



MALAWI STOCK EXCHANGE

24 August 2023

The Company Secretary
MPICO Plc
P.O Box 30459
LILONGWE

Attention: Chifundo Kalaile

Dear Madam,

**RE: SUMMARY UNAUDITED CONSOLIDATED AND SEPARATE FINANCIAL
STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023**

We refer to the above subject matter and advise that the financial statements are in order and have been approved for publication.

Kindly ensure to publish the notice on a business day within 72 hours from the date of this letter.

Yours faithfully,

KELLINE CHRISTABEL KONDOWE
CHIEF OPERATING OFFICER



SUMMARY UNAUDITED CONSOLIDATED AND SEPARATE RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

MPICO PLC REG. NO. COYB-ASMK178

	CONSOLIDATED UNAUDITED		CONSOLIDATED AUDITED		SEPARATE UNAUDITED		SEPARATE AUDITED	
	6 months to 30-Jun-23 K'000	6 months to 30-Jun-22 K'000	12 months to 31-Dec-23 K'000	12 months to 31-Dec-22 K'000	6 months to 30-Jun-23 K'000	6 months to 30-Jun-22 K'000	12 months to 31-Dec-23 K'000	12 months to 31-Dec-22 K'000
Rental income	3,461,347	3,303,084	6,841,041	6,841,041	1,762,887	1,738,331	2,468,693	2,468,693
Increase in fair value of investment properties	4,478,800	3,323,300	6,690,900	6,690,900	1,567,800	1,156,000	2,428,600	2,428,600
Other income	672,103	459,716	1,027,878	1,027,878	886,751	877,538	1,183,365	1,183,365
Dividend income from subsidiaries	-	-	-	-	490,000	974,000	1,716,000	1,716,000
Total income	8,609,256	7,085,100	14,559,819	14,559,819	4,117,438	4,175,869	7,796,558	7,796,558
Total operating expenses and finance costs	(2,729,115)	(2,116,759)	(5,554,560)	(5,554,560)	(1,701,616)	(1,288,810)	(3,543,388)	(3,543,388)
Profit before income tax	5,880,141	4,968,341	9,005,259	9,005,259	2,415,822	2,887,059	4,253,170	4,253,170
Income tax expense	(798,700)	(807,923)	(867,763)	(867,763)	(793,749)	(659,748)	(774,833)	(774,833)
Profit after taxation for the period	5,081,441	4,160,418	8,137,496	8,137,496	1,622,073	2,227,311	3,478,337	3,478,337
APPROPRIATION OF PROFIT FOR THE PERIOD								
Reserve profits	778,545	968,905	1,669,877	1,669,877	703,860	1,423,943	1,600,247	1,600,247
Linea share profits	2,989,030	1,554,150	4,636,627	4,636,627	1,421,713	782,870	1,868,091	1,868,091
Amount attributable to members of the parent company	3,767,575	2,523,055	6,306,504	6,306,504	3,125,573	2,206,813	3,468,338	3,468,338
Amount attributable to non-controlling interests	314,356	637,363	1,270,992	1,270,992	506,510	620,498	810,039	810,039
5,081,441	3,160,418	8,137,496	8,137,496	2,125,573	2,226,813	3,468,338	3,468,338	
Earnings per share (tambala)	163.9	109.8	249.2	249.2	42.2	47.4	67.6	67.6
Analysed as:								
Reserve (tambala)	33.9	42.2	47.4	47.4	33.9	33.9	33.9	33.9
Linea share (tambala)	130.1	67.6	201.8	201.8	8.3	13.5	33.7	33.7
Number of shares used for calculation	2,298,047,462	2,298,047,462	2,298,047,462	2,298,047,462	2,298,047,462	2,298,047,462	2,298,047,462	2,298,047,462

STATEMENTS OF FINANCIAL POSITION							
EQUITY AND LIABILITIES							
	30-Jun-23	30-Jun-22	31-Dec-23	31-Dec-22	30-Jun-23	30-Jun-22	31-Dec-22
Ordinary share capital	114,902	114,902	114,902	114,902	114,902	114,902	114,902
Reserve reserves	6,684,909	6,543,807	5,905,354	10,403,808	10,372,003	9,699,948	9,699,948
Linea share reserves	40,832,284	34,567,087	37,643,559	39,465,506	39,465,506	39,465,506	39,465,506
Share Premium	8,656,938	8,656,938	8,656,938	8,656,938	8,656,938	8,656,938	8,656,938
EQUITY ATTRIBUTABLE TO OWNERS OF PARENT COMPANY	56,059,333	49,846,728	52,291,753	38,608,154	36,009,416	36,482,580	36,482,580
Non-controlling interests	24,627,956	21,793,662	23,308,595	23,308,595	23,308,595	23,308,595	23,308,595
TOTAL EQUITY	80,687,289	71,640,390	75,600,348	38,608,154	36,009,416	36,482,580	36,482,580
LIABILITIES							
Non-current liabilities	11,537,497	14,407,468	11,559,743	5,908,991	5,608,443	5,797,748	5,797,748
Current liabilities	5,995,359	1,188,627	5,729,067	1,907,709	403,063	1,433,427	1,433,427
Borrowings and trade payables	706,499	856,095	705,499	705,499	556,095	556,095	556,095
Bank overdraft	6,288,860	332,532	6,023,568	1,202,210	846,968	877,332	877,332
TOTAL LIABILITIES	16,223,860	16,144,215	16,868,810	6,817,989	6,547,601	7,185,175	7,185,175
TOTAL EQUITY AND LIABILITIES	96,911,149	87,784,605	92,469,158	47,125,352	42,557,017	43,667,755	43,667,755
ASSETS							
NON-CURRENT ASSETS							
Investment properties	87,762,546	74,418,146	77,786,747	25,496,507	22,656,207	23,978,707	23,978,707
Other assets	3,358,488	1,809,340	3,415,988	1,491,775	1,491,775	1,491,775	1,491,775
Total non-current assets	91,121,034	76,227,486	81,202,735	26,988,282	24,148,000	25,470,482	25,470,482
CURRENT ASSETS							
Trade and other receivables	9,928,748	7,977,651	10,906,779	5,693,576	3,836,061	4,720,475	4,720,475
Promissory notes receivable	2,985,211	3,068,981	2,411,024	703,860	760,250	760,250	760,250
Cash and bank equivalents	379,365	575,675	379,654	146,039	360,839	75,324	75,324
Total current assets	13,293,324	11,622,307	13,697,457	6,543,475	4,957,150	5,556,049	5,556,049
TOTAL ASSETS	104,414,358	87,849,793	94,900,193	33,531,757	29,095,150	31,026,531	31,026,531

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY							
	2023	2022	2023	2022	2023	2022	2022
At the beginning of the period	75,600,358	68,805,249	68,805,249	36,482,580	33,772,602	33,772,602	33,772,602
Reserve profits for the period	778,545	968,905	1,669,877	703,860	1,423,943	1,600,247	1,600,247
Amount attributable to minority interests	1,314,356	637,363	1,270,992	506,510	620,498	810,039	810,039
Dividends declared - Final 2022	(7,889,030)	(1,554,150)	(4,636,627)	(1,421,713)	(782,870)	(1,868,091)	(1,868,091)
Dividends declared - Interim 2022	-	-	(301,758)	-	-	(301,758)	(301,758)
Dividends declared to minority interests	-	(336,000)	(584,000)	-	-	-	-
At the end of the period	80,687,289	71,640,390	75,600,348	38,608,154	36,009,416	36,482,580	36,482,580

SUMMARY CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS							
	CONSOLIDATED UNAUDITED	CONSOLIDATED UNAUDITED	CONSOLIDATED AUDITED	SEPARATE UNAUDITED	SEPARATE UNAUDITED	SEPARATE AUDITED	SEPARATE AUDITED
	6 months to 30-Jun-23 K'000	6 months to 30-Jun-22 K'000	12 months to 31-Dec-23 K'000	6 months to 30-Jun-23 K'000	6 months to 30-Jun-22 K'000	12 months to 31-Dec-23 K'000	12 months to 31-Dec-22 K'000
Cash flows from operating activities	(205,722)	2,468,190	4,103,207	(614,128)	1,364,435	1,244,935	1,244,935
Return on investment and servicing of finance							
Dividend received	625,908	477,294	909,847	194,027	374,000	1,716,000	1,716,000
Interest received	(374,755)	(353,636)	(723,859)	(63,015)	(130,981)	(877,331)	(877,331)
Dividend paid	-	(326,000)	(584,000)	-	-	(758,339)	(758,339)
Dividend paid to outside shareholders, including tax	-	-	-	-	-	-	-
Net cash flows from returns on investment and servicing of finance	45,431	2,195,648	2,940,786	(473,116)	1,772,949	2,319,546	2,319,546
Income tax paid	(468,351)	(1,310,795)	(1,443,685)	(166,370)	(948,493)	(1,209,198)	(1,209,198)
Net cash flows generated from operating activities	(422,720)	885,553	1,497,098	(638,486)	824,456	1,110,348	1,110,348
Investing activities							
Purchase of property, plant and equipment and additions to investment properties	(4,509)	(10,625)	(30,678)	(3,050)	(8,830)	(23,442)	(23,442)
Proceeds on disposal of non-current assets	(833)	282	2,223	(833)	282	2,223	2,223
Staff long-term loan movements	7,585	5,865	13,274	7,585	5,865	13,274	13,274
Net cash used in investing activities	2,244	(4,418)	(15,081)	3,702	(2,583)	(7,895)	(7,895)
Net cash flow before financing activities	(420,476)	891,135	1,482,017	(634,784)	821,873	1,102,453	1,102,453
Financing activities							
Recapital of borrowings	(185,331)	(196,789)	(437,095)	-	-	-	-
Net cash used in financing activities	(185,331)	(196,789)	(437,095)	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENT	(605,807)	694,346	1,044,922	(634,784)	821,873	1,102,453	1,102,453
Cash and cash equivalents at the beginning of the period	379,654	(665,768)	(665,768)	75,324	(1,027,198)	(1,027,198)	(1,027,198)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(226,153)	19,578	379,654	(559,460)	(205,256)	75,324	75,324

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 2023.

Rental income increased by 5% to MK3.46 billion from MK3.30 billion in June 2022 due to rent reviews and improved occupancy levels. Fair value gains for the period increased to MK4.48 billion from MK3.32 billion in the corresponding period last year representing a 35% movement. Total operating expenditure for the period increased by 29% to MK2.73 billion from MK2.11 billion in 2022 due to inflationary pressures.

Profit after tax increased to MK5.08 billion in June 2023 from MK3.16 billion in June 2022, representing a year-on-year increase of 61% due to improved income.

Government rental arrears decreased to MK4.9 billion as at 30 June 2023 from MK6.0 billion owing as at 31 December 2022. This was due to payments made by Government through promissory notes in March and April 2023. Arrears as at 31 July 2023 had reduced further to MK3.7 billion after the Government had issued further promissory notes of MK1.6 billion.

OUTLOOK

The economy continues to experience headwinds emanating from uncertain weather patterns, and foreign currency and power supply shortages. Real GDP growth is therefore projected to average a modest 1.7% in 2023, which is a downward revision from the earlier projection of 2.2% in 2022 real GDP growth was estimated at 0.8%. Inflation on the other hand is projected to remain elevated following potential further hikes in utility tariffs and energy prices, as well as sustained rising maize prices. Due to the projected increase in headline inflation, the tight monetary policy stance, interest rates will likely remain high.

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 (2022 Nil), but will assess the position as the year progresses.

By order of the Board,

Edith Jiya
Chairperson

Chris Kapanga
Director

A MEMBER OF THE OLD MUTUAL GROUP

