

JUNE 2023

**ANALYST'S NOTES ON  
TBL's UNAUDITED RESULTS FOR THE YEAR ENDED  
31st DECEMBER 2022 & Q1 2023**

**ORBIT SECURITIES  
COMPANY LIMITED**



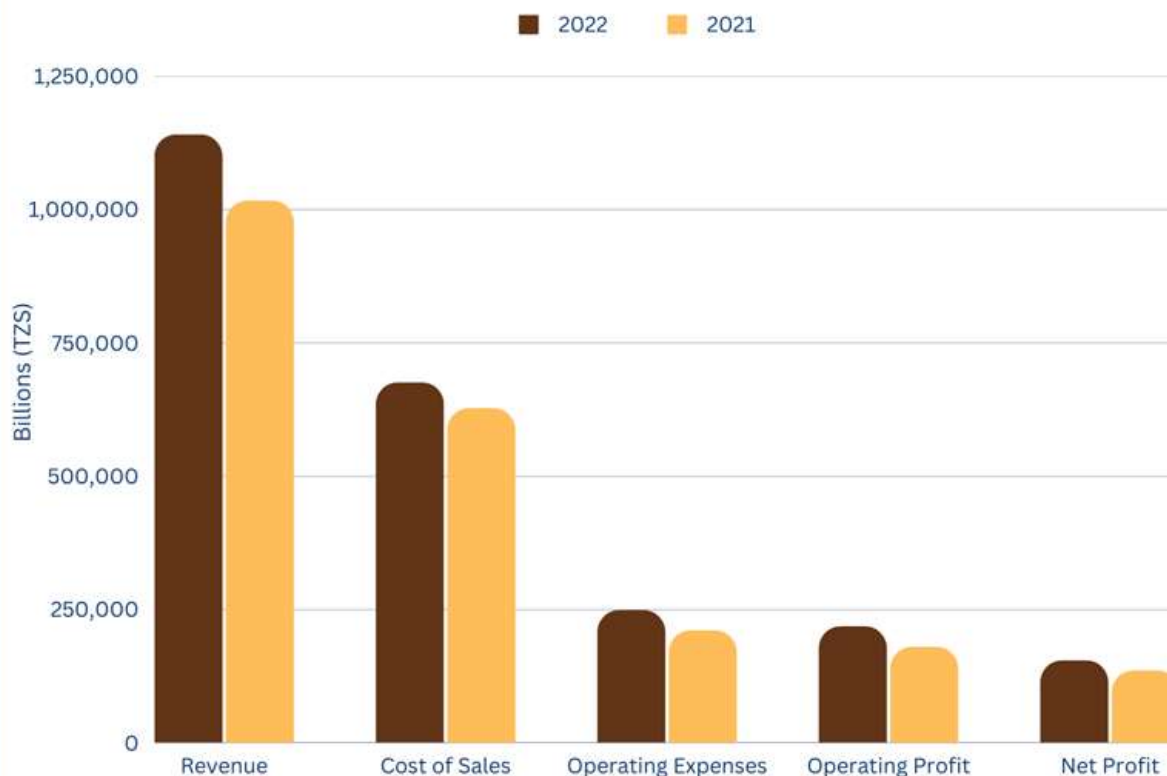
**PERFORMANCE OVERVIEW**

TBL Plc experienced a significant growth in revenues for the year 2022, with a 12% increase amounting to TZS 1.1 trillion. The company effectively managed its cost of sales, which only rose by 7% to TZS 674.5 billion, resulting in a gross profit of TZS 464.9 billion.

In terms of operating costs, selling and distribution expenses reached TZS 87 billion, representing a 22% increase. Overall, total expenses amounted to TZS 247 billion, marking an 18% rise. Factoring in these operating expenses, the operating profit reached TZS 217 billion, a remarkable 21% increase compared to the previous year's TZS 179 billion.

After considering financing costs, the profit before income tax stood at TZS 214.5 billion. Taking taxes into account, the profit for the year showed a 14% increase, reaching TZS 153 billion.

Current Price On-Board (TZS)	10,900
Current Price Off-Board (TZS)	6000
Date Established	1933
Year Listed	1998
IPO Price	550
Historical Price Range	550-18,000
Market Cap (TZS)	3,216.11 Bln
Issued Shares (Mln)	295
Market Symbol	TBL
PE (x) * (Based on off-market price)	12.34
PB (x)	4.25
ROE	20.87%
Net Profit Margin	13.5%



TBL has shown strong recovery from the challenges posed by the pandemic, demonstrating resilience despite shocks in commodity prices that affected the manufacturing sector in 2022.

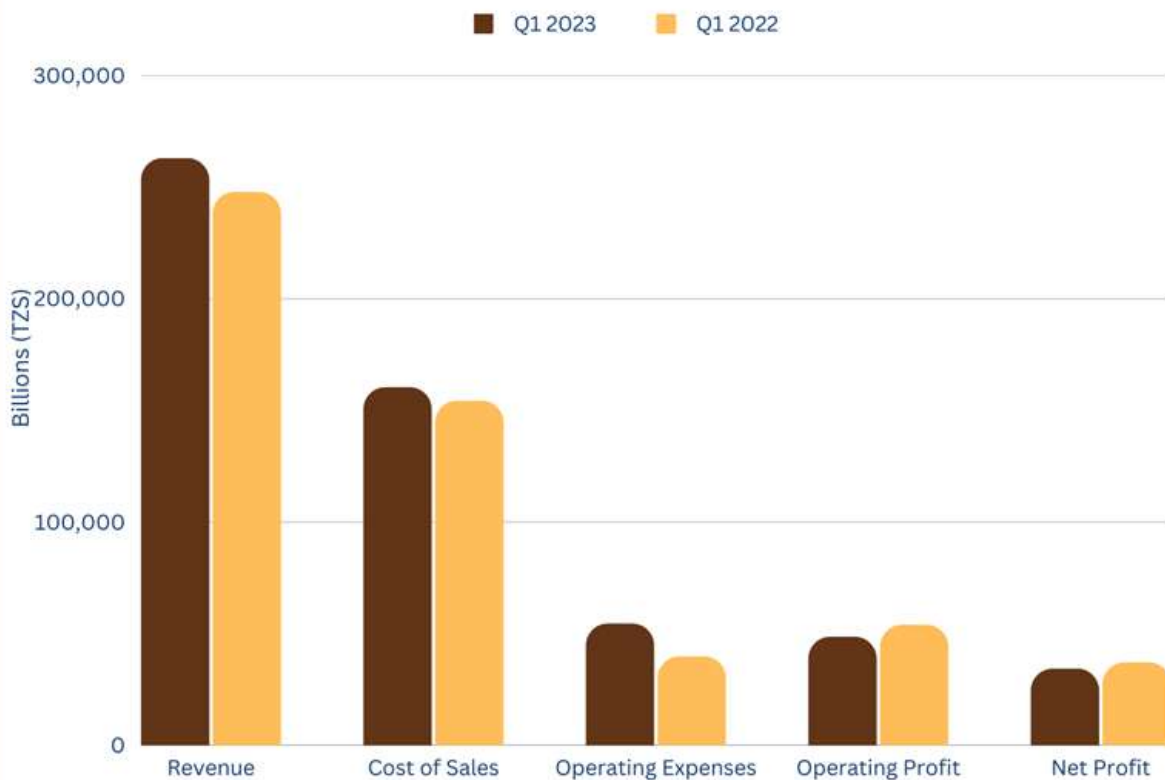
The company generated a significant amount of cash from operations, totaling TZS 368 billion. Out of this, TZS 82.3 billion was invested in capital expenditure, marking a 53% increase compared to the TZS 53.7 billion invested in 2021.

#### Q1 2023

During the first quarter, the company released its financial results, revealing a 6% increase in revenues to TZS 262 billion compared to the same quarter in 2022.

However, selling and distribution expenses surged to TZS 38 billion, representing a significant 50% increase. This substantial rise had a notable impact on the growth rate of operating profit, slowing it down by 10%.

After considering financing expenses and taxes, the profit for the first quarter amounted to TZS 34 billion, marking a 7% decline compared to the TZS 37 billion reported in the first quarter of 2022.



## COMPANY PROFILE

TBL Plc is a prominent company in Tanzania that specializes in the sale and distribution of clear beer, alcoholic fruit beverages, and non-alcoholic beverages. The company has achieved an impressive market share of 70%.

Additionally, TBL Plc holds a controlling interest in several other companies, namely Tanzania Distilleries Limited, Darbrew Limited, and Kibo Breweries Limited.

Some of TBL's well-known clear brands include Safari Lager, Kilimanjaro Lager, Castle Lite, Flying Fish, Kilimanjaro Light, Eagle Lager, Redds Premium Cold, and Balimi Lager. The company is also associated with other notable brands such as Konyagi, Valeur Brandy, Zanzi Cream Liqueur, and Dodoma and Imagi Wines.

## MARKET PERFORMANCE

For the 12-month period ending December 2022, TBL traded a total of 3.8 million shares, worth TZS 25.4 billion. The average traded price per share was TZS 6,000, indicating that the majority of TBL transactions happened on the pre-arranged board.

It's interesting to note that despite the majority of shares trading at a discounted price, the counter's official closing price has remained at TZS 10,900 per share for the past two years.

## HISTORICAL BUSINESS PERFORMANCE

	2018	2019	2020	2021	2022
Revenue (TZS Mln)	1,078,770	1,025,960	961,886	1,015,447	1,139,448
Gross margin	38.00%	38.80%	37.90%	38.36%	40.8%
Operating margin	19.50%	21.50%	17.00%	17.6%	19.00%
Net margin	12.30%	14.60%	9.30%	13.3%	13.5%
ROE	18.70%	23.60%	16.00%	21.93%	20.87%
Capex/Revenue	10.40%	6.30%	4.10%	5%	7%

## FOR MORE INFORMATION

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