

SWISSPORT TANZANIA PLC UN-AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 30 JUNE 2020

Commentary

The Board of Directors of Swissport Tanzania Plc. is pleased to publish the un-audited financial results for the six months period ended 30 June 2020. Total revenue during the period decreased by 25% from TShs 17,240 million to TShs 12,914 million while a net loss of TShs 1,528 million was posted, compared to a net profit of TShs 1,225 million reported during the same period last year. Total operating costs declined by 10% from TShs 15,332 million to TShs 13,667 million due to various cost saving initiatives adopted by management. The sharp deterioration in revenue and profit was attributed by the adverse impact of the COVID-19 pandemic on the aviation industry. During these unprecedented times, governments around the globe imposed travel restrictions to control the spread of COVID-19 virus while airlines suspended international flights and significantly reduced domestic operations. As a consequence, the number of flights and volume of cargo handled during the period decreased substantially and negatively impacted the performance of the business. Cargo volumes went down by about 40% compared to pre-Covid but were fairly stable to sustain the business. Flight frequencies were significantly down; we handled only about 20% of pre-covid-19 volumes.

Interim Dividend to Shareholders

With reference to the reported net loss, the Board has decided not to declare interim dividend for the period.

Future Outlook

The recent alleviation of travel restrictions by some governments around the globe and consequently, the slow resumption of businesses by several airlines are encouraging signs of business recovery.

STATEMENT OF PROFIT AND LOSS AND OTHERS	2020	2019	% Change
COMPREHENSIVE INCOME	TShs M	TShs M	
For Six Months Ended 30 June			

Revenue	12,718	17,123	(26%)
Other operating income	196	117	67%
Total revenue	12,914	17,240	(25%)
Total operating expenses	13,667	15,132	(10%)
Operating (loss)/profit	(753)	2,108	(136%)
Finance costs	134	281	(52%)
(Loss)/profit before income tax	(887)	1,828	(149%)
Income tax expense	241	603	(60%)
(Loss)/profit for the period	(1,128)	1,225	(192%)
Other comprehensive income	-	-	-
Total comprehensive (loss)/income for the period	(1,128)	1,225	(192%)
Earnings per share	(31.33)	34.02	(192%)
Dividend per share	-	17.01	(100%)

STATEMENT OF FINANCIAL POSITION	2020	2019	% Change
As at 30 June	TShs M	TShs M	

ASSETS			
Non-current assets			
Intangible asset	15,729	17,289	(9%)
Property and equipment	16,534	15,880	4%
Right of use of asset	799	1,403	(43%)
Deferred tax asset	810	562	44%
Staff receivables	69	83	(17%)
33,941	35,217	(4%)	
Current assets			
Inventories	424	333	27%
Trade and other receivables	3,643	6,724	(46%)
Income tax recoverable	1,137	359	217%
Cash and cash equivalents	3,521	2,677	32%
8,725	10,092	(14%)	
Total assets	42,666	45,309	(6%)
EQUITY AND LIABILITIES			
Equity			
Share capital	360	360	0%
Retained earnings	29,171	29,215	0%
29,531	29,575	0%	
Non-current liabilities			
Lease Liabilities (long term)	465	889	(48%)
Retirement benefit obligations	2,948	2,661	11%
3,413	3,550	(4%)	
Current liabilities			
Trade and other payables	9,063	11,609	(22%)
Lease Liabilities (short term)	657	575	14%
9,720	12,184	(20%)	
Total equity and liabilities	42,666	45,309	(6%)

A few of our airline customers have resumed operations at JNA and KIA albeit with frequencies significantly below pre-Covid-19. Our business is slowly recovering as business cautiously resumes and we expect to register a gradual increase of cargo and flight volumes towards the end of the year. To further mitigate the adverse financial impact of COVID-19, management has instituted a number of cost saving measures. The financial outlook reflects the aforementioned developments.

Management is carefully monitoring the situation and taking appropriate actions to protect the safety and health of our staff and the travelling community while supporting the airlines during the re-start of operations and responding to the rapidly changing business landscape.

Appreciation and commitment

The Board would like to thank all customers for their support and our employees for the hard work during these unprecedented times. The Board is committed to implement appropriate strategies to ensure the business remains sustainable in the post Covid-19 era.



Jeroen de Clercq
Board Chairman

STATEMENT OF CASH FLOWS	2020	2019
For Six Months Ended 30 Months June	TShs M	TShs M

(Loss)/profit before income tax	(887)	1,225
Adjustment for:		
Depreciation of property and equipment	1,143	1,579
Amortization of intangible assets	1,492	1,145
Provision for retirement benefit obligation	212	610
Working capital adjustment		
(Increase)/decrease in inventories	(91)	1
Decrease in trade and other receivables	3,081	4,106
Decrease in trade and other payables	(2,346)	(1,334)
	2,404	7,332
Retirement benefit paid	(255)	(791)
Income tax paid	(774)	(1,046)
Cash generated from operating activities	1,375	5,495
Investing activities		
Purchase of property and equipment	(531)	(2,131)
Cash used in investing activities	(531)	(2,131)
Financing activities		
Loan repayment	-	(2,102)
Dividends paid to Company's shareholders	-	(1,495)
Cash used in financing activities	-	(3,597)
Net decrease in cash and cash equivalents	844	(233)
Cash and cash equivalents at 1 January	2,677	2,910
Cash and cash equivalents at 30 June	3,521	2,677



From landing to take-off: we care !