

Sameer Africa PLC - Research Paper

The just released HY June 19 results show that the company has now depleted the reserves which stood at Kshs 1.3 Billion in 2013 to stand at negative 265 Million in June 2019. If this trend is not nipped in the bud it will wipe out the shareholders' book value which can currently be estimated at least **Ksh 52** per share as analysed below:-

Property math's

Property size Mombasa Road *	98 acres
Average price per acre **	150,000,000
Market value of whole land parcel	14,700,000,000
Current Assets (2019 Half year results)	904,152,000

Total Assets	15,604,152,000
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Total liabilities (2019 Half year results)	-1,212,002,000
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Net proceeds	14,392,150,000
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No of issued shares	278,342,393
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Value per share	51.71
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Current price per share	3.75
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* Does not include the 3 Acres in Lavington (Neighboring The Vatican Embassy)

** Sample property close to the site.

Sameer Investment Ltd, the controlling party owns 72.15% of the shares worth 10B and the minority shareholders own 27.85% worth 4B.

Recommendation

This is an immediate buy opportunity given that the tyre business has collapsed and the real estate (property) value will have to be unlocked to avoid insolvency.

Options to unlock property value are: - Takeover by the majority shareholders (delisting) or other player, Disposal of properties to say Nairobi Container Terminal or Another, and liquidation.

Challenges

Getting a sizeable volume of shares will be a challenge given the last 2 year volume trends, however, we can place standing orders to buy all available shares in the market and also use intermediaries to scout for sizeable volumes. Below is the price trend chart covering the period October 2018 to date.

Sameer Africa Ltd * 4.000 0.000 (0.00%)

