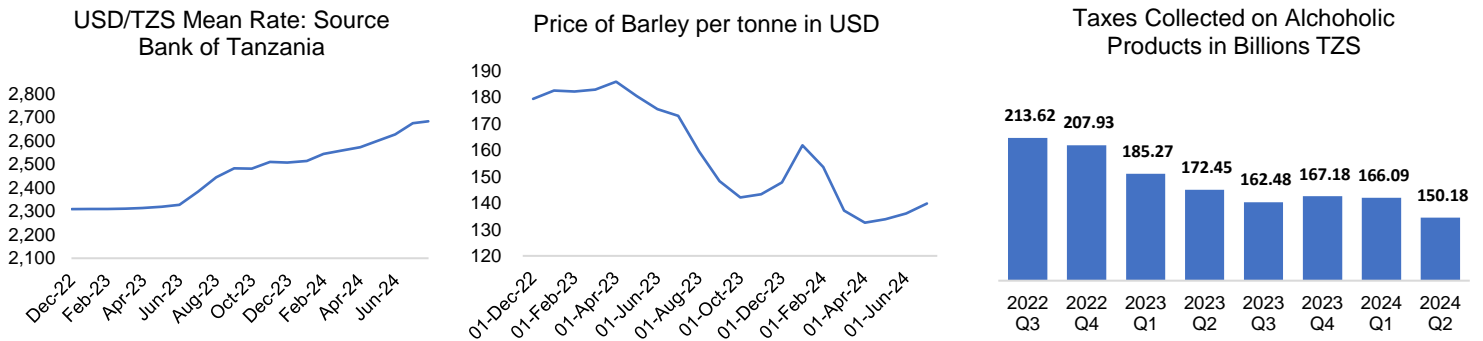


TBL Plc EARNINGS HIGHLIGHTS June 2024



TBL PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2024

INDUSTRIAL OVERVIEW



INCOME STATEMENT ANALYSIS

Net Profits decreased by 57.79%, from TZS 26.66 billion as of March 2024 to TZS 11.25 billion as of June 2024.

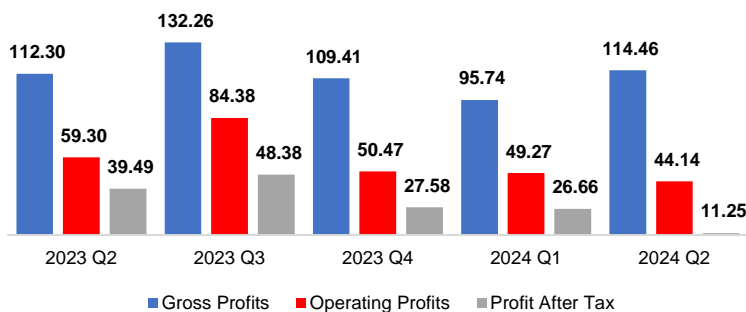
Possible Reasons:

Operating Expenses surged by 51.33%, amounting to TZS 70.32 billion, as of June 2024, brought about by a 73.11% increase in administrative expenses, amounting to TZS 29.79 billion, this growth seems to be rather cyclical as this marks the third consecutive year where Q2 administrative expenses have seen a remarkable increase compared to those of Q1. Other expenses growth of 613.80%, amounting to TZS 8.89 billion brought about by one-off impairment of receivables and increased selling & distribution expenses brought about by increased marketing, sales, and promotion costs associated with increasing the company's sales. Subsequently, finance costs saw a 57.97% increase, amounting to TZS 31.38 billion, brought about by foreign currency exchange movements on foreign interest-bearing liabilities. In comparison, the company's finance income fell by 21.50%, amounting to 6.82 billion, caused by a reduction in the company's cash investments in interest-bearing assets.

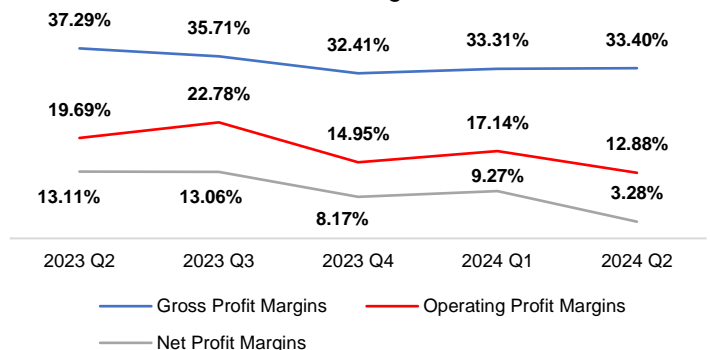
Improvements in the Income Statement:

Revenues grew 19.22% quarter-on-quarter, amounting to TZS 342.69 billion as of June 2024. Increased sales volumes of beer & spirits caused this growth.

TBL Profitability in Billions TZS



TBL Profit Margin Trend



Income Statement Analysis Amounts in Billions TZS	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Revenue	301.12	370.41	337.62	287.44	342.69
Growth Rate	14.63%	23.01%	-8.85%	-14.86%	19.22%
Operating Expenses	53.01	47.88	58.94	46.47	70.32
Growth Rate	-2.28%	-9.67%	23.10%	-21.16%	51.33%

TBL PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2024

BALANCE SHEET STATEMENT ANALYSIS

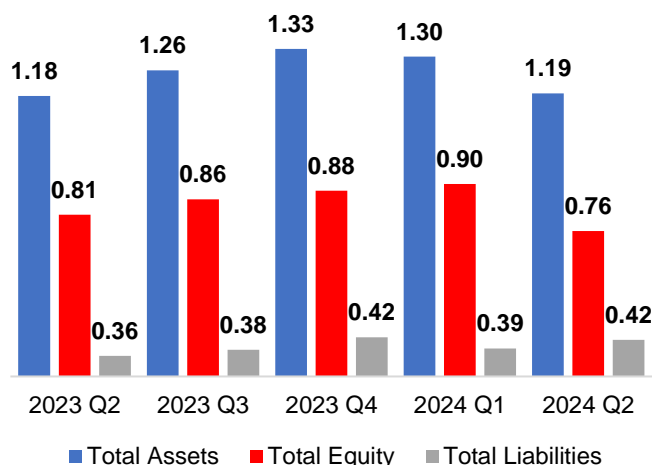
Total assets decreased by 8.86% during the quarter ending June 2024, reaching TZS 1.19 trillion in value.

Possible Reasons:

A 30.79% decrease in the company's cash and cash equivalent amounting to TZS 319.97 billion during Q2'24 due to dividend payments worth TZS 158.45 billion.

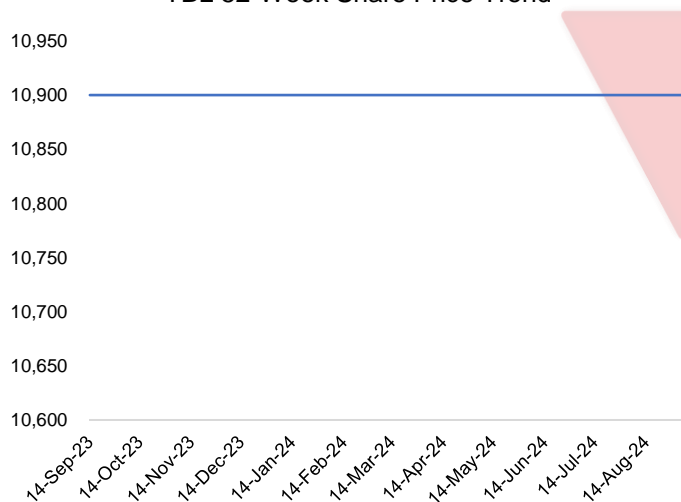
This decline was also felt in the equities side of the balance sheet, which saw a 16.28% drop amounting to TZS 757.12 billion, brought about by a TZS 148.14 billion drop in retained earnings. The company's liabilities, however, saw a TZS 31.61 billion increase mainly brought about by a TZS 22.02 billion increase in the company's trade and other payables

TBL Balance Sheet Highlights in Trillions TZS



INVESTORS' CORNER

TBL 52-Week Share Price Trend



Supporting Fundamentals

Ticker	TBL
Closing Price as of 13 th Sept 2024	TZS 10,900
Book Value per Share	TZS 2,370.17
P/B Ratio	4.60x
Annualized EPS	TZS 226.24
Annualized P/E Ratio	48.18x
Dividend per Share	TZS 537
Dividend Yield	4.93%

*Dividend of TZS 537 compared to Opening Price TZS 10,900 as of Jan 2nd 2024

OUTLOOK

TBL's half-year profits decreased by 48.49%, from TZS 73.60 billion in the first half of 2023 to TZS 37.91 billion in the first half of 2024. This drop was caused by a 20.36% increase in the company's cost of sales, amounting to TZS 419.93 billion, brought about by an increase in excise duty payments which have been in effect since July 2023, as well as a TZS 10 billion increase in impairment of receivables and a TZS 40.92 billion surge in finance costs due to depreciation of the TZS which increased interest related payments on foreign currency liabilities.

Looking ahead, we anticipate sustained demand for the company's beer, spirits, and wine and increased production cost efficiency as gross profit margins have recovered for the second quarter in a row to 33.40% from a low of 32.41% during Q4 '23. Furthermore, the company's administrative expenses have shown a cyclical pattern of decline during the 3rd Quarter of the past two financial years compared to the 2nd Quarter; hence, that may likely relieve pressure on its operating expenses. However, it seems highly unlikely for the company to reverse its losses from the surge in foreign currency losses on its foreign liabilities, which may further stray the company's ability to make a recovery in its net profits during the 2nd half of FY'24.

TBL PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING JUNE 2024

RATIO ANALYSIS

	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24
Capital Structure:								
Debt to Equity	58.69%	70.38%	74.00%	117.13%	82.17%	119.71%	107.65%	111.24%
Equity Multiplier	2.70	2.42	2.35	1.85	2.22	1.84	1.93	1.90
Interest Coverage	2795.18	9.36	15280.00	25888.00	4849.17	1737.17	51.30	40.08
Asset Quality:								
Total Asset Turnover	1.34	1.19	1.27	1.04	1.15	1.09	1.14	1.12
Inventory Turnover	1.61	1.32	1.35	1.04	1.12	1.24	1.10	0.96
Return on Assets	31.11%	23.55%	27.74%	20.49%	23.25%	8.17%	25.46%	25.01%
Management Quality:								
Revenue Growth	17.75%	-9.53%	14.46%	-6.53%	12.81%	-5.65%	13.23%	5.27%
Gross Profit Margins	53.60%	55.86%	56.24%	57.72%	56.43%	48.24%	56.27%	64.00%
Operating Profit Margins	33.96%	23.04%	32.59%	29.54%	29.43%	11.17%	33.85%	35.79%
Earnings Quality:								
Net Profit Growth	81.23%	-25.97%	36.78%	-17.36%	6.50%	-62.91%	245.26%	2.90%
Net Profit Margins	23.98%	19.62%	23.45%	20.73%	19.57%	7.69%	23.46%	22.93%
Return on Equity	49.36%	40.13%	48.27%	44.49%	42.36%	17.96%	52.86%	52.84%
Liquidity Ratio:								
Current Ratio	2.31	2.06	2.08	1.61	1.92	1.55	1.66	1.64
Quick Ratio	1.15	0.78	1.00	0.66	0.81	0.58	0.74	0.81
Cash Ratio	0.43	0.18	0.36	0.31	0.40	0.23	0.30	0.42

Quarterly Revenue and Profit Data has been annualized.

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