

TANGA EARNINGS HIGHLIGHT

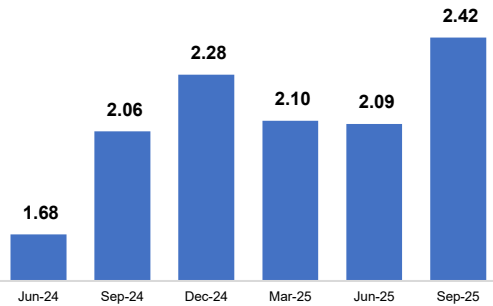
Dec 2025



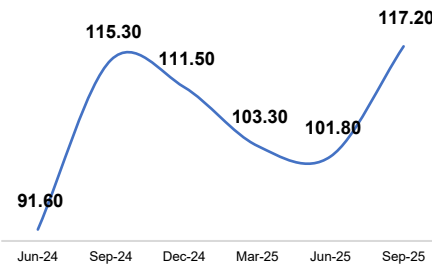
TANGA CEMENT FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2025

INDUSTRIAL OVERVIEW

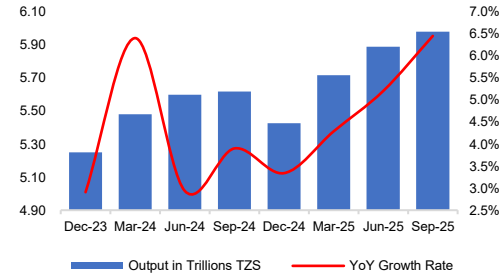
Net Cement Consumption in Million Tons



Industrial Production Index on Manufacture of Cement, Lime and Plaster



Construction Sector Gross Domestic Output



INCOME STATEMENT ANALYSIS

Tanga's bottomline worsened from a TZS 20.92 billion net income in Q3'25 to a TZS 1.04 billion loss in Q4'25.

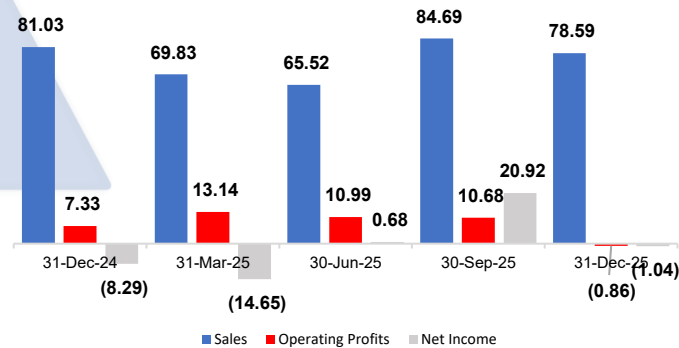
Reasons:

Net foreign exchange income fell 74.50% QoQ from TZS 18.93 billion in Q3'25 to TZS 4.83 billion in Q4'25 driven by a one-off appreciation of the TZS against the USD by 6.70% in Q3'25 which had a positive effect in revaluing in foreign-currency denominated liabilities particularly loans whereas Q4'25 saw a 0.18% depreciation of the TZS against the USD (Source: Bank of Tanzania) less of a profound effect in delivering outstanding Fx gains.

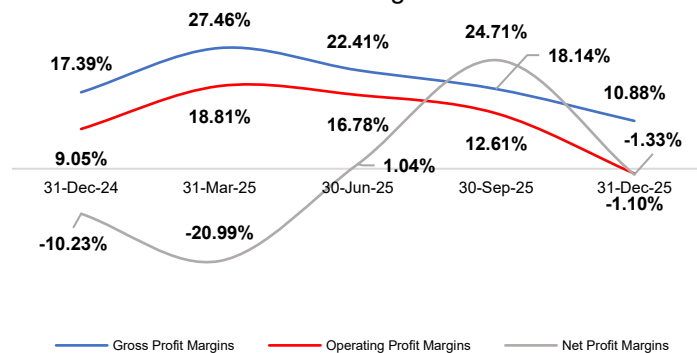
Other Expenses surged 1499.61% QoQ from TZS 359 million to TZS 5.74 billion likely pertaining to a one-time loss on disposals of property, plant and equipment.

Gross profit margins contracted by 7.25% from 18.14% in Q3'25 to 10.88% in Q4'25 as sales dropped 7.20% from TZS 84.69 billion in Q3'25 to TZS 78.59 billion in Q4'25 while costs rose 1.02% from TZS 69.33 billion to TZS 70.04 billion. The mismatch in sales and cost of sales growth is suspected to be influenced by rising overhead costs associated with keeping production lines running during Q4. However, it's also worth mentioning that FY'25 marks the second consecutive year where gross profit margins drop 3 consecutive quarters from a Q1 high.

TCCL Profitability Trend in Billions TZS



TCCL Profit Margin Trends



Income Statement Analysis Amounts in Billions TZS	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
Sales	81.03	69.83	65.52	84.69	78.59
Growth Rate	28.96%	-13.82%	-6.17%	29.26%	-7.20%
Operating Expenses	6.76	6.04	3.69	4.68	9.41
Growth Rate	56.48%	-10.71%	-38.93%	26.92%	101.07%

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BALANCE SHEET STATEMENT ANALYSIS

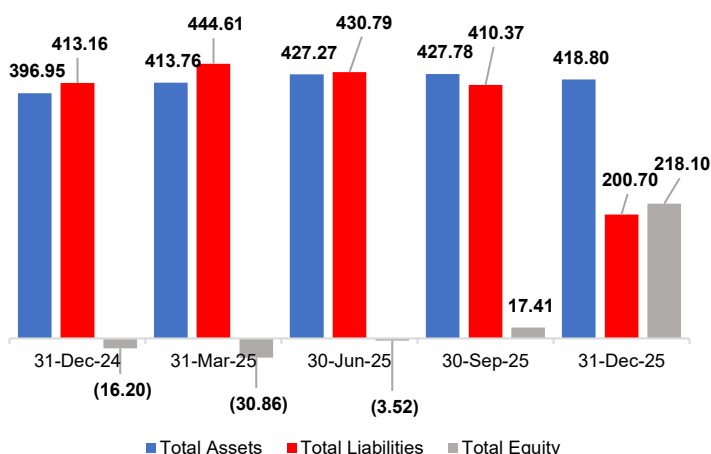
Total assets shrunk by 2.10% from TZS 427.77 billion to TZS 418.80 billion

Possible Reasons:

Total liabilities shrunk 51.09% QoQ following a TZS 222.79 billion borrowing repayment made during Q4'25 financed by a successful rights issue raise of TZS 203.75 billion and an approx. TZS 31.16 billion from initiatives aimed at improving company liquidity by improving cash conversion cycle which resulted in inventories to drop by 21.30% QoQ amounting to TZS 71.37 billion and Trade and other receivables to drop by 5.20% QoQ amounting to TZS 47.96 billion.

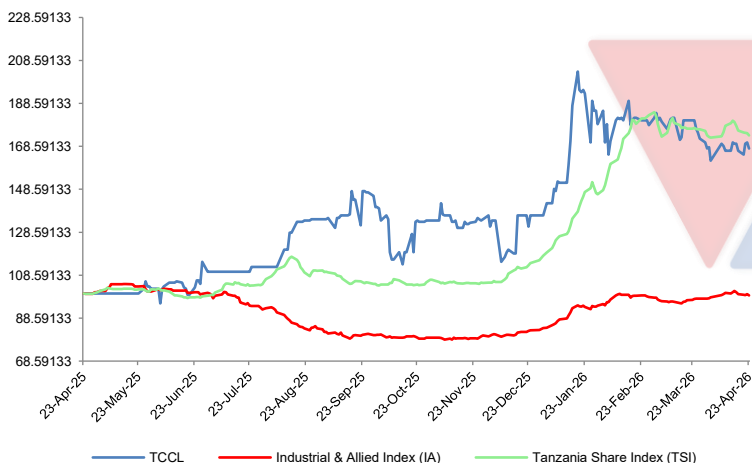
Shareholders equity during the period grew 1152.9% amounting to TZS 218.10 billion following the rights issue raise of TZS 203.75 billion.

Balance Sheet Highlights in Billions TZS



INVESTORS' CORNER

TCCL VS TSI & IA 52-Weeks Returns rebased at 100



Supporting Fundamentals

Ticker	TCCL
Closing Price as of 23 rd April 2026	TZS 2,950
Book Value per Share	TZS 1,141.81
P/B Ratio	2.58x
Trailing EPS	TZS 30.92
P/E Ratio	95.42x
ROE	2.71%
ROA	1.41%

FAIR VALUE ASSESSMENT

Ticker	Prev Target Price	Target Price 23-Apr-26	Revised by	Share Price 23-Apr-26	Downside	Recommendation
TCCL	2,729.34	2,472.91	▼ 9.40%	2,950	▼ 16.17%	SELL

COMMENTARY

Tanga's FY'25 results reflect a notable turnaround, with the company posting a net profit of TZS 5.91 billion compared to a TZS 13.04 billion loss in FY'24. This recovery was supported by a modest 2.73% YoY increase in gross profit to TZS 57.77 billion and a significant 63.71% reduction in operating expenses, which drove operating profit to TZS 33.94 billion from a prior-year loss.

The company's balance sheet also improved following a successful rights issue, with borrowings declining by 67.75% YoY to TZS 94.61 billion. This positions Tanga to benefit from lower financing costs, with projected interest expense savings of approximately TZS 20 billion in FY'26, assuming no additional debt is taken on.

Despite these gains, gross margin compression remains a key concern. Gross profit margins declined to 19.34% in FY'25, down from 20.40% in FY'24, and have trended downward over recent quarters. This suggests persistent pressure on cost of sales, prompting a more cautious outlook on margin expansion.

As a result, we have revised our gross margin assumptions downward, leading to a 9.40% reduction in our target price. We therefore maintain a **SELL** recommendation, as current market prices appear to have already priced in the anticipated benefits from lower interest expenses and potential relief on foreign exchange-related losses from foreign denominated liabilities.

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RATIO ANALYSIS

TCCL Ratios:	31-Mar-24	30-Jun-24	30-Sep-24	31-Dec-24	31-Mar-25	30-Jun-25	30-Sep-25	31-Dec-25
Capital Structure:								
Debt to Assets	97.85%	100.41%	104.54%	104.08%	107.46%	100.82%	95.93%	47.92%
Asset Quality:								
Total Asset Turnover	50.58%	50.04%	49.32%	59.92%	65.34%	69.46%	74.53%	73.21%
Return on Assets	-34.40%	-37.03%	-35.04%	-19.56%	-10.95%	-8.25%	-0.33%	1.45%
Management Quality:								
Revenue Growth	-9.13%	-10.40%	-13.34%	6.96%	30.78%	42.84%	54.59%	29.79%
Gross Profit Margins	39.18%	26.32%	23.40%	17.39%	27.46%	22.41%	18.14%	10.88%
Operating Profit Margins	-2.17%	8.09%	7.16%	-139.94%	-90.20%	12.41%	16.52%	9.05%
Earnings Quality:								
Net Profit Margins	-123.92%	-20.74%	-17.36%	-10.23%	-20.99%	1.04%	24.71%	-1.33%
Liquidity Ratio:								
Current Ratio	0.87	0.90	0.99	0.98	1.07	1.19	1.28	1.33
Quick Ratio	0.64	0.81	0.87	0.81	0.78	0.83	0.86	0.88
Cash Ratio	0.04	0.04	0.05	0.05	0.02	0.02	0.04	0.10

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