



# Axia Corp

## Earnings Flash

Sharp increase of dividend noted

OCTOBER 2022

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

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## SSA ex SA EARNINGS FLASH

ZIMBABWE

AXIA CORP

Prepared by: Christopher W. Hartland-Peel

Date: October 6, 2022

### COMPANY INFORMATION

Listed	Zimbabwe	
Market capitalisation	US\$28m	
Main shareholder(s)	ZMD Investments	19.4%
	HM Barbour	18.1%
	Old Mutual Life Assur.	10.1%
Year end	June	
Sector	Retailing: TV, home appliances & furniture. Distribution and vehicle spares regionally	
FX rate to US\$	ZWL 1,041	

### SHARE INFORMATION

P/E:12 month trailing	9.3 times	
Dividend yield	3.3%	
Dividend cover	3.25	
Price/Book	6.03 times	
ROE	64.8%	
Leverage	13%	
Share price Oct 5, 2022	ZWL	53.00
	US\$	\$0.05

### June 2022 Full Year Earnings Release. Highlights:

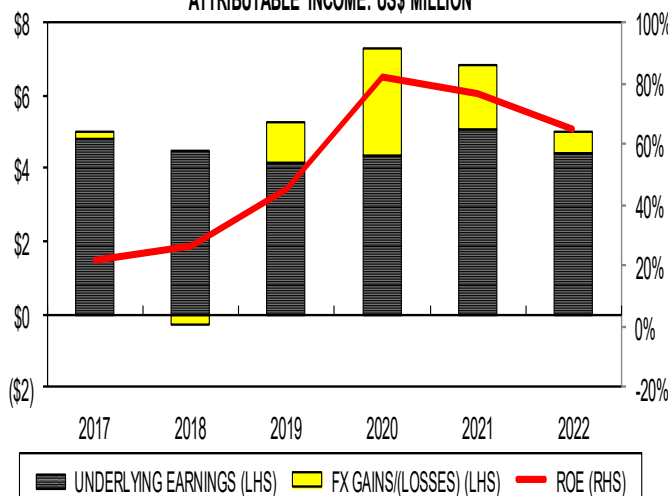
**Note: Inflation in year to June 2022 was 192%.**

1. Axia Corp's operations comprise:
  - (i) Retailing of TV's, furniture and appliances through 38 TV Sales & Home stores.
  - (ii) A regional logistics operation and
  - (iii) A regional vehicle spares distribution operation.
2. No disclosure in the earnings release of FX gains.
3. Full year June 2022 attributable earnings in ZWL were up 152% vs inflation 192%.
4. Dividend increased sharply.
5. In US\$ terms earnings were US\$4.4m vs US\$5.1m. H2 saw a down turn with earnings of US\$0.1m vs US\$4.3m for H1.
6. Full year sales were up 124% vs inflation of 192%.
7. Full year operating margins of 20% vs 16%
8. H2 operating margins lower at 17% vs 24% in H1.
9. Long-term debt/equity ratio of 13% and interest cover of 11.5 times.

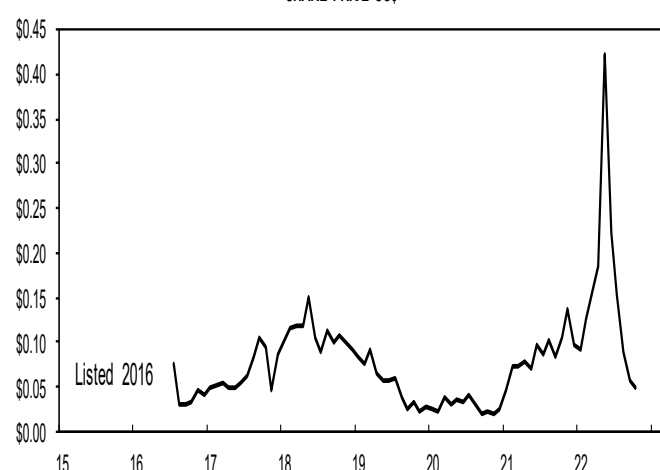
### Investors Issues

1. FX gains important but no disclosure in the earnings release.
2. Operating environment challenging (management).

AXIA CORP: 2017-22  
ATTRIBUTABLE INCOME: US\$ MILLION



AXIA CORP  
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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