

SUMMARY UNAUDITED CONSOLIDATED AND SEPARATE RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

MPICO PLC REG. NO 1495

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS

	CONSOLIDATED UNAUDITED 6 months to 30-Jun-22 K'000	CONSOLIDATED UNAUDITED 6 months to 30-Jun-21 K'000	CONSOLIDATED AUDITED 12 months to 31-Dec-21 K'000	SEPARATE UNAUDITED 6 months to 30-Jun-22 K'000	SEPARATE UNAUDITED 6 months to 30-Jun-21 K'000	SEPARATE AUDITED 12 months to 31-Dec-21 K'000
Rental income	3,303,084	3,148,962	6,613,794	1,228,331	1,176,993	2,392,500
Increase in fair value of investment properties	3,322,300	2,477,600	5,425,600	1,156,000	810,600	1,737,000
Other income	459,716	798,750	1,155,745	817,538	1,680,652	1,999,034
Dividend income from subsidiaries	-	-	-	974,000	-	-
Total income	7,085,100	6,425,312	13,195,139	4,175,869	3,668,245	6,128,534
Total operating expenses and finance costs	(2,116,759)	(2,156,408)	(5,505,991)	(1,288,810)	(1,217,094)	(2,973,065)
Profit before income tax	4,968,341	4,268,904	7,689,148	2,887,059	2,451,151	3,155,469
Income tax expense	(1,807,000)	(1,427,743)	(1,266,558)	(650,246)	(775,628)	(961,538)
Profit after taxation for the period	3,161,341	2,841,161	6,422,590	2,236,813	1,675,523	2,193,931
APPROPRIATION OF PROFIT FOR THE PERIOD						
Distributable profits	968,905	1,005,704	1,140,863	1,453,943	1,105,378	870,033
Non-distributable profits	1,554,150	1,330,703	3,564,801	782,870	570,145	1,323,898
Amount attributable to members of the parent company	2,523,055	2,336,407	4,705,664	2,236,813	1,675,523	2,193,931
Amount attributable to non-controlling interests	638,286	504,754	1,716,926	-	-	-
	3,161,341	2,841,161	6,422,590	2,236,813	1,675,523	2,193,931
Earnings per share (tambala)	109.8	101.7	204.8			
Analysed as:						
- Distributable (K)	42.2	43.8	49.6			
- Non-distributable (K)	67.6	57.9	155.1			
Number of shares used for calculation	2,298,047,460	2,298,047,460	2,298,047,460			

STATEMENTS OF FINANCIAL POSITION

EQUITY AND LIABILITIES						
Ordinary share capital	114,902	114,902	114,902	114,902	114,902	114,902
Distributable reserves	6,543,807	7,626,229	5,574,906	10,312,003	9,949,187	8,858,060
Non-distributable reserves	34,561,081	29,505,572	33,006,932	16,955,573	15,482,390	16,172,702
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	49,846,728	45,873,641	47,323,678	36,009,416	34,173,417	33,772,602
Non-controlling interests	21,793,862	20,417,155	21,481,571	-	-	-
TOTAL EQUITY	71,640,590	66,290,796	68,805,249	36,009,416	34,173,417	33,772,602
LIABILITIES						
Deferred tax	10,806,078	8,512,137	10,200,483	5,608,443	5,099,197	5,238,579
Borrowings	3,601,410	4,038,504	3,601,410	-	-	-
	14,407,488	12,550,641	13,801,893	5,608,443	5,099,197	5,238,579
Current liabilities						
Borrowings and trade payables	1,185,632	1,442,734	1,823,706	403,063	823,217	730,393
Bank overdraft	556,095	1,220,989	1,092,570	556,095	1,220,989	1,092,570
	1,741,727	2,663,723	2,916,276	959,158	2,044,206	1,822,963
TOTAL LIABILITIES	16,149,215	15,214,364	16,718,169	6,567,601	7,143,403	7,061,542
TOTAL EQUITY AND LIABILITIES	87,789,805	81,505,160	85,523,418	42,577,017	41,316,820	40,834,144
ASSETS						
NON-CURRENT ASSETS						
Investment properties	74,418,146	68,136,846	71,095,847	22,656,207	20,562,807	21,500,207
Other assets	1,809,340	580,227	2,609,980	14,973,670	15,027,797	15,011,669
Total non-current assets	76,227,486	68,717,073	73,705,827	37,629,877	35,590,604	36,511,876
CURRENT ASSETS						
Trade and other receivables	7,917,661	6,297,827	8,321,307	3,836,051	4,200,952	3,496,577
Promissory notes receivable	3,068,982	5,669,416	3,068,982	760,250	1,479,984	760,250
Cash and bank equivalents	575,676	820,844	427,302	350,839	45,280	65,441
Total current assets	11,562,319	12,788,087	11,817,591	4,947,140	5,726,216	4,322,268
TOTAL ASSETS	87,789,805	81,505,160	85,523,418	42,577,017	41,316,820	40,834,144

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

At the beginning of the period	68,805,249	63,514,134	63,514,134	33,772,602	32,497,894	32,497,894
Distributable profit for the year	968,905	1,005,704	1,140,863	1,453,943	1,105,378	870,033
Amount attributable to minority interests	638,286	504,754	1,716,926	-	-	-
Non-distributable profit for the year	1,554,150	1,330,703	3,564,801	782,870	570,145	1,323,898
Dividend declared - Final 2020	-	-	(855,708)	-	-	(643,456)
Dividend declared - Interim 2021	-	-	(275,767)	-	-	(275,767)
Dividend declared to minority interests	(326,000)	(64,500)	-	-	-	-
At the end of the period	71,640,590	66,290,796	68,805,249	36,009,416	34,173,417	33,772,602

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

	CONSOLIDATED UNAUDITED 6 months to 30-Jun-22 K'000	CONSOLIDATED UNAUDITED 6 months to 30-Jun-21 K'000	CONSOLIDATED AUDITED 12 months to 31-Dec-21 K'000	SEPARATE UNAUDITED 6 months to 30-Jun-22 K'000	SEPARATE UNAUDITED 6 months to 30-Jun-21 K'000	SEPARATE AUDITED 12 months to 31-Dec-21 K'000
Cash flows from operating activities	2,468,190	7,670,141	3,519,871	1,364,435	1,801,677	1,314,853
Return on investment and servicing of finance						
Dividend received	-	-	-	374,000	85,500	557,750
Interest received	417,294	691,945	1,036,240	130,981	179,780	279,786
Interest paid	(363,636)	(388,698)	(737,444)	(96,467)	(106,624)	(175,921)
Dividend paid	-	-	(919,223)	-	-	(919,223)
Dividend paid outside shareholders, including tax	(326,000)	(64,500)	(212,250)	-	-	-
Net cash flows from returns on investment and servicing of finance	2,195,848	7,908,888	2,687,194	1,772,949	1,960,333	1,057,245
Income tax paid	(1,310,295)	(1,331,882)	(1,840,436)	(948,493)	(316,950)	(781,137)
Net cash flows generated from operating activities	885,553	6,577,006	846,758	824,456	1,643,383	276,108
Purchase of property, plant and equipment and additions to investment properties	(10,665)	(31,911)	(63,385)	(8,830)	(13,221)	(39,519)
Proceeds on disposal of non-current assets	282	1,379	68,377	282	1,379	68,371
Additions in capital work in progress	-	-	(12,651)	-	-	-
Staff long-term loan movements	5,965	(30,425)	(35,252)	5,965	(30,425)	(35,248)
Net cash used in investing activities	(4,418)	(60,957)	(42,911)	(2,583)	(42,267)	(6,396)
Net cash flow before financing activities	881,135	6,516,049	803,847	821,873	1,601,116	269,712
Repayment of borrowings	(196,286)	(62,103)	(284,439)	-	-	-
Net cash used in financing activities	(196,286)	(62,103)	(284,439)	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENT	684,849	6,453,946	519,408	821,873	1,601,116	269,712
Cash and cash equivalents at the beginning of the period	(665,268)	(1,184,676)	(1,184,676)	(1,027,129)	(1,296,841)	(1,296,841)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	19,581	5,269,270	(665,268)	(205,256)	304,275	(1,027,129)

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 2022.

Rental income increased by 5% to MK3.30 billion from MK3.15 billion in June 2021 due to rent reviews and improved occupancy levels. Fair value gains for the period increased to MK3.32 billion from MK2.48 billion in the corresponding period last year representing a 34% movement. Total operating expenditure for the period decreased by 2% to MK2.11 billion from MK2.16 billion in 2021 as one-off expenses such as discounting costs were not incurred in the current reporting period.

Profit after tax increased to MK3.16 billion in June 2022 from K2.84 billion in June 2021, representing a year-on-year increase of 11% due to improved income.

Government rental arrears decreased to MK3.7 billion as at 30 June 2022 from K4.8 billion as at 31 December 2021. This was due to a significant payment by Government in April 2022.

OUTLOOK


Economic growth prospects remain weak with significant downside risks ranging from uncertain weather patterns to productivity inhibitors like insufficient power supply. At the time of writing the economy was expected to grow by 2.7% in 2022 compared to an estimated 2.2% in 2021, a downward revision from the earlier projection of 4% by the experts. Further downside risks include possible future waves of the Covid-19 pandemic and restrained business activity due to forex shortages. Inflation is projected to remain elevated following potential further hikes in utility tariffs, maize and energy prices.

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



Chris Kapanga
Director