

SWISSPORT TANZANIA PLC UN-AUDITED FINANCIAL RESULTS FOR SIX MONTHS ENDED 30TH JUNE 2019

Commentary

The Board of Directors of Swissport Tanzania Plc is pleased to present the un-audited financial results for the six months ended 30th June 2019. During this period revenue decreased from TZS 25,088M to TZS 17,240M and total operating costs decreased from TZS 17,633M to TZS 14,075M. As a result, net profit dropped to TZS 2,281M from TZS 4,947M reported in 2018. The decrease in revenue was attributed by the decline yield in the ground handling business, reduced flight frequencies by some of our airline customers, reduced business volume and the cessation of business by Fastjet Airlines Tanzania Ltd. Consequently, the overall financial results of the Company was negatively affected. Several cost saving initiatives were taken by the management to improve the financial results of the Company.

Dividend to shareholders

The Board has decided not to declare interim dividend to enable the Company to meet its maturing obligations.

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME For Six Months Ended 30 June

	2019 TZS M	2018 TZS M	% Change
Revenue	17,123	25,029	-32%
Other operating income	117	59	98%
Total revenue	17,240	25,088	-31%
Total operating expenses	(14,075)	(17,633)	-20%
Operating profit	3,165	7,455	-58%
Finance costs	(281)	(657)	-57%
Profit before income tax	2,884	6,798	-58%
Income tax expense	(603)	(1,851)	-67%
Profit for the period	2,281	4,947	-54%
Other comprehensive income	-	-	
Total comprehensive income for the year	2,281	4,947	-54%
Earnings per share	63	137	-54%
Dividend per share	-	-	0%

STATEMENT OF FINANCIAL POSITION As at

	30 Jun 19 TZS M	30 Jun 18 TZS M	% Change
ASSETS			
Non-current assets			
Intangible asset	18,692	20,529	-9%
Property and equipment	15,880	12,896	23%
Deferred tax assets	562	289	94%
Staff receivables	83	110	-25%
	35,217	33,824	4%
Current assets			
Inventories	333	334	0%
Trade and other receivables	6,724	8,641	-22%
Income tax recoverable	358	861	-58%
Cash and cash equivalents	2,677	5,572	-52%
	10,092	15,408	-35%
Total assets	45,309	49,232	-8%
EQUITY AND LIABILITIES			
Equity			
Share capital	360	360	0%
Retained earnings	30,272	30,479	-1%
Total equity	30,632	30,839	-1%
Non-current liabilities			
Retirement benefit obligations	2,661	3,360	-21%
Lease liabilities (IFRS 16)	889	-	100%
Bank Loan (Non-current portion)	-	701	-100%
	3,550	4,061	-13%
Current liabilities			
Trade and other payables	4,929	6,263	-21%
Bank Loan (Current Portion)	-	2,102	-100%
Dividends payable	5,623	5,967	-6%
Lease liabilities (IFRS 16)	575	-	
	11,127	14,332	-22%
Total equity and liabilities	45,309	49,232	-8%

Future outlook

No further decline of business volume or yield is expected. We anticipating our airline customers to continue operating as per their presented plans while Cargo volume shall remain stable. We therefore envisaged the financial performance for the second to be in line with the first six months. To cope with the changing and demanding business environment, we continue enhancing operational performance, control our operating and overhead costs, investing in ground handling equipment, facilities, technology and human resources development to make sure we exceed customers' expectations and provide a better working environment to our staff.



Mark Skinner
Board Chairman

STATEMENT OF CASH FLOWS For Six Months Ended 30 June

	2019 TZS M	2018 TZS M
Profit before income tax	2,884	6,798
Adjustment for:		
Depreciation of property and equipment	1,579	1,223
Amortization of Intangible Assets	1,145	1,205
Provision for retirement benefit obligations	610	350
Interest Expense	-	157
Working capital adjustment		
Decrease/ (Increase) in inventories	1	(45)
Decrease in trade and other receivables	2,446	2,979
Decrease in trade and other payables	(1,334)	(2,474)
Retirement benefit obligations paid	(791)	(598)
Income tax paid	(1,046)	(1,504)
Interest paid	-	(157)
Cash generated from operating activities	5,494	7,934
Investing activities		
Purchase of property and equipment	(2,131)	(1,460)
Cash used in investing activities	(2,131)	(1,460)
Financing activities		
Dividends paid to Company's shareholders	(1,495)	(3,811)
Repayment of loan from bank	(2,101)	(1,795)
Cash used in financing activities	(3,596)	(5,606)
Net increase in cash and cash equivalents	(233)	868
Cash and cash equivalents at 1 January	2,910	4,704
Cash and cash equivalents at 30 June	2,677	5,572



From landing to take-off: we care !



Mark Skinner
Board Chairman



Mrisho Yassin
Chief Executive Officer



Imani Mtafya
Chief Financial Officer