

FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

Chairman's statement

Dear esteemed Shareholders and Stakeholders

On behalf of the Board of Directors of Tanzania Cigarette Public Limited Company (The Company), I am pleased to report on the performance of the Company for the year ended December 31, 2024.

A solid performance in 2024 compared to 2023

The Company's collective efforts in 2024 delivered another year of remarkable achievements across financial and non-financial metrics, and broader strategic initiatives.

Strong revenue growth of 21.7% on prior year to TZS 454.6 billion (2023: TZS 373.5 billion). The strategic pricing adjustment made to sub-premium and value brands, in response to a 20% excise tax increase in the second half of 2023, was the key driver.

The company profit before tax grew by 70% to TZS 168.4 billion (2023: TZS 99.1 billion) and profit after tax grew by 74% to TZS 115.3 billion (2023: TZS 66.2 billion), driven by pricing initiative, strong product portfolio, route to consumer excellence and overall effective cost containment despite challenges.

Dividends payout

The Company Board of Directors has proposed a final ordinary dividends payments of TZS 550 per share for the fiscal year ending December 31, 2024. Coupled with the interim ordinary dividend of TZS 300 per share paid to shareholders in October 2024. This brings the total ordinary dividend for the year to TZS 850 per share. The final ordinary dividend, subject to shareholders' approval at the Annual General Meeting of Shareholders in April 2025, will be paid on or about May 13, 2025. Shares will trade cum-dividend until April 17, 2025.

Looking ahead to 2025

We recognize the challenges ahead, including increasing competition, illicit trade, and securing foreign currency for certain expenditures. To tackle these, we are enhancing our competitive strategies, implementing robust measures against these challenges.

Tanzania will hold general elections in October this year. We are optimistic that peace and tranquility will prevail. The country's recent macro-economic achievements - robust economic growth of above 5% per annum, a low inflation rate of under 5% are commendable. We believe these gains will be sustained. The on-going reforms to improve the business environment including infrastructure are encouraging.

Appreciation

I extend heartfelt appreciation to our stakeholders for their unwavering support. Special thanks to our parent Company JTI, our dedicated management and employees, the Government and its agencies, and business associates for their invaluable support throughout 2024. Together, we look forward to pursuing our shared goals.

With kind regards,

Hon. Mohamed Chande Othman
Chairman of the Board of Directors
March 25, 2025.

Audited financial results for the year ended December 31, 2024

Extracts of the financial statements

Summary statement of Profit and Loss for the year ended December 31, 2024.

	2024 TZS millions	2023 TZS millions
Revenue	454,629	373,527
Cost of sales	(174,544)	(169,430)
Gross profit	280,085	204,097
Selling, marketing and distribution expenses	(40,832)	(45,954)
Administration expenses	(56,860)	(52,364)
Other expenses	(13,102)	(5,386)
Expected credit losses	26	5
Other Income	2,148	1,123
Interest income	1,015	885
Interest expense	(4,068)	(3,322)
Profit before tax	168,412	99,083
Income tax expense	(53,139)	(32,850)
Profit for the year	115,273	66,233
Earnings per share		
Basic and diluted (TZS per share)	1,153	662

Summary Statement of Financial Position as at December 31, 2024.

	2024 TZS millions	2023 TZS millions
Assets		
Non-current assets		
Property, plant and equipment	91,648	83,593
Right-of-use assets	292	494
Current assets		
Inventories	188,423	166,862
Income tax asset	-	2,503
Trade and other receivables	58,896	57,681
Cash and cash equivalent	35,411	39,976
Total current assets	282,730	267,022
Total assets	374,670	351,109
Equity and liabilities		
Capital reserves		
Share capital	2,000	2,000
Defined benefit reserves	4,025	7,538
Retained earnings	218,459	153,186
Total equity	224,484	162,724
Liabilities		
Non-current liabilities		
Deferred tax liability	3,850	2,322
Defined benefit obligation	20,250	13,479
Lease liability	15	20
Total non-current liabilities	24,115	15,821
Current liabilities		
Trade and other payables	115,455	127,766
Provisions	8,048	11,390
Lease liability	4	193
Inter-Company borrowing	-	33,215
Income tax liability	2,564	-
Total current liabilities	126,071	172,564
Total liabilities	150,186	188,385
Total Equity and Liabilities	374,670	351,109

Summary Statement of Cash Flow for the year ended December 31, 2024.

	2024 TZS millions	2023 TZS millions
Cash flow from operating activities		
Profit before tax	168,412	99,083
Adjustments for:		
Depreciation of property, plant and equipment	11,816	11,144
Depreciation of right use-of-asset	419	558
Defined benefit expense	826	1,178
Foreign exchange (gain)/loss	(3,745)	2,558
Interest expense	4,068	3,322
Impairment charge of inventory	422	72
Impairment (reversal)/charge of receivables	(26)	(5)
Other gain on property, plant and equipment	(671)	-
Interest income	(1,015)	(885)
(Reversal)/increase in provisions	(3,342)	2,136
Gain on disposal of property, plant and equipment	(149)	(101)
Operating profit before working capital changes	177,015	119,060
Working capital changes:		
Increase in inventories	(21,983)	(47,506)
Increase in trade and other receivables	(1,741)	(576)
(Decrease)/increase in trade and other payables	(8,121)	51,658
Net cash generated from operations	145,170	122,636
Defined benefit paid	(835)	(1,876)
Interest received	1,015	885
Interest paid	(2,979)	(1,302)
Current tax paid	(45,039)	(37,891)
Net cash generated by operating activities	97,332	82,452
Cash flows from investing activities:		
Purchase of property, plant and equipment	(19,756)	(15,509)
Proceeds from disposal of property, plant and equipment	705	513
Net cash used in investing activities	(19,051)	(14,996)
Cash flows from financing activities		
Dividends paid	(50,000)	(67,000)
Lease rentals paid	(422)	(611)
Inter-Company repayments	(55,670)	(27,555)
Inter-Company Borrowing	23,139	48,392
Net cash used in financing activities	(82,953)	(46,774)
Net (decrease)/increase in cash and cash equivalents	(4,672)	20,682
Net foreign exchange differences on cash and cash equivalents	107	2,191
Cash and cash equivalents at the beginning of the year	39,976	17,103
Cash and cash equivalents at the end of the year	35,411	39,976
Represented by:		
Cash and bank balances	35,411	39,976

Summary Statement of Changes in Equity for the year ended December 31, 2024.

	Share capital TZS millions	Defined benefit reserves TZS millions	Retained earnings TZS millions	Total TZS millions
At January 1st, 2023	2,000	4,250	153,953	160,203
Profit for the year	-	-	66,233	66,233
Other comprehensive income	-	3,288	-	3,288
Dividend paid	-	-	(67,000)	(67,000)
Balance at December 31, 2023	2,000	7,538	153,186	162,724
At January 1st, 2024	2,000	7,538	153,186	162,724
Profit for the year	-	-	115,273	115,273
Other comprehensive income	-	(3,513)	-	(3,513)
Dividend payment	-	-	(50,000)	(50,000)
Balance at December 31, 2024	2,000	4,025	218,459	224,484