

NATIONAL INVESTMENTS PLC



QUARTER 2 – UNAUDITED
FINANCIAL STATEMENTS FOR THE
PERIOD ENDED 30 JUNE 2024

NATIONAL INVESTMENTS PLC

INTRODUCTION

This report has been meticulously prepared in adherence to the financial regulations governing the company, as well as the statutory obligations outlined by the Capital Market Securities Authorities (CMSA) and the Dar Es Salaam Stock Exchange (DSE). As required for publicly listed entities, this document provides a comprehensive overview of the performance and financial position of National Investments Plc for the quarter ended 30 June 2024.

PERFORMANCE AND FINANCIAL POSITION OVERVIEW

The financial results for the quarter ended 30 June 2024 are presented in detail in the following sections of this report.

Revenue Performance

The Group recorded a robust 42% increase in revenue, amounting to TZS 12.4 billion, compared to TZS 8.7 billion for the same period in the previous year. This figure excludes other income, which stood at TZS 29 million for June 2024, a decrease from TZS 1.2 billion in June 2023. The variance in other income is primarily attributed to the reversal of provisions in the prior period.

Expense Analysis

Total expenses, inclusive of interest expenses, rose to TZS 4.2 billion for the period ended 30 June 2024, up from TZS 2.2 billion in June 2023. This increase is largely driven by provisions for ongoing litigation, augmented DSE fees, and higher dividend processing costs, all of which escalated due to the rise in market capitalization. The Group remains committed to rigorous expense management as a strategic priority.

Profitability

The Group achieved a profit after tax of TZS 7.8 billion, reflecting a 5% increase compared to the TZS 7.4 billion reported in June 2023. This steady growth underscores the Group's resilient operational performance.

Balance Sheet Strength

The Group's balance sheet continues to exhibit strength, with total assets increasing by 12% to TZS 183 billion as of 30 June 2024, compared to TZS 162 billion as of 31 December 2023. Concurrently, total liabilities have been reduced by 9%, from TZS 23.9 billion in December 2023 to TZS 21.6 billion in June 2024, further bolstering the Group's financial position.

Investment Portfolio

The Group has made significant strides in enhancing its investment portfolio. Equity investments have risen by 15%, reaching TZS 112 billion as of June 2024, up from TZS 97 billion in December 2023. Additionally, investments in government securities have increased by 12%, totalling TZS 39 billion as of June 2024, compared to TZS 35 billion at the end of 2023.

Financial Performance Highlights	June 2024 TZS (Billion)	June 2023 TZS (Billion)	increase/decrease	December 2023 TZS (Billion)
Dividend Income	7.5	6.0	↑24%	6.0
Interest Income	2.4	2.7	↓10%	5.1
Profit before tax	8.2	7.8	↑5%	7.6
Basic earnings per share	126	120	↑5%	110
Share price	800	450	↑78%	500

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GROUP STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME AS AT 30 JUNE 2024

	Group			Company		
	Jun-24	Mar-24	Jun-23	Jun-24	Mar-24	Jun-23
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Dividend Income	7,474,980	1,536	6,026,963	7,474,980	1,536	6,026,963
Interest Income	2,427,590	1,113,088	2,693,827	2,427,590	1,113,088	2,693,827
Net Plot Sales Income	2,479,470	-	-	-	-	-
Total Income	12,382,040	1,114,624	8,720,789	9,902,570	1,114,624	8,720,790
Rental Income	15,287	7,643	-	15,287	7,643	-
Other Income	13,481	74,669	1,208,240	12,710	74,669	1,208,240
Total Income	12,410,807	1,196,936	9,929,029	9,930,567	1,196,936	9,929,030
Employees Benefit expenses	(432,818)	(245,115)	(365,106)	(432,818)	(245,115)	(365,106)
Administration Expenses	(360,895)	(228,035)	(357,317)	(274,207)	(228,035)	(199,301)
Other Admin expenses	(1,984,187)	(56,381)	(48,586)	(178,869)	(56,381)	(48,586)
Board Expenses	(263,294)	(34,232)	(101,688)	(232,665)	(34,232)	(91,604)
Total Operating Income	9,369,615	633,173	9,056,332	8,812,008	633,173	9,224,433
Finance Expenses	(1,205,222)	(542,121)	(1,286,078)	(1,205,222)	(542,121)	(1,286,078)
Profit Before Tax	8,164,393	91,052	7,770,254	7,606,786	91,052	7,938,355
Taxation	(380,747)	-	(347,159)	(380,747)	-	(347,159)
Profit After Tax	7,783,645	91,052	7,423,095	7,226,039	91,052	7,591,196
Other Comprehensive Income/Loss						
Items not classified to the profit or loss						
Net change in fair value (loss)/gain	14,775,070	5,788,425	9,630,430	14,775,070	5,788,425	9,630,430
Gain/loss on Bonds valuation	-	-	(488,481)	-	-	(488,481)
Total comprehensive income/Loss	22,558,715	5,879,477	16,565,044	22,001,109	5,879,477	16,733,145
Basic earnings per share (TZS)	126	1.48	120	117	1.48	123

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GROUP STATEMENT OF FINANCIAL POSITION FOR THE HALF YEAR PERIOD ENDED 30 JUNE 2024

	Group		Company	
	Jun-2024 TZS '000'	Mar-2024 TZS '000'	Jun-2024 TZS '000'	Mar-2024 TZS '000'
Equity				
Share capital	7,704,354	7,704,354	7,704,354	7,704,354
Share premium	1,588,635	1,588,635	1,588,635	1,588,635
Retained earnings	47,146,928	40,170,259	46,711,060	40,170,259
FVOCI Reserve	104,520,205	95,533,560	104,520,205	95,533,560
Total Equity for Parent	160,960,122	144,996,808	160,524,254	144,996,808
Non-controlling interest	4,403	-	-	-
Total Equity	160,964,525	144,996,808	160,524,254	144,996,808
Non-current liabilities				
Lease liabilities	252,851	243,454	252,851	243,454
Borrowings	14,435,714	15,390,476	14,435,714	15,390,476
	14,688,565	15,633,930	14,688,565	15,633,930
	175,653,090	160,630,738	175,212,819	160,630,738
REPRESENTED BY				
Non-current assets				
Property and equipment	334,287	361,750	334,287	361,750
Capital work in progress	2,052,212	1,959,211	2,052,212	1,959,211
Investments Held for sale	2,120,399	-	-	-
Right-of-use asset	235,985	252,489	235,985	252,489
Long-term receivable	-	2,121,467	1,884,226	2,121,467
Investment in Subsidiary	-	23,241,234	23,241,234	23,241,234
Investment Property	21,264,572	-	-	-
Corporate Bond	202,440	207,644	202,440	207,644
Equity investments	111,652,847	102,666,202	111,652,847	102,666,202
Government securities	38,769,515	34,892,877	38,769,515	34,892,877
	176,632,257	165,702,874	178,372,746	165,702,874
Current assets				
Trade and other receivables	2,747,930	634,831	1,223,287	634,831
Inventory	913,365	-	-	-
Deposits with financial institutions	2,000,000	-	2,000,000	-
Cash and cash equivalents	276,668	124,473	-	124,473
	5,937,963	759,304	3,223,287	759,304
Current liabilities				
Lease liabilities	46,628	44,895	46,628	44,895
Borrowings	3,452,381	3,452,381	3,452,381	3,452,381
Overdraft	-	-	17,618	-
Current tax payable	485,556	-	485,106	-
Trade and other payables	850,824	251,403	299,742	251,403
Dividend payable	2,081,739	2,082,761	2,081,739	2,082,761
	6,917,129	5,831,440	6,383,214	5,831,440
Net current liabilities	(979,165)	(5,072,136)	(3,159,927)	(5,072,136)
	175,653,090	160,630,738	175,212,819	160,630,738

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GROUP STATEMENT OF CASHFLOWS FOR THE PERIOD ENDED 30 JUNE 2024

	Group		Company	
	30 June 2024	31 Mar 2024	30 June 2024	31 Mar 2024
	TZS '000'	TZS '000'	TZS '000'	TZS '000'
Cashflow from Operating Activities				
Profit before tax	8,164,393	91,052	7,606,785	91,052
Interest and penalties - tax	(2,025)	-	(2,025)	-
Liquidation of fixed deposit	-	-	-	-
Tax paid	(380,747)	-	(380,747)	-
Depreciation property and equipment	56,879	29,416	56,879	29,416
Depreciation right of use asset	32,623	16,119	32,623	16,119
Loan/OD processing fee	56,567	-	56,567	-
Interest expense on borrowings	1,126,231	530,827	1,126,231	530,827
Release provisions	-	-	-	-
Interest on lease liability	22,424	11,294	22,424	11,294
Operating Cashflows	9,076,344	678,708	8,518,737	678,708
Changes in working capital				
(Increase)/Decrease in trade receivables	(851,507)	48,488	(63,328)	48,488
Increase/(Decrease) in trade payables	23,838,594	(6,205)	42,134	(6,205)
Net Cashflows from Operating activities	32,063,431	720,991	8,497,543	720,991
Cashflow from Investing Activities				
Purchase of property and equipment	(3,599)	(3,599)	(3,599)	(3,599)
Capital work in progress	(131,670)	(38,669)	(131,670)	(38,669)
Purchase of inventories	-	-	-	-
Purchase of Government bonds	(4,070,000)	-	(4,070,000)	-
Nico Land advance	-	-	(350,000)	-
Investment Property	(21,264,572)	-	-	-
Investment Held for sale	(2,120,399)	-	-	-
Deposits with commercial banks	(2,000,000)	-	(2,000,000)	-
Government bonds trading income	10,392	-	10,392	-
Rental income	91,719	-	91,719	-
Net Cashflows from Investing Activities	(29,488,129)	(42,268)	(6,453,158)	(42,268)
Cashflow from Financing Activities				
Dividend paid	(1,021)	200,000	(1,021)	200,000
Loan repayment from Nico Land	-	-	300,000	-
Payments on interest from borrowing	(1,126,231)	(530,827)	(1,126,231)	(530,827)
Borrowings repayment of principal	(1,726,190)	(771,429)	(1,726,190)	(771,429)
Loan/OD processing fees	(56,568)	-	(56,568)	-
Payment of principal lease	-	-	-	-
Net cash used in Financing Activities	(2,910,010)	(1,102,256)	(2,610,010)	(1,102,256)
Increase/(decrease) in cash and cash equivalents	(334,708)	(423,534)	(565,625)	(423,534)
At start of the year	611,376	548,007	548,007	548,007
At end of the year	276,668	124,473	(17,619)	124,473

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GROUP STATEMENT OF CHANGES IN OWNER'S EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

GROUP						
TZS '000	Share Capital	Share Premium	Available for sale	Non-Controlling Interest	Retained earnings	Total Equity
Period Ended 30 June 2024						
At start of year	7,704,354	1,588,635	89,745,135	(1,173)	39,368,858	138,405,809
Profit for the year	-	-	-	5,576	7,778,070	7,783,646
Other Comprehensive Income for the year						
Change in fair value of equity instruments			14,775,070	-	-	14,775,070
Dividend	-	-	-	-	-	-
At end of year	<u>7,704,354</u>	<u>1,588,635</u>	<u>104,520,205</u>	<u>4,403</u>	<u>47,146,928</u>	<u>160,964,525</u>
Period Ended 31 Mar 2024						
At start of year	7,704,354	1,588,635	89,745,135	-	40,079,207	139,117,331
Profit for the year	-	-	-	-	91,052	91,052
Change in fair value of equity instruments			5,788,425	-	-	5,788,425
At end of year	<u>7,704,354</u>	<u>1,588,635</u>	<u>95,533,560</u>	<u>-</u>	<u>40,170,259</u>	<u>144,996,808</u>
COMPANY						
TZS '000	Share Capital	Share Premium	Available for sale	Non-Controlling Interest	Retained earnings	Total Equity
Period Ended 30 Jun 2024						
At start of year	7,704,354	1,588,635	89,745,135	-	39,485,021	138,523,145
Profit for the year	-	-	-	-	7,226,039	7,226,039
Other Comprehensive Income for the year						
Change in fair value of equity instruments			14,775,070	-	-	14,775,070
Dividend	-	-	-	-	-	-
At end of year	<u>7,704,354</u>	<u>1,588,635</u>	<u>104,520,205</u>	<u>-</u>	<u>46,711,060</u>	<u>160,524,254</u>
Period Ended 31 Mar 2024						
At start of year	7,704,354	1,588,635	89,745,135	-	40,079,207	139,117,331
Profit for the year	-	-	-	-	91,052	91,052
Change in fair value of equity instruments			5,788,425	-	-	5,788,425
At end of year	<u>7,704,354</u>	<u>1,588,635</u>	<u>95,533,560</u>	<u>-</u>	<u>40,170,259</u>	<u>144,996,808</u>

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These financial statements for the period ended 30th June 2024 are unaudited financial statements and were approved by the Board for submission and publication. These financial statements for the period ended 30th June 2024 should be referred to for a better understanding of the financial performance and position of the Group and Company.

CPA. Erasto Ngamilaga
Chief Executive Officer

CPA. Ezekiel Lovililo
Chief Finance Officer