

SENS ANNOUNCEMENT
(the “Notice” or “Announcement”)

ISSUER



Company registration number: 67813
Share Code: MFIN
ISIN: ZM0000000391
Authorised by: Kafula Mwiche – Company Secretary
Contact email: Kmwiche@jaquesandpartners.com

SPONSOR



Stockbrokers Zambia Limited

[Founder member of the Lusaka Securities Exchange]

[Regulated and licensed by the Securities and Exchange Commission of Zambia]

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APPROVAL

The captioned Notice or Announcement has been approved by:

- i. the Lusaka Securities Exchange
- ii. the Securities and Exchange Commission
- iii. Madison Financial Services Plc

RISK WARNING

The Notice or Announcement contained herein contains information that may be of a price-sensitive nature.

Investors are advised to seek the advice of their investment advisor, stockbroker, or any professional duly licensed by the Securities and Exchange Commission of Zambia to provide securities advice.

ISSUED: 01 November 2024

Unaudited Results for the Half Year Period Ended 30 JUNE 2024

In compliance with the requirements of the Securities Act No. 41 of 2016 and the Listing Requirements of the Lusaka Securities Exchange, the Board of Directors of Madison Financial Services Plc wish to announce the unaudited results of the Company for the half year ended 30 June 2024.

CONDENSED INCOME STATEMENT AND COMPREHENSIVE INCOME - JUNE 2024						
	CONSOLIDATED			COMPANY		
	2024	2023	% Δ	2024	2023	% Δ
	ZMW	ZMW		ZMW	ZMW	
Revenue						
Gross written premium	467,327,023	383,090,729	22	-	-	-
Interest and similar income	25,543,794	38,338,360	(33)	38,432	38,432	0
Fees and commission	20,212,867	31,366,889	(36)	4,356,000	3,960,000	10
Investment & other income	60,458,199	47,426,858	27	-	-	-
Total Revenue	573,541,883	500,222,836	15	4,394,432	3,998,432	10
Expenses and transfers to Insurance resevers	(540,381,105)	(491,176,072)	10	(7,276,339)	(6,910,473)	5
Results from operating activities	33,160,778	9,046,764	267	(2,881,907)	(2,912,042)	1
Net finance costs	(17,984,371)	(9,546,054)	88	(6,955,699)	(7,435,846)	(6)
Profit/(loss) before tax	15,176,407	(499,290)	3,140	(9,837,606)	(10,347,888)	5
Income tax	(4,876,137)	2,928,400	267	-	-	-
Profit/(Loss) for the year	10,300,270	2,429,110	324	(9,837,606)	(10,347,888)	5
Net profit attributable to Non-controlling interests	2,278,434	3,855,730	(41)	-	-	-
Net (Loss)/profit attributable to the shareholders of MFS Plc	8,021,836	(1,426,620)	662	(9,837,606)	(10,347,888)	5
	10,300,270	2,429,110		(9,837,606)	(10,347,888)	
Earnings Per Share (EPS)	0.16	(0.03)	662	(0.20)	(0.21)	5
Other comprehensive income	(633,412)	(548,539)	(15)	-	-	-
Total comprehensive income for the period	9,666,858	1,880,571	414	(9,837,606)	(10,347,888)	5

CONDENSED STATEMENT OF FINANCIAL POSITION – 30 JUNE 2024						
	CONSOLIDATED		% Δ	COMPANY		% Δ
	2024	2023		2024	2023	
	ZMW	ZMW		ZMW	ZMW	
ASSETS						
Non-current assets	761,116,245	608,291,138	25	75,770,006	76,199,216	(1)
Current assets	711,017,460	627,187,772	13	12,335,533	13,154,007	(6)
Total assets	1,472,133,706	1,235,478,910	19	88,105,539	89,353,223	(1)
FINANCED BY:						
Equity attributable to the MFS Shareholders	(39,792,563)	(52,521,364)	24	(95,303,136)	(21,262,945)	(348)
Non-controlling Interest	(13,157,725)	(8,171,606)	61	-	-	-
Total Equity	(52,950,288)	(60,692,970)	13	(95,303,136)	(21,262,945)	(348)
Non-current Liabilities	1,117,683,952	902,914,429	24	162,707,741	91,381,642	78
Current liabilities	407,400,042	393,257,452	4	20,700,934	19,234,526	8
Total equity and liabilities	1,472,133,706	1,235,478,910	19	88,105,539	89,353,223	(1)

CONDENSED CASHFLOW STATEMENT - JUNE 2024						
	CONSOLIDATED			COMPANY		
	2024	2023	% Δ	2024	2023	% Δ
	ZMW	ZMW		ZMW	ZMW	
Net cash inflow from operating activities before considering loan advances	247,753,907	65,007,642	281	29,145,733	14,702,609	98
Net cash used in investing activities plus movement in loan advances to customers	(236,828,274)	(118,274,281)	100	429,210	508,649	(16)
Net cash flow on financing activities	24,689,049	(3,230,706)	(864)	(29,494,037)	(15,284,809)	93
Increase/(Decrease) in cash and cash equivalents	35,614,682	(56,497,345)	(163)	80,906	(73,551)	(210)
Cash and cash equivalents at 1 January	48,907,355	119,885,521	(59)	34,787	194,293	(82)
Cash and cash equivalents at 30 June	84,522,037	63,388,176	33	115,693	120,742	(4)

STATEMENT OF CHANGES IN EQUITY - JUNE 2024				
CONSOLIDATED				
	01-Jan-24	COMPREHENSIVE INCOME	OTHER MOVEMENTS	30-Jun-24
SHARE CAPITAL	500,000	-	-	500,000
SHARE PREMIUM	13,659,580	-	-	13,659,580
RETAINED EARNINGS	(158,854,388)	8,021,836	(17,060,815)	(167,893,367)
OTHER RESERVES	50,783,053	-	63,158,171	113,941,224
NON-CONTROLLING INTERESTS	(6,626,670)	2,278,434	(8,809,489)	(13,157,725)
TOTAL	(100,538,425)	10,300,270	37,287,867	(52,950,288)

- 📌 The Group (minus Madison Asset Management Company Limited (MAMCo) which is under the possession of the Securities and Exchange Commission) recorded improved revenue compared to the same period in 2023 mainly at the back of improved gross written premiums and investment income. Overall, revenue increased by 15%.
- 📌 The Group's profit after tax grew by 324% from the period ended June 2023. This was mainly on account of the improved revenue, coupled with cost efficiencies.
- 📌 The improvement in Earning per share (EPS) is primarily attributed to improved profitability from a net loss of K1.426million attributed to the shareholders of the company in June 2023 to a profit of K8.02million resulting in EPS of K0.16 from minus K0.03 in June 2023.
- 📌 The management teams in the investee companies responded well to the Corporate Head Office strategic direction as well as company-specific strategic objectives in order to navigate through the challenges faced by the Group. Some of the measures undertaken included: -
 - Continued company-wide cost rationalisation;
 - Pursuing measures to release liquidity by realigning the asset portfolios and ensuring the collection of receivables on time;
 - Continued customer-centric approaches to business;
 - Strengthening relationships with the insurance brokers; and
 - Refocussing the microfinance outreach programme on micro and small loans.

Arising from the above measures and the results achieved thus far, the board of directors and management are confident of continued positive performance to the year end.

- 📌 Meanwhile, Madison Asset Management Company Limited (MAMCo) has remained under the Possession of the Securities and Exchange Commission since 2 March 2020. In this regard and in accordance with IFRS 10, MAMCo does not form part of the Group's consolidated results.

STATEMENT OF CHANGES IN EQUITY - JUNE 2024				
COMPANY				
	01-Jan-24	COMPREHENSIVE INCOME	OTHER MOVEMENTS	30-Jun-24
SHARE CAPITAL	500,000	-	-	500,000
SHARE PREMIUM	13,659,580	-	-	13,659,580
RETAINED EARNINGS	(98,437,840)	(9,837,606)	(1,187,270.00)	(109,462,716)
TOTAL	(84,278,260)	(9,837,606)	(1,187,270)	(95,303,136)

At the Extraordinary General Meeting held on 4th May 2023, shareholders approved the transfer of identified assets under Madison Asset Management Company Limited (MAMCo) and its' subsidiaries into a Collective Investment Scheme (CIS) to be held in Trust for the benefit of the Fixed Income Fund (FIF) Creditors as complete and final settlement of all liabilities owed to the Fixed Income Fund Creditors.

Arising from the above, MAMCo and the Interim Managers are working on modalities to effect the transfer of the identified assets into the CIS and to resolve all other liabilities in MAMCo.

By Order of the Board

Kafula Mwiche
Company Secretary

Issued in Lusaka, Zambia on – 01 November 2024

Lusaka Securities Exchange Sponsoring Broker



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First Issued on 01 November 2024