

UNAUDITED FINANCIAL RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2021



EXTRACTS OF THE FINANCIAL STATEMENTS

On behalf of the Board of Directors of Tanzania Cigarette Public Limited Company Plc (TCC Plc), I am pleased to announce the unaudited results for the six months ended June 30, 2021.

A solid first half 2021 compared to first half 2020

Gross revenue grew by 11.0% to TZS 263.8 billion (June 30, 2020: TZS 237.5 billion) and gross profit was up by 15.2% to TZS 84.4 billion (June 30, 2020: TZS 73.3 billion). Whilst net profit increased by 10.5% to TZS 23.9 billion (June 30, 2020: TZS 21.6 billion), driven by volume growth and cost efficiencies

Domestic and export volumes grew by 16.5% and 3.7%, respectively. Overall, volume increased by 12.5%, reflecting the strength of our revised domestic distribution model and a return to normal trading conditions after demand and supply chain disruptions in the first half of 2020 due to the COVID-19 pandemic.

Operating costs remained flat, reflecting operational efficiencies in all business areas and the need to preserve cash in uncertain times.

The Company generated TZS 43.2 billion in operating cash flow to June 30, 2021 of which TZS 12.7 billion was used to pay corporate income tax and the final gross dividend of TZS 30 billion for the year ended December 31, 2020.

Dividend to shareholders

The Board of Directors approved an interim ordinary gross dividend of TZS 250 per share (June 30, 2020: TZS 250 per share) as well as a special dividend of TZS 250 per share. The dividends will be paid less 5% withholding tax on or about October 12, 2021. Shares will trade cum-dividend until September 07, 2021.

Prospects to December 31, 2021

The Directors are cautiously optimistic about second-half results to December 31, 2021. Sustaining the positive momentum achieved in the first half will depend on continued improvements in the business environment, the effectiveness of recently announced measures to spur economic growth and addressing the COVID-19 pandemic effectively through a nationwide vaccination campaign. Management will continue to take appropriate actions to achieve its revenue and profit targets for the year.

Note of thanks

On behalf of the Board of Directors, I thank all our stakeholders for their continued support to the business. I look forward to updating you with our full-year 2021 results in early 2022.

Paul Makanza

Chairman of the Board, TCC Plc

Condensed statement of comprehensive income for the six months ended June 30, 2021 (Unaudited)

	30 June 2021 TZS M	30 June 2020 TZS M	%
Gross turnover	263,755	237,547	11.0%
VAT	(37,913)	(33,667)	12.6%
Revenue	225,842	203,880	10.8%
Excise duty	(74,115)	(63,746)	16.3%
Net sales	151,727	140,134	8.3%
Cost of sales	(67,295)	(66,829)	0.7%
Gross profit	84,432	73,305	15.2%
Operating expenses	(41,837)	(41,471)	0.9%
Profit before tax	42,595	31,834	33.8%
Income tax expense	(18,708)	(10,217)	83.1%
Profit after tax	23,887	21,617	10.5%
Earning per share			
Basic and diluted (TZS per share)	238.87	216.17	

Condensed statement of financial position as at June 30, 2021 (Unaudited)

	June 30 2021 TZS M	December 31 2020 TZS M
Assets		
Non-current assets	87,086	94,132
Working capital:		
Current assets	180,592	174,489
Current liabilities	(81,211)	(77,917)
Net working capital	99,381	96,572
Total assets	186,467	190,704
Capital and reserves		
Share capital	2,000	2,000
Retained earnings	159,080	165,193
Defined benefit reserves	4,732	4,732
Shareholders' equity	165,812	171,925
Non-current liabilities	20,655	18,779
Total equity and liabilities	186,467	190,704

Condensed statement of cash flows for the six months ended June 30, 2021 (Unaudited)

	30 June 2021 TZS M	30 June 2020 TZS M	%
Cash generated from operations	43,178	50,604	-15%
Interest received	479	709	-
Defined benefit paid	(498)	(978)	-
Interest paid	(17)	(15)	-
Taxation paid	(12,678)	(14,849)	-
Net cash generated by operating activities	30,464	35,471	-14%
Net cash used in investing activities	3,422	(2,528)	-235%
Net cash used in financing activities	(30,178)	(25,285)	19%
Net decrease in cash and bank balances	3,708	7,658	-52%
Cash and bank balances at beginning of period	25,139	27,771	-9%
Cash and bank balances at end of period	28,847	35,429	-19%

Condensed statement of changes in equity for the six months ended June 30, 2021 (Unaudited)

	Share capital TZS M	Defined benefit reserves TZS M	Retained earnings TZS M	Total TZS M
At 1 January 2020	2,000	5,872	179,269	187,141
Profit for the period	-	-	35,924	35,924
Other comprehensive income	-	(1,140)	-	(1,140)
Total	2,000	4,732	215,193	221,925
Dividend paid (2019 final and 2020 interim)	-	-	(50,000)	(50,000)
Balance as at Dec 31, 2020	2,000	4,732	165,193	171,925
At 1 January 2021	2,000	4,732	165,193	171,925
Profit for the period	-	-	23,887	23,887
Total	2,000	4,732	189,080	195,812
Final dividend paid -2020	-	-	(30,000)	(30,000)
Balance as at June 30, 2021	2,000	4,732	159,080	165,812