

SUMMARY UNAUDITED CONSOLIDATED AND SEPARATE RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

MPICO PLC REG. NO: COYR - A5K1E78

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

Rental income	3 897 929	3 461 347	6 882 542	1 528 130	1 262 887	2 590 041
Increase in fair value of investment properties	6 242 280	4 475 800	8 932 121	1 790 420	1 567 800	3 014 582
Other income	732 337	672 109	1 532 388	781 650	886 751	1 830 126
Dividend income from subsidiaries	-	-	-	840 750	400 000	400 000
Total income	10 872 546	8 609 256	17 347 051	4 940 950	4 117 438	7 834 749
Total operating expenses and finance costs	(3 525 388)	(2 729 115)	(6 408 912)	(2 140 458)	(1 701 616)	(4 536 902)
Total operating expenses and finance costs	(3 525 388)	(2 729 115)	(6 408 912)	(2 140 458)	(1 701 616)	(4 536 902)
Profit before taxation	7 347 158	5 880 141	10 938 139	2 800 492	2 415 822	3 297 847
Taxation	(1 643 047)	(798 210)	(3 871 376)	(550 431)	(290 249)	(242 576)
Profit after taxation for the period	5 704 111	5 081 931	7 066 763	2 250 061	2 125 573	3 055 271
APPROPRIATION OF PROFIT FOR THE PERIOD						
Realised profits	145 080	778 545	947 031	856 081	703 860	259 523
Unrealised profits	3 729 444	2 989 030	4 521 781	1 393 980	1 421 713	2 795 748
Amount attributable to members of the parent company	3 874 524	3 767 575	5 468 812	2 250 061	2 125 573	3 055 271
Amount attributable to non-controlling interests	1 829 587	1 314 356	1 597 951	-	-	-
	5 704 111	5 081 931	7 066 763	2 250 061	2 125 573	3 055 271

Earnings per share (tambala)

Analysed as:	168.6	163.9	238.0			
-Realised (tambala)	6.3	33.9	41.2			
-Unrealised (tambala)	162.3	130.1	196.8			
Number of shares used for calculation	2 298 047 460	2 298 047 460	2 298 047 460			

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

Equity and liabilities

Shareholders' equity

Ordinary share capital	114 902	114 902	114 902	114 902	114 902	114 902
Realisable reserves	6 495 397	6 684 909	6 350 314	10 312 471	10 403 808	9 456 389
Unrealised reserves	45 894 780	40 632 584	42 165 340	22 230 520	19 462 506	20 836 541
Share Premium	8 626 938	8 626 938	8 626 938	8 626 938	8 626 938	8 626 938

EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY

Non-controlling interests	26 326 884	24 622 956	24 906 546	-	-	-
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Total equity	87 458 901	80 682 289	82 164 040	41 284 831	38 608 154	39 034 770
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Liabilities						
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Non-current liabilities	15 075 694	11 532 492	14 217 191	6 393 190	5 908 991	5 994 324
	15 075 694	11 532 492	14 217 191	6 393 190	5 908 991	5 994 324

Current liabilities

Borrowings and trade payables	4 735 144	5 995 359	5 614 124	3 209 267	1 902 708	4 109 071
Bank overdraft	-	705 499	1 318 971	-	705 499	1 318 971
	4 735 144	6 700 858	6 933 095	3 209 267	2 608 207	5 428 042

Total liabilities	19 810 838	18 233 350	21 150 286	9 602 457	8 517 198	11 422 366
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TOTAL EQUITY AND LIABILITIES	107 269 739	98 915 639	103 314 326	50 887 288	47 125 352	50 457 136
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ASSETS

Non-current assets

Investment properties	92 961 148	82 262 546	86 718 868	28 733 709	25 496 507	26 943 289
Other assets	416 266	3 358 488	718 739	14 803 128	14 911 775	14 890 366

Total non-current assets	93 377 414	85 621 034	87 437 607	43 536 837	40 408 282	41 833 655
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Current assets

Trade and other receivables	9 616 718	9 928 748	10 454 319	5 377 117	5 693 576	7 245 112
Promissory notes receivable	533 304	2 986 511	5 095 690	29 636	877 455	1 369 825
Cash and cash equivalents	3 742 303	379 346	326 710	1 943 698	146 039	8 544

Total current assets	13 892 325	13 294 605	15 876 719	7 350 451	6 717 070	8 623 481
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TOTAL ASSETS	107 269 739	98 915 639	103 314 326	50 887 288	47 125 352	50 457 136
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SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

At the beginning of the period	82 164 040	75 600 358	75 600 358	39 034 770	36 482 580	36 482 580
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Realised profit for the period	145 080	778 545	947 031	856 081	703 860	259 523
Amount attributable to minority interests	1 829 587	1 314 356	1 597 951	-	-	-
Unrealised profit for the period	3 729 444	2 989 030	4 521 781	1 393 980	1 421 713	2 795 748
Dividend declared - Final 2022			(503 081)			(503 081)
Dividend declared to minority interests	(409 250)	-	-	-	-	-

At the end of the period	87 458 901	80 682 289	82 164 040	41 284 831	38 608 153	39 034 770
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SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

Cash flows from operating activities

Cash generated by /(used in) operations

Dividend received	-	-	-	1 240 750	-	-
Interest received	393 422	625 908	1 097 564	121 577	194 027	353 979
Interest paid	(460 274)	(374 755)	(778 603)	(93 917)	(53 015)	(226 583)
Dividend paid	-	-	(503 082)	-	-	(503 082)
Dividend paid to non-controlling shareholders	(409 250)	-	-	-	-	-

Cash flows generated/(used in) operating activities

Taxation refunded/(paid)

Net cash generated by/(used in) operating activities

Additions to plant and equipment	-	(4 508)	(19 190)	(3 966)	(3 050)	(13 765)
Proceeds/(costs) on disposal of equipment	14 999	(833)	(893)	14 999	(833)	(893)
Receipts from staff long-term loans	67 304	7 585	13 776	67 304	7 585	13 776

Net cash generated by investing activities

Repayment of borrowings	(433 473)	(285 331)	(616 938)	-	-	-
Net cash used in financing activities	(433 473)	(285 331)	(616 938)	-	-	-
Net increase/(decrease) in cash and cash equivalents	4 734 564	(705 807)	(1 371 915)	3 254 125	(634 784)	(1 385 751)

Cash and cash equivalents at the beginning of the period	(992 261)	379 654	379 654	(1 310 427)	75 324	75 324
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	3 742 303	(326 153)	(992 261)	1 943 698	(559 460)	(1 310 427)

REVIEW OF MID-YEAR RESULTS

The MPICO plc Board is pleased to announce the unaudited results of the Group for the half year ended 30 June 2024.

Rental income increased by 13% to MK3.90 billion from MK3.46 billion in June 2023 due to rent reviews and improved occupancy levels. Fair value gains for the period increased to MK6.24 billion from MK4.48 billion in the corresponding period last year representing a 39% movement. Total operating expenditure for the period increased by 29% to MK3.53 billion from MK2.73 billion in 2023 due to inflationary pressures.

Profit after tax increased to MK5.70 billion in June 2024 from K5.08 billion in June 2023, representing a year-on-year increase of 12% mainly due to fair value gains on the property portfolio.

Government rental arrears at MK3.5 billion remained the same as 31 December 2023. New billings had been offset by a payment of MK2.17 billion that was done in January 2024.

Outlook

Economic growth prospects for 2024 remain weak due to weather shocks and foreign currency shortages. In June 2024, the Reserve Bank of Malawi (RBM) revised its 2024 Gross Domestic Product (GDP) growth forecast downwards by 90 basis points (bps) to 2.3%, citing the impact of El Nino weather conditions on agricultural production and the underperformance of the external sector. Inflation on the other hand is projected to remain elevated due to pressure on both food and non-food costs, and as a result, the authorities are expected to pursue a tight monetary policy stance. This presents a continuing challenging environment for our business revenue generation and increases pressure on the expenses.

The Board will continue to monitor the developments surrounding the economic environment and take the necessary mitigating measures to sustain the business.

Dividend

The Board of Directors has resolved to declare no dividend for the period but will assess the position as the year progresses.

By order of the Board.



Edith Jiya
CHAIRPERSON



Edmund Hami
DIRECTOR