

UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2019

EXTRACTS OF THE FINANCIAL STATEMENTS

The Directors of Tanzania Cigarette Public Limited Company (TCC Plc) are pleased to announce the unaudited half year results for the period of January 01 to June 30, 2019

Half Year Performance

Net sales to June 30, excluding VAT and excise duty, increased by 10.4% to TZS 153.9 billion compared to TZS 139.4 billion in the same period in 2018.

Gross profit and profit before tax increased by 9.0% to TZS 86.3 billion (June 30, 2018: TZS 79.2 billion) and by 19.1% to TZS 39.2 billion (June 30, 2018: TZS 32.9 billion) respectively. Profit after tax increased by 16.8% to TZS 26.7 billion compared to TZS 22.9 billion for the same period last year. This performance was driven by strong domestic and export volume, strategic pricing, stable product mix and operational cost efficiencies.

The Company generated TZS 79.8 billion in operating cash flow to June 30, 2019 of which TZS 13.5 billion was used to pay corporate tax to June 30, 2019, TZS 6.2 billion was used for investing activities and the final gross dividend of TZS 25.0 billion for the year ended December 31, 2018.

Prospects to December 31, 2019

The Directors are optimistic about the second half results to December 31, 2019. Positive volume momentum, improved pricing conditions and no increase in excise duty rates, as announced by the government for financial year 2019/20 national budget, support this view.

Management will continue to take appropriate actions to achieve its revenue and profit targets for the year.

Dividend

The Directors have resolved to declare an interim gross dividend of TZS 300 per share for the half year ended June 30, 2019 (June 30, 2018: TZS 200 per share). The dividend will be paid less 5% withholding tax on or about October 16, 2019, to shareholders registered at the close of business on September 19, 2019. Shares will start trading cum-dividend on August 28, 2019 until September 16, 2019.

I wish to thank all stakeholders for their continued support to TCC Plc. I look forward to updating shareholders on the full year performance in early 2020.

Paul Mkanza
Chairman

Condensed statement of financial position as at June 30, 2019 (Unaudited)

	June 30, 2019	December 31, 2018
	TZS M	TZS M
Assets		
Non-current assets	97,816	98,117
Working capital:		
Current assets	181,066	168,497
Current liabilities	(72,324)	(61,486)
Net working capital	108,742	107,011
Total assets	206,558	205,128
Capital and reserves		
Share capital	2,000	2,000
Retained earnings	184,719	183,021
Defined benefit reserves	5,173	5,173
Shareholders' equity	191,892	190,194
Non-current liabilities	14,666	14,934
Total equity and liabilities	206,558	205,128

Condensed statement of cash flows for the six months ended June 30, 2019 (Unaudited)

	June 30, 2019	June 30, 2018
	TZS M	TZS M
Cash generated from operations	79,845	23,558
Interest received	1,045	213
Defined benefit paid	(98)	(85)
Interest paid	(85)	-
Taxation paid	(13,489)	(9,026)
Net cash generated by operating activities	67,218	14,661
Net cash used in investing activities	(6,207)	(6,500)
Net cash used in financing activities	(25,000)	(20,000)
Net increase/(decrease) in cash and bank balances	36,011	(11,839)
Cash and bank balances at beginning of period	20,351	24,530
Cash and bank balances at end of period	56,362	12,691

Condensed statement of comprehensive income for the six months ended June 30, 2019 (Unaudited)

	June 30, 2019	June 30, 2018	%
	TZS M	TZS M	
Revenue	227,766	211,253	7.8%
Excise duty	(73,878)	(71,852)	2.8%
Net sales	153,888	139,401	10.4%
Cost of sales	(67,564)	(60,223)	12.2%
Gross profit	86,324	79,178	9.0%
Operating expenses	(47,104)	(46,236)	1.9%
Profit before tax	39,220	32,942	19.1%
Income tax expense	(12,522)	(10,078)	24.3%
Profit after tax	26,698	22,864	16.8%
Earning per share			
Basic and diluted (TZS per share)	267	229	

Condensed statement of changes in equity for the six months ended June 30, 2019 (Unaudited)

	Share capital	Defined benefit reserves	Retained earnings	Total
	TZS M	TZS M	TZS M	
At 1 January 2018	2,000	5,810	175,085	182,895
Profit for the period	-	-	47,936	47,936
Other comprehensive income	-	(637)	-	(637)
Total	2,000	5,173	223,021	230,194
Dividend paid (Final 2017 and Interim 2018)	-	-	(50,000)	(50,000)
Balance as of Dec 31, 2018	2,000	5,173	173,021	180,194
At January 1, 2019	2,000	5,173	183,021	190,194
Profit for the period	-	-	26,698	26,698
Total	2,000	5,173	209,719	216,892
Final dividend paid -2018	-	-	(25,000)	(25,000)
Balance as of June 30, 2019	2,000	5,173	184,719	191,892