

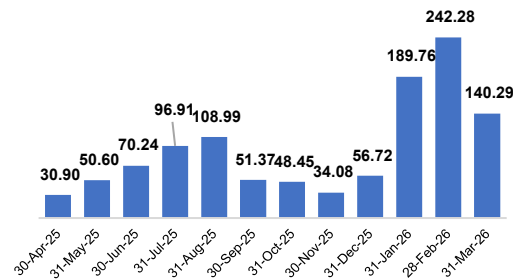
Dar Stock
Exchange
**EARNINGS
HIGHLIGHT**
March 2026



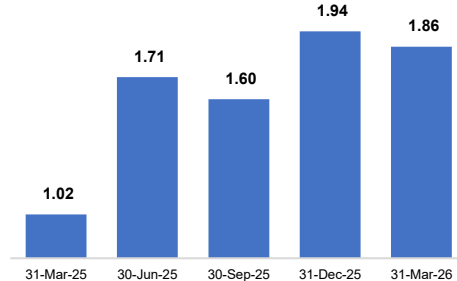
DAR STOCK EXCHANGE FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2026

INDUSTRIAL OVERVIEW

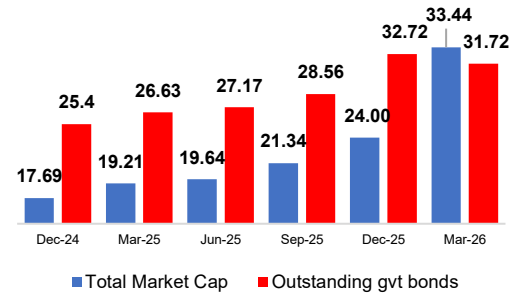
Monthly Equities Turnover in Billions TZS



Treasury and Corporate Bond Turnover in Trillions TZS



Total Market Cap and Gvt Bond Outstanding in Trillions TZS



INCOME STATEMENT ANALYSIS

Net profits rallied by 174.65% QoQ from TZS 1.19 billion in Q4'25 to TZS 3.26 billion in Q1'26.

Possible Reasons:

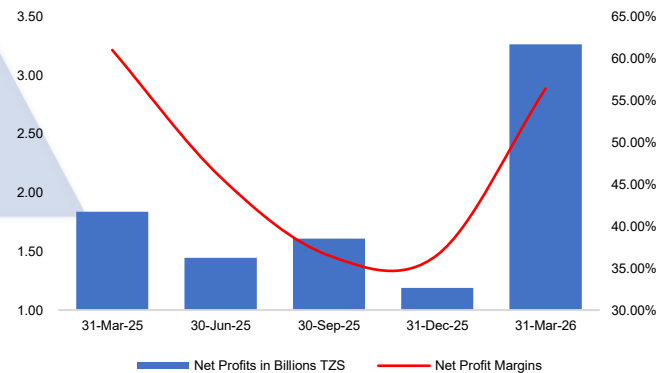
Revenues from operations rose 78.11% YoY from 3.25 billion in Q4'25 to TZS 5.79 billion in Q1'26 due to a 170.29% and 36.23% QoQ increase in Transaction Fees and Registry and CSD Fees amounting to TZS 2.62 billion following a 311.01% QoQ increase in equities turnover amounting to TZS 572.33 billion in Q1'26. Listing fees rose 24.69% QoQ amounting to TZS 1.50 billion following an 11.51% growth in successful government treasury bonds auctions from TZS 763.35 billion in Q4'25 to TZS 851.18 billion in Q1'26, coupled with initial listing fees from a newly issued iEACLC-ETF valued at TZS 54 billion all while other operating income grew 209.91% QoQ amounting to TZS 351.3 million likely due to a surge in data vending fees

Operating expenses grew marginally, registering a 0.49% QoQ growth amounting to TZS 3.34 billion in large part due to a 14.78% QoQ reduction in DSE's non-administrative expenses.

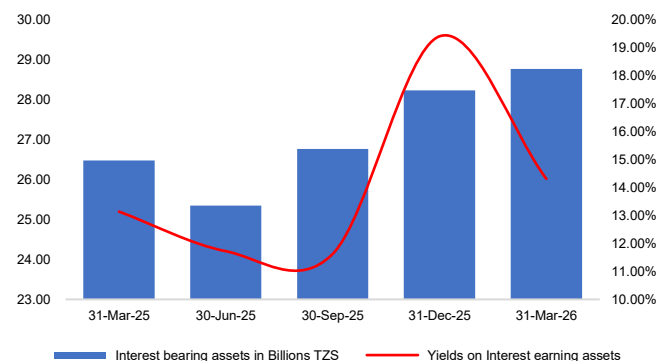
Improvements to be made:

Finance Income dropped 24.86% QoQ amounting to TZS 1.03 billion despite a 1.90% QoQ increase in interest bearing assets amounting to TZS 28.77 billion resulting in effective annualized yields on interest bearing assets to fall from 19.41% in Q4'25 to 14.31% in Q1'26.

Dar Stock Exchange Profitability Trend



DSE Interest bearing assets and yields trend



Income Statement Analysis Amounts in Billions TZS	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Revenues from Operations (Core-Revenue)	3.01	3.15	4.41	3.25	5.79
Growth Rate	24.71%	4.59%	39.84%	-26.31%	78.11%
Operating Expenses	2.02	2.38	3.49	3.33	3.35
Growth Rate	-7.84%	18.00%	46.66%	-4.53%	0.49%

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BALANCE SHEET STATEMENT ANALYSIS

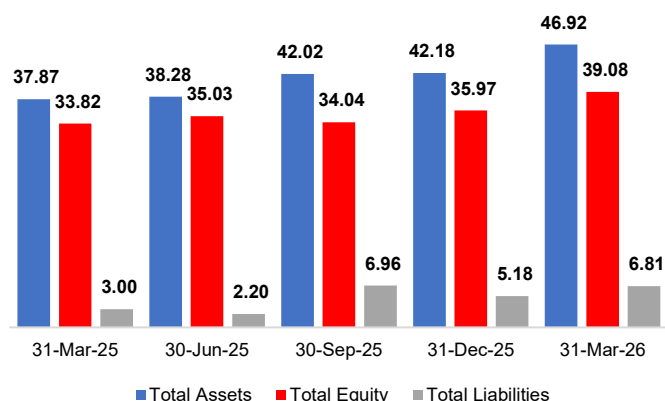
Total assets increased by 11.23% during the quarter ending March 2026, reaching TZS 46.92 billion in value.

Possible Reasons:

Trade receivables grew 159.95% QoQ amounting to TZS 4.36 billion possibly due to a surge in transaction and listing fee receivables brought as both revenue line items saw a strong rally across Q1'26 all while revenue recognition and collections timing happen at distinct time intervals. Investments in fixed-income bank deposits grew 3.73% QoQ amounting to TZS 16.89 billion all while property and equipment grew 7.02% QoQ amounting to TZS 9.25 billion

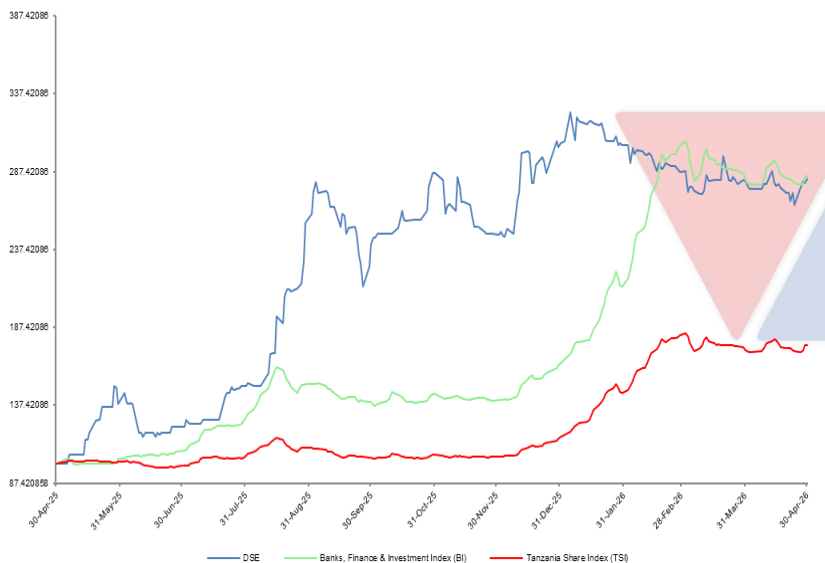
Financing this growth was shareholders funds which saw a 8.64% QoQ increase amounting to TZS 39.08 billion due to stronger retained earnings and current tax liabilities which are up 43.09% amounting to TZS 5.20 billion brought about by increased profitability from subsidiary the CSDR.

Balance Sheet Highlights in Billions TZS



INVESTORS' CORNER

DSE Vs TSI & BI Index 52-Week Returns Rebased at 100



Supporting Fundamentals

Ticker	DSE
Closing Price as of 30 th April 2026	TZS 6,610
Book Value per Share	TZS 1,640.41
P/B Ratio	4.03x
Trailing EPS	TZS 315.02
P/E Ratio	20.98x
Return on Equity	20.83%
Return on Assets	17.72%

FAIR VALUE ASSESSMENT

Ticker	Prev Target Price	Target Price 30-Apr-26	Revised by	Share Price 30-Apr-26	Downside	Recommendation
DSE	5,944.55	6,271.71	▲ 5.50%	6,610	▼ 5.12%	SELL

COMMENTARY

Relative to Q1'25, DSE's earnings are up 77.47% YoY from TZS 1.84 billion in Q1'25 to TZS 3.26 billion in Q1'26. The growth was supported by a 91.95% growth in core revenue from TZS 3.01 billion in Q1'25 to TZS 5.79 billion in Q1'26 on the back of stronger transaction activities across the equities and fixed income space following a surge in the number of investor CDS accounts opened, increased listing via the treasury and corporate bond space along with the ETF space. Investment income also posted a strong TZS 18.35% YoY growth from TZS 869.83 million in Q1'25 to TZS 1.03 billion in Q1'26 following increased investments in its interest-bearing assets which are up 8.68% YoY from TZS 26.47 billion in Q1'25 to TZS 28.77 billion in Q1'26. All while at the same time operating expense growth remained contained registering a 66.02% YoY growth amounting to TZS 3.35 billion.

Looking ahead we expect the DSE to have a strong FY'26 in terms of revenue and earnings growth relative to FY'25 however the magnitude of growth in terms of transaction and listing fees may satiate for forthcoming quarters relative to the record results posted in Q1 as trading activities continue to show signs of slowing down in the current Q2. Nonetheless, DSE's results for Q1 came in better our projections prompting us to adjust target price by 5.50% to a blended fair value of TZS 6,271.71. However, with the share price trading above target price at TZS 6,610 the market seems to have overly-priced in the strong growth registered thus far hence why we maintain a **SELL** recommendation on the company's shares.

DAR STOCK EXCHANGE FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2026

RATIO ANALYSIS

	30-Jun-24	30-Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25	31-Mar-26
DSE Ratio Analysis:								
Capital Structure:								
Debt to Equity	5.90%	12.00%	9.31%	8.87%	6.29%	20.44%	14.41%	17.43%
Equity Multiplier	1.09	1.15	1.13	1.12	1.09	1.23	1.17	1.20
Asset Quality (Trailing):								
Total Asset Turnover	33.48%	32.89%	32.56%	35.41%	38.23%	42.24%	43.86%	48.44%
Return on Assets	15.10%	13.87%	12.40%	13.48%	14.68%	14.36%	14.42%	16.00%
Management Quality:								
Core Revenue Growth	-12.89%	-10.31%	-7.87%	63.85%	70.54%	84.03%	69.33%	91.95%
Investment Income Growth	8.37%	5.57%	6.98%	-0.44%	-6.91%	-10.45%	4.45%	18.35%
Operating Profit Margins	12.84%	12.57%	11.67%	33.13%	28.75%	25.47%	18.89%	42.16%
Earnings Quality:								
Net Profit Growth	-24.78%	-25.14%	-30.29%	48.98%	51.53%	45.69%	42.32%	77.47%
Cost to Income Ratio	58.93%	59.69%	62.56%	51.89%	56.48%	60.79%	63.76%	49.10%
Liquidity Ratio:								
Current Ratio	8.79	4.39	5.22	6.75	9.29	2.61	3.92	3.55
Cash Ratio	0.08	0.02	0.09	0.10	0.22	0.14	0.10	0.10

ANALYST'S NAMES & CONTACTS

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