

Keep Up With Expert Financial Trends!



HIPPO VALLEY - EARNINGS FLASH

PERFORMANCE OVERVIEW

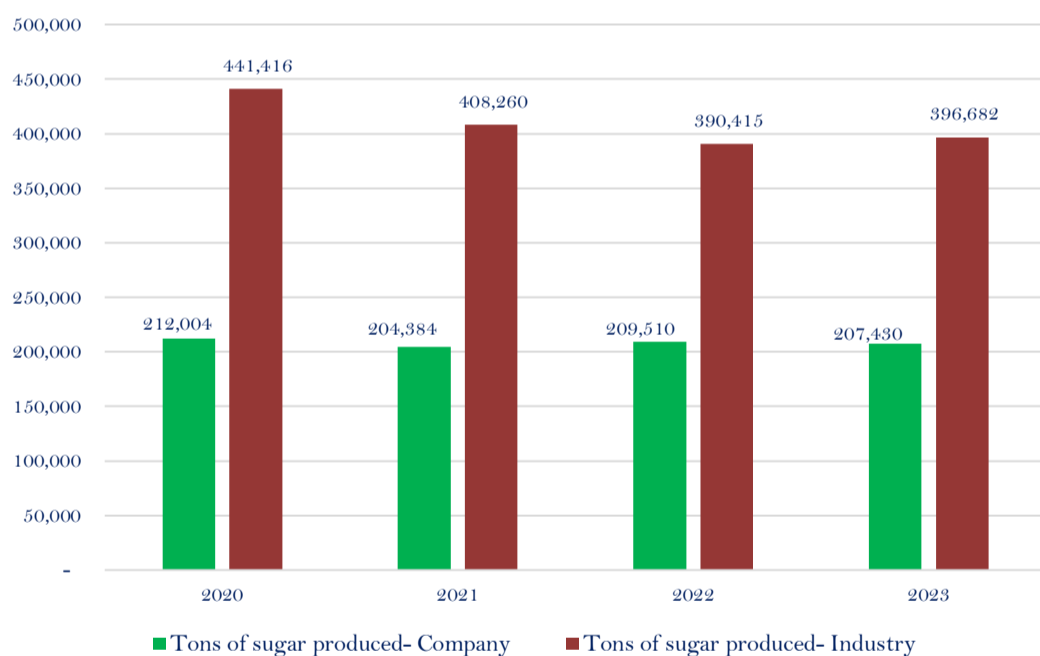
	FY 22	FY23	% Change
Revenue (ZW\$ bln)	22.68	100.58	344%
PBT (ZW\$ bln)	10.09	58.16	476%
Total Equity	12.64	53.16	321%
EPS (ZW c)	3,844	22,175	477%

MARKET DATA

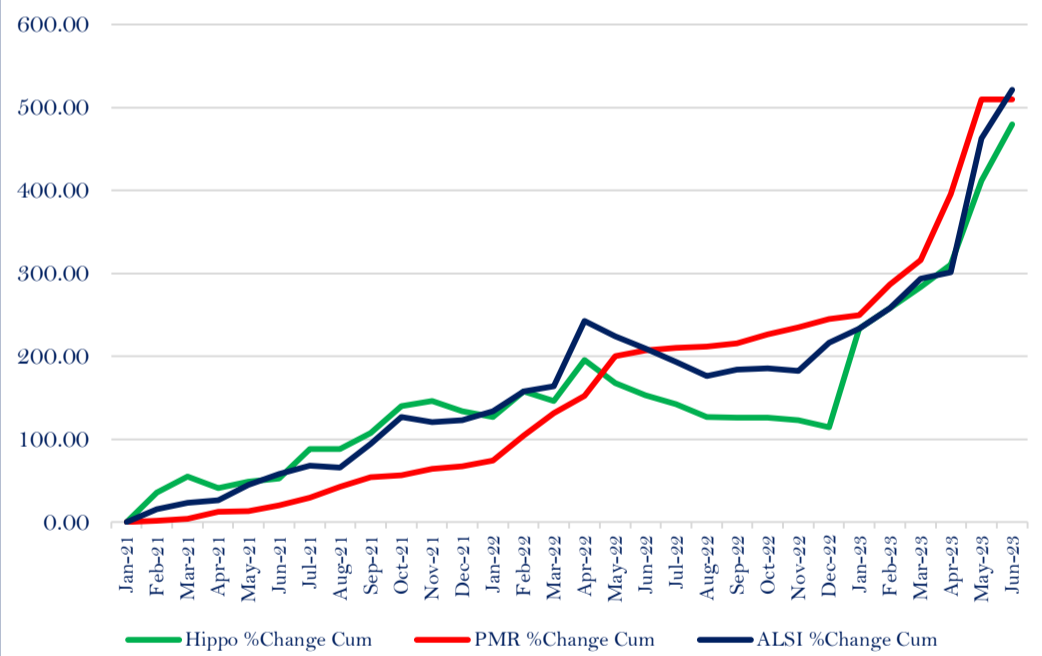
Sector	Consumer Staples
Report Date	31 March
Market cap (US\$ mn)	74.88
PBV (x)	1.3x
P/E (x)	1.6x
Div Yield	0.8%
Recommendation	BUY

*based on USD conversion at prevailing interbank rate

TOTAL SUGAR PRODUCTION



HIPPO; ALSI; PMR RELATIONSHIP



OUR THOUGHTS:

- Hippo Valley remains a dominant player in the local sugar industry, consistently contributing circa 50% of total industry production and sales
- Following the scrapping of import duty on basic commodities announced this year, the company is likely to face sustained competition from cheaper import substitutes in the current year. However we anticipate the import competition penetration to be below 10% of aggregate sugar sales volumes
- We anticipate long term volume growth supported by completion of the Kilimanjaro Project. Production is also expected to benefit from the forecast normal to above normal rainfall in the 2022/23 season.
- Whilst the company share price previously underperformed in comparison to the ZSE All Share Index and parallel market rate movements, the share price has been on a steady rise, on track to outperform the benchmark index.

You Matter Most



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