



Q3-2024

Quarterly Report



This is the third quarter report of State Trading Organization plc, for the year 2024.

In compiling this report, STO has made its best efforts to adhere to the Listing Rules, the Corporate Governance Code of Capital Market Development Authority, Minimum Quarterly Reporting Requirements of Capital Market Development Authority and the Securities (Continuing Disclosure Obligation of Issuers) Regulation 2019.

This report includes events for the period from 01st July 2024 to 30th September 2024.

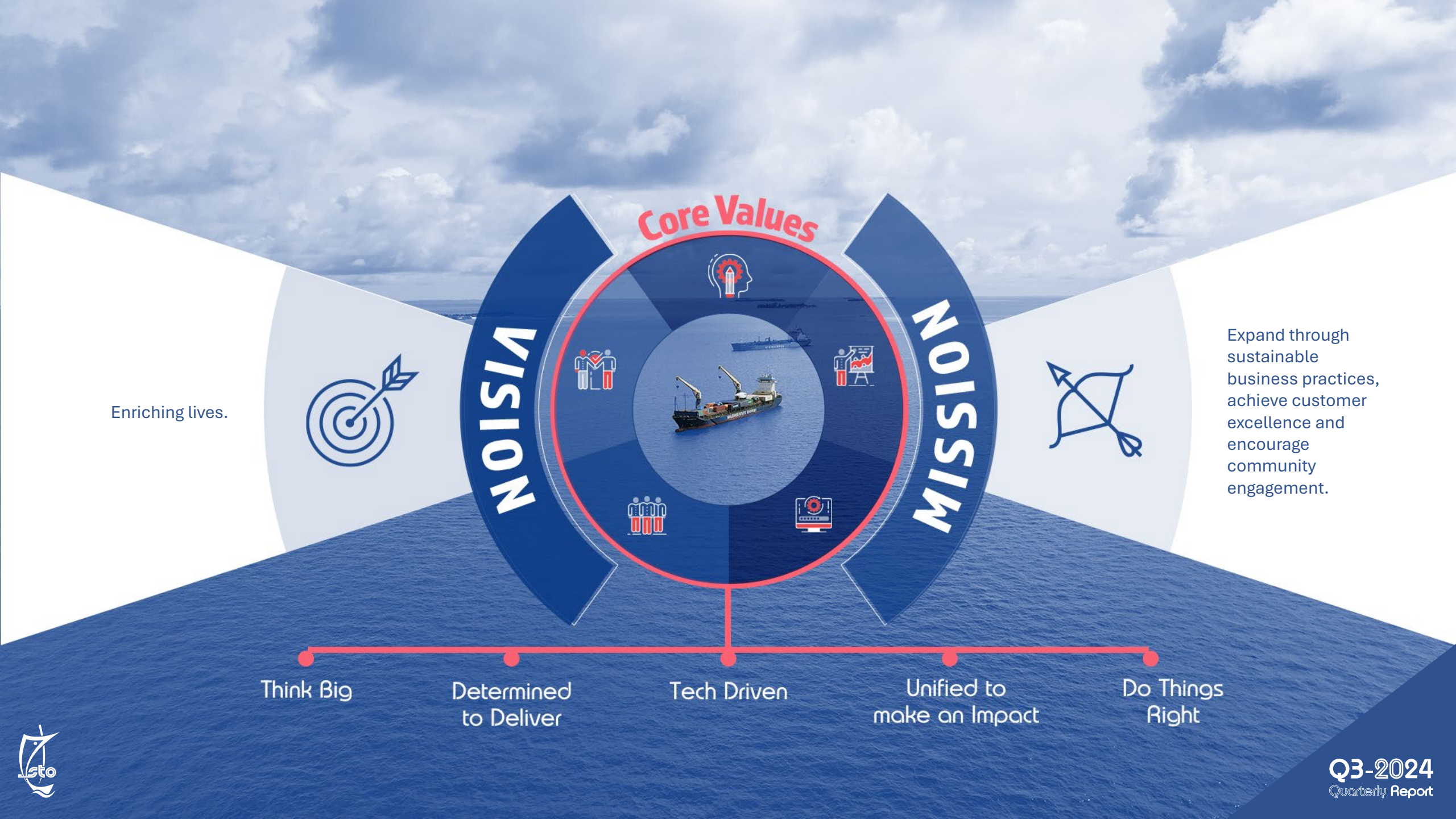
This report was published on 30th October 2024.



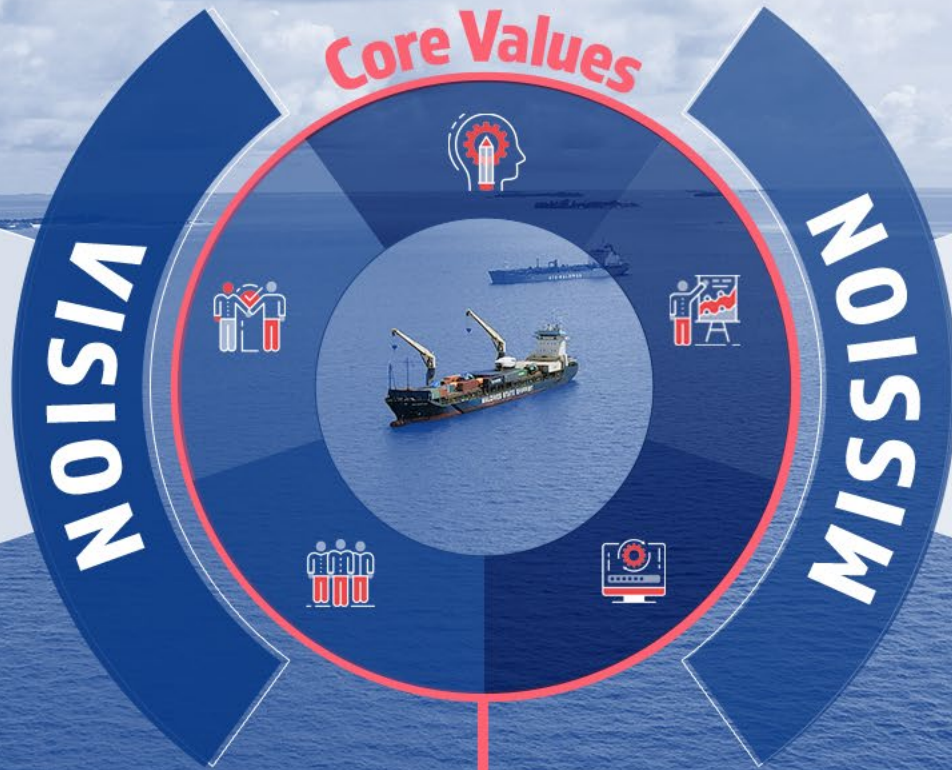
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Core Values



Enriching lives.



Expand through sustainable business practices, achieve customer excellence and encourage community engagement.



Think Big

Determined to Deliver

Tech Driven

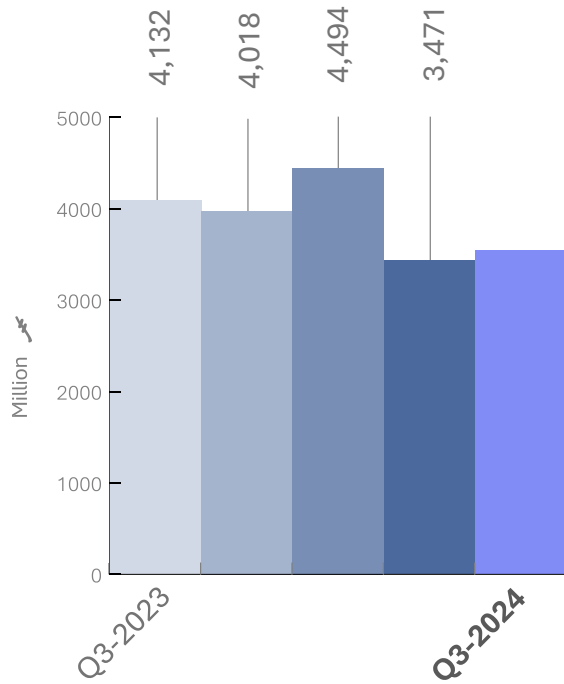
Unified to make an Impact

Do Things Right



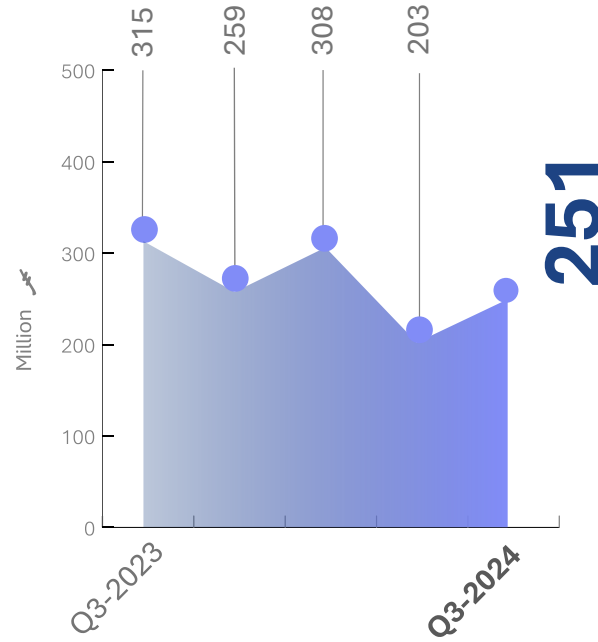
Key Financial Figures

Revenue



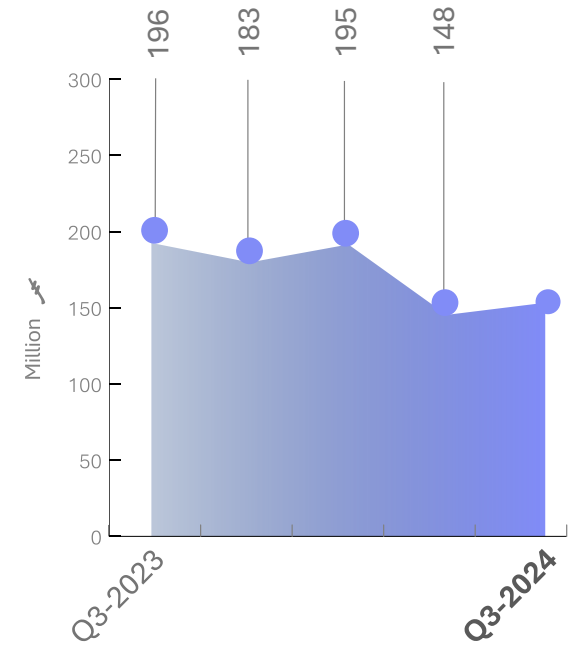
3,579

Operating Profit



251

Net Profit



156

Earnings per Share

174

Q3-2023

162

173

131

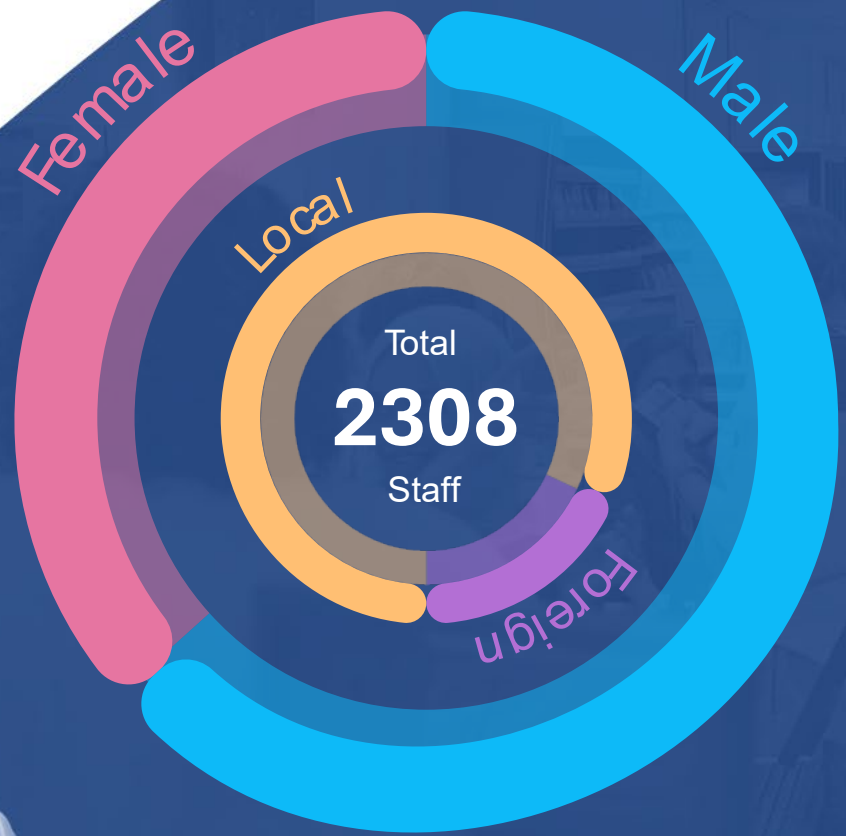
138

Q3-2024

/share



Our People, Our Pride



Category	Q2/2024	Q3/2024	Percentage
Female	1387	1433	62%
Male	863	875	38%
Local	1836	1869	81%
Foreign	414	439	19%

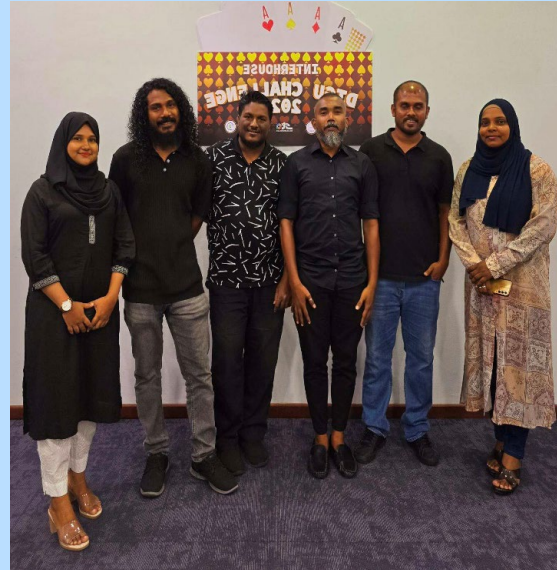
A total of 91 trainings were facilitated for staff, which contributed to MVR 1.5 million in spending.





INTEROFFICE CARROM TOURNAMENT 2024

STO participated in the recent Interoffice Carrom Tournament, where our Women's Team secured the third place in the competition.



INTERHOUSE DIGGU CHALLENGE 2024

The Interhouse Digggu Challenge was a resounding success, with 192 staff members participating and demonstrating high levels of engagement.



INTERHOUSE MASRACE CHALLENGE 2024

On Children's Day, STORC organized an art competition for the children of STO staff. Participants were grouped into four categories, and winners were awarded prize money and free art classes.



THINADHOO CITY INTEROFFICE FUTSAL CHALLENGE 2024

The Thinadhoo STO staff participated in the "Thinadhoo City Interoffice Challenge 2024" as a united team, comprising members from both the STO Thinadhoo shop and pharmacy.



BASIC PHOTOGRAPHY COURSE 2024

A basic photography course was conducted in collaboration with Villa College, where a total of 30 staff participated. The course spanned over 10 days.



CLUB MALDIVES CUP 2024

STO took part in this year's Club Maldives Cup and successfully advanced to the Round of 16.



1st RUNNER-UP AWARD IN BUSINESS TRANSFORMATION CATEGORY

STO was awarded the 1st Runner-Up award in the Line of Business Transformation category at the SAPNOW SEA 2024.

HRP Excellence Awards 2024



EXCELLENCE IN EMPLOYEE WELLNESS AND WELL-BEING AWARD

STO was awarded with the Employee Wellness and Well-being award by the Maldives Association of HR Professionals.



ISPP CONFIRMITY BY IIA

In August 2024, STO Internal Audit Department received a rating of 'Generally Conforms' from the Internal Audit Department to the International Standards for the Professional Practice of Internal Auditing set by Institute of Internal Auditors (IIA).



STO PHARMACY IN DHARUMAVANTHA HOSPITAL

A new STO pharmacy was opened in Dharumavantha Hospital that includes of medicine, hospital equipment and personal care range products. This pharmacy was inaugurated by the Chairman of Board, Mr. Amir Mansoor, on 10th July 2024.



ANNUAL GENERAL MEETING 2023

STO held its AGM 2023 on 12th July 2024. A dividend of MVR80 per share and Deloitte as auditors for 2024 was affirmed through shareholder voting. Mr. Mohamed Ahsan Saleem was appointed to represent public shareholders in the Board for a 2nd year. There was no change to the directors representing Government in the Board.



Q2/2024 REPORT

STO published its Q2/2024 Report, in line with the regulatory deadlines.



MOU SIGNING WITH MPL

STO signed a MOU with MPL on 22nd August 2024, in order to collaborate on providing maritime and OPL services in the Ihavandhippolhu region.



INAUGURATION OF BUNKERING SERVICES IN IHAVANDHIPPOLHU

STO announced the establishment of International Bunkering Service at Ihavandhippolhu atoll, in partnership with Vitol. Situated along a major global maritime route, this development represents a historical milestone in Maldives economic evolution and diversification.



PROPOSAL TO ACQUIRE FENAKA

STO submitted a proposal to the Ministry of Finance in September 2024, proposing to acquire FENAKA Corporate as a subsidiary of STO, effective 01st January 2025.



LAUNCHING SDBIOSENSOR LAB EQUIPMENTS

On 23rd July 2024, SDBiosensor brand was launched to Maldives. This significant addition revolutionizes rapid and point-of-care testing at hospitals, health centers, and clinics across the Maldives.



SIGNED A SERVICE DEALERSHIP AGREEMENT WITH GE HEALTHCARE

STO signed a service dealership agreement with GE Healthcare on 22nd July 2024, becoming the sole authorized service provider in the Maldives for GE Healthcare's radiology equipment. This partnership also provides valuable training opportunities for our engineers, enhancing STO's service capabilities.



LIVING EXPO

STO People's Choice participated in the Living Expo 2024 to promote HITACHI and Russell Hobbs, among other fast-moving consumer goods from brands like Choice, El Sabah, and Devondale.

Major CSR and Sponsor Activities



Sustainable cities and communities

- We made contributions to building and renovating infrastructure in the islands by providing cement, other construction materials, paint and appliances .



Education & Skill Development

- We made contributions to schools and other educational institutions by providing computer systems, supporting various upskilling programs, and offering infrastructure developments and educational workshops.



Good Health & Well-being

- We made contributions to health and well-being initiatives by installing exercise benches to promote active lifestyles in collaboration with sports institutions and raising awareness about physiotherapy in coordination with hospitals.

- No CSR contributions or sponsorships exceeded MVR 100,000

11 SUSTAINABLE CITIES AND COMMUNITIES



4 QUALITY EDUCATION



3 GOOD HEALTH AND WELL-BEING

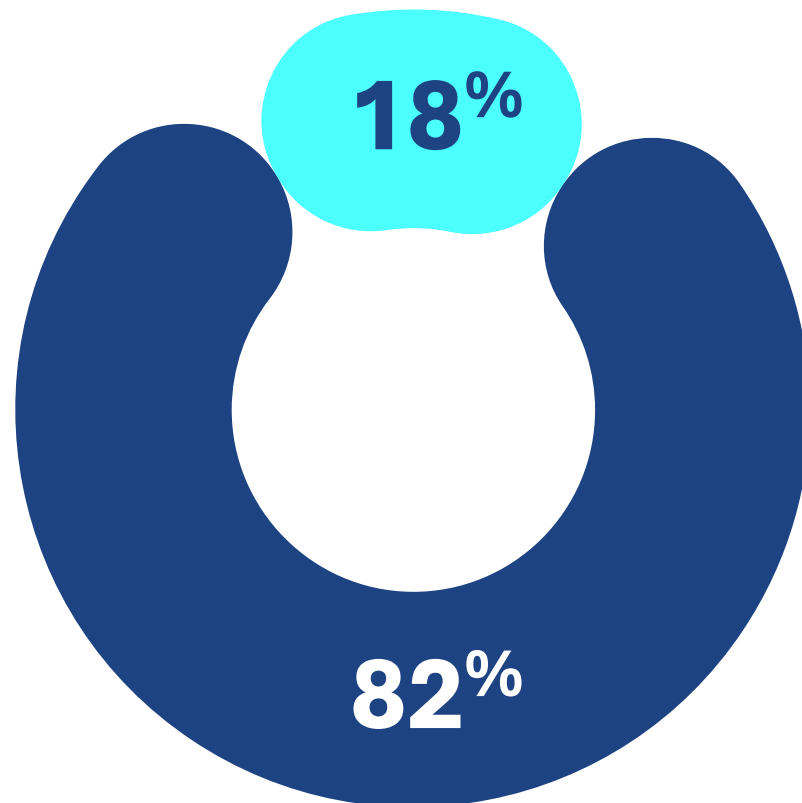


Shareholding Details

Authorized Capital
100,000,000

Paid up Capital
56,345,500

Premium
27,814,500



Public

207,041

Shares @

 **50.00** Each,
amounts to
 **10,352,050**

Government

919,869

Shares @

 **50.00** Each,
amounts to
 **45,993,450**



Share Performance

	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023
Lowest Trading Price (MVR)	1,055	1,000	1,181	1,150	1,270
Highest Trading Price (MVR)	1,150	1,185	1,500	1,500	1,700
Last Trading Price (MVR)	1,075	1,185	1,185	1,500	1,360
No. of Trades	8	20	9	10	16
No. of Securities Traded	194	306	385	319	212
Value of Securities Traded	213,395	359,456	508,350	384,410	287,325
Weighted Average Trade Price (WATP)	1,100	1,175	1,320	1,205	1,355
Market Capitalization (MVR in millions)	1,211	1,335	1,335	1,690	1,532
Dividend Yield %	7	6	6	4	6
Earnings Per Share (EPS in MVR)	138	131	173	162	174
Price Earning Ratio	7.79	9.03	6.85	9.26	5.66

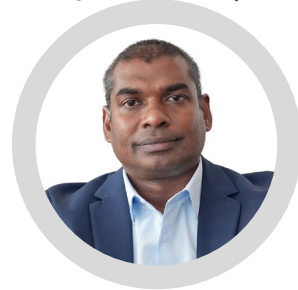
- Dividend yield has been calculated based on dividend value of MVR 80, approved by the shareholders at the last Annual General Meeting held on 12th July 2024.
- Last trade for Quarter 2 was made on 29th September 2024.



Board of Directors and Committee membership

- Directors were last appointed to the Board, at the Annual General Meeting held on 12/7/2024.
- Members were re-elected to Board Committees at the Board Meeting held on 12/7/2023.

Shimad Ibrahim



**Chief Executive Officer /
Managing Director**
Executive Director
(Representing Gov)

Amir Mansoor



Chairman
Independent, Non-Executive
Director
(Representing Gov)

Mohamed Nizam



Chief Financial Officer
Executive Director
(Representing Gov)

Mohamed Ahsan Saleem



**Independent, Non-
Executive Director**
(Representing public
shareholders)
Chairman
Audit & Risk Committee
Member
Governance & Sustainability
Committee

Mohamed Murad



**Non-Independent, Non-
Executive Director**
(Representing Gov)
Member
Governance &
Sustainability Committee
Member
Audit & Risk Committee
Member
Nomination &
Remuneration Committee

Dhaanish Mohamed Ameen



**Independent, Non-
Executive Director**
(Representing Gov)
Chairman
Governance &
Sustainability Committee
Member
Audit & Risk Committee
Member
Nomination &
Remuneration Committee

Reesha Abdul Munnim



**Independent, Non-
Executive Director**
(Representing Gov)
Chairperson
Nomination &
Remuneration Committee
Member
Governance &
Sustainability Committee



Board Activities

The Articles of Association of STO stipulate that the Board should consist of 7 directors, including 2 executive directors and 5 non-executive directors, with the majority being independent. Currently, the Board includes 1 female director.

At the Annual General Meeting held recently on 12th July 2024, the Government appointed 6 members to the Board of Directors, while the public shareholders elected 1 member. Appointed directors and their positions are given on page 18.

There was no change to the shareholding structure of the Company. As such the Government of Maldives represents 81.63% shares while the public represent 18.37% of shares in the Company (Details on page 16).

There were no material transactions with Directors, associates, substantial shareholders or associates, other than those conducted under ordinary course of business.



Major Board Decisions

- Approved to purchase Marine Noel Tanker.
- Appointed Shimad Ibrahim as the Managing Director of the Company for yet another term.
- Approved quarter 2 report for publishing.
- Discussed on the sustainability measures and framework implementation.
- Approved to restructure risk function and integrate into the finance department.
- New Board Committees were formed.
- Discussed on the shareholders concerns raised at the AGM.
- Revised and strengthened the Board information and paper procedures.
- Approved to submit a proposal to acquire FENAKA Corporation.



Board & Board Committee Attendance



● Board Meeting
● Audit & Risk Committee
● Nomination & Remuneration Committee
● Governance & Sustainability



Compliance to Corporate Governance

STO's Board of Directors and Management strongly support the principles of good corporate governance and are committed to embed such principles into the operations and management of STO and its Group.

STO believes that the governance arrangements adopted by STO Group are reflective of a high performing, well governed organization. These arrangements enable the Board and Management to make well informed decisions, provide appropriate accountability and transparency, and establish the proper culture and behaviors. STO also believes that leading governance practices is essential for the long-term sustainability of our businesses.

The Company has also complied with the provisions of its internal policies and procedures which govern its day-to-day operations.

Reporting Compliance

This report has been prepared in compliance with the Capital Market Development Authority's Minimum Criteria for Periodic Reporting for Listed Companies.

There were no fines due on Company with regard to any regulations, during the Quarter.

Financial Highlights

Revenue

3,579

(in millions) MVR
Q2/2024 MVR 3,471 m

Total Expenses

365

(in millions) MVR
Q2/2024 MVR 336 m

Net Profit

156

(in millions) MVR
Q2/2024 MVR 148 m

Earnings per Share

138

Q2/2024 MVR 131 per share

Net Asset per Share

4,188

In MVR
Q2/2024 MVR 4,130

Cash Flow per Share

(591)

In MVR
Q2/2024 MVR 410

Asset Cover Available

2.15

Q2/2024 2.30

Debt Equity Ratio

1.74

Q2/2024 1.79

Debt Service Cover Ratio

0.95

Q2/2024 1.48

Interest Service Cover Ratio

2.53

Q2/2024 2.00

Reserves

4,635

(in millions) MVR
Q2/2024 4,570

Net Worth

4,719

(in millions) MVR
Q2/2024 4,654

Income Statement

	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023
Revenue	3,579,450,008	3,471,021,997	4,493,873,297	4,018,033,229	4,132,461,142
Cost of Sales	(2,987,902,225)	(2,955,612,101)	(3,876,797,285)	(3,495,701,746)	(3,425,238,411)
Gross Profit	591,547,783	515,409,896	617,076,012	522,331,483	707,222,730
Other Operating Income	24,470,582	24,376,956	30,749,620	44,672,201	24,793,408
Selling and Marketing Costs	(103,212,228)	(94,993,080)	(95,720,385)	(24,452,923)	(162,831,952)
Administrative Costs	(260,053,231)	(239,082,261)	(240,785,523)	(280,800,270)	(250,856,880)
Other Operating Expenses	(2,034,128)	(2,420,750)	(3,743,621)	(2,855,941)	(3,736,631)
Operating Profit	250,718,778	203,290,761	307,576,103	258,894,552	314,590,675
Finance Costs	(53,098,598)	(26,290,506)	(72,764,197)	(98,102,287)	(58,646,978)
Profit Before Tax	197,620,179	177,000,255	234,811,906	160,792,264	255,943,697
Income Tax Expense	(41,691,947)	(29,052,690)	(39,793,570)	21,804,037	(60,289,990)
Profit After Tax	155,928,232	147,947,565	195,018,336	182,596,301	195,653,707
Earnings per Share	138	131	173	162	174

- Share of revenue comprises 80% of fuel revenue and 20% of non-fuel revenue.



Balance Sheet

	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023
ASSETS					
NON-CURRENT ASSETS					
Property, Plant and Equipment	2,414,368,246	2,375,648,495	2,257,097,028	2,208,694,071	2,081,077,256
Investment in Subsidiaries	256,297,041	284,899,650	284,899,650	284,899,650	284,899,650
Investment in Associates	10,567,267	10,567,267	10,567,267	10,567,267	10,567,267
Investment in Joint Venture	4,700,000	4,700,000	4,700,000	4,700,000	4,700,000
Available for sale financial assets	63,920,800	2,240,800	2,240,800	2,240,800	2,240,800
Investments	82,627	416,602	750,577	1,084,552	1,489,493
Deferred Tax Asset	134,500,446	134,500,446	134,500,446	134,500,446	110,574,577
Right-of-use Assets	176,581,288	176,581,288	176,581,288	176,581,288	213,869,335
Lease receivable	85,097,843	91,031,993	96,809,478	102,434,433	104,463,988
Other financial investments	824,970,000	1,326,120,000	1,326,120,000	1,017,720,000	1,002,300,000
Total Non-Current Assets	3,971,085,558	4,406,706,541	4,294,266,533	3,943,422,506	3,816,182,365
CURRENT ASSETS					
Inventories	1,086,828,475	1,119,112,658	1,051,164,384	1,452,174,189	1,125,023,574
Trade and Other Receivables	6,018,063,224	5,854,912,949	5,793,372,135	5,413,959,136	5,275,034,194
Other financial investments	1,785,170,000	1,439,250,000	1,308,180,000	912,657,000	766,167,000
Cash and Cash Equivalents	47,819,228	158,387,744	187,174,471	429,293,918	111,501,093
Total Current Assets	8,937,880,926	8,571,663,351	8,339,890,991	8,208,084,244	7,277,725,861
Total Assets	12,908,966,484	12,978,369,891	12,634,157,523	12,151,506,750	11,093,908,225
EQUITY					
Share Capital	56,345,500	56,345,500	56,345,500	56,345,500	56,345,500
Share Premium	27,814,500	27,814,500	27,814,500	27,814,500	27,814,500
General Reserve	1,318,196,052	1,287,010,405	1,257,967,550	1,218,436,257	1,181,916,997
Retained Earnings	3,317,082,338	3,282,492,552	3,166,321,131	3,008,195,960	2,865,712,233
Total Equity	4,719,438,390	4,653,662,958	4,508,448,681	4,310,792,217	4,131,789,230



Balance Sheet (cont.)

	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023
LIABILITIES					
NON-CURRENT LIABILITIES					
Loans and Borrowings	581,197,529	1,027,582,041	1,049,648,131	1,070,651,922	1,104,414,932
CURRENT LIABILITIES					
Current Tax Liabilities	10,128,918	68,846,260	84,688,542	121,728,371	119,606,539
Lease Liabilities	201,192,587	201,192,587	201,192,587	201,192,587	235,984,792
Trade and Other Payables	3,999,947,117	4,573,937,534	3,944,741,706	3,899,194,504	3,414,494,203
Borrowings	3,397,061,945	2,453,148,512	2,845,437,875	2,547,947,147	2,087,618,529
Total Current Liabilities	7,608,330,565	7,297,124,893	7,076,060,710	6,770,062,609	5,857,704,063
Total Liabilities	8,189,528,094	8,324,706,934	8,125,708,841	7,840,714,531	6,962,118,995
Total Equity and Liabilities	12,908,966,484	12,978,369,891	12,634,157,523	12,151,506,750	11,093,908,225



Mohamed Nizam
Chief Financial Officer



Shimad Ibrahim
Managing Director



Mohamed Ahsan Saleem
Chairman of AR Committee



Cash Flow Statement

	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023
Profit before tax	197,620,179	177,000,255	234,811,906	160,792,264	255,943,697
Adjustments for:					
- Depreciation & amortization	32,978,521	32,048,103	29,360,362	40,233,644	26,475,163
- Interest income	(34,084,566)	(27,979,370)	(14,664,183)	(7,738,669)	(4,641,205)
- Interest expense	99,203,361	101,424,653	90,150,248	104,470,650	69,386,878
- Dividend income	(9,900,000)	(44,499,800)	-	-	-
- Provision for impairment of receivables	23,944,701	6,054,064	17,505,906	(67,763,336)	48,297,734
- Provision for impairment of assets	-	-	-	-	46,699,257
- Provision for impairment of investments in shares	28,602,609	-	-	-	-
- Receivables written off	-	5,570,634	219,219	81,390,084	-
- Provision for slow and non-moving inventories	17,102,121	(2,013,054)	8,343,144	(3,698,275)	16,337,200
- Profit on disposal of property, plant and equipment	(67,101)	(140,712)	747	(121,828)	(2,003,005)
Changes in working capital					
- Inventories	15,182,063	(65,788,166)	392,666,661	(323,452,340)	(111,114,271)
- Trade and other receivables	(186,761,001)	(188,965,977)	(618,822,421)	(152,146,748)	(485,915,418)
- Trade and other payables	(650,134,459)	618,172,362	279,161,394	446,489,064	656,150,776
	(466,313,571)	610,882,992	418,732,983	278,454,509	515,616,807
Cash flows from operating activities					
Interest paid	(99,203,361)	(101,424,653)	(90,150,248)	(104,470,650)	(69,386,878)
Income Tax paid	(100,409,290)	(46,997,947)	(76,910,316)	-	(76,910,316)
Net cash generated from / (used in) operating activities	(665,926,222)	462,460,392	251,672,419	173,983,859	369,319,613



Cash Flow Statement (cont.)

	Q3-2024	Q2-2024	Q1-2024	Q4-2023	Q3-2023
Cash flows from investing activities					
Purchases of property, plant and equipment and other financial assets- net	(65,697,021)	(18,200,828)	(81,211,461)	(128,411,030)	(36,945,387)
Sales / (purchases) of available-for-sale financial assets	(61,680,000)	-	-	-	-
(Purchases of) / Proceeds from held-to-maturity financial assets	155,230,000	(131,070,000)	(703,923,000)	(161,910,000)	(451,035,000)
Interest received	34,084,566	27,979,370	14,664,183	7,738,669	4,641,205
Dividends received	9,900,000	44,499,800	-	-	-
Net cash generated from / (used in) investing activities	71,837,545	(76,791,658)	(770,470,279)	(282,582,361)	(483,339,182)
Cash flows from financing activities					
Net proceeds from / (repayment of) borrowings	497,528,920	(414,355,452)	150,611,341	426,565,608	(163,578,969)
Dividends paid to shareholders	(14,008,758)	(100,009)	(100,025)	(174,281)	(105,212)
Net cash generated from / (used in) financing activities	483,520,162	(414,455,461)	150,511,316	426,391,327	(163,684,181)
Net increase / (decrease) in cash and cash equivalents	(110,568,516)	(28,786,727)	(368,286,543)	317,792,826	(277,703,750)
Cash, cash equivalents and bank overdrafts at beginning of the quarter	158,387,744	187,174,471	-	111,501,093	389,204,843
Adjusted cash, cash equivalents and bank overdrafts at the beginning of the quarter	-	-	555,461,014	-	-
Cash, cash equivalents and bank overdrafts at the end of the quarter	47,819,228	158,387,744	187,174,471	429,293,918	111,501,093



Statement of Equity

	Share capital	Share premium	General reserve	Retained earnings	Total
Adjusted balances as at 01st October 2023	56,345,500	27,814,500	1,181,916,997	2,865,712,233	4,131,789,230
Profit for the year	-	-	-	182,596,300	182,596,300
Remeasurement of retirement benefit liability (OCI)	-	-	-	(3,593,313)	(3,593,313)
Transfer to general reserve	-	-	36,519,260	(36,519,260)	-
Balance as at 31st December 2023	56,345,500	27,814,500	1,218,436,257	3,008,195,960	4,310,792,217
Impact on reported profit due to audit adjustments			527,626	2,110,502	2,638,128
Adjusted balances as at 01st January 2024	56,345,500	27,814,500	1,218,963,883	3,010,306,463	4,313,430,345
Profit for the year	-	-	-	195,018,336	195,018,336
Transfer to general reserve	-	-	39,003,667	(39,003,667)	-
Balance as at 31st March 2024	56,345,500	27,814,500	1,257,967,550	3,166,321,131	4,508,448,681
Impact on reported profit due to audit adjustments	-	-	(546,658)	(2,186,631)	(2,733,288)
Adjusted balances as at 01st April 2024	56,345,500	27,814,500	1,257,420,892	3,164,134,501	4,505,715,393
Profit for the year	-	-	-	147,947,565	147,947,565
Transfer to general reserve	-	-	29,589,513	(29,589,513)	-
Balance as at 30th June 2024	56,345,500	27,814,500	1,287,010,405	3,282,492,552	4,653,662,958
Adjusted balances as at 01st July 2024	56,345,500	27,814,500	1,287,010,405	3,282,492,552	4,653,662,958
Profit for the year	-	-	-	155,928,232	155,928,232
Transfer to general reserve	-	-	31,185,646	(31,185,646)	-
Dividends	-	-	-	(90,152,800)	(90,152,800)
Balance as at 30th September 2024	56,345,500	27,814,500	1,318,196,052	3,317,082,338	4,719,438,390



Thank you to all our employees, customers, shareholders, suppliers and other stakeholders.

We are proud to be working with you to support and build a more sustainable Community.

Together, let's continue to enhance our lives

Name of Company

State Trading Organization plc
Company Registration Number C-186/200

Legal form

A Public Listed Company with limited liability. Initially incorporated as a Government Company, Athireemaafannu Trading Account (ATA) on 20th December 1964. Renamed as State Trading Organization on 9th June 1979. Changed to a public listed company on 14th August 2001.

Stock exchange listing

Ordinary shares of the Company are listed at the Maldives Stock Exchange Company Pvt. Ltd.

Registered Address

State Trading Organization plc
Kan'baa Aisa Rani Hingun,
Maafannu,
Male' 20345
Republic of Maldives
Call Centre: 1422
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Website: sto.mv

