

CIEL Group delivers strong double-digit revenue growth across the portfolio leading to a solid net profit of MUR 2.84 bn for the nine months to 31 March 2023

KEY HIGHLIGHTS

- The Group's 32% increase in revenue to reach **MUR 27 bn** was largely due to the Hotels & Resorts cluster beating expectations and all other clusters posting double-digit growth.
- EBITDA grew by 55% to reach **MUR 5.1 bn** on the same period last year coupled with an improvement in the EBITDA margin to **18.9%**.
- Profit after tax increased 1.9x for the nine months to reach **MUR 2.8 bn**.
- Earnings per share ("EPS") doubled compared to the same period of last year to reach **MUR 1.02**, as profit attributable to owners reached **MUR 1.7 bn**.
- Free Cash Flow ("FCF") reached **MUR 3.5 bn**, a marked improvement on the prior period.

SEGMENTAL INFORMATION (MUR'M)

	NINE MONTHS	HOTELS & RESORTS ^(a)	TEXTILE	FINANCE	HEALTHCARE	PROPERTIES	AGRO	CIEL HOLDING COMPANY ^(b)	TOTAL
REVENUE	Mar 2023	6,250	13,701	3,780	2,927	151	-	26	26,835
	Mar 2022	3,375	11,007	3,225	2,657	91	-	10	20,365
EBITDA	Mar 2023	1,971	1,421	1,120	607	10	-	(67)	5,062
	Mar 2022	764	978	945	679	9	-	(100)	3,275
PROFIT/(LOSS) AFTER TAX	Mar 2023	1,108	747	718	263	(39)	224	(182)	2,839
	Mar 2022	9	503	577	373	(11)	203	(171)	1,483
FREE CASH FLOW^(c)	Mar 2023	1,525	827	1,091	227	(54)	-	(130)	3,486
	Mar 2022	937	(670)	863	381	(63)	-	(32)	1,416

QUARTER SEGMENTAL INFORMATION (MUR'M)

	THREE MONTHS	HOTELS & RESORTS ^(a)	TEXTILE	FINANCE	HEALTHCARE	PROPERTIES	AGRO	CIEL HOLDING COMPANY ^(b)	TOTAL
REVENUE	Mar 2023	2,119	4,181	1,297	1,036	40	-	22	8,695
	Mar 2022	1,520	3,584	997	1,011	33	-	(2)	7,143
EBITDA	Mar 2023	734	468	459	209	(5)	-	(26)	1,839
	Mar 2022	397	318	277	212	2	-	(53)	1,153
PROFIT/(LOSS) AFTER TAX	Mar 2023	407	192	190	86	(10)	39	(67)	837
	Mar 2022	118	158	208	109	(6)	54	(76)	565

(a) Includes share of results of Anahita Golf & Spa Resorts (50%)
 (b) Includes CIEL Limited's figures as well as wholly owned subsidiaries - CIEL Corporate Services & Azur Financial Services (Head Office & Treasury services of CIEL Group), Procontact Ltd (44.43%), and EM Insurance Brokers Limited (51% net of Group eliminations)
 (c) Cash flow from operations net of working capital movements after recurrent capital expenditure (excluding specific banking working capital movements and project capex of MUR 791M)

GROUP CONSOLIDATED REVENUE

MUR 26,835 M

▲ 32%
MUR 20,365M - 31 Mar 2022

GROUP EBITDA¹

MUR 5,062 M

▲ 55%
MUR 3,275M - 31 Mar 2022

GROUP PROFIT AFTER TAX

MUR 2,839 M

▲ 91%
MUR 1,483M - 31 Mar 2022

PROFIT ATTRIBUTABLE TO OWNERS

MUR 1,721 M

▲ 98%
MUR 868M - 31 Mar 2022

GROUP EARNINGS PER SHARE

MUR 1.02

▲ 100%
MUR 0.51 - 31 Mar 2022

COMPANY NET ASSET VALUE PER SHARE

MUR 10.41

▼ 17%
MUR 12.49 - 30 Jun 2022

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

	THE GROUP			
	Nine months ended		Quarter ended	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Revenue	26,834,594	20,364,758	8,694,914	7,143,176
EBITDA¹	5,061,848	3,275,233	1,839,160	1,152,854
Depreciation and amortisation	(1,058,068)	(1,002,478)	(351,978)	(309,899)
EBIT ²	4,003,780	2,272,755	1,487,182	842,955
Expected credit losses ³	(350,705)	(171,516)	(266,634)	(29,650)
Net finance costs	(743,338)	(651,866)	(304,258)	(240,552)
Share of results of associates & joint ventures net of tax	465,130	400,521	74,726	108,794
Profit before tax	3,374,867	1,849,894	991,016	681,547
Taxation	(535,887)	(366,643)	(154,351)	(116,932)
Profit for the period	2,838,980	1,483,251	836,665	564,615
Profit attributable to:				
Owners	1,721,410	867,738	472,778	298,304
Non-controlling interests	1,117,570	615,513	363,887	266,311
	2,838,980	1,483,251	836,665	564,615
Basic and diluted earnings per share	1.02	0.51	0.28	0.18
Weighted average no. of ord shares for EPS Calculation	1,687,560	1,687,455	1,687,560	1,687,455

	THE GROUP			
	31-Mar-23		31-Mar-22	
	MUR'000	MUR'000	MUR'000	MUR'000
TOTAL COMPREHENSIVE INCOME				
Profit after tax	2,838,980	1,483,251	836,665	564,615
Other comprehensive income for the year	(460,676)	325,980	64,028	36,701
Total comprehensive income for the year	2,378,304	1,809,231	900,693	601,316
Attributable to:				
Owners	1,459,165	1,079,361	532,434	334,860
Non-controlling interests	919,139	729,870	368,259	266,456
	2,378,304	1,809,231	900,693	601,316

¹ Earnings Before Interest, Taxation, Depreciation, Amortisation and Expected Credit Losses
² Earnings Before Interest, Taxation and Expected Credit Losses
³ Expected credit losses mainly from the BNI Madagascar loan book provisioning (IFRS 9)

CONDENSED STATEMENTS OF CASH FLOWS

	THE GROUP	
	31-Mar-23	31-Mar-22
	MUR'000	MUR'000
Cash from operating activities before working capital movements	4,309,786	2,459,771
Movement of working capital of specific banking assets and liabilities [*]	15,628	1,028,544
Movement of working capital of non-specific banking assets and liabilities	(247,435)	(612,161)
Net cash generated from operating activities	4,077,979	2,876,154
Net cash used in investing activities	(1,412,773)	(245,542)
Net cash used in financing activities	(1,490,057)	(37,230)
Increase in cash and cash equivalents	1,175,149	2,593,382
Movement in cash and cash equivalents	11,551,438	9,191,978
At 1 July	1,175,149	2,593,382
Increase in cash and cash equivalents	(309,254)	(5,617)
Effect of foreign exchange	(309,254)	(5,617)
At 31 March	12,417,333	11,779,743

^{*} Specific banking assets and liabilities consist of: Loans and advances to customers, Loans to banks, Investment in securities and Deposits from customers

CONDENSED STATEMENTS OF CHANGES IN EQUITY

THE GROUP	Owners' Interest & Convertible Bonds Total	Non-Controlling Interests	Total Equity
	MUR'000	MUR'000	MUR'000
Balance at 1 July 2022	17,715,432	8,667,888	26,383,320
Total comprehensive income for the period	1,459,165	919,139	2,378,304
Dividends	-	(6,723)	(6,723)
Transactions with owners of the company			
- Issue of convertible bonds	273,800	-	273,800
- Other movements	26,160	(943,802)	(917,642)
Balance at 31 March 2023	19,474,557	8,636,502	28,111,059
Balance at 1 July 2021	14,931,409	7,253,727	22,185,136
Total comprehensive income for the period	2,531,590	2,194,265	4,725,855
Dividends	(354,384)	(550,202)	(904,586)
Transactions with owners of the company			
- Issue of convertible bonds	547,600	-	547,600
- Other movements	59,217	(229,902)	(170,685)
Balance at 30 June 2022	17,715,432	8,667,888	26,383,320

By order of the Board

CIEL Corporate Services Ltd
 Secretaries

15 May 2023

BRN: C06000717

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CLUSTER REVIEW – CIEL'S RETURNS ARE UNDERPINNED BY THE DIVERSITY OF ITS PORTFOLIO

HOTELS & RESORTS

Revenue stood at MUR 6.3 bn, an 85% increase on the previous nine-month period where hotels were closed for the first three months and gradually reopened as from October 2021. Effective cost management led to a 2.6x increase in EBITDA to MUR 2.0 bn. The EBITDA margin gained nine percentage points to 31.5%. With the substantial increase in occupancy and higher average daily rates in the period, profit after tax reached MUR 1.1 bn compared to MUR 9M in the same period last year and MUR 239M in the same period of FY19.

TEXTILE

Revenue increased by 24% to reach MUR 13.7 bn for the first nine months of the year. The Woven and Knitwear clusters' regional and Asian operations were the main contributors to this growth. EBITDA rose to MUR 1.4 bn, which is up from MUR 978M in the previous period leading to a double-digit EBITDA margin of 10.4% (9M22: 8.9%). The product mix and increased manufacturing capacity in India led to a profit after tax of MUR 747M, representing a 49% increase compared to the same period last year. It included the MUR 100M closure cost for Consolidated Fabrics Limited operations in Mauritius, as part of the partnership signed with SOCOTA in Madagascar.

FINANCE

The Finance cluster posted a 17% increase in revenue to reach MUR 3.8 bn. This was primarily driven by BNI Madagascar's increase in net banking income, strengthened by increased interest rates leading to improved margins. The cluster realised an EBITDA of MUR 1.1 bn (9M22: MUR 945M). The increase in Bank One's asset base, coupled with higher interest income and a reversal of provisions, contributed to higher earnings during the period. Profit after tax increased by 24% and stood at MUR 718M. This, owing to the improved profitability at BNI coupled with the increased contribution from Bank One as well as the capital gain on disposal of our asset management arm, IPRO, in October 2022. As a consequence, the negative effect of the higher expected credit losses relating to IFRS 9 provisioning at BNI level in the period were neutralised.

HEALTHCARE

The cluster's nine-month revenue rose by 10%, driven by higher occupancy levels resulting from the expansion of lab facilities in Mauritius and maternity facilities in Uganda. The growth in core activities compensated for the substantial reduction in Covid-related treatments, underscoring the cluster's potential for further growth. The 11% decline in EBITDA to MUR 607M was primarily due to the one-off profit of MUR 62M from the divestment of the Nigerian business in the previous year, and once adjusted for, indicates that EBITDA has remained relatively stable. Profit after tax stood at MUR 263M down by 29% mainly due to the aforementioned factors.

PROPERTIES

The Properties cluster achieved an increase in revenue to MUR 151M in the first nine months of the year. The mixed-use property fund, Evolis, completed and fully leased phase one of the working lifestyle destination 'Nouvelle Usine' in Floreal and phase 2 is now in progress. The regeneration of former Textile buildings in Solitude, branded as 'Flexeo Business Park', with its warehousing hub of 25,000 square metres is now fully occupied. The Ferney sustainable development project is moving forward, with the first phase of sales entirely reserved. The cluster continues to be loss-making due to pre-development project fees of MUR 33M (9M22: MUR 8M) related to the launch of the projects mentioned above. Net loss for the period amounted to MUR 39M compared to MUR 11M in the prior nine-month period.

AGRO

CIEL has reported a combined share of profit attributable from Alteo Limited and MIWA Sugar Limited of MUR 224M for the nine months ended 31 March 2023, which represents a growth of MUR 18M compared to the prior period. The newly listed company, MIWA Sugar, is a positive contributor to the cluster as both the Kenyan and Tanzanian operations continue to perform well despite challenges from persistent inflationary cost pressures in both countries. At Alteo Limited, the company has seen an improvement in sugar prices that has helped to mitigate the negative impact of the poor 2022 sugar crop. The property segment's performance has been on par with the prior period.

CONDENSED STATEMENTS OF FINANCIAL POSITION

	THE GROUP	
	31-Mar-23	30-Jun-22
	MUR'000	MUR'000
ASSETS		
Non-current assets	41,542,710	40,898,131
Current assets	16,140,282	14,391,716
Non-current assets classified as held for sale	-	59,331
Total non specific banking assets	57,682,992	55,349,178
Total specific banking assets	42,376,833	42,821,851
TOTAL ASSETS	100,059,825	98,171,029
EQUITY AND LIABILITIES		
Capital and reserves		
Owners' interests	16,388,365	14,903,040
Convertible bonds	3,086,192	2,812,392
Non-current interest	8,636,502	8,667,888
TOTAL EQUITY	28,111,059	26,383,320
Non current liabilities	17,303,434	15,887,351
Current liabilities	16,419,307	16,705,895
Liabilities directly associated with assets classified as held for sale	-	10,427
Total non specific banking liabilities	33,722,741	32,603,673
Specific banking liabilities [*]	38,226,025	39,184,036
TOTAL LIABILITIES	71,948,766	71,787,709
TOTAL EQUITY AND LIABILITIES	100,059,825	98,171,029
NET ASSET VALUE PER SHARE	MUR 11.54	10.50
NO OF SHARES IN ISSUE	(000) 1,687,560	1,687,560
INTEREST BEARING DEBT^{**}	12,802,944	13,133,841
Gearing = Debt/(Debt + Equity)	31.3%	33.2%

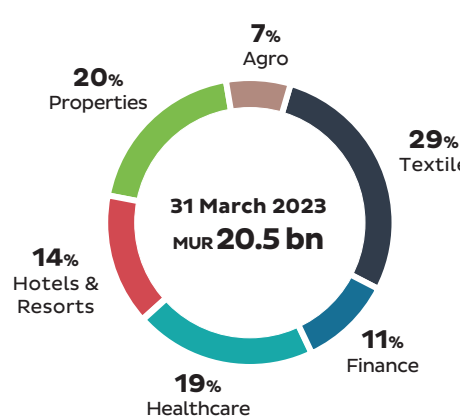
^{*} Specific banking liabilities relate to deposits from customers of BNI Madagascar
^{**} Excludes lease liabilities under IFRS 16 and Banking liabilities

PORTFOLIO VALUATION UPDATE

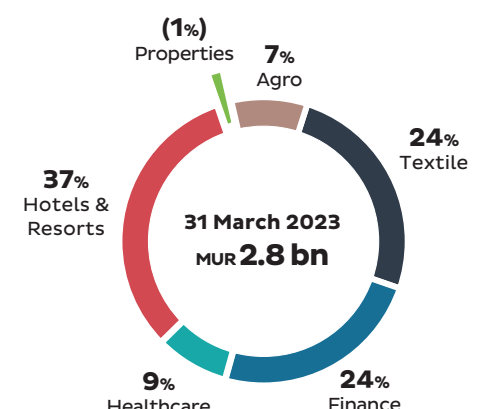
As at 31 March 2023, the valuation of CIEL's portfolio stood at MUR 20.5 bn, a 14% decline versus the 30 June 2022 position. This can be attributed to the following factors: C-Care's Volume-Weighted Average Price decreased by 39% to MUR 11.44 (30 June 2022: MUR 18.82) while the decrease in the valuation of CIEL Finance of 16% was mainly due to the cluster's borrowings for the buyout of minorities in CIEL Finance. The decrease in the Agro cluster's valuation of 33%, results from the decrease in the share price of Alteo Limited to MUR 8.50 and newly listed MIWA Sugar to MUR 12.74, compared to the combined price at 30 June 2022 of MUR 31.80. The appreciation in SUN's share price by 7% to MUR 27.50 (30 June 2022: MUR 25.75) somewhat mitigated these negative effects.

Company Net Asset Value fell by 17% to MUR 10.41 per share at 31 March 2023 versus MUR 12.49 at 30 June 2022. Over the same period, CIEL's share price decreased by 8% to MUR 6.18 from MUR 6.70 at year end 30 June 2022, resulting in a market capitalisation of MUR 10.4 bn.

CONTRIBUTION TO VALUATION BY CLUSTER



CONTRIBUTION TO PROFIT AFTER TAX BY CLUSTER



OUTLOOK

CIEL Group has a positive outlook for the 2023 financial year. With the current trend, the year end should bring significant growth in profitability.

In an uncertain global economic environment, CIEL remains attentive to the risks and opportunities that may arise. The Group's longstanding presence in some of the world's fastest growing regions, Africa and India, will ensure CIEL's competitive advantage and its future growth.