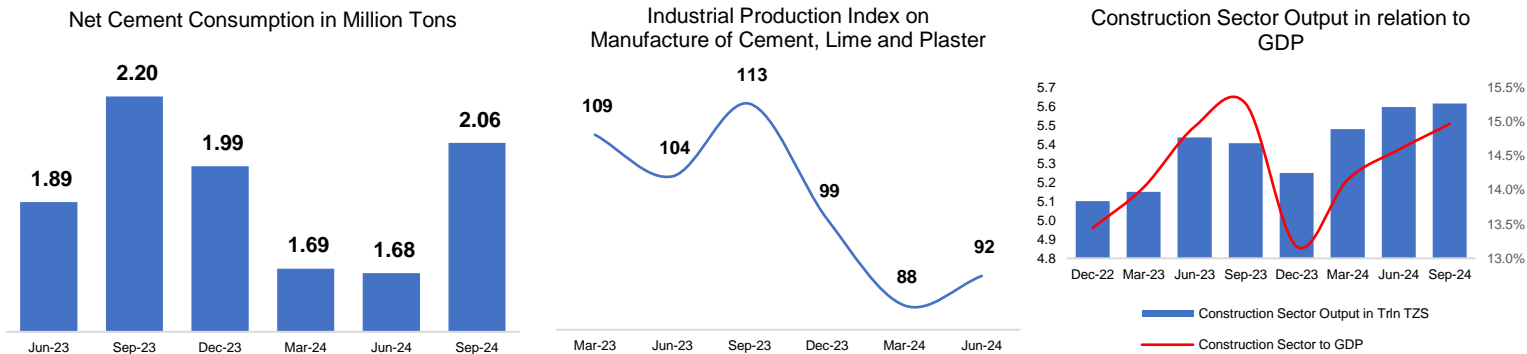


TPCPLC EARNINGS HIGHLIGHT Dec 2024



TWIGA CEMENT FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2024

INDUSTRIAL OVERVIEW



INCOME STATEMENT ANALYSIS

Net Profits decreased by 37.12%, from TZS 15.81 billion as of Sept 2024 to TZS 9.94 billion as of Dec 2024.

Possible Reasons:

Sales dipped 4.52% QoQ from TZS 126.36 billion as of Q3'24 to TZS 120.65 billion as of Q4'24 due to lower sales volumes as construction activities slowed marginally compared to Q3.

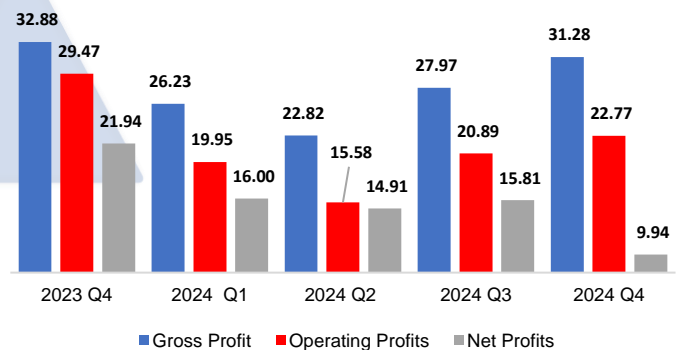
Operating Expenses grew by 19.68% from TZS 7.33 billion as of Q3'24 to TZS 8.78 billion as of Q4'24 due to a 40.97% increase in selling and administrative expenses amounting to TZS 1.24 billion as of Q4'24 and a 367% increase in other operating expenses possibly related to increased tax and levy payments to the local government.

The company's foreign translation losses for the quarter had also ballooned to TZS 8.65 billion following the TZS strengthening against USD and other hard currencies which severely affected TPCPLC whose cash and cash equivalents were mostly denominated in hard currency (Over 75% of cash and cash equivalent portfolio).

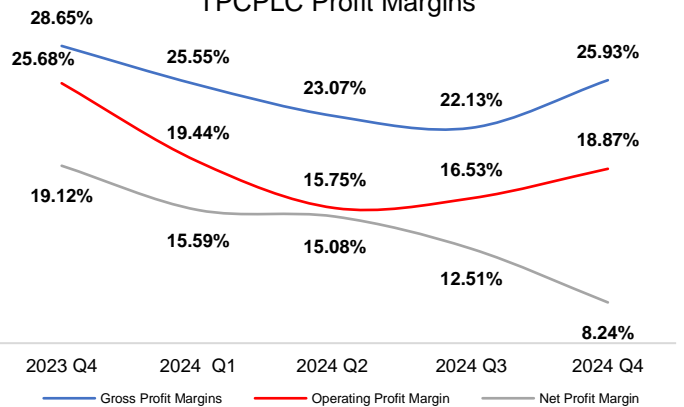
Improvements in the Income Statement:

Gross profits increased by 11.84% QoQ amounting to TZS 31.28 billion following a 9.17% decrease in the company's cost of sales perhaps due to following energy costs as well as those of excise duties due to a reduction in sales volumes as of Q4 compared to Q3.

TPCPLC Profitability Trend in Billions TZS



TPCPLC Profit Margins



Income Statement Analysis Amounts in Billions TZS	Dec-23	Mar-24	Jun-24	Sept-24	Dec-24
Sales	114.77	102.65	98.92	126.36	120.65
Growth Rate	-11.11%	-10.56%	-3.63%	27.74%	-4.52%
Operating Expenses	10.11	6.42	7.52	7.33	8.78
Growth Rate	20.06%	-36.49%	17.00%	-2.43%	19.68%

TWIGA CEMENT FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2024

BALANCE SHEET STATEMENT ANALYSIS

Total assets decreased by 9.14% during the quarter ending Dec 2024, reaching TZS 477.47 billion.

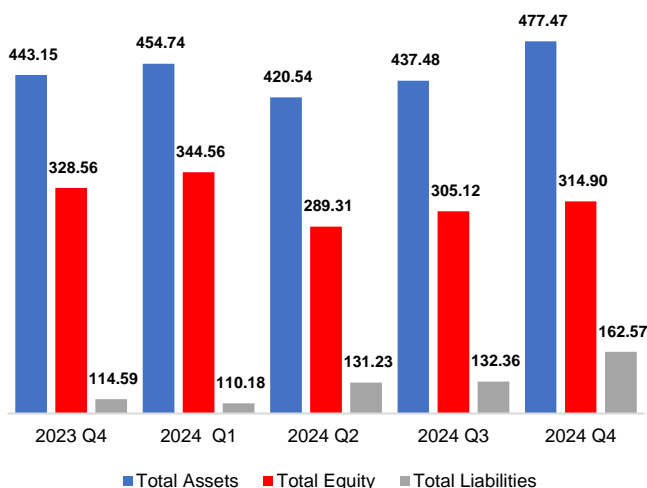
Possible Reasons:

The company's cash and cash equivalents grew 27.33% amounting to TZS 115.31 billion following the absence of a large one-time acquisition of a subsidiary worth TZS 39.70 billion in Q3'24.

A 3.24% increase in non-current assets following increased TZS 11.01 billion capital expenditure perhaps in an effort to increase the company's production capacity as well as a 3.42% increase in the company's trade and other receivables.

The growth in assets was financed by a 31.29% growth in trade and other payables as well as a 3.21% growth in total equity following the company's reinvestment of profits.

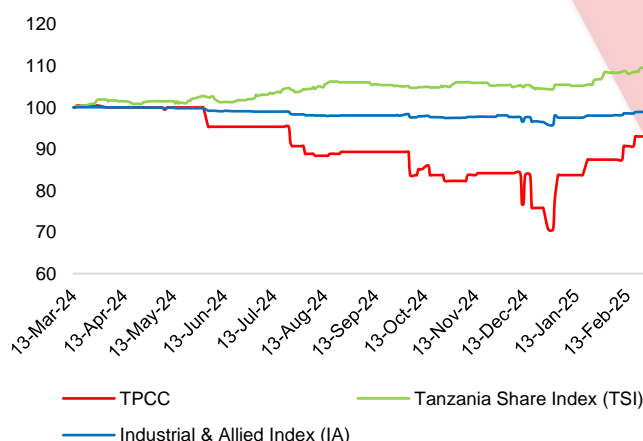
Balance Sheet Highlights in Billions TZS



INVESTORS' CORNER

TPCC Vs TSI & IA Index 52-Weeks Returns

Rebased at 100



Supporting Fundamentals

Ticker	TPCC
Closing Price as of 14 th March 2025	TZS 4,000
Book Value per Share	TZS 1,750.19
P/B Ratio	2.28x
Full-Year EPS	TZS 314.99
P/E Ratio	12.70x
Return on Equity	18.00%
Return on Assets	11.87%

OUTLOOK

Twiga Cement's full-year 2024 net profits fell by 42.86% YoY to TZS 56.67 billion, down from TZS 99.18 billion in 2023. This decline was primarily driven by a 30.73% drop in gross profits to TZS 108.29 billion, as rising costs of sales weighed on margins. The full-year impact of excise duties on cement sales, introduced in H2 2023, coupled with increased energy and distribution costs—exacerbated by the depreciation of the Tanzanian shilling—significantly impacted profitability. Additionally, sales revenue declined by 8.48% YoY to TZS 448.59 billion, reflecting weaker cement demand across the industry evident with total cement consumption in Tanzania having fallen by 8.86% YoY, from 5.96 million tons in September 2023 to 5.43 million tons in September 2024, due to prolonged heavy rains in H1 2024 and the completion of major government infrastructure projects.

Further compounding the challenges, foreign currency translation gains declined by 30.75% YoY to TZS 2.52 billion, following a TZS 8.65 billion forex loss in Q4'24 as the shilling temporarily strengthened against major currencies. Despite these headwinds, Twiga Cement ramped up capital expenditure with a TZS 39.69 billion acquisition of subsidiaries and business units, alongside over TZS 15 billion invested in expanding its property, plant, and equipment—likely in preparation for long-term growth in Tanzania's construction sector.

FY 2025 sales are expected to rebound, supported by the absence of disruptive one-time events like heavy rainfalls, which had impacted construction in FY 2024. This is already reflected in Q4'24 sales, which rose 5.14% YoY. Additionally, renewed infrastructure investments—such as major transportation projects, AFCON stadium preparations, and private sector construction—are expected to drive demand. Meanwhile, cost pressures should stabilize as the industry adjusts to excise duties and raw material costs normalize.

TWIGA CEMENT FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2024

RATIO ANALYSIS

	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Capital Structure:										
Debt to Equity	41.95%	39.20%	33.93%	40.61%	38.35%	34.88%	31.98%	45.36%	43.38%	51.63%
Equity Multiplier	1.40	1.39	1.34	1.41	1.38	1.35	1.32	1.45	1.43	1.52
Interest Coverage			207.95	107.72	234.70	180.37	114.02	59.55	120.52	134.51
Asset Quality:										
Total Asset Turnover	1.41	1.37	1.28	1.07	1.26	1.06	0.91	0.90	1.18	1.05
Inventory Turnover	1.15	1.13	1.10	0.73	0.84	0.86	0.88	0.91	1.21	1.11
Return on Assets	24.13%	26.26%	22.42%	26.12%	25.67%	19.80%	14.08%	14.18%	14.46%	8.33%
Management Quality:										
Revenue Growth	17.48%	4.24%	-0.36%	-18.76%	16.96%	-11.11%	-10.56%	-3.63%	27.74%	-4.52%
Gross Profit Margins	29.66%	33.73%	29.25%	36.50%	33.61%	28.65%	25.55%	23.07%	22.13%	25.93%
Operating Profit Margins	25.34%	28.61%	24.73%	30.14%	28.19%	25.68%	19.44%	15.75%	16.53%	18.87%
Earnings Quality:										
Net Profit Growth	-3.54%	19.54%	-11.18%	5.51%	6.11%	-19.46%	-27.05%	-6.82%	6.03%	-37.12%
Net Profit Margins	17.52%	20.09%	17.90%	23.26%	21.10%	19.12%	15.59%	15.08%	12.51%	8.24%
Return on Equity	33.69%	36.55%	30.03%	36.73%	35.52%	26.71%	18.58%	20.62%	20.73%	12.63%
Liquidity Ratio:										
Current Ratio	2.63	2.77	3.31	2.76	2.98	3.23	3.52	2.50	2.28	2.02
Quick Ratio	1.80	1.88	2.30	1.62	1.94	2.25	2.59	1.74	1.59	1.45
Cash Ratio	1.00	1.09	1.28	0.79	1.19	1.41	1.68	0.86	0.79	0.79

Quarterly Revenue and Profit Data has been annualized

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