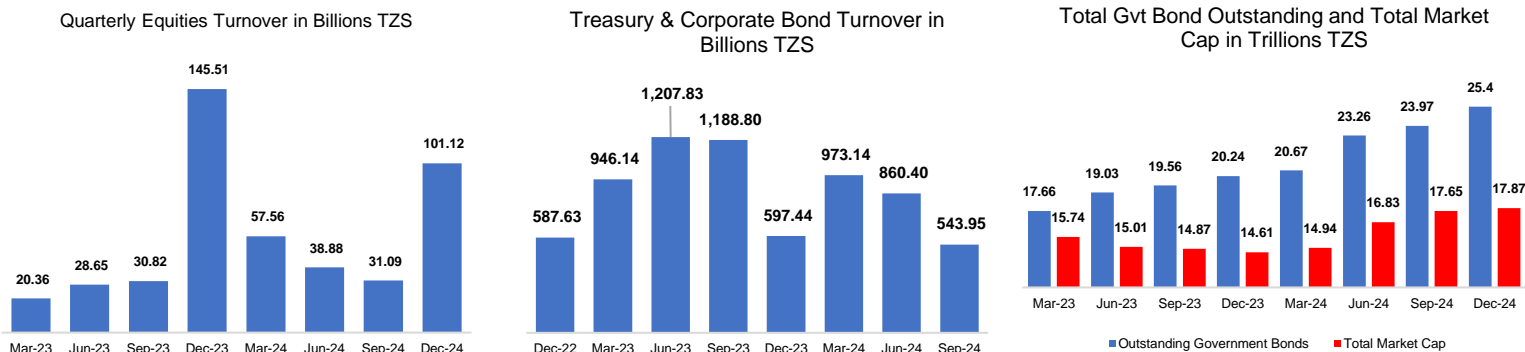


Dar Stock
Exchange
**EARNINGS
HIGHLIGHT**
Dec 2024



DAR STOCK EXCHANGE FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2024

INDUSTRIAL OVERVIEW



INCOME STATEMENT ANALYSIS

Net Profits decreased by 4.01%, from TZS 1.19 billion as of Sept 2024 to TZS 1.14 billion as of Dec 2024.

Possible Reasons:

Operating expenses shot up by 16.80% QoQ from TZS 1.87 billion in Q4'23 to TZS 2.19 billion as of Q4'24. This growth was probably brought about by increased depreciation and amortization expenses following the company's capital expenditures in Property and Equipment in the second half of 2024 as well as increased miscellaneous expenses following non-current prepayment purchases and DSE's subsequent move to its new head office.

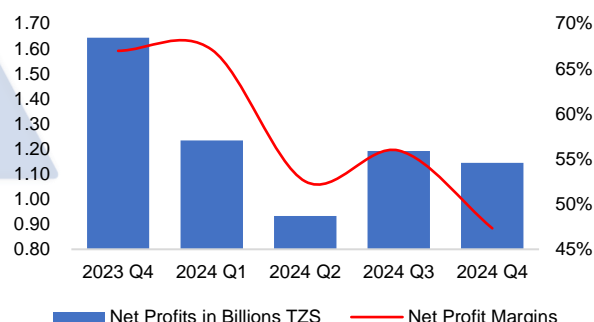
Staff costs also rose 4.57% QoQ amounting to TZS 1.24 billion perhaps either due to increased salaries or increased employee headcount

Operating Revenue growth stalled behind the rise in operating expenses as it had registered a 13.44% QoQ growth, with the reason behind the slow growth being brought about by declining listing fees which fell 4.88% following the Central Bank's decision to re-open previously issued government bonds.

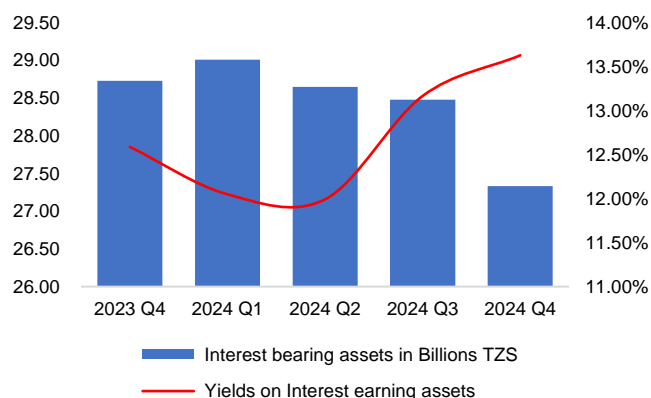
Improvements in the Income Statement

Transaction fees rose 132.57% QoQ amounting to TZS 605.33 million as of Q4'24 with the growth stemming from increased equities and bond transactions following the rise in market participants in the form of collective investment schemes and broker-dealers whose businesses are adequately capitalized to take on significant positions in the equities and bond markets.

Dar es Salaam Stock Exchange Profitability Trend



DSE Interest bearing assets and yields trend



Income Statement Analysis Amounts in Billions TZS	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Operating Income (Excluding finance income)	2.45	1.84	1.78	2.13	2.42
Growth Rate	9.40%	-25.02%	-3.44%	19.94%	13.44%
Operating Expenses	1.65	1.46	1.69	1.87	2.19
Growth Rate	13.88%	-11.42%	15.45%	10.87%	16.80%

DAR STOCK EXCHANGE FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2024

BALANCE SHEET STATEMENT ANALYSIS

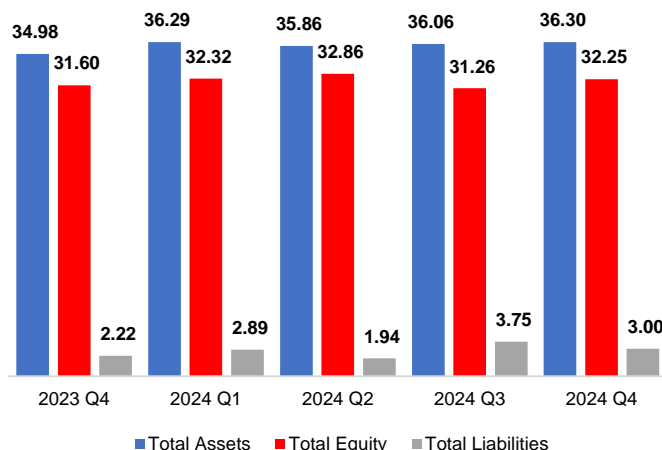
Total assets increased by 0.64% during the quarter ending Dec 2024, reaching TZS 36.30 billion in value.

Possible Reasons:

Property and equipment grew a further 8.89% amounting to TZS 466.79 billion in Q4'24 all while non-current prepayments grew an additional 19.74% as the company was preparing to shift its Headquarters from Kambarage House – Dar es Salaam to the Morocco Square – Dar es Salaam all while Investments in government securities. Trade receivables grew 15.69% perhaps due increased accrued revenues arising from transaction and listing fee revenues while cash and cash equivalents grew 207.88% amounting to TZS 265.88 million since the company had dividend obligations to pay in Q3'24.

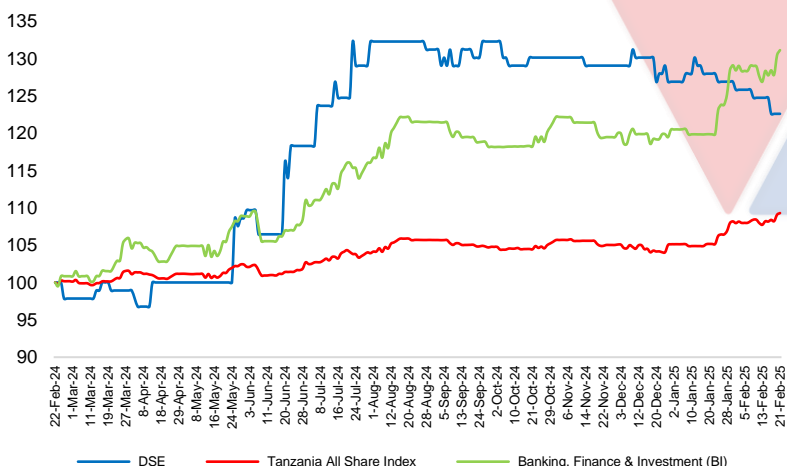
Balance sheet growth was financed by a 3.16% growth in shareholders' equity due to increased retained earnings following stronger profitability.

Balance Sheet Highlights in Billions TZS



INVESTORS' CORNER

DSE Vs TSI & BI Index 52-Week Returns Rebased at 100



Supporting Fundamentals

Ticker	DSE
Closing Price as of 24 th Feb 2025	TZS 2,280
Book Value per Share	TZS 1,342.53
P/B Ratio	1.70x
Trailing EPS	TZS 188.96
P/E Ratio	12.07x
ROE	13.96%
ROA	12.40%

* The word trailing indicates the sum of the company's earnings per share from the latest four quarters

OUTLOOK

The Dar es Salaam Stock Exchange (DSE) experienced a 26.54% YoY decline in net profits, dropping from TZS 6.13 billion in Dec 2023 to TZS 4.50 billion in Dec 2024. This decline was largely driven by a 10.63% reduction in listing fees, which fell to TZS 4.16 billion due to the Central Bank's preference for reopening existing treasury bonds instead of issuing new ones. This shift reduced listing fees from 0.05% to 0.025% of the listed amount, impacting DSE's revenue.

Additionally, the bond market was hit hard, with secondary market trading declining by 15.38%, bringing total treasury and corporate bond values down from TZS 3.93 trillion to TZS 3.33 trillion. This led to an 11.61% drop in transaction fees and a 0.41% decline in registry and CSD fees. In contrast, equities trading improved slightly, rising 1.47% YoY to TZS 228.66 billion, driven by greater investor participation, mobile trading adoption, and increased institutional activity.

Despite weakening revenue streams, operating expenses surged by 55.80% YoY, reaching TZS 7.21 billion, due to rising staff costs, depreciation, amortization, and general administrative expenses. As a result, DSE's dividend payout is expected to decline, with dividends per share projected at TZS 113.38, down from TZS 145 in 2024.

Beyond 2024 we anticipate recovery in DSE's fundamentals particularly from increased corporate bond listings, transaction fees from equities in line with resilient fundamentals, increased investor awareness and technological adoption, increased investment income and fees from vending data and membership fees (though these contribute very little to DSE's revenue) as well as increased treasury bond listing and transaction fees the Central Bank's decision to mix the auction of newly-issued and re-opened treasury bonds compared to the prior decision to rely only on bond re-openings to mobilize domestic borrowings.

DAR STOCK EXCHANGE FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2024

RATIO ANALYSIS

Ratio Analysis:	2023 Q1	2023 Q2	2023 Q3	2023 Q4	2024 Q1	2024 Q2	2024 Q3	2024 Q4
Capital Structure:								
Debt to Equity	5.74%	4.32%	10.06%	7.02%	8.95%	5.90%	12.00%	9.31%
Equity Multiplier	1.10	1.08	1.14	1.11	1.12	1.09	1.15	1.13
Asset Quality:								
Total Asset Turnover	13.33%	16.29%	13.22%	13.02%	10.30%	10.18%	13.24%	12.52%
Return on Assets	15.35%	19.50%	18.86%	18.78%	13.60%	10.40%	13.21%	12.60%
Management Quality:								
Operating Income Growth	-3.21%	31.07%	-4.21%	8.78%	-25.02%	-3.44%	19.94%	13.44%
Investment Income Growth	-6.79%	3.55%	2.35%	5.80%	-3.35%	-1.71%	9.14%	-0.66%
Operating Profit Margins	24.55%	35.16%	35.71%	32.69%	20.48%	4.93%	12.12%	9.51%
Earnings Quality:								
Net Profit Growth	4.71%	31.68%	-1.96%	2.33%	-24.88%	-24.41%	27.72%	-4.01%
Cost to Income Ratio	52.08%	47.87%	46.63%	49.19%	53.91%	64.09%	61.03%	65.32%
Return on Equity	16.83%	21.05%	21.47%	20.79%	15.28%	11.36%	15.24%	14.19%
Liquidity Ratio:								
Current Ratio	11.21	15.11	6.80	9.80	7.36	8.79	4.39	5.22
Cash Ratio	0.09	0.31	0.18	0.07	0.10	0.08	0.02	0.09

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