

# Tanzania Breweries Public Limited Company

## PRESS ANNOUNCEMENT



### HEADLINE RESULTS

Tanzania Breweries Public Limited Companies (TBL Plc) today announces its results for the year ended 31 December 2019.

### FINANCIAL HIGHLIGHTS

	2019 Tshs'M	2018 Tshs'M	% Change
Revenue	1,025,960	1,078,770	- 5%
Gross Profit	397,670	409,419	- 3%
Operating Profit	220,070	210,336	5%
Basic Earnings Per Share	487	428	13.7%

### Financial Review

Tanzania Breweries Public Limited Companies (TBL Plc) is pleased to announce its 2019 results. TBL Plc's revenue decreased by 5% as a result of the scaling down of Darbrew operations. A significant decline has been noted in the affordable brand segment. The Group continues to drive the strategy of more affordable packs to enable more consumers to switch out of the informal sector. During the year, the Group has discontinued its operation in traditional beer business.

Operating profit increased by 5% as a result of increased productivity in our breweries, lower brewing and packaging raw material prices, efficiencies in our logistics and lower overhead costs. As a result, our operating margin was 21% which increased by 5% from prior year.

A total of TShs 64,178 million was invested in capital expenditure during the year compared to TShs 111,966 million in the prior year.

The Group's reported cash generated from operations was TShs 297,107 million compared to TShs 303,392 million from previous year. Of this amount, TShs 273,188 million was utilized to pay corporate income tax, invest in capital expenditure, pay dividends and other financing obligations. The remaining funds have been retained for future activities.

During the year, TBL Plc declared and paid TShs 500 per share as dividend in 2019.

I would like to thank the Board, management and employees for their efforts and continued support as well as our customers, consumers and all stakeholders for their loyalty.

Philip Redman  
Managing Director TBL Plc  
Date

### Company Profile

Tanzania Breweries Public Limited Companies (TBL Plc), a member of the Anheuser-Busch InBev group of companies, manufactures sells and distributes clear beer, alcoholic fruit beverages and non-alcoholic beverages within Tanzania. TBL Plc, as a major player in the beverage sector, is committed to the exporting of its products to niche and neighboring markets under the East Africa common market trading arrangement.

TBL Plc has a controlling interest in Tanzania Distilleries Limited, Darbrew Limited and Kibo Breweries Limited. TBL's most popular clear beer brands include Safari Lager, Kilimanjaro Premium Lager, Ndovu Special Malt, Castle Lager and Castle Lite. Other prominent brands associated with the TBL group are Konyagi Gin and Redds Premium Cold. TBL Plc Company is listed on the Dar es Salaam Stock Exchange, employs about 1,433 people and is represented throughout the country with four clear beer breweries, a spirit manufacturing facility, a traditional beer manufacturing facility and 8 distribution depots.

#### TANZANIA BREWERIES PUBLIC LIMITED COMPANIES (TBL PLC) AND ITS SUBSIDIARIES

#### Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2019

	Group		
	2019 Tshs M	2018 Tshs M	Change in %
Revenue	1,025,960	1,078,770	-5%
Cost of sales	(628,290)	(669,351)	
<b>Gross profit</b>	<b>397,670</b>	<b>409,419</b>	<b>-3%</b>
Selling and distribution costs	(118,688)	(128,164)	
Administrative expenses	(50,258)	(54,701)	
Other expenses	(7,623)	(16,277)	
Fair value (loss)/gain on derivatives	(1,031)	59	
<b>Operating profit</b>	<b>220,070</b>	<b>210,336</b>	<b>5%</b>
Finance income	2,777	1,914	
Finance cost	(1,349)	(1,315)	
<b>Profit before income tax</b>	<b>221,498</b>	<b>210,935</b>	
Income tax expense	(71,286)	(77,916)	
<b>Profit for the year</b>	<b>150,212</b>	<b>133,019</b>	<b>13%</b>
<b>Attributable to:</b>			
Non-controlling interests	6,552	6,573	
Owners of the parent	143,660	126,446	
	150,212	133,019	
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified to profit or loss:</i>			
Gain on re-measurement of defined benefit plan	308	67	
Deferred tax on re-measurement of defined pension benefit	(92)	(20)	
<b>Total comprehensive income</b>	<b>150,428</b>	<b>133,066</b>	
<b>Attributable to:</b>			
Non-Controlling interests	6,550	6,571	
Equity Holders of Company	143,878	126,495	
	150,428	133,066	13%

#### TANZANIA BREWERIES PUBLIC LIMITED COMPANIES (TBL PLC) AND ITS SUBSIDIARIES

#### Statement of Financial Position

For the year ended 31 December 2019

	Group		
	31 Dec 2019 Tshs M	31 Dec 2018 Tshs M	Change in %
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	542,214	579,902	
Intangible assets	43,334	43,978	
Right-of-use assets	10,302	-	
Investments	88	88	
Deferred income tax	6,319	6,534	
	602,257	630,502	-4%
<b>Current assets</b>			
Derivative financial instruments	32	328	
Inventories	112,726	97,424	
Trade and other receivables	100,439	135,770	
Restricted bank balance	38,300	38,300	
Bank and cash balances	85,574	63,518	
	337,071	335,340	1%
<b>Total assets</b>	<b>939,328</b>	<b>965,842</b>	<b>-3%</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to owners of the parent</b>			
Share capital	29,506	29,506	
Share premium	45,346	45,346	
Retained earnings	410,359	414,009	
Other reserves	66,643	66,643	
	551,854	555,504	-1%
<b>Non-controlling interests</b>	<b>13,867</b>	<b>7,317</b>	
<b>Total equity</b>	<b>565,721</b>	<b>562,821</b>	<b>1%</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Deferred income tax liabilities	35,706	37,969	
Lease liability	4,900	-	
Defined pension benefits	1,933	1,933	
	42,539	39,902	7%
<b>Current liabilities</b>			
Provisions	12,862	12,704	
Trade and other payables	298,267	342,305	
Current income tax payable	12,915	5,294	
Lease liability	5,811	-	
Borrowings	1,214	2,816	
	331,068	363,119	-9%
<b>Total liabilities</b>	<b>373,607</b>	<b>403,021</b>	<b>-7%</b>
<b>Total equity and liabilities</b>	<b>939,328</b>	<b>965,842</b>	<b>-3%</b>

#### TANZANIA BREWERIES PUBLIC LIMITED COMPANIES (TBL PLC) AND ITS SUBSIDIARIES

#### Statement of Cash Flows

For the year ended 31 December 2019

	2019 Tshs M	2018 Tshs M	Change in %
<b>Cash flows from operating activities</b>			
Cash generated from operations	297,107	303,392	-2%
Interest paid	(1,946)	(951)	
Income tax paid	(65,284)	(76,911)	
<b>Net cash inflow from operating activities</b>	<b>229,877</b>	<b>225,530</b>	<b>2%</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets	(64,178)	(111,966)	
Interest received	2,777	1,914	
Dividend received	-	-	
Proceeds from disposal of property, plant and equipment	54	188	
<b>Net cash used in investing activities</b>	<b>(61,347)</b>	<b>(109,864)</b>	<b>-44%</b>
<b>Cash flows from financing activities</b>			
Dividends paid to owners of the parent	(137,753)	(206,431)	
Payment of lease liability	(6,858)	-	
Repayment of bank borrowings	-	(241)	
<b>Net cash utilised in financing activities</b>	<b>(144,611)</b>	<b>(206,672)</b>	<b>-30%</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>23,919</b>	<b>(91,006)</b>	
Cash and cash equivalents at beginning of the year	60,702	152,684	
Exchange loss on cash and cash equivalent	(261)	(976)	
<b>Cash and cash equivalents at the end of the year</b>	<b>84,360</b>	<b>60,702</b>	<b>39%</b>

#### TANZANIA BREWERIES PUBLIC LIMITED COMPANIES (TBL PLC) AND ITS SUBSIDIARIES

#### Statement of Changes in Equity

For the year ended 31 December 2019

	Attributable to owners of the parent				Non-controlling Interests	Total Equity
	Share capital	Share premium	Other reserves	Retained earnings		
Million Tanzania Shillings						
<b>Group</b>						
<b>Year ended 31 December 2019:</b>						
Balance at 1 January 2019	29,506	45,346	66,643	414,009	555,504	7,317
Profit for the year	-	-	-	143,660	143,660	6,552
<i>Other comprehensive income</i>						
Re-measurement of defined benefit plan (net of tax)	-	-	-	218	218	(2)
<b>Total comprehensive income</b>	-	-	-	143,878	143,878	6,550
<i>Transaction with owners</i>						
Dividends declared	-	-	-	(147,528)	(147,528)	-
<b>At 31 December 2019</b>	<b>29,506</b>	<b>45,346</b>	<b>66,643</b>	<b>410,359</b>	<b>551,854</b>	<b>13,867</b>