



SOLOMON Stockbrokers

AFRIPRISE EARNINGS HIGHLIGHTS

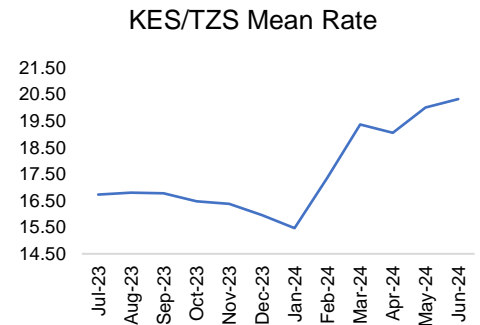
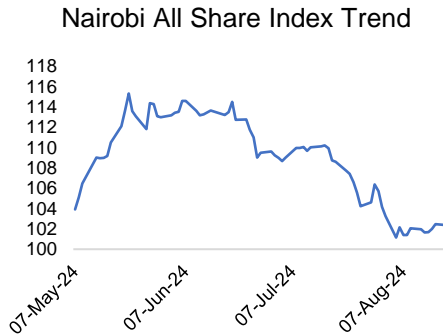
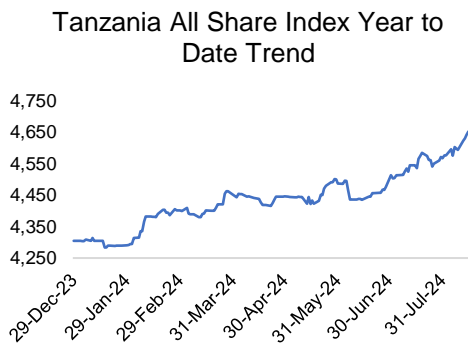
June 2024



research@solomon.co.tz

AFRIPRISE PLC FINANCIAL HIGHLIGHTS FOR THE HALF YEAR ENDING JUNE 2024

INDUSTRIAL OVERVIEW



INCOME STATEMENT ANALYSIS

Net Profits increased by 74.28%, from TZS 1.45 billion as of June 2023 to TZS 2.54 billion as of June 2024.

Possible Reasons:

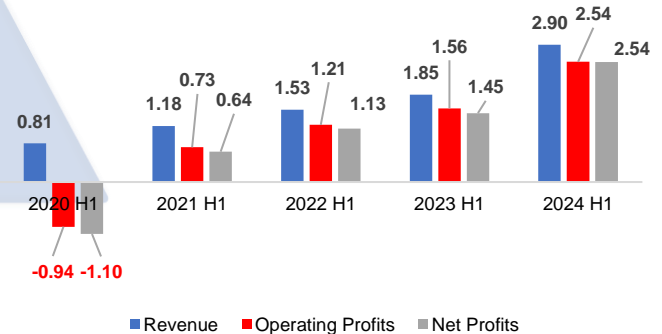
Investment Income increased by 57.04% from TZS 1.85 billion in June 2023 to TZS 2.90 Billion in June 2024. The growth is due to increased dividend income from its existing holdings, such as CRDB Bank Plc, whose dividends increased by 11.11%, NMB Bank Plc, whose dividends increased by 26.17%, and a resumption in dividend payments by Tanzania Breweries Ltd as well as increased dividends from its recent investments in foreign blue-chip stocks such as Equity Bank, Safaricom Plc and British American Tobacco. Additionally, its TZS 2.52 billion investment in corporate and government bonds during the second half of 2023 resulted in increased interest income.

Operating expenses recorded a marginal growth of 4.95%, amounting to TZS 501.67, while its interest expenses declined by 97.78%, amounting to TZS 2.27 million, following the repayment of a TZS 2.16 billion borrowing during the first quarter of 2024 using part of the TZS 10 billion proceeds it had acquired from its rights issue.

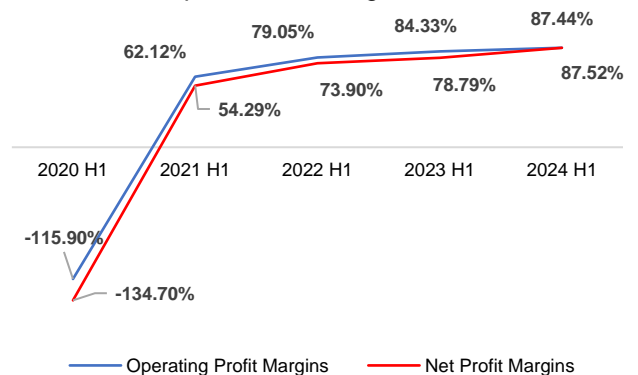
Underperformances in the income statement:

The company's other operating gains declined by 25.97%, amounting to TZS 139.73 million compared to June 2024, due to reduced realized gains on the disposal of the company's trading of CRDB shares and government bonds.

Afriprise Profitability Trend in Billions TZS



Afriprise Profit Margins Trend



Income Statement Analysis Amounts in Billions TZS	Jun-20	Jun-21	Jun-22	Jun-23	Jun-24
Net Operating Income	0.81	1.18	1.53	1.85	2.90
Growth Rate	-3.93%	45.05%	29.19%	21.01%	57.04%
Operating Expenses	-1.76	-0.45	-0.32	-0.29	-0.36
Growth Rate	277.29%	-74.55%	-28.55%	-9.52%	25.13%

AFRIPRISE PLC FINANCIAL HIGHLIGHTS FOR THE HALF YEAR ENDING JUNE 2024

BALANCE SHEET STATEMENT ANALYSIS

Total assets increased by 49.09% from TZS 38.15 billion in June 2023 to TZS 56.87 billion in June 2024

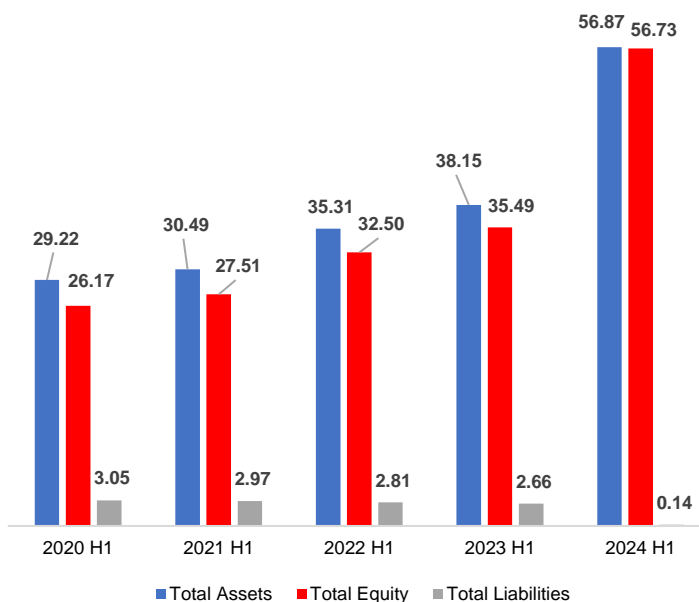
Possible Reasons:

Equity investments grew by 69.91%, rising from TZS 22.49 billion in June 2023 to TZS 38.20 billion in June 2024. This increase was driven by a TZS 6.56 billion investment and an unrealized capital gain of TZS 9.13 billion, primarily due to significant capital gains in NMB, CRDB, DSE, NICOL, TBL (Via block trade) along with the recovery of equity prices in Nairobi and the strengthening of the Kenyan Shilling particularly during the first six months of 2024.

Additionally, there was a 13.76% increase in government securities investments, totaling TZS 15.72 billion.

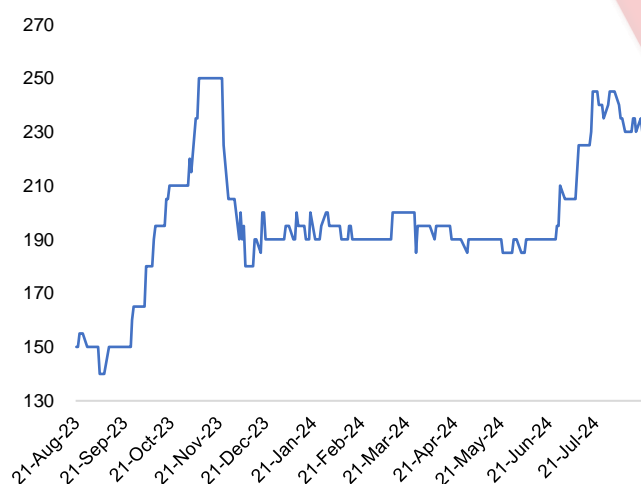
The growth was mainly financed by a 59.87% increase in equity brought about by proceeds from a TZS 10 billion rights issue, TZS 9.13 billion in capital gains, and TZS 3.8 billion in profits.

Afriprise Balance Sheet Highlights in Billions TZS



INVESTORS' CORNER

Afriprise 52-Week Share Price Trend



Supporting Fundamentals

Ticker	AFRIPRISE
Closing Price as of 20 th Aug 2024	TZS 230
Book Value per Share	TZS 388.79
P/B Ratio	0.59x
Annualized EPS	TZS 34.75
Annualized P/E Ratio	6.62x
Dividend per Share	TZS 13
Dividend Yield	6.84%

*Dividend of TZS 13 compared to Opening Price TZS 190 as of Jan 2nd 2024

OUTLOOK

Afriprise has recorded stronger growth during the first half of the year following the deployment of its TZS 10 billion proceeds arising from its rights issue. Going into the second half of the financial year, the company is likely to earn increased dividends in the Dar es Salaam Stock Exchange due to its increased position in the company and a 25% growth in the company's dividends, a potential interim dividend from Tanzania Cigarette Company, payments from the Bank of Kigali and interim dividends paid out by Safaricom and British American Tobacco. Furthermore, increased investments in government and corporate debt totaling TZS 2.64 billion during the 12 months between July 2023 – June 2024 are likely to bring about an incremental interest income of at least TZS 158.40 Million during the second half of the year, assuming their debt portfolio registers a modest 12% annual return. Additionally, repaying its TZS 2.16 billion bank borrowing should save the company more than TZS 250 million in interest expenses, allowing it to record stronger profitability during the year.

Furthermore, the company's outlook to expand into the real sector of the economy via its investments in the manufacturing sector, as well as its strategy to expand its financial asset investments into countries such as Zambia, should place the company in a position to further grow its earnings provided that its investments are properly managed.

AFRIPRISE PLC FINANCIAL HIGHLIGHTS FOR THE HALF YEAR ENDING JUNE 2024

RATIO ANALYSIS

	2020 H1	2021 H1	2022 H1	2023 H1	2024 H1
Capital Structure:					
Debt to Equity	0.91%	1.20%	1.10%	1.25%	0.25%
Equity Multiplier	1.12	1.11	1.09	1.07	1.00
Interest Coverage	-6.16	7.94	15.35	15.22	1116.40
Asset Quality:					
Total Asset Turnover	5.47%	7.84%	9.28%	10.07%	10.82%
Return on Assets	6.22%	8.59%	9.39%	10.41%	10.22%
Management Quality:					
Revenue Growth	-3.93%	45.05%	29.19%	21.01%	57.04%
Operating Profit Margins	-115.90%	62.12%	79.05%	84.33%	87.52%
Earnings Quality:					
Net Profit Growth	-387.41%	158.46%	75.84%	29.02%	74.28%
Net Profit Margins	-134.70%	54.29%	73.90%	78.79%	87.44%
Return on Equity	-8.38%	4.66%	6.94%	8.20%	8.94%
Liquidity Ratio:					
Current Ratio	2.85	5.69	4.15	3.24	12.47
Cash Ratio	1.07	4.40	2.82	2.15	8.41

Quarterly Revenue and Profit Data has been annualized

ANALYST'S NAMES & CONTACTS

Emmanuel Matunda
emmanuel@solomon.co.tz

For further information please contact Us : 2124495 /2112874 /0764269090 /0714 269090

[All care has been taken in the preparation of this commercial document and the information contained therein has been derived from sources believed to be accurate and reliable. If you are in any doubt about the contents of this document do not hesitate to contact the above mentioned. **SOLOMON** Stockbrokers Ltd does not assume responsibility for any error, omission or opinion expressed. Anyone acting on the information or opinion does so at his own risk. This information has been sent to you for your information and may not be reproduced. Unauthorised use or disclosure of this document is strictly prohibited. © Copyright 2024 **SOLOMON** Stockbrokers Ltd. All rights reserved]



SOLOMON Stockbrokers

A Member of Dar es Salaam Stock Exchange & Authorized Dealer of Government Securities

STOCKBROKERS / DEALERS

INVESTMENT ADVISERS

FUND MANAGERS

PROFILE

The Company is licensed as Stockbrokers / Dealers, Investment Advisers and Fund Managers by the Capital Markets and Securities Authority (CMSA). SOLOMON is also licensed as a Primary Dealer of Government Securities by the Bank of Tanzania (BoT).

PSSSF House, Ground Floor
Samora Avenue / Morogoro Road
P.O. Box 77049
Dar es Salaam

+255 764 269090
+255 714 269090

research@solomon.co.tz

[@sstockbrokers](#)

[#elimuYaUwekezajiHisa](#)

www.solomon.co.tz