



UNAUDITED ABRIDGED GROUP FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

SALIENT FEATURES FOR THE SIX MONTHS

		FY 2025 USD	FY 2024 USD
Revenue	2% Increase	99 671 652	97 246 110
Gross Margin	5% Increase	34 053 166	32 445 225
Operating Profit Before Depreciation and Fair Value Adjustments	14% Increase	14 697 259	12 922 361
Profit For The Period	12% Decrease	5 294 016	6 029 996
Headline Earnings Per Share (Cents)	10% Decrease	0.58	0.64
Interim Dividend Per Share (Cents)	33% Decrease	0.12	0.18
Total Equity	7% Increase	65 130 491	60 858 558
Cash Generated From Operations	26% Decrease	7 192 888	9 742 379

TV Sales & Home Retail

TVSH Group experienced mixed performance across its business units in the first half of FY2025.

TV Sales & Home saw strong trading results, with volumes increasing by 6% from 77,252 to 82,039 units, driving turnover growth by 6%. The first quarter saw credit sales significantly dipping as customers preferred to purchase in cash due to exchange rate disparities between the formal and alternative market rates. Credit sales significantly increased in the second half of the year thereby driving volumes. On the other hand, cash sales grew by 26% compared to prior period which contributed to growth in revenues. During the period the Company opened 2 new shops bringing the total number of branches nationwide to 60, including 4 Bedtime store branches. The business plans to open 2 new stores in the second half of the financial year.

TV Sales & Home Manufacturing

Restapedic grew its volumes by 21% to 25,715 units whilst revenue grew by 14% over the previous comparable period. The strategy to shift production mix in favor of affordable beds started bearing fruits as more units were sold during the half year compared to prior period. Focus is now centered on improving capacity utilization and developing exports markets.

Legend Lounge, however, faced challenges, recording a 10% decline in both sales volumes and value for the half year compared to last year. Competition from the informal sector in the lounge category significantly impacted sales. The business has been restructured to fall under Restapedic with more focus on production of lounge suits with higher returns.

Distribution Group Africa (DGA) - Zimbabwe

Revenue for the half year declined by 25% whilst sales volumes also declined by 28%. As previously disclosed in the FY24 year-end financial commentary, the Group restructured its operations with one of the major suppliers by forming a Joint Venture. Revenues from continuing operations increased by 38%. The business is now poised for better profitability as a result of the restructuring. The results of the Joint Venture are now being equity accounted. DGA won 55% of the Unilever business upon its exit from the Zimbabwean market in Q2.

The Company remains focused on optimizing procurement and distribution efficiency and capacity utilization, while exploring product innovations to enhance competitiveness.

Significant stock losses experienced in the past financial years were limited by tight controls on warehousing and distribution functions.

Looking ahead, the Company remains cautious but optimistic about the full-year outlook. Priorities for the next six months include enhancing cost management, pursuing market expansion opportunities, and streamlining agencies. Going forward, the distribution business has begun to focus on strategic partnerships with key retailers to ensure products are available to the market at competitive prices.

Distribution Group Africa - Region

In Malawi, turnover increased by 14% in Kwacha terms against a volume increase of 5%. However, the Malawi business still faces challenges from counterfeit products and local currency depreciation.

Malawi continues to struggle with severe foreign currency shortages, and the gap between the formal and informal exchange rates is widening. Foreign exchange liquidity remains tight, with transactions heavily skewed towards forward contracts and a significant decline in spot transactions. In December 2024, Reserve Bank of Malawi introduced an 80% retention on proceeds from Non-Governmental Organizations, further impacting foreign currency inflows. These inflows are currently being prioritized to clear the backlog of payments for essential commodities such as fuel, fertilizer, and pharmaceuticals.

In Zambia, turnover in Kwacha terms decreased by 4% for the period under review, on the back of volumes declining by 19%. The volumes decline was primarily attributed to the cessation of a key supplier at the end of June 2024 and sustained competition faced by a key agency in our stable from a local supplier offering alternative products. Strategies have been put in place to restore lost volumes.

Transerv

The Company recorded a 27% increase in revenue on the back of a 4% increase in volumes during the first half of the year compared to the same period last year. This growth is primarily attributed to an increase in solar product sales, and the new branches opened.

The Company has successfully executed most of its expansion plans and now operates through 54 retail outlets and 10 Fitment Centres.

In the second half of the year, the Company will focus on driving revenue growth and implementing cost containment measures to consistently improve profitability and strengthen the bottom line.

PROSPECTS

The Group is confident that the tight monetary policy stance by the Reserve Bank of Zimbabwe shall persist into the near future and that the stability of the ZWG shall continue to contain inflation. The policy measures by the Government to control the informal sector are anticipated to accelerate the recovery of the formal sector and spur demand for the Group's products. It is the Group's responsibility to sell products at affordable prices to consumers and distribute them efficiently.

The Group is working on exploitation of e-commerce opportunities and expanding access to our products for the convenience of our customers. Focus will be made on improving productivity in the manufacturing business and aligning product offering to various market demands.

The Group continues to aggressively look for opportunities for growth in the furniture and automotive spare parts business as well as new agencies in the distribution business.

DIVIDEND

The Board has declared an interim dividend of US\$0.0012 (0.12 US cents) per share in respect of all ordinary shares of the Company. The dividend is payable in respect of the interim period ended 31 December 2024. The dividend will be paid in full to all ordinary shareholders of the Company registered at close of business on the 17th of April 2025. The payment of this dividend will take place on or around the 25th of April 2025. The shares of the Company will be traded cum-dividend on the Victoria Falls Stock Exchange up to the 14th of April 2025 and ex-dividend as from the 15th of April 2025.

The Board has also declared an interim dividend totaling US\$30,000 to the Axia Employee Trust (Private) Limited which will be paid on or around the same date.

APPRECIATION

I express my sincere gratitude to fellow Directors, executives, management and staff for their ongoing efforts during the period under review. Their commitment, under the challenging operating environment, is greatly appreciated. I also take this opportunity to thank the Group's valued customers, suppliers and other stakeholders for their continued support and trust.



L E M NGWERUME
Chairman
20 March 2025

CHAIRMAN'S STATEMENT AND REVIEW OF OPERATIONS

DIRECTORS' RESPONSIBILITY

The Directors of Axia Corporation Limited are responsible for the preparation and fair presentation of the Group's consolidated financial statements. The six months financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Business Entities Act (Chapter 24:31) and the Victoria Falls Stock Exchange ("VFEX") listing requirements.

The principal accounting policies of the Group are consistent with those applied in the previous annual financial statements. The financial statements are prepared with the objective of complying fully with International Financial Reporting Standards (IFRS). Complying with IFRS achieves consistency with the financial reporting framework adopted by the Company and the Group since its inception. Using a globally recognized reporting framework also facilitates understandability and comparability with similar businesses and allows consistency in the interpretation of the financial statements.

OPERATING ENVIRONMENT AND OVERVIEW

The Zimbabwean trading environment in the first half of the financial year has been challenging for the formal retail sector, with several major retailers facing difficulties. The Group relies on an efficient route to market through formal retail channels. The ongoing struggles of some of the major retail giants, underscores the tough operating conditions. Exchange rate stability remained a significant hurdle to the Group's operations. The official exchange rate on local currency depreciated from 13,908 to the US Dollar at the beginning of the year, underwent an official devaluation by 43% on 27 September 2024, and further weakened by 7% to 31 December 2024. These devaluations resulted in substantial financial losses amounting to US\$2.287m being incurred for the Group especially on the ZWG Treasury Bill instruments arising from outstanding auction funds. Additionally, the downsizing and closure of some companies have further dampened effective demand across the economy.

Furthermore, the continued informalization of the economy has negatively impacted formal retail, as compliance costs remain a burden that informal traders often bypass. This has resulted in formal retailers being outpriced in certain product categories, further exacerbating the competitiveness of formal businesses. Of concern is the proliferation of counterfeit products in the market.

In Malawi, the Kwacha continued to weaken, depreciating by 29% against the US Dollar on the informal market and thereby creating a high inflationary environment. Counterfeit and parallel products mainly from within the region, due to different exchange rate behaviors, continue to be a key challenge in this market.

The Zambia Kwacha depreciated by 15.2% against the US Dollar and 11.9% against the South African Rand. This was due to sustained local demand for foreign currency because of food and energy imports.

FINANCIAL OVERVIEW

The Group reported revenue of US\$99.672 million for the period, reflecting a 2% increase compared to the prior period. Gross margin improved by 5%, driven by better cost management. Operating expenditure declined by 1% as the benefits of prior-year cost rationalization initiatives began to materialize, although significant cost pressures persist.

The Group achieved an operating profit of US\$14.697 million, representing a 14% increase compared to the prior period, supported by higher margins, reduced variable costs, and savings in overheads. However, profit after tax declined by 12% to US\$5.294 million, primarily due to financial losses on devaluation of the Zimbabwe local currency which resulted in financial losses amounting to US\$2.287m being incurred. Basic Earnings Per Share (EPS) and Headline Earnings Per Share (HEPS) were both 0.58 US cents, reflecting a 10% decline from the prior year. The Group's statement of financial position remained strong. The Net current asset position increased by US\$4.489 million whilst borrowings declined marginally to close off at US\$20.136 million.

The Group generated cash of US\$7.192 million from operations, representing a 26% decline on the comparative period. This was a result of prepayments of new stock lines to expand the product range for our retail outlets as well as the growth in installment books of both TV Sales & Home by 22% and Transerv by 68% and increased stock for lines with longer lead time. This translated into enhanced free cash generation enabling the Group to incur capital expenditure for the period totaling US\$1.1 million.

SUSTAINABILITY REPORTING

As part of our commitment to sustainable business practices, the Group remains dedicated to applying the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines. We continue to embed these principles across our retail and distribution operations, ensuring that our pursuit of long-term business success goes hand in hand with responsible and sustainable growth.

OPERATIONS

The main operating business units in the Axia Corporation Limited Group are TV Sales & Home (TVSH), Distribution Group Africa (DGA) and Transerv. TVSH is Zimbabwe's leading furniture and electronic appliance retailer with sites located countrywide. It has manufacturing business units, namely Restapedic, a bed manufacturing business and Legend Lounge, a lounge suite manufacturing business. DGA's core areas of expertise lie in inbound clearing and bonded warehousing, ambient and chilled warehousing, logistics, marketing, sales, and merchandising services. Transerv retails automotive spares and accessories through retail stores and fitment centers to service the needs of its customers.



UNAUDITED ABRIDGED GROUP FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

ABRIDGED GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	31 Dec 2024 Unaudited USD	31 Dec 2023 Unaudited USD
Revenue	99 671 652	97 246 110
Operating profit before depreciation and fair value adjustments	14 697 259	12 922 361
financial (losses)/gains	(2 287 098)	832 292
depreciation and amortisation	(3 658 354)	(3 434 236)
Profit before interest and tax	8 751 807	10 320 417
net interest expense	(2 249 474)	(1 919 884)
equity accounted earnings	361 571	203 884
Profit before tax	6 863 904	8 604 417
income tax expense	(1 569 888)	(2 574 421)
Profit for the period	5 294 016	6 029 996
Other comprehensive loss - to be recycled to profit or loss	(1 425 160)	(2 809 484)
exchange differences arising on the translation of foreign entities	(1 425 160)	(2 809 484)
Other comprehensive (loss)/income for the period, net of tax	(1 425 160)	(2 809 484)
Total comprehensive income for the period	3 868 856	3 220 512
Profit for the period attributable to:		
equity holders of the parent	3 210 260	3 562 965
non-controlling interests	2 083 756	2 467 031
	5 294 016	6 029 996
Total comprehensive income for the period attributable to:		
equity holders of the parent	2 497 680	2 158 223
non-controlling interests	1 371 176	1 062 289
	3 868 856	3 220 512

ABRIDGED GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	At 31 Dec 2024 Unaudited USD	At 30 June 2024 Audited USD
ASSETS		
Non-current assets		
property, plant and equipment	26 149 992	27 110 923
right of use assets	10 580 294	12 559 601
investments in associates and joint ventures	3 326 753	2 965 182
deferred tax assets	282 280	295 034
other non-current assets	448 870	-
	40 788 189	42 930 740
Current assets		
financial assets	194 473	400 279
inventories	40 435 805	44 799 015
trade and other receivables	38 084 191	30 726 730
cash and cash equivalents	8 714 028	8 697 147
	87 428 497	84 623 171
Total assets	128 216 686	127 553 911
EQUITY AND LIABILITIES		
Capital and reserves		
ordinary share capital	55 600	55 600
share premium	3 620 572	3 620 572
non-distributable reserves	(4 439 120)	(3 776 289)
distributable reserves	38 896 189	35 685 488
Attributable to equity holders of parent	38 133 241	35 585 371
non-controlling interests	26 997 250	25 273 187
Total shareholders' equity	65 130 491	60 858 558
Non-current liabilities		
deferred tax liabilities	1 701 816	1 779 443
lease liabilities	8 072 866	8 755 360
	9 774 682	10 534 803
Current liabilities		
lease liabilities	3 084 822	4 165 864
interest-bearing borrowings	20 136 014	20 447 000
trade and other payables	27 172 032	28 861 457
provisions and other liabilities	823 930	698 123
current tax liabilities	2 094 715	1 988 106
	53 311 513	56 160 550
Total liabilities	63 086 195	66 695 353
Total equity and liabilities	128 216 686	127 553 911

ABRIDGED GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Ordinary Share Capital	Share premium	Non- Distributable Reserves*	Distributable Reserves	Total	Non- Controlling Interests	Total
	USD	USD	USD	USD	USD	USD	USD
Balance at 30 June 2023	55 600	3 620 572	(2 637 855)	33 142 229	34 180 546	27 551 277	61 731 823
Profit for the year	-	-	-	3 426 711	3 426 711	2 637 197	6 063 908
Other comprehensive loss	-	-	(1 138 434)	-	(1 138 434)	(1 138 434)	(2 276 868)
Dividends paid	-	-	-	(1 631 815)	(1 631 815)	(1 228 490)	(2 860 305)
Transaction with owners in their capacity as owners	-	-	-	748 363	748 363	(2 548 363)	(1 800 000)
Balance at 30 June 2024	55 600	3 620 572	(3 776 289)	35 685 488	35 585 371	25 273 187	60 858 558
Profit for the period	-	-	-	3 210 260	3 210 260	2 083 756	5 294 016
Other comprehensive loss	-	-	(662 831)	-	(662 831)	(662 831)	(1 325 662)
Dividends paid	-	-	-	-	-	(220 566)	(220 566)
Transaction with owners in their capacity as owners	-	-	-	441	441	523 704	524 145
Balance at 31 December 2024	55 600	3 620 572	(4 439 120)	38 896 189	38 133 241	26 997 250	65 130 491

*Non-distributable reserve consists of foreign currency translation reserve and revaluation reserve.

ABRIDGED GROUP STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	31 Dec 2024 Unaudited USD	31 Dec 2023 Unaudited USD
Cash generated from operations	7 192 888	9 742 379
net interest paid	(2 249 474)	(1 919 884)
tax paid	(1 488 208)	(874 642)
Net cash generated from operating activities	3 455 206	6 947 853
Investing activities	(966 135)	(2 010 856)
Net cash inflow before financing activities	2 489 071	4 936 997
Financing activities	(2 472 190)	4 483 002
Increase in cash and cash equivalents	16 881	9 419 999
Cash and cash equivalents at the beginning of the period	8 697 147	2 839 286
Cash and cash equivalents at the end of the period	8 714 028	12 259 285

NOTES AND SUPPLEMENTARY INFORMATION

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

1 CORPORATE INFORMATION

The Company is incorporated and domiciled in Zimbabwe.

2 OPERATING SEGMENTS

The following table represents the summarised financial information of the Group's operating segments for the period ended 31 December 2024:

	Zimbabwe USD	Region USD	Intersegment adjustments USD	Total USD
Revenue				
31 December 2024	79 437 961	20 233 691	-	99 671 652
31 December 2023	74 237 634	23 008 476	-	97 246 110
Operating profit before impairment, depreciation and fair value adjustments				
31 December 2024	12 604 484	2 092 775	-	14 697 259
31 December 2023	10 818 579	2 103 782	-	12 922 361
Depreciation and amortisation				
31 December 2024	(3 475 115)	(183 239)	-	(3 658 354)
31 December 2023	(3 271 457)	(162 779)	-	(3 434 236)
Equity accounted earnings				
31 December 2024	361 571	-	-	361 571
31 December 2023	203 884	-	-	203 884
Profit before tax				
31 December 2024	5 382 814	1 481 090	-	6 863 904
31 December 2023	6 600 010	2 004 407	-	8 604 417
Segment assets				
31 December 2024	152 004 225	18 590 130	(42 377 669)	128 216 686
30 June 2024	149 783 599	19 132 109	(41 361 797)	127 553 911
Segment liabilities				
31 December 2024	53 698 742	10 059 204	(671 751)	63 086 195
30 June 2024	57 057 805	10 132 465	(494 917)	66 695 353
Capital expenditure				
31 December 2024	1 090 910	5 698	-	1 096 608
31 December 2023	2 140 570	85 451	-	2 226 021

3 COMMITMENTS FOR CAPITAL EXPENDITURE

Contracts and orders placed
Authorised by Directors but not contracted

	31 Dec 2024 Unaudited USD	30 Jun 2024 Audited USD
Contracts and orders placed	63 880	-
Authorised by Directors but not contracted	3 958 731	5 119 219
	4 022 611	5 119 219

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

4 BORROWINGS & SECURITY

Net book value of Motor Vehicles and Buildings pledged as security for interest-bearing borrowings

	31 Dec 2024 Unaudited USD	30 Jun 2024 Audited USD
Net book value of Motor Vehicles and Buildings pledged as security for interest-bearing borrowings	2 981 432	2 410 455
	2 981 432	2 410 455

Interest-bearing borrowings constitute bank loans from various financial institutions. The average cost of borrowings for the Axia Group operations in Zimbabwe is between 12% to 15% for USD borrowings and 30% to 41% for ZWG denominated borrowings per annum, with borrowings for Malawian operations averaging an interest rate of 21.75% while Malawian operations averaging 30.4% in the respective local currency loans. The facilities expire at different dates and will be reviewed and renewed as they mature. The security relates only to vehicles and buildings in Zambia.

5 EARNINGS PER SHARE

Basic earnings basis

The calculation is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue for the period.

Diluted earnings basis

The calculation is based on the profit attributable to equity holders of the parent and the weighted average number of ordinary shares in issue after adjusting for the conversion of share options. Share options are considered for dilution if the average market price of ordinary shares during the period exceeds the exercise price of such options.

Headline earnings basis

Headline earnings comprise of basic earnings attributable to equity holders of the parent adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group, net of their related tax effects and share of non-controlling interests as applicable.

	Period ended 31 Dec 2024 Unaudited USD	Period ended 31 Dec 2023 Unaudited USD
Reconciliation of basic earnings to headline earnings		
Profit for the period attributable to equity holders of the parent	3 210 260	3 562 965
Adjustment for capital items (gross of tax):		
Loss/(profit) on disposal of assets	38 417	(2 713)
Tax effect on adjustments	(9 892)	699
Non-controlling interests' share of adjustments	(14 259)	1 007
Headline earnings attributable to ordinary shareholders	3 224 526	3 561 958
Number of shares in issue		
Number of ordinary shares in issue per Basic and Headline Earnings Per Share	556 000 308	556 000 308
Effect of share options	-	-
Weighted average number of ordinary shares in issue adjusted for the effect of dilution	556 000 308	556 000 308
Basic earnings per share (cents)	0.58	0.64
Headline earnings per share (cents)	0.58	0.64
Diluted basic earnings per share (cents)	0.58	0.64
Diluted headline earnings per share (cents)	0.58	0.64

6 EVENTS AFTER THE REPORTING DATE

There have been no significant events after reporting date at the time of issuing this press release.