SOLOMON Stockbrokers

TCC PLC

EARNINGS HIGHLIGHTS

Sept 2025

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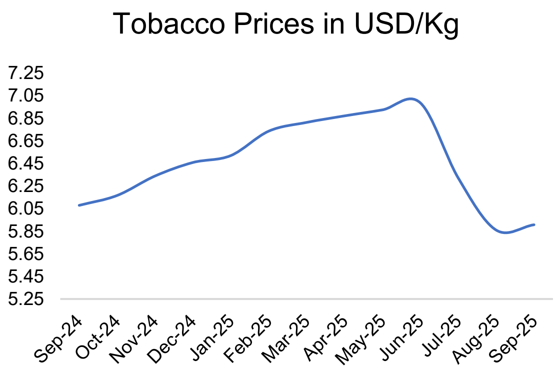
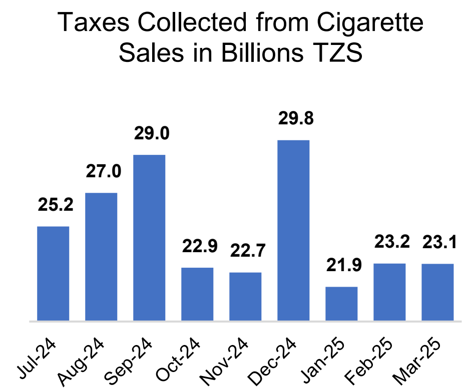
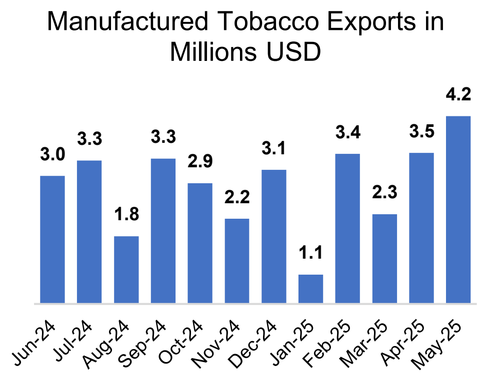
TCC PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING SEPT 2025

INDUSTRIAL OVERVIEW







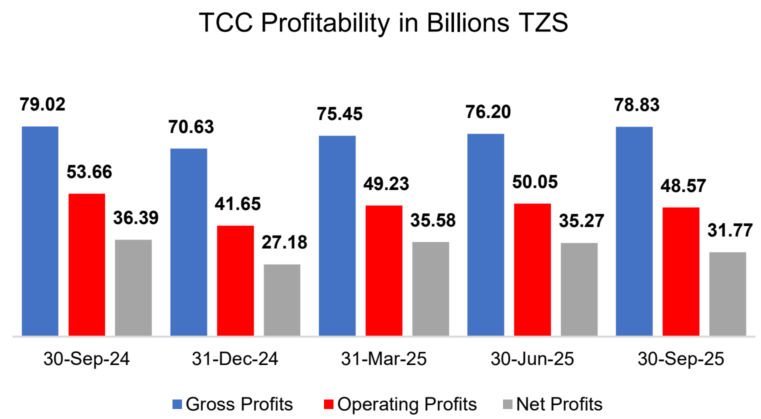
INCOME STATEMENT ANALYSIS

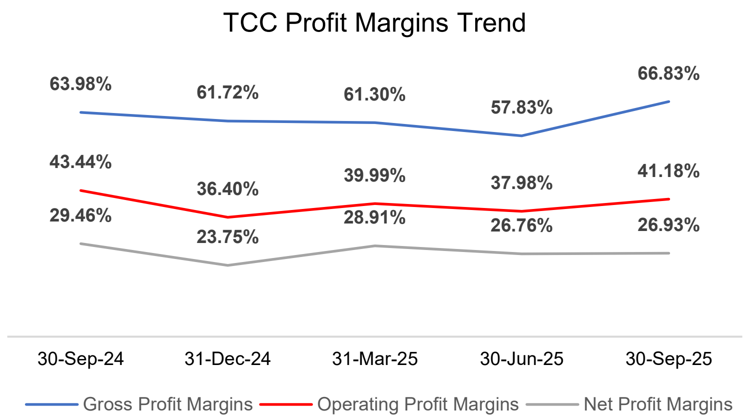
Net profits fell by 9.91% QoQ amounting from TZS 35.27 billion as of Q2'25 to TZS 31.77 billion in Q3'25

Possible Reasons:

Revenues fell by 10.48% QoQ amounting to TZS 117.96 billion as of Q3'25 possibly due to collapsed demand for cigarettes during Q3 of this financial year which was countercyclical to historical trends where Q3 is often the best performing quarter of the manufacturer's financial year.

Despite efforts to contain cost of sales evident with a 29.60% QoQ drop amounting to TZS 39.13 billion and a resulting gross profit growth of 3.46% to TZS 78.83 billion and improved gross profit margins which saw a 9-pp increase to 66.83%. These gains were offset with Other expense line item which grew 124-fold to TZS 2.72 billion QoQ and the booking of translation losses amounting to TZS 1.32 billion compared to TZS 2.03 billion gains made in the subsequent quarter





Income Statement Analysis Amounts in Billions TZS	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Revenue	**123.52**	**114.43**	**123.08**	**131.77**	**117.96**
Growth Rate	**11.10%**	**-7.37%**	**7.56%**	**7.06%**	**-10.48%**
Operating Expenses	**25.36**	**28.98**	**26.22**	**26.15**	**30.26**
Growth Rate	**-19.11%**	**14.25%**	**-9.50%**	**-0.28%**	**15.72%**

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BALANCE SHEET STATEMENT ANALYSIS

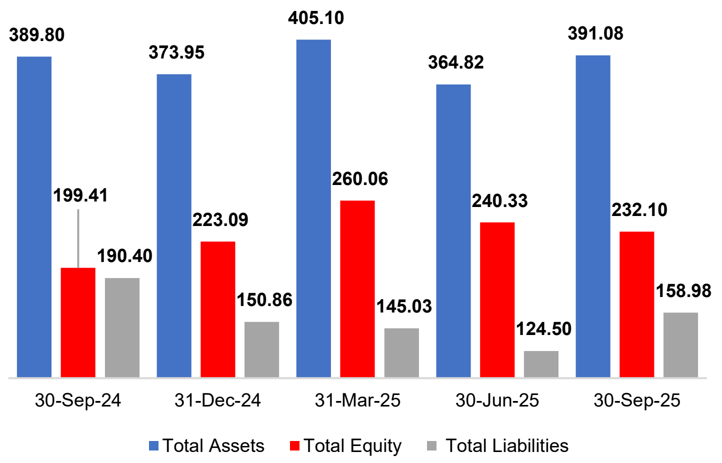
TCC's balance sheet grew by 7.20% QoQ amounting to TZS 391.08 billion in Q3'25 from TZS 364.82 billion

Possible Reasons:

TCC's cash and cash equivalent grew 70.37% QoQ amounting to TZS 83.34 billion as of Sept-25 due to the absence of substantial payments such as a dividend payment of TZS 55 billion made by the company in the previous quarter all while the company's inventory grew 7.23% QoQ amounting to TZS 156.36 billion

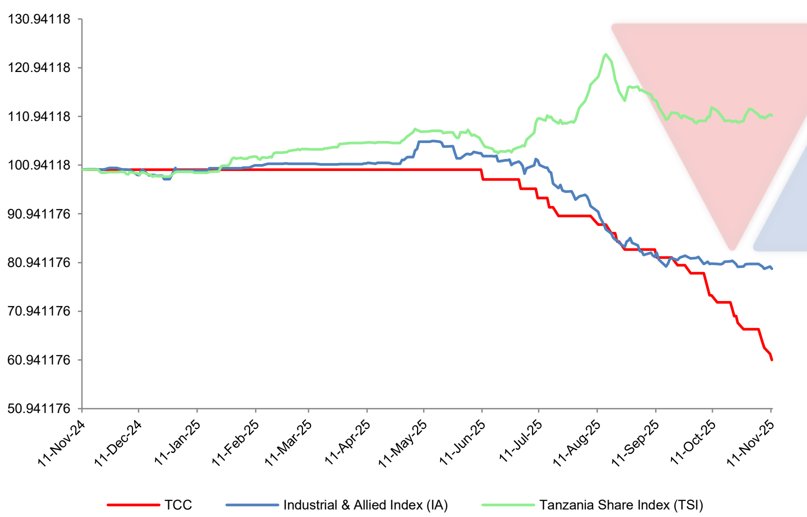
Balance sheet growth was financed by a 27.70% QoQ growth in the company's total liabilities amounting to TZS 158.98 billion influenced by a 33.37% QoQ growth in trade and other payables amounting to TZS 124.86 billion.

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 11th November 2025	TZS 10,360
Book Value per Share	TZS 2,321
P/B Ratio	4.46x
Trailing EPS	TZS 1,344.12
P/E Ratio	7.98x
ROE	55.92%
ROA	33.19%

OUTLOOK

Despite the lackluster Q3 performance, 9 months earnings growth saw a 15.55% surge amounting to TZS 102.62 billion as of the nine months ending 30-Sep-25 compared to TZS 86.66 billion made during the same period last year. The growth in profits was influenced by a 8.71% YoY growth in revenues amounting to TZS 372.81 billion coupled with improved operational efficiencies that saw a positive jaws between revenue growth and that of cost of sales and operating expense growth both of which grew 8.16% and 2.71% YoY respectively and resulted in an improvement in gross and operating profit margins by 0.23 percentage points (pp) and 1.69 pp respectively amounting to margins of 61.82% and 39.66% respectively.

Drawing from TCC's historic cyclical financial performance Q4's are anticipated to draw in weaker results in terms of revenues and profit growth as has been the case since the company started releasing quarterly reports three years ago. Nonetheless, we anticipate that if this case coincides again in Q4, the effects could be somewhat abated with the company's ability to control its production, marketing, general and administrative operating costs and foreign currency movements as well as trade receivable actions remain favorable to the company in a manner that can result towards the containment of expected credit loss expenses and foreign currency translation losses.

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RATIO ANALYSIS

TCC Ratio Analysis	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
Capital Structure:								
Debt to Equity	119.71%	107.65%	111.24%	95.48%	67.62%	55.77%	51.80%	68.49%
Equity Multiplier	1.84	1.93	1.90	2.05	2.48	2.79	2.93	2.46
Interest Coverage	1,737.17	51.30	40.08	27.50	92.97	74.81	75.95	72.82
Asset Quality:								
Total Asset Turnover	1.09	1.14	1.12	1.24	1.20	1.26	1.37	1.25
Inventory Turnover	1.24	1.10	0.96	1.07	0.98	1.06	1.40	1.04
Return on Assets	8.17%	25.46%	25.01%	37.34%	29.07%	35.13%	38.67%	32.50%
Management Quality:								
Revenue Growth	-5.65%	13.23%	5.27%	11.10%	-7.37%	7.56%	7.06%	-10.48%
Gross Profit Margins	48.24%	56.27%	64.00%	63.98%	61.72%	61.30%	57.83%	66.83%
Operating Profit Margins	11.17%	33.85%	35.79%	43.44%	36.40%	39.99%	37.98%	41.18%
Earnings Quality:								
Net Profit Growth	-62.91%	245.26%	2.90%	42.71%	-25.31%	30.91%	-0.88%	-9.91%
Net Profit Margins	7.69%	23.46%	22.93%	29.46%	23.75%	28.91%	26.76%	26.93%
Return on Equity	17.96%	52.86%	52.84%	72.99%	48.73%	54.72%	58.70%	54.75%
Liquidity Ratio:								
Current Ratio	1.55	1.66	1.64	1.77	2.22	2.63	2.78	2.25
Quick Ratio	0.58	0.74	0.81	0.78	0.74	1.20	1.28	1.06
Cash Ratio	0.23	0.30	0.42	0.35	0.28	0.65	0.50	0.63

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