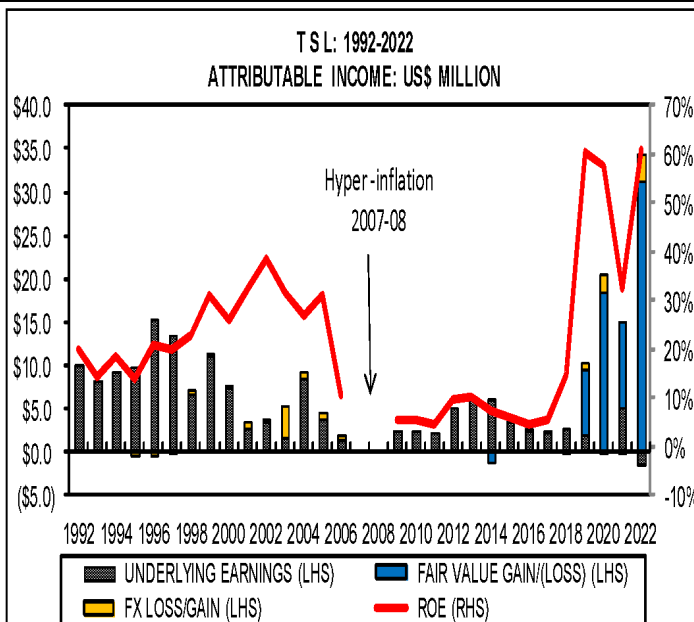
ZIMBABWE **T S L**

FULL YEAR RESULTS – OCTOBER 2022

Prepared by: **Christopher W. Hartland-Peel** **Date: May 5, 2023**

COMPANY INFORMATION		
Listed	Zimbabwe	
Market capitalisation	US\$45m	
Main shareholder(s)	Closefin Investments	28.8%
	Ramsway Investments	24.9%
	Old Mutual	15.3%
Year end	October	
Sector	Tobacco auctions, Logistics, Property	
FX rate to US\$	ZWL 928	
SHARE INFORMATION		
P/E:12 month trailing	2.0 times	
Dividend yield	0.4%	
Dividend cover	29.5 times	
Price/Book	1.23 times	
ROE	43.8%	
Leverage	1.4 times	
Share price	ZWL 117.80	
May 4, 2023	US\$ \$0.13	

- October 2022. Full year results. Highlights:**
1. Zimbabwe’s main tobacco auction sales house with agricultural, logistics and real estate interests.
 2. Preservation of shareholder value prioritised.
 3. Group navigated rising inflation and input prices successfully demonstrating the group’s strong business fundamentals and strategy.
 4. TSL has a 71% market share of tobacco auctions and the new tobacco auction floor opened in Mvurwi has been operating successfully.
 5. Logistics (trucking) growth up 32%, rail volumes to Muputo up 117%. Avis vehicle hire up 71%.
 6. Sales revenue up 238% vs inflation of 269%.
 7. L/T debt/equity < 1%. Interest cover 19.2 times.
 8. Group’s FX earnings are converted at RBZ rates which understates reported figures.
 9. Operating margins of 14% vs 33%.
 10. Tobacco auction tonnage down 5%.
 11. Property: selective properties are being refurbished.
 12. Zimbabwe Mercantile Exchange started in the year.
- Investor Issues**
13. Share price close to multi year lows.
 14. Suggestion: TSL could improve its reporting by rounding its figures to ZWL\$ millions, rather than have 11 digit figures.



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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