

Monthly Report



**For the month
ending:
28 February 2025**

News Highlights

Retired OK Zimbabwe CEO bounces back to steady ship: OK Zimbabwe's former chief executive officer, Willard Zireva, has bounced back to lead the retail group and lift it from its current operational challenges, which have seen the company closing five branches. Zireva led the company as CEO from 2001 until his retirement in 2017 and comes back when the 83-year-old retailer, the country's largest by store numbers, has embarked on a business review and restructuring aimed at enhancing operational efficiency and driving sustainable growth in a dynamic market. OK Zimbabwe, in a statement, said the conclusion of voluntary separation saw agreements with three top executives: chief executive Maxen Phillip Karombo, chief financial officer Phillimon Mushosho, and supply chain director Knox Mupaya. This followed a period when the giant retailer struggled to restock its branches across the country citing a tough trading environment amid a burgeoning debt burden. However, the Reserve Bank has suggested most challenges facing retailers have nothing to do with the operating environment, but the affected companies' questionable management decisions. At OK Zimbabwe, the new management also includes Alex Edgar Siyavora, another former CEO of the group, who comes back as chief financial officer and Muzvidzwa Richard Chingaira who takes over as new supply chain director. The appointments are with immediate effect, with the new leadership expected to stabilise operations and implement a strategic recovery plan over the next six months while the company searches for permanent executive replacements

CBZ retrenches 347 employees: One of the country's largest financial institutions, CBZ Holdings, has retrenched 347 workers as the economic meltdown claims more jobs and businesses continue to shut down. In a statement, CBZ Holdings group CEO Lawrence Nyazema said the restructuring process was part of the company's efforts to adapt to the economic environment. "In October 2024, we undertook a restructuring exercise across our group of companies to better align our strategic direction with the evolving business landscape. We would like to confirm that we have now concluded the restructuring exercise as of 31 January 2025. As part of the process, a total of 347 staff roles were impacted in the second phase of the restructuring out of a total staff complement of 1 448. This initiative has been a key component of our broader efforts to enhance operational efficiency, strengthen our market position, and ensure long-term sustainability," he said. Nyazema also noted that the company would support the affected employees through the transition

Seed Co's stock surplus propels explosive Q3 growth: Zimbabwe's largest seed producer, Seed Co Limited, posted a robust financial performance in the third quarter (Q3) to December 31, 2024, leveraging a strong stock carry-over position from the previous season. The company's growth defied the impact of an El Niño-induced drought, the worst in 44 years, which significantly dampened seed sales across the region. In a trading update, company secretary Faithful Sithole attributed the 48% revenue surge to higher sales volumes and record exports, which offset drought-induced seed shortages in various markets. "The business delivered a strong Q3, with revenue rising to US\$62.7 mln from US\$42.5 mln in the same period last year. This growth was primarily driven by our ability to carry over significant stock from the previous season, ensuring stable supply despite challenging agricultural conditions," Sithole said. Seed Co recorded a 45% increase in sales volumes, reaching 26,919 metric tonnes, up from 18,520 metric tonnes in the corresponding period of 2023. Operating profit rose 25% to US\$25.8 mln, compared to US\$20.7 mln a year earlier, reflecting improved cost efficiencies and operational scalability

Tanganda sees 12% dip in revenue in Q1: Tea producer, Tanganda Tea Company Limited's (Tanganda) revenue declined by 12% to US\$4.4 mln in its first quarter ended December 31, 2024, owing to the late onset of rains. The decline in revenue is from a 2023 comparison of US\$5 mln. In its trading update for its first quarter ended December 31, 2024, Tanganda said due to the revenue decline, the firm suffered a loss before tax of US\$853 917. "Company revenue for the quarter under review declined by 12% to US\$4.4 mln from US\$5 mln achieved in the prior year," the tea producer said. "The company suffered a loss before tax of US\$853 917 during the quarter due to a decline in tea production volumes." The firm said that climate change remained one of the major risks of the agribusiness. "The late onset of the rains negatively impacted bulk tea production for the quarter under review, resulting in a 26% decline in volumes to 1 463 tonnes from 1 986 tonnes produced in the previous year," Tanganda said. "In turn, export volumes declined by 11% to 1 134 tonnes from 1 274 tonnes achieved in the same period prior year

Truworths - Shareholders' value completely wiped out: Truworths Zimbabwe Limited, once a clothing retail giant boasting 101 stores across the country, has narrowly escaped liquidation after creditors approved a corporate rescue plan. The plan, orchestrated by corporate rescue practitioner (CRP) Oliver Mtasa, will see new investors take control of the struggling 67-year-old business, but at a significant cost to shareholders and creditors. The group became financially hamstrung with the initial statement of affairs indicating a net liability position of US\$994 321 as at August 7, 2024, but later ballooned to US\$2 064 128 after due diligence and including liabilities of US\$1 043 660 relating to the provision for severance pay to employees. How did this all happen? The company's near collapse is a cautionary tale of economic headwinds, unsustainable business practices and the relentless pressure of informal competition. The company, once a symbol of retail success, found itself teetering on the brink of liquidation. "

Table 2: Monthly Statistics

	Month-end	Change	Beginning of the month
ZSE			
Mkt Cap US\$ 'm	1,563.20	5.58%	1,480.60
Mkt turnover ZiG	506,135,990	153.41%	199,733,856
VFEX			
Mkt Cap US\$ 'm	1,181.73	-6.72%	1,266.87
Mkt turnover US\$	40,348,990	246.86%	11,632,661
Local Indices			
ZSE All Share	204.06	4.34%	195.57
ZSE Top 10	204.65	6.19%	192.72
ZSE Top 15	206.03	5.76%	194.81
ZSE Medium Cap	225.24	-1.09%	227.72
ZSE Small Cap	100.11	0.00%	100.11
International Indices			
NSE 20	2,300.17	6.36%	2,162.58
Nigeria All Share	107,796.13	3.12%	104,536.44
JSE All Share	86,452.12	0.49%	86,028.94
NIKKEI-225	37,155.50	-6.11%	39,572.49
FTSE	8,781.53	1.20%	8,677.12
DJIA	43,239.50	-3.66%	44,882.13

An exchange rate of 40 has been used for the Market cap.

Blue chips drive ZSE recovery, while VFEX Falters!

In February, the ZSE rebounded with a 6% increase in market capitalization, recovering from an 11% decline in January. The All-Share Index rose by 4.34%, driven by strong performances in the Top 10 Index (6.19%) and the Top 15 Index (5.76%). However, the Medium Cap Index slipped by 1.09%, while the Small Cap Index remained stable at 100.11.

Monthly turnover surged to ZWG 506 million, with Econet leading at ZWG 252 million, followed by Delta at ZWG 183 million. This marked a significant rise from January's ZWG 200 million turnover, which was mainly driven by Delta (ZWG 74 million) and Econet (ZWG 67 million).

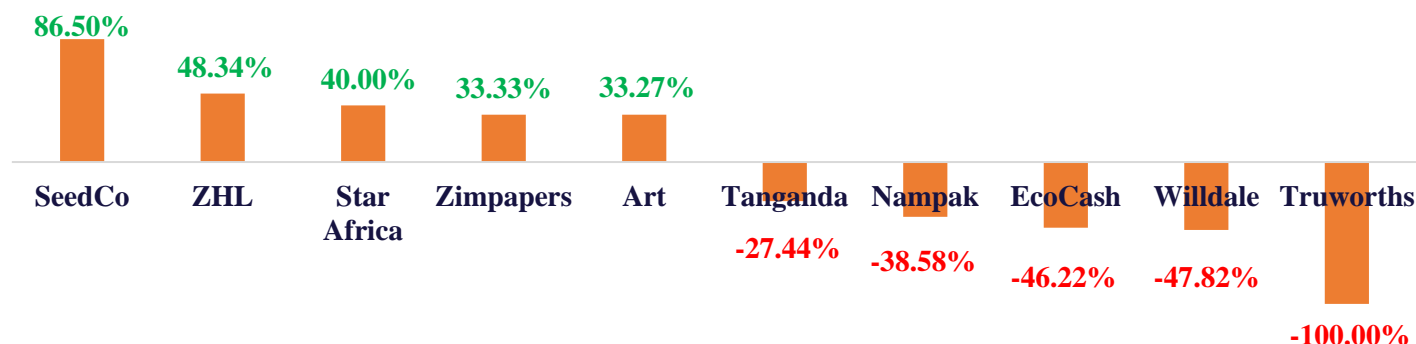
Meanwhile, on the Victoria Falls Stock Exchange (VFEX), market capitalization declined by 7%, even as turnover soared 247% to US\$40 million from US\$11.6 million in January. February's turnover was dominated by FCB shares worth US\$40 million, whereas January's activity was primarily driven by Natfoods buybacks totaling US\$9.2 million.

SeedCo emerged as the best performer, soaring 86.50%, though it only traded shares worth ZWG 4 million. Conversely, Truworths saw the steepest decline, erasing shareholder value entirely following its corporate rescue plan.

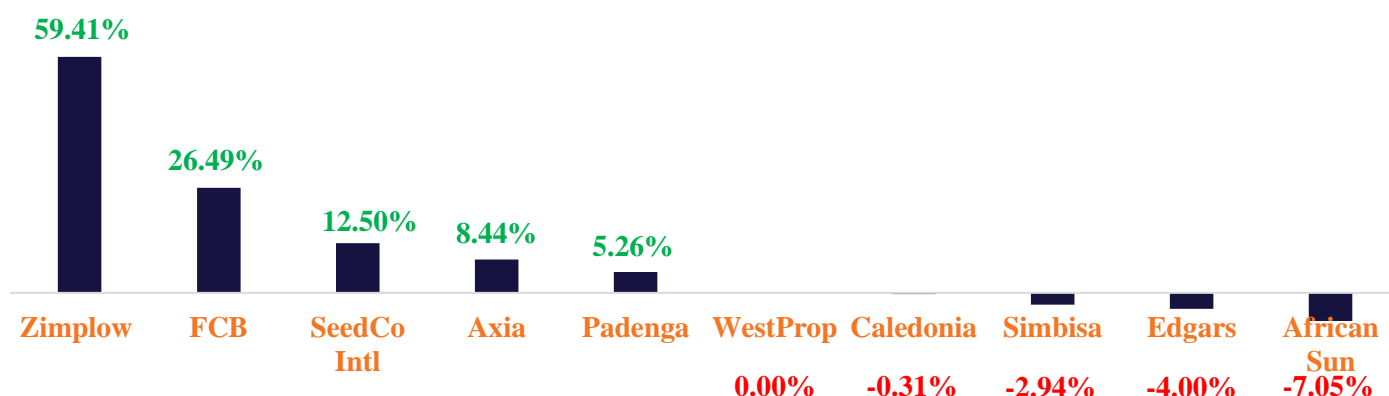
Outlook: We believe equities remain undervalued and will gradually reprice as liquidity improves. Many major counters are still trading below their historical averages, presenting attractive buying opportunities for investors.

Movers and Shakers

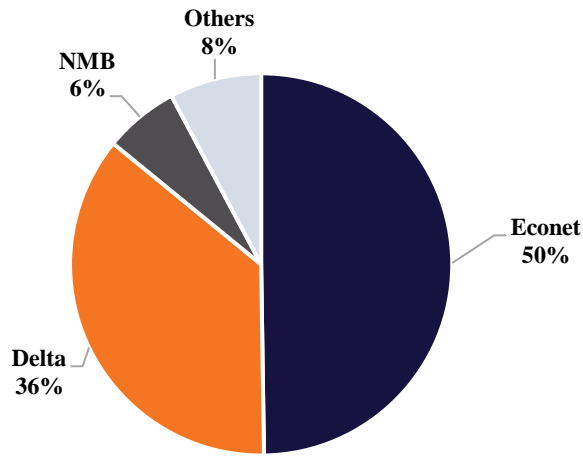
Zimbabwe Stock Exchange



Victoria Falls Stock Exchange

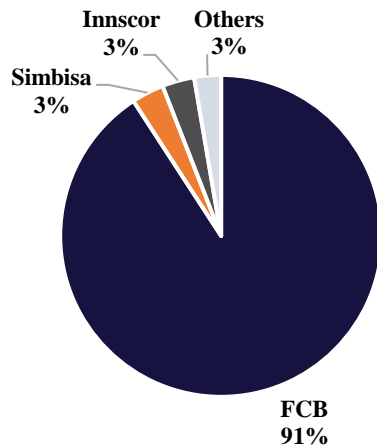


Value Traded ZWG



Name	Value Traded ZWG
Econet	251,869,783
Delta	182,948,460
NMB	31,921,986
OK Zimbabwe	11,145,386
ZHL	6,668,679
Others	21,581,696

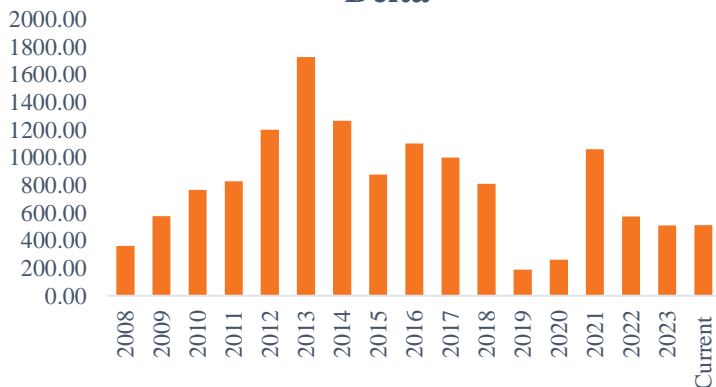
Value Traded US\$



Name	Value Traded US\$
FCB	40,279,923
Simbisa	1,441,540
Innscor	1,433,161
Padenga	529,005
WestProp	390,105
Others	275,256

Historical Market Capitalisation

Delta



Econet



Top 10 by Market Capitalization US\$ (mln)

Counter	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
Delta	576.3	766.81	829.44	1202.4	1728.3	1266.1	877.24	1101.22	1001.16	810.27	189.451	262.01	1059.8	572.94	509.18	463.461	511.04
Econet	467.5	432.76	384.79	437.65	545.59	545.59	191.78	272.8	735.819	870.13	165.774	213.25	1101	304.16	243.5	241.324	233.24
FBC	12.62	20.67	38.47	44.39	90.71	53.76	47.04	53.76	67.195	55.337	19.0629	87.46	113.74	50.81	67.65	182.266	125.49
CBZ	109.5	109.46	95.78	68.41	102.72	68.48	75.53	72.16	51.5424	25.064	20.8291	506.44	196.44	86.05	184.38	111.591	101.27
FML	17.41	12.8	6.51	11.29	30.42	19.01	8.74	15.97	67.2889	24.358	9.32	57.38	69.014	21.55	80.28	76.5237	75.92
Mash	33.46	35.32	55.77	48.15	60.42	50.19	40.9	37	32.162	12.598	6.30469	14.64	30.161	19.03	26.53	88.5982	61.17
BAT	36.47	34.76	26.94	62.57	247.6	231.1	251.73	314.66	368.313	160.21	42.837	98.39	330.24	70.43	30.03	41.4527	53.65
RTG	31.26	21.39	47.72	39.49	29.93	29.93	22.45	22.45	9.35248	14.033	15.7325	41.49	97.324	26.99	44.36	37.5884	40.65
NMB	13.14	28.07	32.28	18.25	18.25	17.3	13.45	14.99	17.3239	22.19	7.2048	14.14	16.274	18.73	30.81	33.34	37.42
Hippo	183.4	260.58	221.97	214.25	173.76	106.16	71.42	67.56	169.858	77.662	16.3648	150.89	270.23	42.98	40.75	37.6873	29.43

Top 10 by Market Capitalization US\$ (mln)

Counter	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
WestProp															300.00	300.00	300.00
Innscor	322.99	270.06	294.36	378.08	475.30	324.07	162.26	259.96	270.80	235.75	85.70	181.69	462.73	495.98	250.75	264.99	264.71
Simbisa							84.49	86.65	130.84	95.06	30.55	64.35	252.98	205.76	182.71	201.82	185.52
FCB	204.43	193.73	92.56	55.98	94.73	54.91	91.51	68.90	64.65	29.93	9.33	18.34	37.30	41.49	43.85	94.43	114.53
Padenga		24.37	29.79	24.37	43.33	48.74	41.87	86.65	148.15	108.32	57.69	109.50		124.13	92.34	102.74	97.49
African Sun	84.75	18.29	5.82	7.48	22.45	14.97	14.65	10.34	20.68	20.28	9.37	12.44	45.71	44.33	74.19	34.88	60.45
SeedCo Intl										153.52	31.50			72.55	77.24	63.96	56.28
Axia								36.40	48.74	57.35	15.07	43.32	82.96		44.39	48.83	48.50
Bindura	31.51	16.39	2.52	18.15	24.58	79.34	18.97	49.59	34.21	27.56	8.72	40.74	38.05	29.27	14.38	15.91	15.91
Caledonia														8.06	10.00	9.94	9.90

Disclosure appendix

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Additional disclosures.

1 This report is dated as of 3 March 2025

2 All market data included in this report are dated as at close of 28 February 2025, unless otherwise indicated in the report.

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