

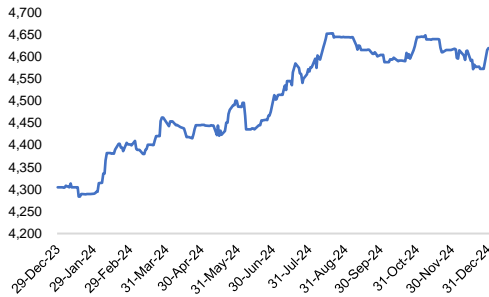
# NICO EARNINGS HIGHLIGHTS Dec 2024



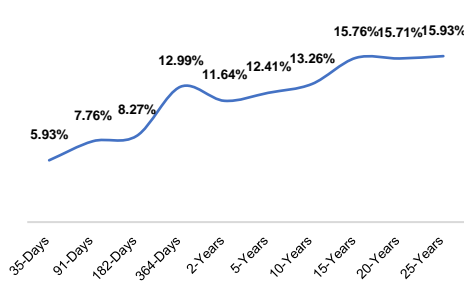
## NICO PLC FINANCIAL HIGHLIGHTS FOR THE HALF YEAR ENDING DEC 2024

### INDUSTRIAL OVERVIEW

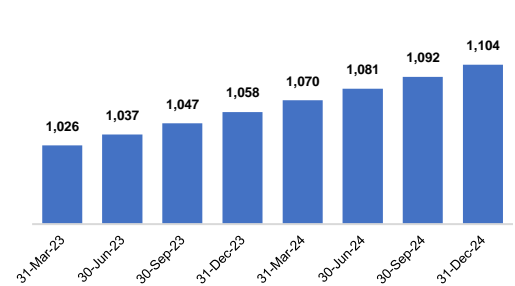
Tanzania Share Index (TSI) 2024 Trend



Primary Markets Yield Curve

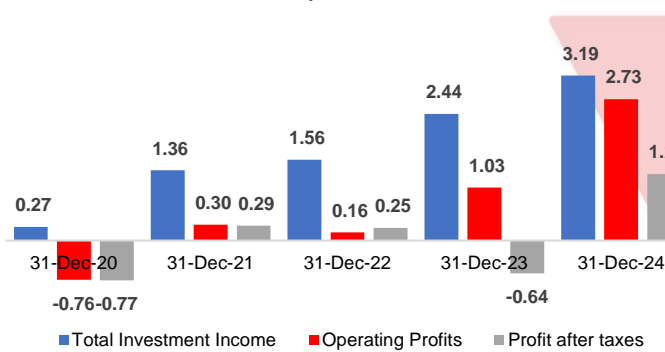


Real estate GDP in Billions TZS

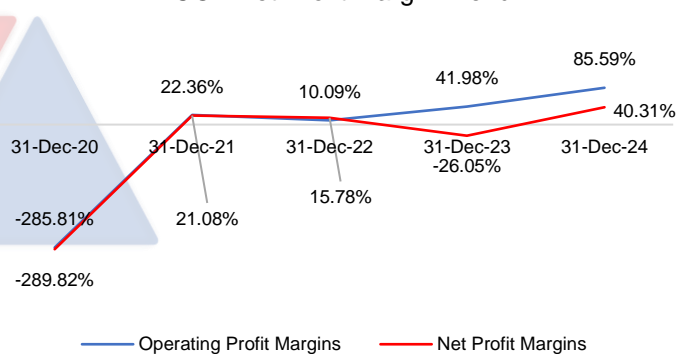


### INCOME STATEMENT ANALYSIS

NICO Profitability Trend in Billions TZS



NICOL Net Profit Margin Trend



Net Profits increased by 302.03%, from a loss of TZS 636.82 million as of Dec 2023 to TZS 1.29 billion as of Dec 2024.

#### Possible Reasons:

Investment Income rose by 30.55% YoY, from TZS 2.44 billion in Dec 2023 to TZS 3.19 billion in Dec 2024, mainly driven by a 1455.78% surge in dividend income to TZS 12.25 billion. This was supported by increased payouts from DSE (dividend up 25% YoY to TZS 145/share), Vodacom Tanzania (up 19.90% to TZS 11.93/share), and TPCC's interim dividend of TZS 300/share. Interest income grew 14.75% YoY to TZS 2.74 billion following a 28.98% YoY growth in NICO's fixed income portfolio amounting to TZS 44.68 billion, while trading gains from shares and bonds jumped 330.25% to TZS 247.87 million.

Operating expenses fell 67.57% YoY amounting to TZS 459.99 million all while finance costs fell 16.85% YoY following the company's continued repayment of its long-term debt position, amounting to TZS 5.58 billion in H2'24.

Income Statement Analysis Amounts in Billions TZS	Dec-20	Dec-21	Dec-22	Dec-23	Dec-24
Investing Income	0.27	1.36	1.56	2.44	3.19
Growth Rate	-55.11%	411.62%	14.87%	56.62%	30.55%
Operating Expenses	1.02	1.05	1.22	1.42	0.46
Growth Rate	-49.42%	2.96%	15.81%	16.09%	-67.57%

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## BALANCE SHEET STATEMENT ANALYSIS

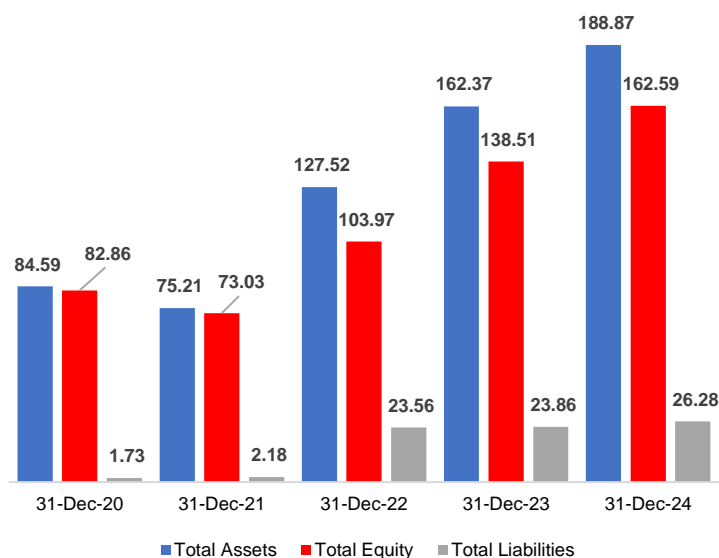
Total assets increased by 16.32% from TZS 162.37 billion in Dec 2023 to TZS 188.87 billion in Dec 2024

### Possible Reasons:

Equity investments grew by 18.64%, from TZS 96.88 billion in June 2023 to TZS 114.93 billion in June 2024. This increase was driven by a TZS 18.06 billion unrealized capital gain, primarily due to significant capital gains in NMB Bank Plc (NMB), CRDB Bank Plc (CRDB), and the Dar es Salaam Stock Exchange (DSE). Additionally, there was a TZS 20.15 billion increase in investment properties due to advances paid to Mirambo Ltd.

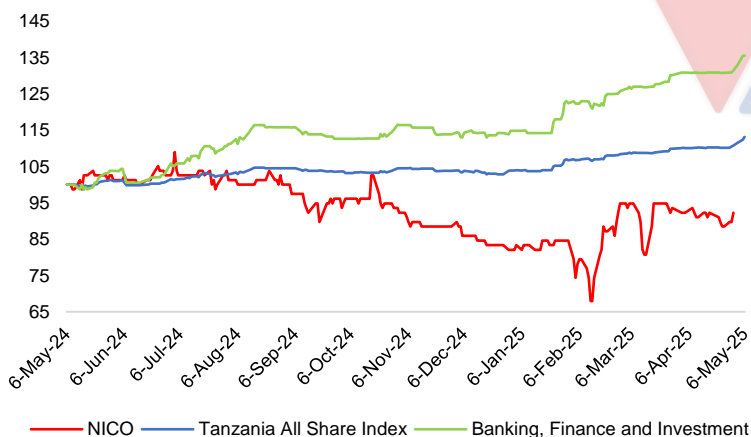
This growth was mainly financed by a 17.38% increase in total equity amounting to TZS 162.59 billion, with the growth primarily due to capital gains worth about TZS 18.06 billion following the appreciation of the aforementioned and a TZS 6.01 billion increase in the company's retained earnings due to the profits recorded net during the 12-month period.

### Balance Sheet Highlights in Billions TZS



## INVESTORS' CORNER

NICO VS TSI & BI 52-Weeks Returns rebased at 100



### Supporting Fundamentals

Ticker	NICOL
Closing Price as of 6 <sup>th</sup> May 2025	TZS 720
Book Value per Share	TZS 2,637.86
P/B Ratio	0.27x
Trailing EPS	TZS 147.16
P/E Ratio	4.89x
ROE	5.58%
ROA	4.80%

## OUTLOOK

NICO posted a 33.66% year-on-year (YoY) increase in full-year earnings, rising to TZS 9.07 billion from TZS 6.79 billion, primarily driven by a 26.93% YoY growth in dividend income. This was largely attributed to a 26.29% increase in dividends from NMB Bank, which paid TZS 361.18 per share in 2024 versus TZS 286 in 2023. NMB Bank remains NICO's largest investment, accounting for 68.28% of its total financial assets as of 2024 year-end.

Real estate operations through its subsidiary, NICO Land, also contributed to performance, with a 28.71% return on investment from land sales totaling TZS 8.64 billion over an 18-month holding period. Additionally, the company reduced its borrowings by 17.60% from TZS 19.61 billion to TZS 16.16 billion, which lowered finance costs by 11.30% to TZS 2.17 billion.

Earnings per share stood at TZS 147.16, and under the newly adopted dividend policy of distributing 50% of net profits, shareholders can expect a payout of TZS 73.58 per share in the second half of the year.

However, concerns remain regarding the capital intensity of its real estate projects. Despite borrowing TZS 21.6 billion for development, expenditures have outpaced cash inflows, resulting in a negative net cash position of TZS 3.19 billion. If unaddressed, this could pressure liquidity or force asset sales, potentially compromising long-term financial sustainability.

# NICO PLC FINANCIAL HIGHLIGHTS FOR THE QUARTER ENDING DEC 2024

## RATIO ANALYSIS

	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24
<b>Capital Structure:</b>					
Debt to Equity	2.04%	2.90%	18.47%	14.69%	13.92%
Equity Multiplier	1.02	1.03	1.23	1.17	1.16
Interest Coverage		365.61	345.37	70.26	6.74
<b>Asset Quality:</b>					
Total Asset Turnover	4.17%	7.05%	7.15%	8.10%	8.40%
Return on Assets	1.78%	5.15%	4.69%	4.18%	4.80%
<b>Management Quality:</b>					
Revenue Growth	25.83%	18.33%	59.89%	81.25%	49.98%
Operating Profit Margins	47.30%	66.29%	72.24%	75.70%	72.19%
<b>Earnings Quality:</b>					
Net Profit Growth	3545.02%	157.09%	54.18%	13.53%	33.66%
Net Profit Margins	42.38%	61.36%	68.14%	72.22%	70.04%
Return on Equity	1.82%	3.86%	3.73%	4.34%	3.68%
<b>Liquidity Ratio:</b>					
Current Ratio	0.48	3.03	0.42	1.19	4.50
Cash Ratio	0.44	2.87	0.30	1.01	2.37

## ANALYST'S NAMES & CONTACTS

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