

TPCPLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING SEPTEMBER 2023

INCOME STATEMENT ANALYSIS

Net Profits increased by 6.11% from TZS 25.67 Billion in 2nd Quarter of 2023 to TZS 27.42 Billion in 3rd Quarter of 2023

Possible Reasons:

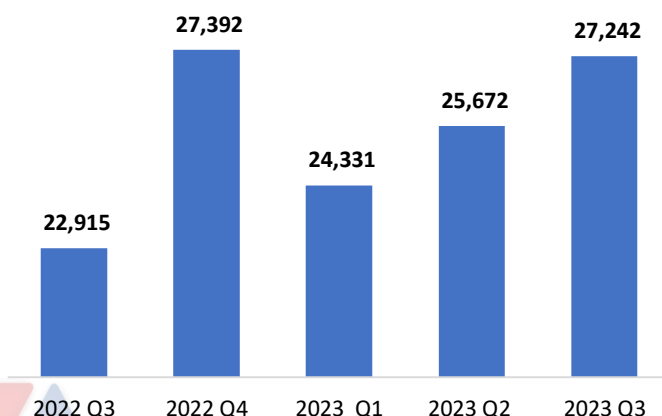
Sales had increased by 16.96% from TZS 110.39 Billion during the 2nd Quarter of 2023 to TZS 129.12 Billion during the 3rd Quarter of 2023. This could perhaps be due to increased government spending on construction projects during the 3rd Quarter, after approval of the national budget which is prepared during the 2nd Quarter of the calendar year and enforced during the 3rd. High Frequency Data from the National Bureau of Statistics attests to this as its been observed that during the months between July – September cement consumption growth has experienced the highest average growth rate of 27.67% between 2019 and 2022 indicating that perhaps the cement industry experiences the fastest revenue growth during this period

Operating Expenses had increased at a controllable rate of 7.48% from TZS 7.84 Billion in the 2nd Quarter of 2023 to TZS 8.42 Billion in the 3rd Quarter of 2023

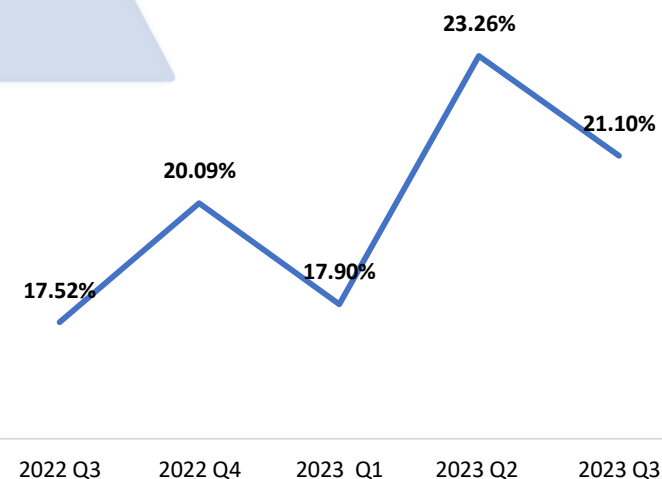
Underperformances in TPCC's income statement:

Gross profit margins had declined from 36.50% as of June 2023 to 33.61% as of September 2023 perhaps due to increased energy prices brought about by frequent power cuts in the 2nd Quarter resulting to the company having to resort to more expensive alternative energy sources as well as the rise of fuel which may have increased its distribution costs.

TPCPLC NET PROFIT TREND IN MILLIONS TZS



TPCPLC NET PROFIT MARGIN TREND



Other Performance Indicators:

Operating Profit Margins decreased from 30.14% in June 2023 to 28.19% in September 2023

Net Profit Margins are down from 23.26% in June 2023 to 21.10% in September 2023

Income Statement Analysis Amounts in Millions TZS	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3
Revenue	130,826	136,378	135,892	110,393	129,119
Growth Rate	17.48%	4.24%	-0.36%	-18.76%	16.96%
Operating Expenses	6,474	7,252	6,951	7,838	8,425
Growth Rate	-7.78%	12.01%	-4.15%	12.76%	7.48%

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BALANCE SHEET STATEMENT ANALYSIS

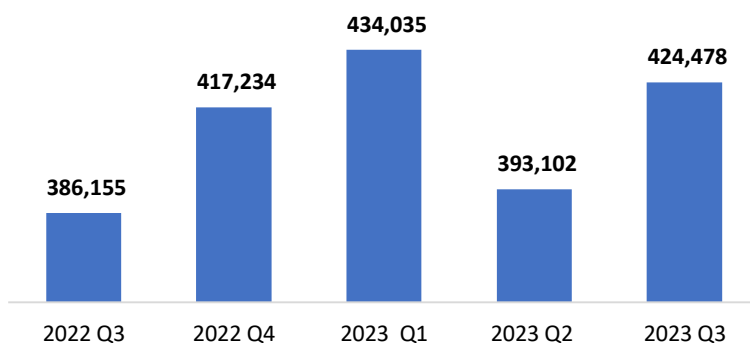
Assets had decreased by 7.98% to reach TZS 424.48 Billion as of September 2023 compared to TZS 392.10 Billion in June 2023.

Possible Reasons:

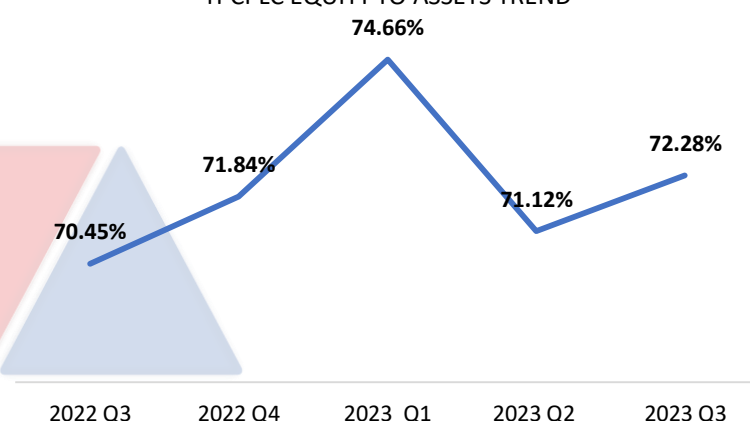
The increase was mainly influenced by a 57.36% increase in cash and cash equivalents from TZS 72.38 Billion as of June 2023 to TZS 113.90 Billion as of September 2023 due to higher level of profits recorded and since during the 2nd Quarter the company had a dividend obligation of over TZS 74 Billion to pay to shareholders

The increase in assets was mainly financed by an increase in the company's equity by 9.74% from TZS 275.97 Billion as of June 2023 to TZS 303.22 Billion as of September 2023 mainly driven by an increase in retained earnings to TZS 303.21 Billion from TZS 275.97 Billion, which was due to increased profitability and no dividend obligation in the 3rd Quarter of the year.

TPCPLC ASSETS TREND IN MILLIONS TZS



TPCPLC EQUITY TO ASSETS TREND



Other Performance Indicators:

Return on Assets for the quarter decreased to 6.42% as of September 2023 from 6.53% as of June 2023

Return on Equity decreased to 8.88% as of September 2023 compared to 9.18% as of June 2023

Total Equity to Assets stood at 72.28% in September 2023 compared to 71.12% in June 2023

Total Liabilities to Equity Ratio stood at 38.35% in September 2023 compared to 40.61% in June 2023

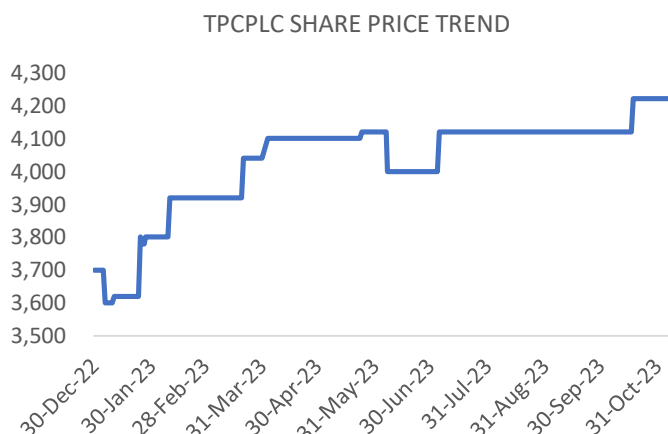
Balance Sheet Analysis Amounts in Millions TZS	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3
Total Assets	386,155	417,234	434,035	393,102	424,478
Growth Rate	5.85%	8.05%	4.03%	-9.43%	7.98%
Total Equity	272,033	299,739	324,070	279,572	306,814
Growth Rate	9.20%	10.18%	8.12%	-13.73%	9.74%
Total Liabilities	114,122	117,495	109,965	113,530	117,665
Growth Rate	-1.36%	2.96%	-6.41%	3.24%	3.64%

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INVESTORS' CORNER

Since the release of TPCC's results on the 7th of November, the company's share price remained stagnant at TZS 4,220 per share. However the time between the release of the 2nd Quarter and 3rd Quarter financial results, the company's share price had appreciated by 2.43% from TZS 4,120 per share to TZS 4,220 per share.

The shares are however currently over demanded with outstanding bids standing at 573 shares with no share put on order for sale, indicating that shareholders prefer holding the shares in order to benefit from long-term stable dividends.



Year to Date Share Price Performance

COUNTER	Opening Price as of 2 – Jan – 2023	Closing Price as of 14 – Nov – 2023	Capital Gain
TPCC	TZS 3,700	TZS 4,120	▲ 14.05%

Other Financial Indicators

TPCC	September 2023
Price to Book Value Ratio*	2.47x
Dividend Yield**	10.24%

* * Closing share price TZS 4,220 as of 14th November 2023 was used

** Dividend per Share declared on 2023 was TZS 390 which was compared against share price of TZS 3,700 at the start of the year

ANALYSTS' COMMENTARY

From a cumulative perspective TPCPLC was able to grow its profits by 10.40% from TZS 69.97 Billion during the 3rd Quarter of 2022 to TZS 77.24 during the 3rd Quarter of 2023, with the profits covering over 79.34% of the total profits generated in the full year of 2022.

Going into the last quarter we anticipate cement demand to remain strong as the government continues to sustain heavy spending in its multi-million and multi-billion dollar infrastructure projects such as the Standard Gauge Railway and the Julius Nyerere Hydropower Project and the Dar Rapid Transit. With most of the projects taking place in Dar es Salaam region TPCPLC is placed in a better position to benefit from these projects through the sale of its cement.

Hence we anticipate strong 4th Quarter financial results which could correspond with a higher dividend payment in the following year considering that it's the company's policy to review and either increase or decrease its dividend payments after every 3 years.

For further information please contact Us : 2124495 /2112874 /0764269090 /0714 269090

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PSSSF House, Ground Floor
Samora Avenue / Morogoro Road
P.O. Box 77049
Dar es Salaam

+255 764 269090
+255 714 269090



research@solomon.co.tz

[@sstockbrokers](#)

[#elimuYaUwekezajiHisa](#)

www.solomon.co.tz