

“Alteo Group reports improved results driven by the better performance of the Sugar cluster”

GROUP HIGHLIGHTS FOR THE QUARTER



GROUP CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited 30 Sep 21 Rs 000	Unaudited 30 Sep 20 Rs 000
REVENUE	2,878,082	2,772,114
Normalised earnings before interests, taxation, depreciation and amortisation	1,225,446	1,167,880
Other income and expenses	27,282	(24,691)
Earnings before interests, taxation, depreciation and amortisation	1,252,728	1,143,189
Depreciation, amortisation and release of deferred income	(206,007)	(181,275)
Earnings before interests and taxation	1,046,721	961,914
Finance costs	(124,274)	(131,696)
Share of results of joint ventures & associates	(4,993)	(19,391)
Profit before taxation	917,454	810,827
Taxation	(232,930)	(234,226)
Profit for the period	684,524	576,601
Other comprehensive income for the period	(1,235)	(6,268)
Total comprehensive income for the period	683,289	570,333
Profit attributable to:		
- Equity holders	407,731	308,878
- Non-controlling interests	276,793	267,723
	684,524	576,601
Total comprehensive income attributable to:		
- Equity holders	411,230	306,959
- Non-controlling interests	272,059	263,374
	683,289	570,333
Earnings per share	Rs 1.28	0.97
Dividend per share	Rs 0.00	0.00

GROUP CONDENSED STATEMENT OF FINANCIAL POSITION

	Unaudited 30 Sep 21 Rs'000	Audited 30 Jun 21 Rs'000
ASSETS EMPLOYED		
Non-current assets		
Property, plant and equipment	18,629,870	18,708,688
Investment properties	2,808,175	2,808,175
Intangible assets	1,965,281	1,966,461
Investment in joint ventures & associates	32,841	38,123
Financial assets at fair value through OCI	4,318	4,318
Deferred tax assets and other non current receivables	268,487	276,080
	23,708,972	23,801,845
Current assets	7,341,245	7,367,844
TOTAL ASSETS	31,050,217	31,169,689
EQUITY AND LIABILITIES		
Shareholders' interests	17,420,632	17,009,402
Non-controlling interests	1,923,206	1,651,147
Non-current liabilities	7,085,678	7,227,964
Current liabilities	4,620,701	5,281,176
TOTAL EQUITY AND LIABILITIES	31,050,217	31,169,689
Net asset value per share	Rs 54.70	53.41
Number of shares in issue	No 318,492,120	318,492,120

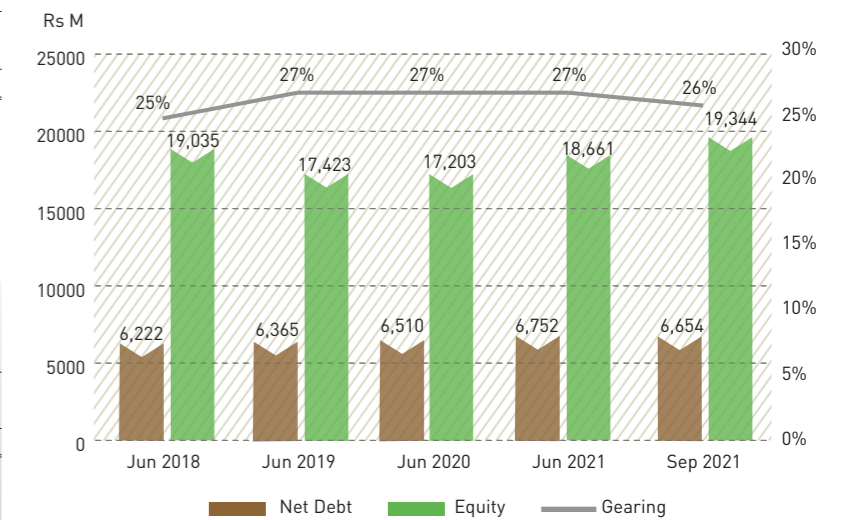
GROUP CONDENSED STATEMENT OF CASH FLOWS

	Unaudited 30 Sep 21 Rs 000	Unaudited 30 Sep 20 Rs 000
Net cash flow from operating activities	374,562	702,471
Net cash flow (used in) investing activities	(181,439)	(66,348)
Net cash flow (used in) financing activities	(159,324)	(231,699)
Net Increase in cash and cash equivalents	33,799	404,424
Cash and cash equivalents at July 1,	(429,675)	(714,557)
Cash and cash equivalents at September 30	(395,876)	(310,133)

GROUP CONDENSED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders Rs'000	Non-controlling interests Rs'000	Total equity Rs'000
At 1 July 2021	17,009,402	1,651,147	18,660,549
Total comprehensive income for the period	411,230	272,059	683,289
At 30 Sep 2021	17,420,632	1,923,206	19,343,838
At 1 July 2020	15,831,072	1,411,637	17,242,709
Total comprehensive income for the period	306,959	263,374	570,333
At 30 Sep 2020	16,138,031	1,675,011	17,813,042

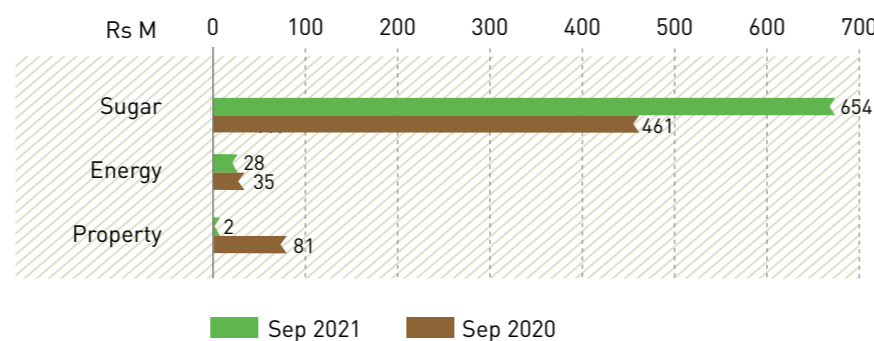
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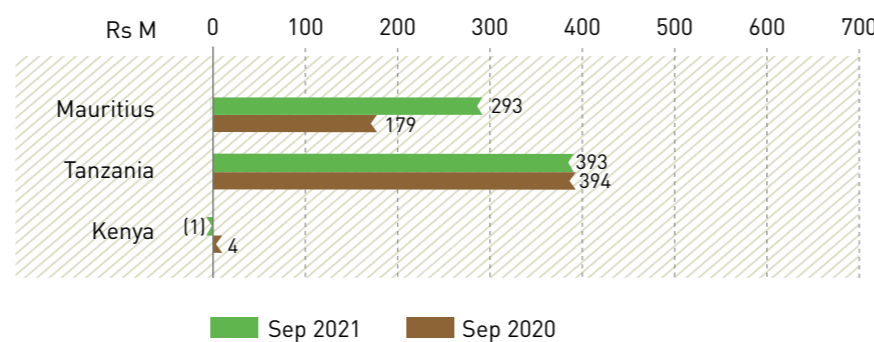
GROUP SEGMENTAL INFORMATION

	Unaudited 30 Sep 21 Rs 000	Unaudited 30 Sep 20 Rs 000
Revenue by Cluster		
Sugar	2,662,878	2,324,884
Energy	153,978	149,445
Property	92,014	344,549
Consolidation adjustments	(30,788)	(46,764)
Total revenue	2,878,082	2,772,114
Revenue by Country		
Mauritius	1,037,675	1,224,300
Tanzania	924,202	863,580
Kenya	946,993	730,998
Consolidation adjustments	(30,788)	(46,764)
Total revenue	2,878,082	2,772,114
Profit allocated by Cluster		
Sugar	654,276	461,214
Energy	28,230	34,823
Property	2,018	80,564
Profit for the period	684,524	576,601
Profit/(Loss) allocated by Country		
Mauritius	292,996	178,665
Tanzania	392,801	393,906
Kenya	(1,273)	4,030
Profit for the period	684,524	576,601

PROFIT FOR THE QUARTER ALLOCATED BY CLUSTER



PROFIT/(LOSS) FOR THE QUARTER ALLOCATED BY COUNTRY



COMMENTS

GROUP REVIEW FOR THE QUARTER

BETTER PERFORMANCE OF THE SUGAR CLUSTER

Group revenue and normalised EBITDA grew by 4% and 5% respectively explained by the improved performance of the sugar cluster. In line with the trend in revenue and normalised EBITDA, profit after tax and earnings per share also improved.

Finance costs dropped driven by a lower debt level within the Mauritian and Kenyan sugar operations.

SUGAR

IMPROVED PERFORMANCE IN MAURITIUS

In Mauritius, the better performance was largely explained by strengthening sugar prices, partly due to a depreciation of the Mauritian Rupee versus the Euro and the US dollar, the recently introduced remuneration for bagasse, higher special sugar orders and a lower negative movement in the fair value of consumable biological assets. These positive factors offset the adverse effects of a lower sugar accruing resulting from a delayed harvest and a poorer sugar recovery.

The results of the Tanzanian operations were at par with the comparative quarter. The better average price achieved on the domestic market compensated for slightly lower sales volumes and a lower consumable biological asset fair value movement.

The performance of the Kenyan operations was comparable to last year as the favourable effects of the higher production and sales volumes were offset by a higher cost of cane and higher transport and logistics costs. Prices remained stable quarter on quarter.

ENERGY

A DROP IN BAGASSE INCOME AND HIGHER OPERATING EXPENSES DROVE PROFITS DOWN

The Energy cluster results dropped mainly on account of a lower income from bagasse, further to the abolition of the bagasse transfer price mechanism, and higher operating expenses incurred in the quarter under review.

PROPERTY

LOWER RESULTS DRIVEN BY LESS REVENUE GENERATION FROM LAND SALES AND UNITS UNDER CONSTRUCTION

The finalisation of one deed of sale for a serviced plot at Anahita against three in the comparative quarter resulted in lower revenue and EBITDA generation from property development operations. The cluster performance continued to be impacted by losses posted by the Anahita Golf & Spa Resort ("the Resort") and Anahita Golf Club ("the Golf") which attracted a negligible level of activity during the quarter.

OUTLOOK

CONTINUING EFFECTS OF THE COVID-19 PANDEMIC ON THE PROPERTY CLUSTER DESPITE GRADUAL REOPENING OF MAURITIUS

The Covid-19 pandemic and resulting disruptions around the world should continue to adversely affect the Group's Property cluster, and more specifically the Resort and the Golf, despite the gradual reopening of Mauritius as a travel destination. As regards property development, reservations secured to date are expected to continue to help revenue and EBITDA generation in the next quarter.

In Mauritius, the recent introduction of a biomass framework setting out a remuneration mechanism for bagasse was a major step towards securing the sustainability of the cane industry. Strengthening world and EU prices are expected to continue to benefit the industry.

An improved factory reliability and sugar recovery are expected to continue to be beneficial to the Kenyan sugar operations while the good cane yields achieved to date in Tanzania are expected to contribute positively to the sugar cluster results going forward.

The energy cluster performance over the next quarters will depend on the terms of renewal of the Power Purchase Agreement of Alteo Energy Ltd which will expire in December 2021.

GROUP RESTRUCTURING

On 29th October 2021, the Board of Alteo Ltd announced its decision to restructure Alteo group into two distinct listed groups with the ambition to create an agile structure to further develop its regional cane footprint, whilst increasing the market visibility and value contribution of Alteo's property development activities. Work groups have been put in place to progress on this project.

By Order of the Board
November 11, 2021

Intercontinental Secretarial Services Ltd
Company Secretary

Notes: The condensed financial statements for the quarter ended September 30, 2021 are unaudited and have been prepared using the same accounting policies as the audited statements for the year ended June 30, 2021.

Copies of the above condensed unaudited financial statements and statements of direct and indirect interests of Officers of the Company as required under Rule 8(2)(m) of the Securities [Disclosure Obligations of Reporting Issuers] Rules 2007, are available to the public, free of charge, at the registered address of the Company at Vivéa Business Park, St Pierre

The Board of Directors of Alteo Limited accepts full responsibility for the accuracy of the information contained in these condensed financial statements.