

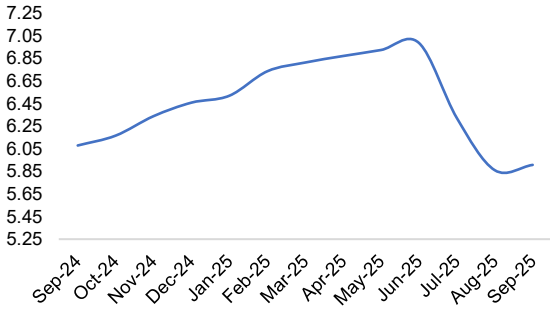
TCC PLC
EARNINGS
HIGHLIGHTS
March 2026



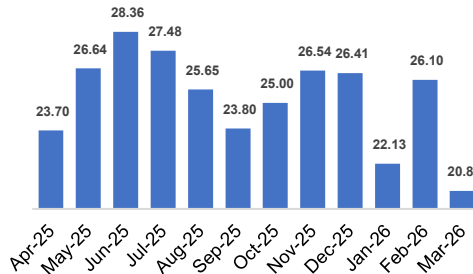
TCC PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2026

INDUSTRIAL OVERVIEW

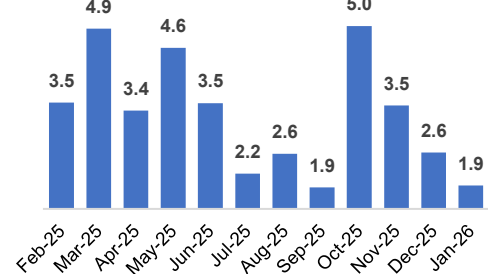
Tobacco Prices in USD/Kg



Taxes Collected from Cigarette Sales in Billions TZS



Manufactured Tobacco Exports in Millions USD



INCOME STATEMENT ANALYSIS

Net profits surged by 22.81% QoQ from TZS 30.46 billion as of Q4'25 to TZS 37.41 billion in Q1'26

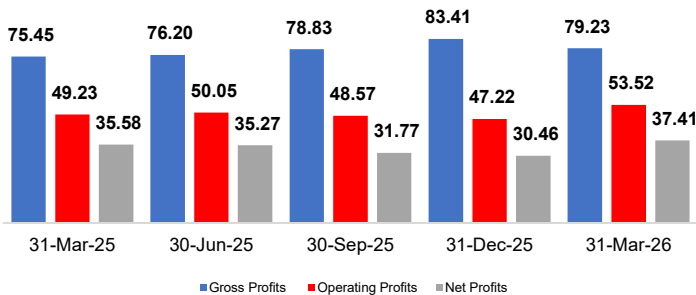
Possible Reasons:

TCC's operating expenses fell by 28.96% QoQ amounting to TZS 25.71 billion driven by a 32.79% QoQ drop in Marketing, Sales and Distribution Expenses amounting to TZS 9.12 billion, Administration expenses which fell 20.36% QoQ amounting to TZS 16.06 billion and other expenses which fell 78.53% QoQ amounting to TZS 526 million. In aggregate the company earned TZS 10.48 billion in cost savings and improved cost containment strategies.

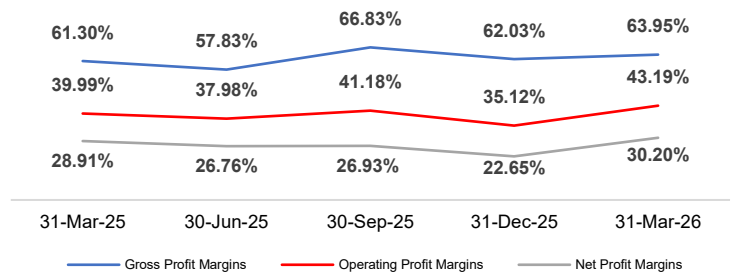
Areas requiring improvement:

Sales dropped 7.87% QoQ from TZS 123.89 billion in Q1'26 reflecting weaker demand for cigarettes during the quarter and despite cost of sales dropping faster at 12.51% QoQ amounting to TZS 44.67 billion and a 1.92 pp growth in gross profit margins, gross profits fell 5.02% QoQ amounting to TZS 79.23 billion.

TCC Profitability in Billions TZS



TCC Profit Margins Trend



Income Statement Analysis Amounts in Billions TZS	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Revenue	123.08	131.77	117.96	134.47	123.90
Growth Rate	7.56%	7.06%	-10.48%	14.00%	-7.87%
Operating Expenses	26.22	26.15	30.26	36.19	25.71
Growth Rate	-9.50%	-0.28%	15.72%	19.59%	-28.96%

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BALANCE SHEET STATEMENT ANALYSIS

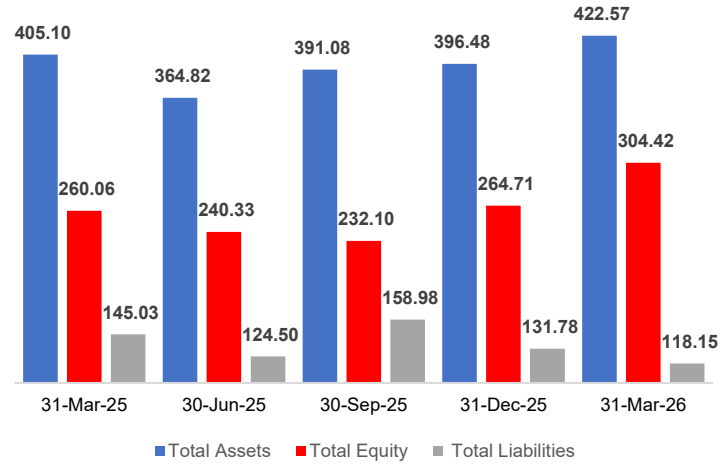
TCC's balance sheet grew by 6.58% QoQ amounting to TZS 422.57 billion in Q1'26 from TZS 396.48 billion the quarter prior

Possible Reasons:

TCC's cash and cash equivalent grew 44.93% QoQ amounting to TZS 112.20 billion due to the absence of substantial dividend payments, substantial Capital Expenditures all while profits grew during the quarter.

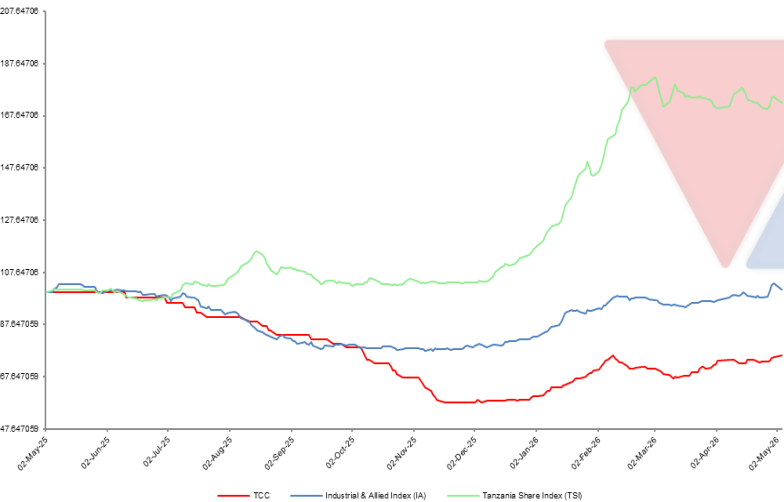
Balance sheet growth was financed by a 15.00% QoQ growth in the company's shareholder's equity amounting to TZS 304.42 billion due to the strong profits recorded during Q1'26

TCC Plc Balance Sheet Highlights



INVESTORS' CORNER

TCC VS TSI & IA Index 52-Weeks Returns rebased at 100



Supporting Fundamentals

Ticker	TCC
Closing Price as of 4 th May 2026	TZS 12,900
Book Value per Share	TZS 3,044.18
P/B Ratio	4.24x
Trailing EPS	TZS 1,349.13
P/E Ratio	9.56x
ROE	51.81%
ROA	36.18%

FAIR VALUE ASSESSMENT

Ticker	Prev Target Price	Target Price 04-May-26	Revised by	Share Price 04-May-26	Upside	Recommendation
TCC	20,803.91	17,988.33	▼ 13.53%	12,900	▲ 39.44%	BUY

COMMENTARY

Relative to Q1'25, TCC's profits grew 5.15% YoY from TZS 35.58 billion in Q1'25 to TZS 37.41 billion in Q1'26. The growth in earnings is mainly influenced by a 6.21% YoY drop in cost of sales amounting to TZS 44.67 billion which allowed for gross profits to grow by 5.01% YoY amounting to TZS 79.23 billion all while operating expenses on a YoY basis shed 1.96% amounting to TZS 25.71 billion. However, sales growth on a YoY basis started off weak with a YoY growth of 0.67% amounting to TZS 123.89 billion.

The company has been able to achieve steady growth in earnings due to prudent measures taken to control cost of sales and operating expenses however for the company to sustain strong growth in earnings it would have to improve its sales volumes and look for measures to strengthen demand for its products.

We revised our target price by 13.53% due to the fact that sales grew at a pace lower than expected however, our current target price of TZS 17,988.33 stays above current share price of TZS 12,900 prompting us to reaffirm a **BUY** recommendation for the company's shares.

TCC PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING MARCH 2026

RATIO ANALYSIS

TCC Ratio Analysis	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26
Capital Structure:								
Debt to Equity	111.24%	95.48%	67.62%	55.77%	51.80%	68.49%	49.78%	38.81%
Equity Multiplier	1.90	2.05	2.48	2.79	2.93	2.46	3.01	3.58
Interest Coverage	40.08	27.50	92.97	74.81	75.95	72.82	71.23	73.11
Asset Quality:								
Total Asset Turnover	1.10	1.13	1.17	1.20	1.29	1.27	1.30	1.29
Trailing Avg Return on Assets	20.74%	24.40%	29.17%	31.62%	35.06%	33.82%	34.18%	34.26%
Management Quality:								
Trailing Revenue Growth	15.57%	19.72%	21.74%	22.53%	20.51%	12.37%	11.55%	7.60%
Quarterly Gross Profit Margins	64.00%	63.98%	61.72%	61.30%	57.83%	66.83%	62.03%	63.95%
Quarterly Operating Profit Margins	35.79%	43.44%	36.40%	39.99%	37.98%	41.18%	35.12%	43.19%
Earnings Quality:								
Trailing Net Profit Growth	-1.46%	24.17%	70.73%	79.41%	75.01%	38.31%	16.90%	8.24%
Quarterly Net Profit Margins	22.93%	29.46%	23.75%	28.91%	26.76%	26.93%	22.65%	30.20%
Trailing Avg Return on Equity	42.48%	50.74%	56.71%	56.94%	58.26%	54.33%	53.38%	51.81%
Liquidity Ratio:								
Current Ratio	1.64	1.77	2.22	2.63	2.78	2.25	2.78	3.47
Quick Ratio	0.81	0.78	0.74	1.20	1.28	1.06	1.16	1.62
Cash Ratio	0.42	0.35	0.28	0.65	0.50	0.63	0.73	1.21

ANALYST'S NAMES & CONTACTS

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