T.P.C. Limited
28 October 2026

Ratings

Facilities/Instruments	Amount (TZS Billion)	Rating[1]	Rating Action
Proposed bond issue	**175**	**CARE (tz) AA-; Stable**	Assigned

Rationale and key rating drivers

The rating assigned to the proposed bond issue of T.P.C. Limited ("TPC") reflects the company's strong business profile as one of Tanzania's leading sugar producers, supported by its established market position, vertically integrated operating model, and the strategic importance of its operations within the Miwa Sugar group. The rating also factors in TPC's competitive cost position, sizeable captive cane base, renewable energy capabilities, and long operating track record in Tanzania's sugar sector.

TPC benefits from favourable industry fundamentals, underpinned by structurally strong domestic sugar demand and a supportive regulatory environment that continues to provide protection to local producers through import controls and tariff mechanisms. The company's integrated operations spanning sugarcane cultivation, sugar milling and power generation provide operational efficiencies and support profitability relative to regional peers. Furthermore, the ongoing distillery and cogeneration projects are expected to strengthen business diversification, enhance value addition from by-products and improve earnings resilience once operational.

The rating is further supported by TPC's historically strong profitability, healthy cash generation capacity and comfortable leverage profile. Although debt levels have increased due to ongoing investments in the distillery and cogeneration projects, leverage and debt coverage indicators remain commensurate with the assigned rating. The successful commissioning of these projects is expected to support revenue diversification, improve cash flow generation and moderate leverage over the medium term.

The strengths are, however, tempered by exposure to volatility in domestic sugar prices, the holding companies' dependence on cash up-streamed from TPC to meet their respective debt obligations, execution and ramp-up risks associated with the ongoing capital expenditure programme, and the inherent exposure of sugarcane operations to climatic conditions. The rating also factors in the expected temporary weakening of credit metrics over the next 12–18 months due to elevated capex and increased debt levels before the benefits from the new projects are fully realized.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Successful commissioning and stabilization of the distillery and cogeneration projects, resulting in meaningful revenue diversification, stronger cash flow generation and improved earnings resilience.
- Sustained strengthening of the financial risk profile, characterised by Total Debt/EBITDA below 1.2x and continued strong interest coverage, while maintaining adequate liquidity.
- Sustained improvement in operating performance and market position, supporting profitability levels above 50% through commodity price cycles.

[1]Complete definitions of the ratings assigned are available at www.careratingsafrica.com.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Material deterioration in operating performance arising from lower sugar production, adverse sugar price movements, weaker-than-expected demand conditions or sustained pressure on profitability.
- Significant increase in debt levels, more aggressive shareholder distributions, or weaker cash flow retention leading to a sustained weakening in leverage metrics, including Total Debt/EBITDA exceeding 2.5x.
- Material delays, cost overruns or weaker-than-expected ramp-up of the cogeneration and distillery projects, resulting in lower projected cash flows and prolonged pressure on credit metrics.
- Any significant weakening in liquidity arising from elevated dividend outflows, refinancing risk, or reduced financial flexibility at the operating company level.

Analytical approach - Consolidated

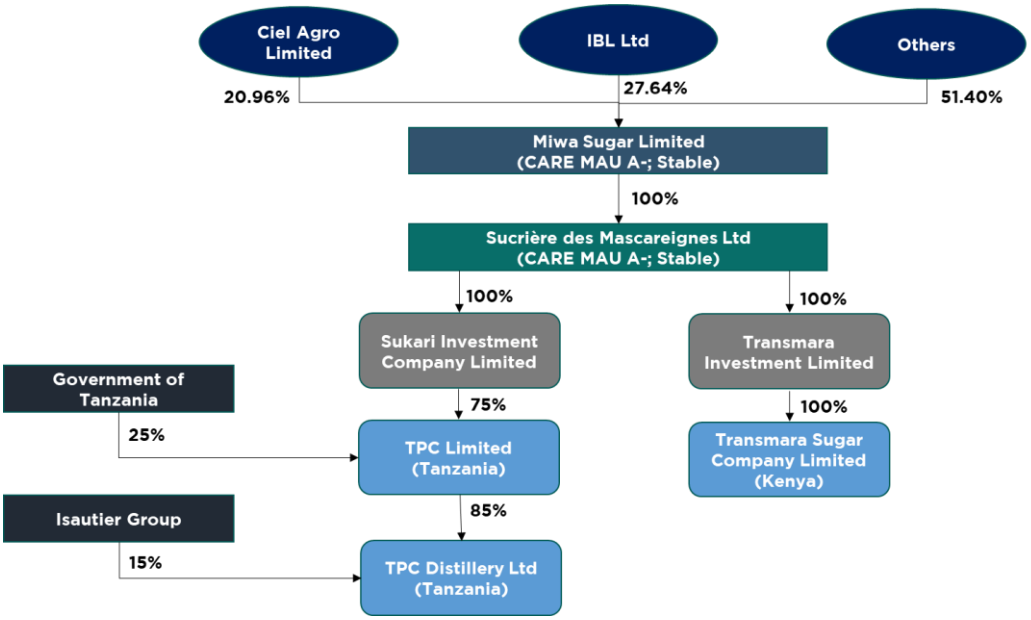
CRAF has undertaken its assessment of TPC Limited on a consolidated basis, given the strategic, operational and financial linkages between TPC standalone and its 85%-owned subsidiary, TPC Distillery Limited. The consolidated assessment also captures the TZS 69 billion debt availed by TPCD to finance the distillery project, providing a more comprehensive view of the Group's actual leverage, debt servicing obligations and project-related risks. The analytical approach also encapsulates the linkage with the parent i.e. Miwa, therefrom TPC derives the management strength.

Outlook: Stable

The Stable outlook reflects the expectation that TPC will sustain its strong market position and high production levels, and maintain comfortable operating profitability, while managing its capex programme, dividend outflows and leverage within envisaged levels.

About the company

TPC Limited (TPC) is one of Tanzania's largest integrated sugar producers, operating a large-scale sugar estate located approximately 50 km south of Mount Kilimanjaro in northern Tanzania. Acquired by Alteo Limited in the year 2000, the company has strengthened its market position through continuous investments in agricultural productivity, milling operations and supporting infrastructure. TPC holds leasehold rights over approximately 16,000 hectares of land, of which around 8,000 hectares are under sugarcane cultivation, providing a sizeable captive raw-material base that reduces dependence on third-party cane suppliers and enhances supply chain reliability. The company operates one of Tanzania's largest sugar mills, with a crushing capacity of approximately 4,700 tonnes of cane per day (TCD), accounting for an estimated 25% of the country's sugar production capacity. TPC's vertically integrated business model encompasses sugarcane cultivation, harvesting, milling and renewable energy generation, enabling greater operational control and cost efficiency, establishing TPC's position as one of the lowest-cost sugar producers in Tanzania. The company is also largely energy self-sufficient through its 17.5 MW bagasse-fired cogeneration plant, with surplus electricity exported to the national grid. To further strengthen operational integration and diversify its earnings profile, TPC is undertaking strategic capital expenditure through the development of a molasses-based distillery and an additional 6 MW cogeneration plant, both expected to be commissioned by FY27.


Ciel Agro Limited
IBL Ltd
Others
20.96%
27.64%
51.40%
Miwa Sugar Limited (CARE MAU A-; Stable)
100%
Sucrière des Mascareignes Ltd (CARE MAU A-; Stable)
100%
100%
Sukari Investment Company Limited
Transmara Investment Limited
Government of Tanzania
75%
100%
25%
TPC Limited (Tanzania)
Transmara Sugar Company Limited (Kenya)
Isautier Group
85%
15%
TPC Distillery Ltd (Tanzania)

Annexure I

Rating Symbols

Long /Medium-term Instruments

Symbols	*Rating Definition*
CARE (tz) AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations, in Tanzania. Such instruments carry lowest credit risk.
CARE (tz) AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations, in Tanzania. Such instruments carry very low credit risk.
CARE (tz) A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations, in Tanzania. Such instruments carry low credit risk.
CARE (tz) BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations, in Tanzania. Such instruments carry moderate credit risk.
CARE (tz) BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations, in Tanzania.
CARE (tz) B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations, in Tanzania.
CARE (tz) C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations, in Tanzania.
CARE (tz) D	Instruments with this rating are in default or are expected to be in default soon.

Modifiers {"+" (plus) / "-"(minus)} can be used with the rating symbols for the categories CARE (tz) AA to CARE (tz) C. The modifiers reflect the comparative standing within the category.

Rating Outlook

The rating outlook can be 'Positive', 'Stable' or 'Negative'.

A 'Positive' outlook indicates an expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term.

A 'Negative' outlook would indicate an expected downgrade in the credit ratings in the medium term on account of expected negative impact on the credit risk profile of the entity in the medium term.

A 'Stable' outlook would indicate expected stability (or retention) of the credit ratings in the medium term on account of stable credit risk profile of the entity in the medium term.

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About CARE Ratings (Africa) Private Limited:

CARE Ratings (Africa) Private Limited (CRAF) is the first credit rating agency to be licensed by the Financial Services Commission of Mauritius in May 2015. It is also recognized by Bank of Mauritius as External Credit Assessment Institution (ECAI) from May 2016. CRAF is also licensed by Capital Markets Authority of Kenya to operate as a Credit Rating Agency in Kenya. CRAF intends to expand across other geographies in Africa with Mauritius as its hub of operations. With an equitable position in the Mauritius capital market, CARE Ratings (Africa) Private Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

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CRAF gets its technical support in the areas such as rating systems and procedures, methodologies, etc. from CARE Ratings Limited on an ongoing basis. CARE Ratings Limited, with an established track record of rating companies over almost three decades, follows a robust and transparent rating process that leverages its domain and analytical expertise backed by the methodologies congruent with the international best practices.

CRAF's Rating Committee consist of full-time members comprising of Senior Rating officials from CARE Ratings Limited and a panel of experienced professionals from Mauritius and African Development Bank.

CRAF has had a pivotal role to play in developing bank debt and capital market instruments including MMIs, corporate bonds and structured credit.