

Tanzania Breweries Public Limited Company

PRESS ANNOUNCEMENT



TBL Plc™

HEADLINE RESULTS

Tanzania Breweries Public Limited Company (TBL Plc) and its subsidiaries together 'the Group' today announces its results for the six month period ended 30 June 2020.

FINANCIAL HIGHLIGHTS

	2020 Tshs'M	2019 Tshs' M	% Change
Revenue	429,030	473,495	- 9%
Gross Profit	151,899	183,167	- 17%
Operating Profit	73,310	114,334	- 36%
Basic Earnings Per Share	147	241	- 39%

Financial Review

The Group is pleased to announce its Half Year 2020 results. The Group's revenue decreased by 9% impacted by the global COVID-19 pandemic. Beer revenue and volumes have been mostly affected during April and May, whilst spirits have achieved double digit growth in the period. With COVID-19 measures easing in the country, signs of recovery have been observed with low single digit revenue declines in June.

Operating Profit decreased by 36% contributed mostly by a decrease of Beer revenues impacted by COVID-19. Operational Overhead and Sales and Distribution(S&D) costs reduced in the first half of 2020 while other central costs, exceptional items and recharges have remained stable or increased. Operating margin ended up at 17.1% compared to prior year which ended at 24%.

A total of TShs 10,885 million was invested in capital expenditure during the 6 month period compared to TShs 26,036 million in the first Half Year of 2019.

The Group's reported cash generated from operations was TShs 73,258 million, of which TShs 42,986 million was utilized to pay corporate income tax, TShs 10,885 million to pay capital expenditure, TShs 5,352 million used in financing activities and the remaining funds was retained for future activities. To ascertain prudent financial discipline and liquidity during the pandemic, a final dividend decision will be taken in the second part of 2020.

I would like to thank the Board, Management and employees for their efforts and continued support as well as our customers, consumers and all stakeholders for their loyalty during this time of global pandemic. We continue to work closely with a wide range of stakeholders to leverage our scale, capabilities and resources in the fight against the COVID-19 pandemic and to do our part in the economic recovery. Our people are rising to the challenge each day, demonstrating creativity, passion and strength to keep us moving forward.

Philip Redman
Managing Director TBL Plc
Date: 19th August 2020

Company Profile

TBL Plc, sells and distributes clear beer, alcoholic fruit beverages and non-alcoholic beverages within Tanzania. TBL Plc a major player in the beverage sector is committed to the export of its products to niche and neighboring markets under the East Africa Common Market trading arrangement.

TBL Plc has a controlling interest in Tanzania Distilleries Limited, a spirituous liquor company that is situated in Dar es Salaam and Darbrew Limited an opaque beer company located in Dar es Salaam. It also fully owns Kibo Breweries Limited, a Property management company domiciled in Moshi. TBL Plc's most popular clear beer brands include Safari Lager, Kilimanjaro Premium Lager, Ndovu Special Malt, Castle Lager and Castle Lite. Other prominent brands associated with the TBL Group are Konyagi and Redds Premium Cold. TBL Plc is listed on the Dar es Salaam Stock Exchange, employs about 1,373 people and is represented throughout the country with four clear beer breweries, a spirit manufacturing facility, a traditional beer manufacturing facility and 7 distribution depots.

TANZANIA BREWERIES PUBLIC LIMITED COMPANY (TBL PLC) AND ITS SUBSIDIARIES

Statement of Profit or Loss and Other Comprehensive Income

For the 6 months ended 30 June 2020

	2020 Tsh's M	2019 Tsh's M	Change in %
Revenue	429,030	473,495	-9%
Cost of sales	(277,131)	(290,328)	
Gross profit	151,899	183,167	-17%
Selling and distribution costs	(57,806)	(54,161)	
Administrative expenses	(19,718)	(14,628)	
Other expenses	(1,066)	(45)	
Operating profit	73,309	114,334	-36%
Finance income	2,887	2,152	
Finance costs	(849)	(327)	
Profit before income tax	75,347	116,159	-35%
Income tax expense	(27,753)	(42,272)	
Profit for the period	47,594	73,887	-36%
Attributable to:			
Non-controlling interests	4,261	2,730	
Equity holders of company	43,333	71,157	
	47,594	73,887	-36%
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Total comprehensive income	47,594	73,887	-36%
Attributable to:			
Non-Controlling Interests	4,261	2,730	
Equity holders of company	43,333	71,157	
	47,594	73,887	
Basic earnings per share (Tshs)	147	241	
Diluted earning per share (Tshs)	147	241	

TANZANIA BREWERIES PUBLIC LIMITED COMPANY (TBL PLC) AND ITS SUBSIDIARIES

Statement of Financial Position

As at 30 June 2020

	Group		Change in %
	30 June 2020 Tsh's M	31 Dec 2019 Tsh's M	
ASSETS			
Non-current assets			
Property, plant and equipment	512,204	542,214	
Intangible assets	39,630	43,334	
Right-of-use assets	10,106	10,302	
Investments	88	88	
Deferred income tax asset	6,705	6,419	
	568,733	602,357	- 6%
Current assets			
Derivative financial instruments	541	32	
Inventories	121,947	112,726	
Trade and other receivables	87,223	100,439	
Current income tax	3,146	-	
Current income tax	38,300	38,300	
Bank and cash balances	100,433	85,574	
	351,590	337,071	
Total assets	920,323	939,428	- 2%
EQUITY			
Capital and reserves attributable to the company			
Share capital	29,506	29,506	
Share premium	45,346	45,346	
Retained earnings	453,692	410,359	
Other reserves	66,643	66,643	
	595,187	551,854	
Non-controlling Interests	18,128	13,867	
Total equity	613,315	565,721	8%
LIABILITIES			
Non-current liabilities			
Deferred income tax	42,178	35,705	
Lease liability	5,277	4,900	
Defined pension benefits	1,715	1,933	
	49,170	42,538	16%
Current liabilities			
Provision for other liabilities and charges	12,373	12,862	
Trade and other payables	240,636	298,367	
Current income tax	-	12,915	
Lease liability	4,829	5,811	
Borrowings	-	1,214	
	257,838	331,169	- 22%
Total liabilities	307,008	373,707	
Total equity and liabilities	920,323	939,428	- 2%

TANZANIA BREWERIES PUBLIC LIMITED COMPANY (TBL PLC) AND ITS SUBSIDIARIES

Statement of Cash Flows

For the 6 months ended 30 June 2020

	2020 Tsh's M	2019 Tsh's M	Change in %
Cash flows from operating activities:			
Cash generated from operations	73,258	134,048	
Interest paid	2,038	1,826	
Income tax paid	(42,986)	(35,189)	
Net cash inflow from operating activities	32,310	100,685	- 68%
Cash flows from investing activities			
Purchase of property, plant and equipment	(10,885)	(26,036)	
Proceeds from disposal of property, plant and equipment	-	21	
Net cash used investing activities	(10,885)	(26,015)	- 58%
Cash flows from financing activities:			
Dividends paid to company's shareholders	(64)	-	
Repayment of bank borrowings	(1,214)	(1,781)	
Repayment of lease liability	(4,074)	-	
Net cash utilised in financing activities	(5,352)	(1,781)	
Net increase/(decrease) in cash and cash equivalents	16,073	72,889	- 78%
Cash and cash equivalents at beginning of the year	84,360	63,518	
Cash and cash equivalents at the end of the period/year	100,433	136,407	

TANZANIA BREWERIES PUBLIC LIMITED COMPANY (TBL PLC) AND ITS SUBSIDIARIES

Statement of Changes in Equity

For the 6 months ended 30 June 2020

	Attributable to equity of the company				Total	Non-controlling Interests	Total Equity
	Share capital	Share premium	Other reserves	Retained earnings			
Million Tanzania Shillings							
6 months ended 30 June 2020:							
Balance at 1 January 2020	29,506	45,346	66,643	410,359	551,854	13,867	565,721
Profit for the period	-	-	-	43,333	43,333	4,261	47,594
Total comprehensive income	-	-	-	43,333	43,333	4,261	47,594
Balance at 30 June 2020	29,506	45,346	66,643	453,692	595,187	18,128	613,315