



ICON PROPERTIES PLC

SUMMARY UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2020
In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2020	Unaudited Consolidated 6 months ended 30 June 2019	Audited Consolidated 12 months ended 31 December 2019	Unaudited Separate 6 months ended 30 June 2020	Unaudited Separate 6 months ended 30 June 2019	Audited Separate 12 months ended 31 December 2019
Income						
Rental income	2,507,472	2,498,883	5,099,376	384,448	378,220	756,863
Increase in fair value of investee companies and properties	529,407	2,030,732	4,070,975	502,780	1,290,082	4,169,297
Income from dividends and income	-	2,496	2,496	839,584	671,158	1,665,711
Net investment income	1,333,016	1,054,049	2,320,669	1,165,502	914,991	2,038,803
Other income	223,400	166,533	336,859	132,927	118,256	313,663
Total income	4,593,295	5,752,693	11,830,375	3,025,241	3,372,707	8,944,337
Expenses	(1,007,042)	(1,118,864)	(2,295,793)	(250,614)	(353,636)	(576,779)
Profit before income tax	3,586,253	4,633,829	9,534,582	2,774,627	3,019,071	8,367,558
Income tax expense	(1,474,305)	(2,113,722)	(2,120,950)	(1,084,247)	(862,335)	(1,325,047)
Profit for the period	2,111,948	2,520,107	7,413,632	1,690,380	2,156,736	7,042,511
Attributable to:-						
Owners of the company	2,049,455	2,471,742	7,248,622			
Non-controlling interest	62,493	48,365	165,010			
Profit for the period	2,111,948	2,520,107	7,413,632			
Basic and diluted earnings per share	0.32	0.38	1.09			

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

As at 30 June 2020
In thousands of Malawi Kwacha

	Unaudited Consolidated 30 June 2020	Unaudited Consolidated 30 June 2019	Audited Consolidated 31 December 2019	Unaudited Separate 30 June 2020	Unaudited Separate 30 June 2019	Audited Separate 31 December 2019
ASSETS						
Non-current assets						
Investment properties	58,723,915	54,384,316	57,900,447	11,294,239	10,538,051	11,114,799
Investment in subsidiaries	-	-	-	44,886,520	42,098,127	44,494,350
Investment in associate	-	-	-	1,993,112	1,784,940	1,905,622
Financial asset	91,933	65,505	91,933	91,933	65,505	91,933
Office equipment	-	4,115	-	-	-	-
Investment in treasury notes	11,441,722	-	11,441,722	11,441,722	-	11,441,722
Total non-current assets	70,257,570	54,453,936	69,434,102	69,707,526	54,486,623	69,048,426
Current assets						
Trade and other receivables	2,320,353	1,630,378	1,469,180	2,468,207	306,922	1,421,115
Tax recoverable	477,377	636,883	528,415	-	33,835	-
Cash and cash equivalents	8,552,453	18,519,842	7,946,760	4,294,778	15,191,598	3,995,490
Total current assets	11,350,183	20,787,103	9,944,355	6,762,985	15,532,355	5,416,605
Total assets	81,607,753	75,241,039	79,378,457	76,470,511	70,018,978	74,465,031
EQUITY AND LIABILITIES						
Equity						
Share capital	58,209,424	58,209,424	58,209,424	58,209,424	58,209,424	58,209,424
Restructuring reserve	7,841,995	7,841,995	7,841,995	7,841,995	7,841,995	7,841,995
Retained earnings	9,871,707	3,713,372	7,822,252	9,243,117	3,334,962	7,552,737
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY	75,923,126	69,764,791	73,873,671	75,294,536	69,386,381	73,604,156
Non-controlling Interest	1,423,652	1,274,957	1,361,159	-	-	-
Total equity	77,346,778	71,039,748	75,234,830	75,294,536	69,386,381	73,604,156
Non-current liabilities						
Deferred tax liability	2,952,914	3,142,049	2,288,682	642,919	394,408	160,080
Deferred Income	541	902	722	-	-	-
Total non-current liabilities	2,953,455	3,142,951	2,289,404	642,919	394,408	160,080
Current liabilities						
Trade and other payables	808,802	1,014,112	1,268,032	85,355	238,189	700,795
Tax payable	496,415	44,228	586,191	447,701	-	-
Overdraft	2,303	-	-	-	-	-
Total current liabilities	1,307,520	1,058,340	1,854,223	533,056	238,189	700,795
Total equity and liabilities	81,607,753	75,241,039	79,378,457	76,470,511	70,018,978	74,465,031

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

For the six months period ended 30 June 2020
In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2020	Unaudited Consolidated 6 months ended 30 June 2019	Audited Consolidated 12 months ended 31 December 2019	Unaudited Separate 6 months ended 30 June 2020	Unaudited Separate 6 months ended 30 June 2019	Audited Separate 12 months ended 31 December 2019
Balance at the beginning of period	75,234,830	68,536,891	68,536,891	73,604,156	67,229,645	67,229,645
Distributable profit for the year	802,079	1,802,401	3,774,503	1,056,348	1,180,964	2,793,392
Non-distributable profit for the year	1,309,869	717,706	3,639,129	634,032	975,772	4,249,119
Dividends paid	-	-	(668,000)	-	-	(668,000)
Dividends paid by subsidiary to non controlling interest shareholder:	-	(17,250)	(47,693)	-	-	-
Balance at the end of period	77,346,778	71,039,748	75,234,830	75,294,536	69,386,381	73,604,156

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

For the six months period ended 30 June 2020
In thousands of Malawi Kwacha

	Unaudited Consolidated 6 months ended 30 June 2020	Unaudited Consolidated 6 months ended 30 June 2019	Audited Consolidated 12 months ended 31 December 2019	Unaudited Separate 6 months ended 30 June 2020	Unaudited Separate 6 months ended 30 June 2019	Audited Separate 12 months ended 31 December 2019
Net cash used in operating activities	(435,566)	(179,166)	1,615,977	(1,426,997)	(1,899,340)	(3,176,835)
Net cash used in investing activities	(294,060)	(391,584)	(11,007,313)	(68,830)	(35,091)	(7,825,712)
Net cash generated from financing activities	1,333,016	1,036,803	(715,693)	1,795,115	1,459,992	(668,000)
Net increase/(decrease) in cash and cash equivalents	603,390	466,053	(10,107,029)	299,288	(474,439)	(11,670,547)
Balance at the beginning of period	7,946,760	18,053,789	18,053,789	3,995,490	15,666,037	15,666,037
Cash and cash equivalents at the end of period (Including Overdraft)	8,550,150	18,519,842	7,946,760	4,294,778	15,191,598	3,995,490

PERFORMANCE

The average occupancy rate across the property portfolio remained above 90% throughout the reporting period. The Group generated total income of K4.6 billion (2019: K5.8 billion) for the six months period. The main cause of the variance with the corresponding period was due to the impact of COVID-19 which affected property revaluation gains and planned rental escalations. Total expenses for the period were at K1.0 billion (2019: K1.1 billion). Some of the major expense areas included property and administrative management fees, repairs and maintenance and utility costs which amounted to K441 million (2019: K562 million). Several planned activities were delayed due to the impact of COVID-19 hence the positive variance with the corresponding period. Some of these activities may occur later in the year.

The Group reported a profit after tax of K2.1 billion (2019: K2.5 billion) for the six months period ended 30 June 2020.

CHALLENGES

The COVID 19 pandemic continues to affect all aspects of life in the country. The property industry has not been spared as it has seen stagnation in growth amidst uncertainty. The most notable impact has been on capital gains on the property portfolio which has seen a significant reduction compared to the previous period. The revaluation gains at half year were driven by internal developments following the conclusion of refurbishments of Lilongwe City Mall and some NBS Bank plc occupied buildings in Blantyre and Mzuzu, that are anticipated to yield future returns.

Some tenants showed visible difficulties due to the initial reaction to the COVID-19 pandemic, which in turn affected recoverability of rentals early on. The Group continues to accommodate those most affected by the pandemic.

OUTLOOK

The Malawian economy faces downside risks amidst the pandemic, this will in turn affect the Group's business. It is expected that demand for rental space in the country will continue to stagnate throughout the remainder of the year as we adapt to the new environment. Property valuation gains are hence expected to be minimal for the rest of the year save for gains coming from value additions.

External travel restrictions in the region will continue to affect development works which are in the planning stages. Despite the foregoing challenges works began to refurbish Kapeni House in Blantyre. By the end of the year the Group also intends to conclude the installation of parking management systems at its shopping centres.

DIVIDEND

The Directors have recommended an interim dividend of K734.8 million (2019: K668 million) representing 11 tambala per share. The dividend payment date will be announced after the Company's Annual General Meeting (AGM).

APPROVAL OF THE FINANCIAL STATEMENTS

The half year summary unaudited consolidated and separate financial statements were approved by the Board of Directors on 28 August 2020.

CHAIRMAN

R. Scharar

DIRECTOR

D. Kamkwaba



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