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Tanga Cement reduces loss by 50pc

By DAILY NEWS
Reporter

TANGA Cement loss has noticeably slowed down, thanks to improved operational efficiencies and cost controls. Tanga, trading at Dar es Salaam Stock Exchange (DSE) as Simba Cement, managed to reduce net loss by almost 50 per cent to 5.2bn/- in the first half of this year.

Simba's Chairman Law-

rence Masha said despite the initial effect of the global Covid-19, they performed well and optimistic of positive impact of the county's infrastructure development plan to 2025.

"... Simba expects the [infrastructure] projects to continue gaining momentum throughout 2020 and 2021. The group has sufficient capacity to meet a significant

share of the cement demand in the country and remains committed to production of superior cement products," Mr Masha said.

The cement firm, which its loss was due to debt service commitment, shelved issuance of dividend in the first half of this year. Its share was trading at 600/- yesterday. However, Simba, which has failed to pay dividend in the

last two years, is considering paying in the second half after evaluating the financial performance throughout this year.

"The company did not declare any dividends to shareholders in 2019 and has decided not to declare an interim dividend for 2020. However, it will evaluate the financial performance throughout the 2020 financial year when

considering the final dividend declaration," Mr Masha said.

In the first half, Tanga's sales revenue decreased marginally by 3.0 per cent, to 94.3bn/- from 97.6bn/- achieved in the comparative period last year. Gross profit decreased by 2.0 per cent to 24.4bn/- from 25bn/- in June last year.

"We are proud to report that EBITDA (Earnings Be-

fore Interest, Taxes, Depreciation, and Amortization) improved by 16 per cent to 16.7bn/- from 14.4bn/- achieved in June 2019 driven by improved operational efficiencies and cost controls," the board chair said.

Simba said was confident with the measures that the government has taken to stabilize the economy from the potential impact of Covid-19

and has committed to work with Government to ensure the health and safety of all our stakeholders.

"With Tanzania remaining a significant player in the East African construction market, cement output is anticipated to increase, and Tanga Cement is well positioned to take advantage of the growth opportunities in the regional market," Mr Masha said.