

PRESS CORPORATION PLC

SUMMARY OF UN-AUDITED RESULTS FOR THE PERIOD ENDED 30TH JUNE 2021

In millions of Malawi Kwacha

STATEMENTS OF COMPREHENSIVE INCOME

		CONSOLIDAT				
	Un-audited 30-Jun-21	Un-audited 30-Jun-20 Restated	Audited 31-Dec-20		Un-audited 30-Jun-20	Audited 31-Dec-20
Continuing operations						
Revenue	117,822	103,657	219,508	347	349	691
Dividend income	· -	-	-	6,191	2,091	9,963
Earnings before interest, tax, depreciation and amortisation	39,007	31,548	65,210	5,359	103	6,366
Depreciation and amortisation	(11,047)	(9,994)	(19,977)	(42)	(54)	(97)
Results from operating activities	27,960	21,554	45,233	5,317	49	6,269
Net interest paid	(4,335)	(3,399)	(6,748)	(861)	(790)	(1,600)
Exchange losses	(431)	(22)	(617)	-	-	-
Net finance cost	(4,766)	(3,421)	(7,365)	(861)	(790)	(1,600)
Share of profit of equity-accounted investments	(225)	918	349	-	-	
Profit before income tax	22,969	19,051	38,21 <i>7</i>	4,456	(741)	4,669
ncome tax expense	(10,105)	(7,376)	(18,350)	(548)	(209)	(869)
Profit for the year from continuing oper- ations Discontinued operations	12,864	11,675	19,867	3,908	(950)	3,800
Profit from discontinued operations	8	8	28			
Profit for the year	12,872	11,683	19,895	3,908	(950)	3,800
Tom for me year	12,072	11,000	17,075	3,700	(750)	3,000
Total other comprehensive income net of tax	1,182	(394)	3,207	(15,964)	12,886	7,904
Total comprehensive income for the year	14,054	11,289	23,102	(12,056)	11,936	11,704
Profit attributable to:						
Equity holders of the company	3,634	3,180	3,590	3,908	(950)	3,800
Non-controlling interest	9,238	8,503	16,305	-	-	-
	12,872	11,683	19,895	3,908	(950)	3,800
Total comprehensive income attributable to:						
Equity holders of the company	4,603	2,786	5,401	(12,056)	11,936	11,704
Non-controlling interest	9,451	8,503	17,701	-	-	-
	14,054	11,289	23,102	(12,056)	11,936	11,704
Earnings per share Basic and diluted earnings per share (MK)	30.23	26.46	29.87			
Basic and diluted earnings per share (MK)						

STATEMENTS OF FINANCIAL POSITION

		CONSOLIDATE	D I		SEPARATE	
	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Audited
	30-Jun-21	30-Jun-20 Restated	31-Dec-20	30-Jun-21	30-Jun-20	31-Dec-20
ASSETS						
Non-current assets						
Property, plant and equipment, right of use assets and investment properties	1 <i>77</i> ,8 <i>55</i>	146,312	162,762	1,568	1,177	1,319
Intangibles	22,571	22,799	22,948	207	219	214
Investments in subsidiaries, joint ventures and associates	48,080	49,353	46,548	319,464	359,695	347,900
Other investments	98,389	82,490	99,927	3,531	4,708	4,120
Loans and advances	149,179	142,114	147,386	-	-	-
Long term receivables and contract assets	2,409	2,211	2,341	1,816	1,541	1,659
Deferred tax assets	12,858	9,682	10,554	-	-	-
	511,341	454,961	492,466	326,586	367,340	355,212
Current assets						
Other investments	195,374	91 , 789	137,590	-	-	-
Loans and advances	69,930	58,604	47,322	-	-	-
Trade and other receivables and contract assets	40,187	30,253	32,241	7,001	2,516	5,522
Other current assets	14,745	10,139	11,148	14,193	458	9,011
Cash and cash equivalents	101,286	73,098	92,196	267	155	82
	421,522	263,883	320,497	21,461	3,129	14,615
Total assets	932,863	718,844	812,963	348,047	370,469	369,827
EQUITY AND LIABILITIES						
Issued capital	1	1	1	1	1	1
Share premium	2,097	2,097	2,097	2,097	2,097	2,097
Reserves and retained earnings	160,699	158,088	155,844	271,698	287,113	283,754

		SEPARATE				
	Un-audited 30-Jun-21	Un-audited 30-Jun-20 Restated	Audited 31-Dec-20	Un-audited 30-Jun-21	Un-audited 30-Jun-20	Audited 31-Dec-20
Total equity & earnings attributable to equity holders of the parent Minority interest	162,797 94,574	160,186 84,208	1 <i>57</i> ,942 8 <i>5</i> ,687	273,796 -	289,211	285,852
Total equity	257,371	244,394	243,629	273,796	289,211	285,852
Non-current liabilities Deferred tax liabilities	5,190	5,286	5,011	58,745	67,915	68,264
Deferred revenue Borrowings, lease liability and provisions	285 62,891	119 <i>57,</i> 896	297 49,831	4,890	8,150	4,890
	68,366	63,301	55,139	63,635	76,065	73,154
Current liabilities Bank overdraft Borrowings and lease liability Other current liabilities	13,467 17,233 576,426 607,126	9,277 5,764 396,108 411,149	9,942 14,726 489,527 514,195	7,135 1,630 1,851	4,025 52 1,116 5,193	4,524 1,663 4,634 10,821
Total liabilities	675,492	474,450	569,334	74,251	81,258	83,975
Total equity and liabilities	932,863	718,844	812,963	348,047	370,469	369,827

STATEMENTS OF CASH FLOWS

STATEMENTS OF CHANGES IN EQUITY

		CONSOLIDATED		JEFARATE	
	Owner's Equity	Non Controlling interest	Total	Total	
at 30 June 2021					
lance at 1 January 2021	157,942	85,687	243,629	285,852	
omprehensive income for the year					
ofit for the year	3,634	9,238	12,872	3,908	
her comprehensive income	1,182	-	1,182	(15,964)	
tal comprehensive income for the year	4,816	9,238	14,054	(12,056)	_
ansactions reported directly in equity	39	4,964	5,003	-	_
vidend to equity holders	-	(5,315)	(5,315)	-	
lance as at period end	162,797	94,574	257,371	273,796	
at 31 December 2020					
lance at 1 January 2020	155,668	<i>75,</i> 601	231,269	277,275	
omprehensive income for the year					
ofit for the year	3,590	16,305	19,895	3,800	
her comprehensive income	1,811	1,396	3,207	7,904	
	5 (0)		00.100	11.70.	
tal comprehensive income for the year	5,401	17,701	23,102	11,704	_
vidend to equity holders	(3,127)	(7,615)	(10,742)	(3,127)	
lance as at period end	157,942	85,687	243,629	285,852	_
					_

CONSOLIDATED

SEPARATE

SEGMENTAL PERFORMANCE

	Financial Services	Telecommu- nications	Energy	Consumer Goods	All other segments	Total
June 2021						
Revenue						
External revenues	54,435	48,341	8,750	5,161	1,135	117,822
Inter-segment revenue	474	1,419	-	-	429	2,322
Segment revenue	54,909	49,760	8,750	5,161	1,564	120,144
Segment operating profit/(loss)	19,928	9,265	1,298	(1,324)	5,518	34,685
Segment interest income	17,720	209	724	(1,524)	425	1,366
Segment interest expense	(596)	(3,362)	(1)	(980)	(1,727)	(6,666)
Segment income tax expense	(6,579)	(2,148)	(659)	(700)	(719)	(10,105)
degineni income rax expense	(0,577)	(2,140)	(037)		(/ 1 /)	(10,103)
Segment Profit/(loss)	12,753	3,964	1,362	(2,296)	3,497	19,280
Depreciation and amortization	2,620	8,288	291	511	223	11,933
Segment assets	675,760	153,833	31,402	3,844	371,227	1,236,066
Segment liabilities	542,413	101,853	5,238	19,063	76,263	744,830
Capital additions	955	15,025	2,053	26	106	18,165
Reconciliation of profit on reportable segments to IFRS measures						
Total profit/(loss) for reportable segments	12,753	3,964	1,362	(2,296)	3,497	19,280
Elimination of dividend income from Group companies	-	-	-	-	(6,191)	(6,191)
Share of profit of equity accounted investees	-	-	-	-	(225)	(225)
Profit for discountinued operation		-	-	-	8	8
Consolidated profit	12,753	3,964	1,362	(2,296)	(2,911)	12,872
June 2020						
Revenue						
External revenues	38,018	46,830	8,154	9,442	1,213	103,657
Inter-segment revenue	340	1,260	-	4	434	2,038
Segment revenue	38,358	48,090	8,154	9,446	1,647	105,695
Segment operating profit/(loss)	16,415	7,708	1,573	(1,403)	(150)	24,143
Segment interest income	-	118	605	1	106	830
Segment interest expense	(267)	(2,429)	(3)	(769)	(1,281)	(4,749)
Segment income tax (expense)/ credit	(4,228)	(2,219)	(692)	-	(237)	(7,376)
Segment Profit/(loss)	11,920	3,178	1,483	(2,171)	(1,562)	12,848
Depreciation and amortization	2,023	7,765	307	522	268	10,885
Segment assets	487,262	129,434	26,094	5,662	375,698	1,024,150
Segment liabilities	376,118	76,400	4,375	15,924	80,206	553,023
Capital additions	1,362	<i>7</i> ,1 <i>7</i> 2	682	90	164	9,470
Reconciliation of profit on reportable segments to IFRS measures						
Total profit/(loss) for reportable segments	11,920	3,178	1,483	(2,171)	(1,562)	12,848
Elimination of dividend income from Group companies	-	-	-	-	(2,091)	(2,091)
Share of profit of equity accounted investees	-	-	-	-	918	918
Profit for discountinued operation	-	-	-	-	8	8
Consolidated profit	11,920	3,178	1,483	(2,171)	(2,727)	11,683

The Board is pleased to present interim results for Press Corporation

PLC for the six-months' period ended 30 June, 2021.
Group profit after tax for the period was MK12.872 billion (2020: MK11.683 billion) representing a 10% increase on prior year. The performance was achieved against a background of a challenging operating environment characterized by severe forex shortages and the disruption from Covid-19 on the supply chain for most

Group companies.

Prior year comparatives were restated to take into account Value Added Tax expenses relating to mobile money and airtime credit transactions. In prior year these were booked at year end, but they have now been reallocated to the period of occurrence.

SEGMENTAL PERFORMANCE

The Financial Services Segment (National Bank of Malawi PLC)
The Bank continued to be the main driver of Group results and delivered satisfactory results which were driven by a 36% increase in net interest income and a 51% growth in non-interest income. Similarly, the Bank's customer deposits and the loan book grew by 43% and 10% respectively, while treasury bills and treasury notes grew by 49%. Results were however negatively impacted by a 41% and 26% increase in operating expenses and loan impairments respectively as the Bank consolidated results from the newly acquired Akiba Bank for the first time.

The Telecommunications Segment (mobile phone company: TNM, and the fixed telephony and broad band company: MTL)
The segment registered a 25% growth in its profit after tax. The mobile phone company registered a 19% growth on its net earnings. As already mentioned above, prior year comparatives were restated to take into account Value Added Tax expenses relating to mobile money and airtime credit transactions. The Company has embarked on several strategic initiatives aimed at regaining its market share and is expected to show significant improvements in the second half. On the other hand, the fixed telephony company reported a 9% improvement in its results driven by improved gross reported a 9% improvement in its results driven by improved gross margins and cost containment. Discussions with an equity investor in the fixed telephony business are progressing well.

The Energy Segment (ethanol manufacturing: PressCane and EthCo)

Both companies are off season during the first quarter of the year. PressCane, however, had an early start and registered an 85% growth in its earnings while Ethanol had a late start and registered an 85% decline in its earnings. Overall, both companies are on track and are expected to deliver planned results.

The Consumer Goods Segment (retail chain: Peoples)
PTC continued to make losses due to a myriad of operating challenges. The search for an equity investor is continuing and some debts may have to be assumed by the Group once an equity

All-Other Segment: (fish farming: Maldeco; and real estate: Press Properties)
The Foods Company had a late start in fish harvests due to the impact of Covid-19 on the Company's supply chain for imported feedstock. Performance is expected to improve in the second half of the year. The real estate business had a good start and registered a 384% growth in its earnings mainly due to improved occupancy

Equity accounted businesses: (Joint ventures: PUMA, a fuel distribution company and Macsteel, a steel processing and trading company; associated companies: Limbe Leaf, a tobacco processing company; and Castel, a bottling and brewing company, Open Connect Limited: a telecom fibre backbone infrastructure company; LifeCo, a pension and asset management company)

management company)
During the period, PCL disposed-off its investment in the bottling

The segment results were below expectations, as all companies except for the fuel distribution business (PUMA) and the newly operationalized LifeCo, reported losses.

Going forward into the second half, results from tobacco processing and trading, being a seasonal business are expected to significantly improve and so too the steel processing businesses as most steel mills where raw materials are sourced are now fully operational.
Full year projections show significant growth in profit in this segment.

The current shortages in forex pose a big risk to achieving planned results. The focus of the Group is on feasibility of new projects and to consolidate gains made in the existing restructured and streamlined portfolios. The search for an equity investor in the retail chain is continuing while negotiations with a prospective investor in the fixed line telephony business are progressing well. The Group is well positioned for growth and management is confident to deliver

DIVIDEND

Directors have resolved to pay an interim dividend amounting to MK721.53 million (2020: MK721.53 million) representing MK6.00 per share (2020:MK6.00 per share). The dividend will be paid on Friday, 29th October 2021 to shareholders whose names appear on the register as at the close of business on 15th October 2021.



