



**FULL YEAR 2019-2020 &
FIRST QUARTER 2020-2021 RESULTS
ANALYST MEETING**

13 NOVEMBER 2020 | www.cielgroup.com



Go Beyond

ANALYST MEETING

13.11.2020

IN THE ROOM TODAY



Jean-Pierre Dalais
Group Chief Executive
CIEL



L. J. Jérôme de Chasteauneuf
Group Finance Director
CIEL



Hélène Echevin
Chief Executive Officer
CIEL Healthcare



Eric Dorchies
Group Chief Executive
CIEL Textile



Marc-Emmanuel Vives
Group Chief Executive
CIEL Finance



Guillaume Dalais
Chief Executive Officer
CIEL Properties

For online participants

You are automatically muted to avoid interference during the analyst meeting.

Should you want to ask a question, please use the Teams Chat function to do so. Questions will be taken at the end of the presentation.

Agenda

 **Key Highlights**

 **Group Financial Results**

 **Cluster Review**

 **Moving Forward**

Full Year 2019–2020 Highlights

Good performance in the first nine months until the outbreak of COVID-19

- Resilience of revenue (MUR 21.92bn) and EDITDA (MUR 3.3bn) thanks to diversified and international portfolio
- Textile and Hotels & Resorts particularly affected by the pandemic

Focus on employees' safety and community support

- COVID-19 health protocols, remote work, flexible work arrangements
- Masks production, COVID-19 testing capacities, food donations, CIEL COVID-19 Fund

Strict cost control and cash preservation

- Freeze of all non-essential capital expenditure and expenses
- Negotiation of credit and repayment terms

Overall performance significantly impacted by impairment and reorganisation costs

- Impairments and reorganisation costs of MUR 2.13bn
- Group loss of MUR 2.16bn

Q1 2020–2021 Highlights

Improved activity from Q4 2019–2020

- Revenue growth of 53%, supported by rebound in all businesses except Hotels & Resorts cluster
- Positive Free Cash Flow maintained at the same level as last year over the quarter – negative impact of Hotels & Resorts cluster compensated by the other clusters

Good positions in most industries

- Textile & fashion
- Digital banking
- Private healthcare
- Sustainable property development

Impact of global sanitary and economic crisis on hotels continues to weigh on Group results

- Support obtained from commercial banks and Mauritius Investment Corporation to cover short term financing needs









GROUP FINANCIAL RESULTS

FULL YEAR 30 JUNE 2020

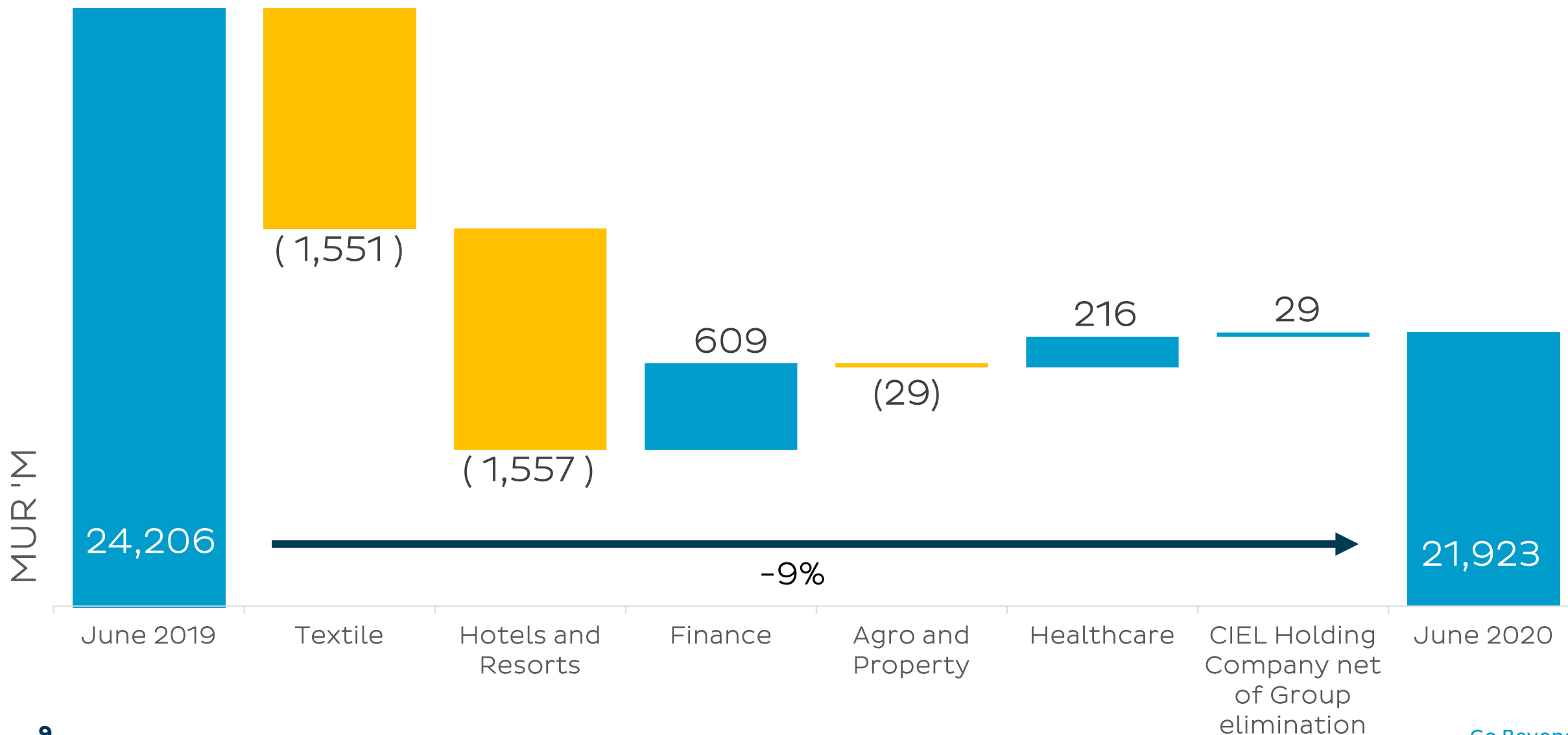
FULL YEAR 30 JUNE 2020

COVID-19 IMPACT

CLUSTER	EFFECT		Impairments and Reorganisation costs (MUR 'M)
HOTELS & RESORTS		<ul style="list-style-type: none"> Ban on tourist arrivals (Mauritius & Maldives) Closure of resorts 	Impairments (PPE & Inventories): MUR 760M Impairments (Associate – Ambre): MUR 107M Provision for bad debts: MUR 76M Reorganisation costs: MUR 33M
TEXTILE		<ul style="list-style-type: none"> Drop in order books Factory closures Lower demand for formalwear (Woven segment) 	Impairments (Inventories): MUR 285M Debtor write offs & others: MUR 266M Reorganisation costs: MUR 75M
FINANCE		<ul style="list-style-type: none"> Loan book of BNI Madagascar impaired due to adverse economic impact forecasted 	Provision for loan impairment: MUR 321M
HEALTHCARE		<ul style="list-style-type: none"> Lockdown – Deferred operations, fall in occupancy Goodwill – IMG Group IFRS 9 – Financial Instruments provisions 	Impairment of goodwill: MUR 128M Provision for bad debts: MUR 76M (C-Care – MUR 50M, IMG – MUR 26M)
AGRO		<ul style="list-style-type: none"> Minimal 	Not material
PROPERTY		<ul style="list-style-type: none"> Minimal 	Not applicable

FULL YEAR 30 JUNE 2020

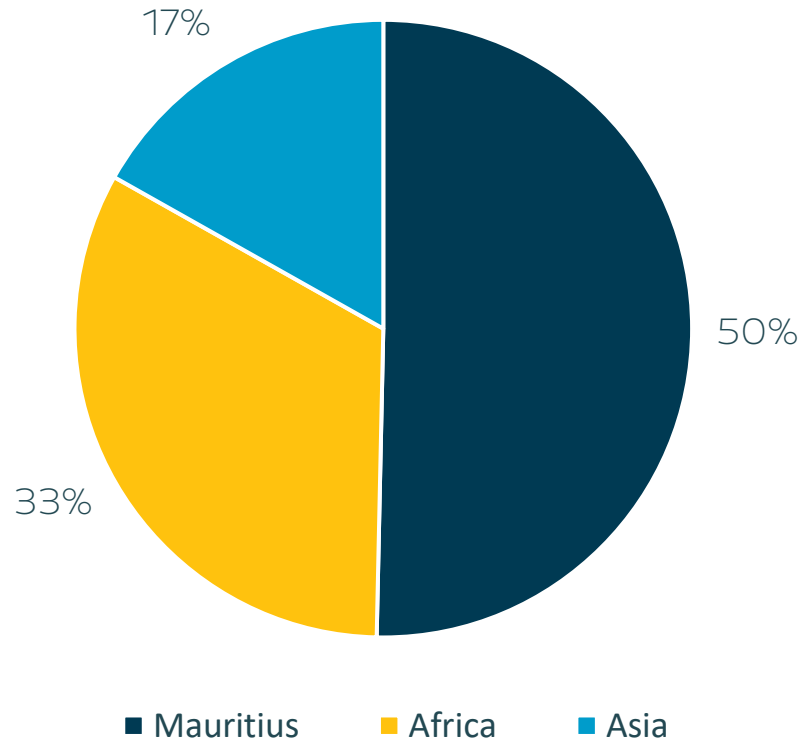
MOVEMENT IN GROUP CONSOLIDATED REVENUE



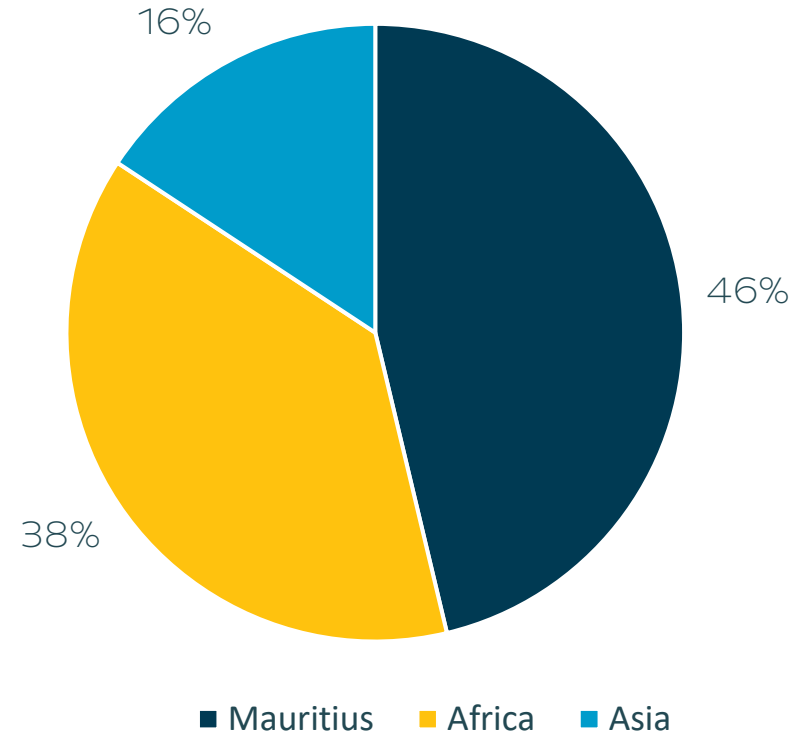
FULL YEAR 30 JUNE 2020

GROUP CONSOLIDATED REVENUE BY GEOGRAPHICAL AREA

Revenue by geographical area
30 June 2019



Revenue by geographical area
30 June 2020



Africa: Increase in revenue from BNI Madagascar

Mauritius: Lower contribution from Textile and Hotels & Resorts cluster

Asia: Slightly lower contribution from CTL

Note: Does not include revenue from Alteo, other Associates and Joint Ventures

FULL YEAR 30 JUNE 2020

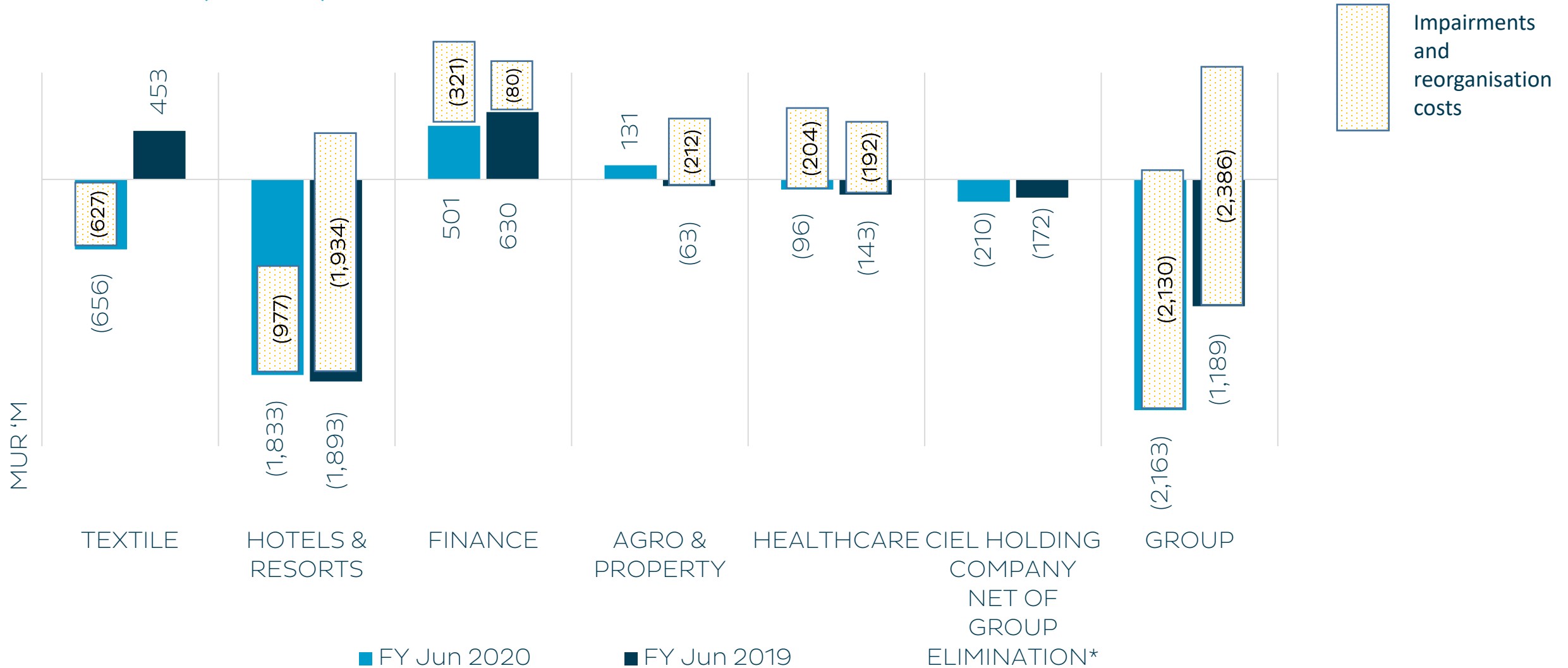
STATEMENT OF COMPREHENSIVE INCOME SUMMARY



Audited

	June 2020	June 2019	Variance	Comments
	MUR 'M	MUR 'M	%	
Revenue	21,923	24,206	(9%)	
EBITDA before Impairments and Reorganisation costs	3,292	3,443	(4%)	IFRS 16 impact: + MUR 495M
Depreciation and amortisation	(1,516)	(1,216)	25%	IFRS 16 impact: - MUR 180M Higher asset base of Hotels & Resorts cluster
EBIT before Impairments and Reorganisation costs	1,776	2,228	(20%)	
Impairments	(1,913)	(2,078)	(8%)	
Reorganisation costs	(108)	-	-	
Net Finance costs	(1,542)	(781)	98%	MUR 369M ineffective cash flow hedge at SUN, IFRS 16 impact: Interest Expense - MUR 283M
Share of results of joint ventures	(67)	161	(142%)	One-off impairments of foreign non-performing loans at Bank One
Share of results of associates	16	(232)	(107%)	Prior year includes impairment charges at Alteo, The Kibo Fund and Healthcare Nigeria operations
Impairment of associates	(109)	(51)	114%	SUN's associate – Ambre
(Loss)/profit before income tax	(1,947)	(753)	159%	
Income tax expense	(215)	(436)	(51%)	
(Loss)/profit for the year	(2,164)	(1,189)	82%	IFRS 16 impact: + MUR 32M
(Loss)/profit attributable to owners	(1,672)	(860)	94%	
Basic and diluted (loss)/earnings per share	(0.99)	(0.52)	90%	

FULL YEAR 30 JUNE 2020 PROFIT/(LOSS) AFTER TAX



Includes CIEL Limited's figures as well as wholly owned subsidiaries - CIEL Corporate Services & Azur Financial Services (Head Office & Treasury services of CIEL Group), and EM Insurance Brokers Limited (51%)

IMPROVED FREE CASH FLOW

Free Cash Flow* (MUR 'M)



* Cash flow from operations net of working capital movements after recurrent capital expenditure (Excluding specific banking working capital movements)

FULL YEAR (In MUR 'M)	TEXTILE	HOTELS & RESORTS	FINANCE	AGRO & PROPERTY	HEALTHCARE	CIEL Holding net of Group eliminations	GROUP
Jun 2020	1,018	356	839	(7)	67	(946)	1,327
Jun 2019	254	1,169	493	13	(62)	(811)	1,056

The Group achieved a higher Free Cash Flow of MUR 1,327M year-on-year (2019: MUR 1,056M) owing to an effective cash flow management and lower working capital requirements with the slowdown of activities in the last quarter of the financial year, notwithstanding the Group loss after tax of MUR 2.16bn (2019: Loss after tax of MUR 1.19bn)

With cash preservation a key priority, the Group tightened its cash flow management processes with:

- closer debtor monitoring
- renegotiation of credit terms with suppliers
- salary cuts by Management staff
- deferment or cancellation of non-essential capital investments.

Recurring capital expenditure was reduced by half from prior year.



GROUP FINANCIAL RESULTS

FIRST QUARTER SEPTEMBER 2020

FIRST QUARTER ENDED 30 SEPTEMBER 2020

KEY FIGURES BY CLUSTER



Revenue	SEPTEMBER 2019			FIRST QUARTER SEPTEMBER RESULTS	SEPTEMBER 2020		
	EBITDA before Impairments and Reorganisation costs		Profit/ (Loss) after tax		Revenue	EBITDA before Impairments and Reorganisation costs	Profit/ (Loss) after tax
	MUR 'M	MUR 'M	MUR 'M				
3,497	361	201	Textile	2,901	267	138	
1,256	29	(259)	Hotels & Resorts	22	(252)	(647)	
819	257	223	Finance	884	278	138	
39	6	(18)	Agro & Property	32	(15)	44	
668	90	28	Healthcare	782	161	90	
(6)	(15)	(49)	CIEL Holding net of Group eliminations	9	(8)	(33)	
6,273	728	126	TOTAL	4,630	431	(270)	
		73	Profit/(Loss) Attributable to owners			(89)	

- Textile cluster back - Good order books at high margins (Knits & knitwear)
- Hotels & Resorts cluster - Still no visibility
- Finance cluster - Operationally stable although impairments at Bank One level weighing on results
- Healthcare cluster - Occupancy levels at C-Care up in Q1
- Agro & Property - Good progress

POSITIVE FREE CASH FLOW

Free Cash Flow* (MUR 'M)



* Cash flow from operations net of working capital movements after recurrent capital expenditure (Excluding specific banking working capital movements)

FIRST QUARTER (In MUR 'M)	TEXTILE	HOTELS & RESORTS	FINANCE	AGRO & PROPERTY	HEALTHCARE	CIEL Holding net of Group eliminations	GROUP
Sep 2020	556	(531)	195	21	126	(31)	336
Sep 2019	479	(148)	143	14	5	(125)	368

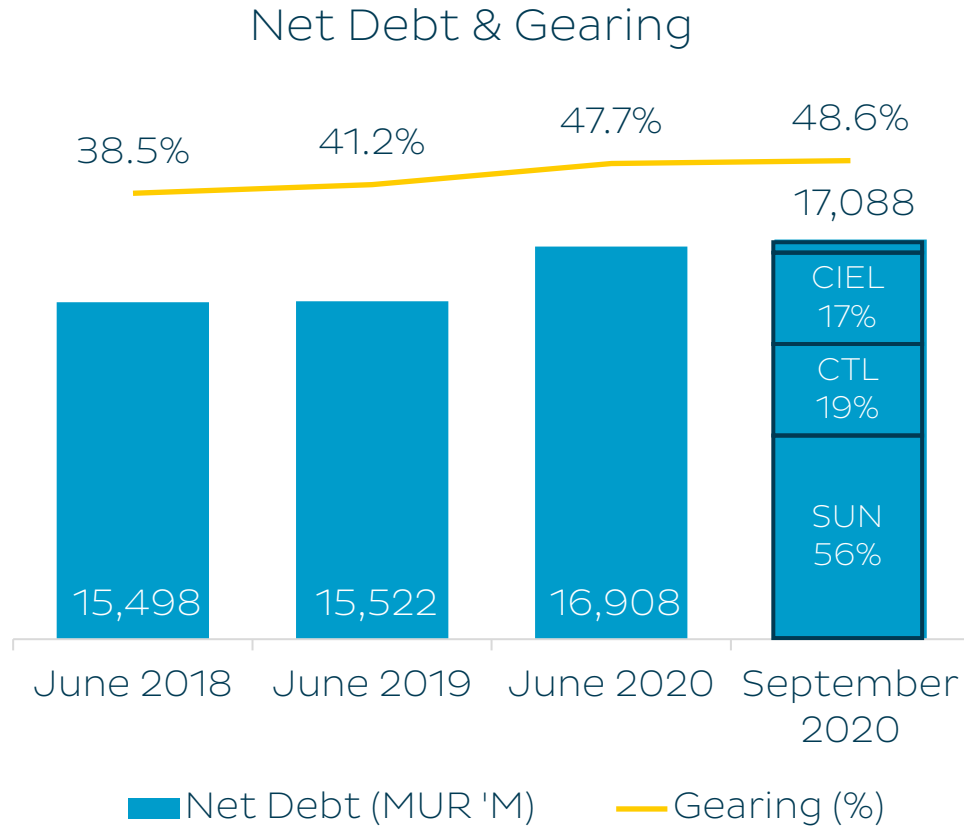
The various cash flow measures taken by the Group clusters contributed to a positive Free Cash Flow of MUR 336M (2019: MUR 368M). The Textile, Finance, Healthcare and Agro & Property clusters also posted an improved operational performance which helped contain the Group losses to MUR 270M after tax in the period



GROUP FINANCIAL STRUCTURE

AS AT SEPTEMBER 2020

GROUP LEVERAGE



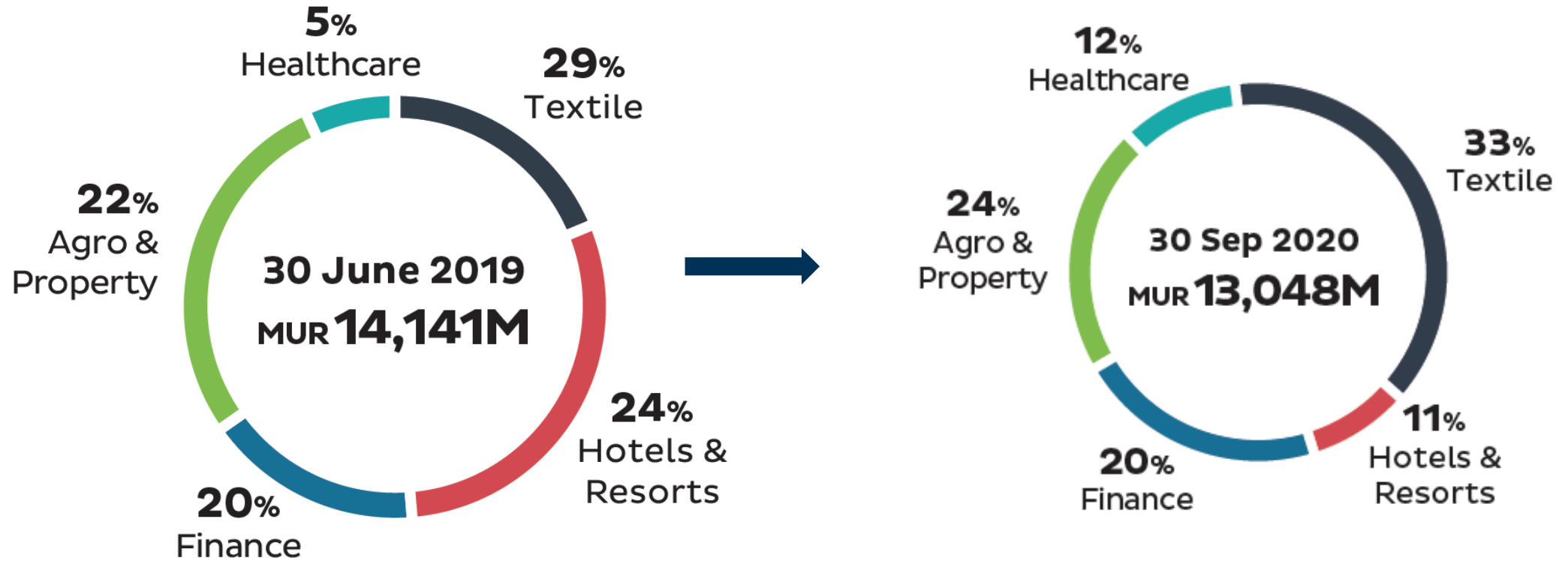
*Gearing = Debt / (Debt+Equity)

Net debt increase from June 2019 due to:

- Financing by CIEL Limited of a higher stake in CIEL Textile and C-Care (MUR 500M)
- Investment of CIEL Finance in Bank One's capital increase (MUR 300M)
- Foreign exchange fluctuations on SUN's bonds denominated in foreign currencies (MUR 850M)

CIEL maintains a solid financial structure with a gearing ratio of 48.6%, up from 41.2% as at 30 June 2019.

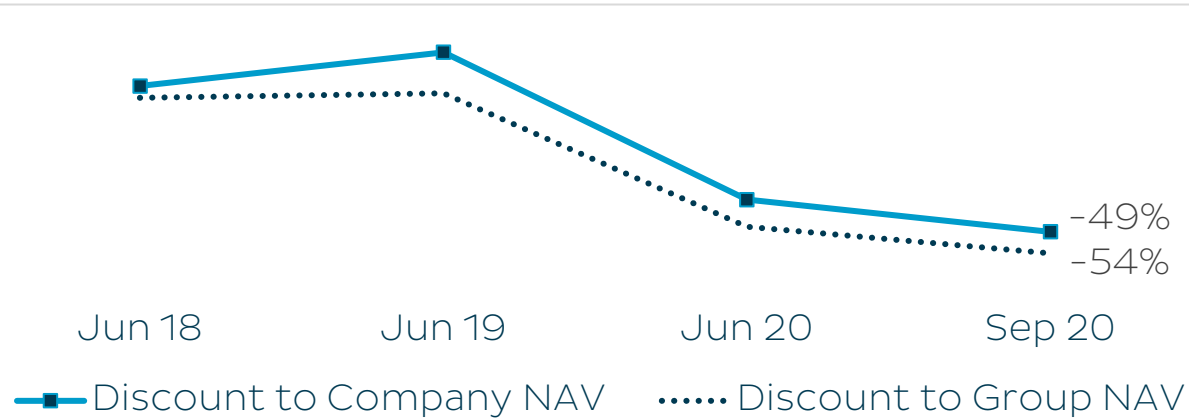
INVESTMENT PORTFOLIO



Decrease in value of investment portfolio contained to 7.7% , despite substantial fall in share prices of SUN (59%) and Alteo (23%) partially mitigated by increased price of C-Care (76%) and higher stake in C-Care

SHAREHOLDER VALUE

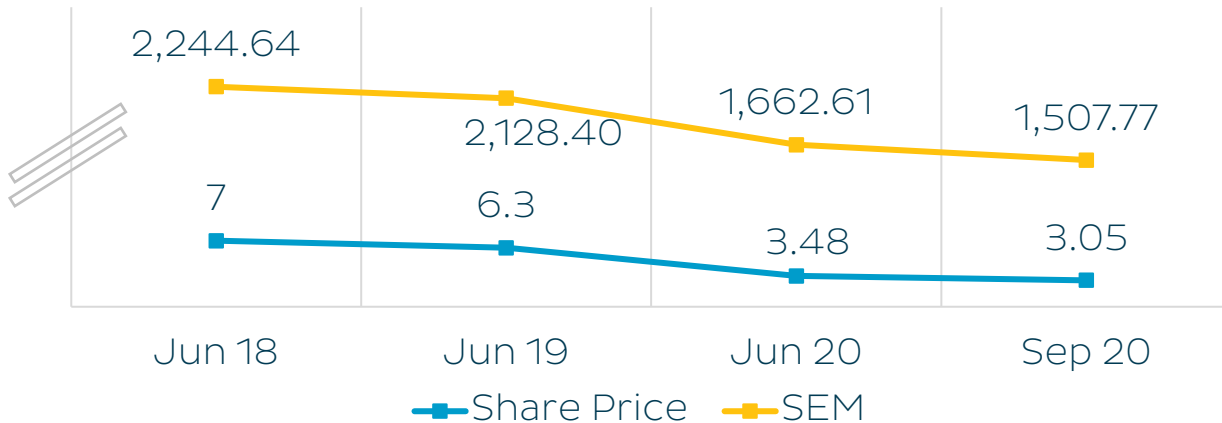
DISCOUNT TO NAV



Quality of assets and business fundamentals inaccurately reflected in share price

- Hotels & Resorts cluster represents only 11% of portfolio – down from 24% in June 2018 – and accounted for only approx. 25% of Group revenue and 30% of EBITDA as at 30 June 2020

Share Price Movement
(Base year: 2018)



CIEL shares largely followed the trend of the Stock Exchange of Mauritius in the June 2020 financial year as the domestic economy faced major challenges. The closing price of CIEL on 30 June 2020 was MUR 3.48 and MUR 3.05 on 30 September 2020.



CLUSTER REVIEW

**FIRST QUARTER SEPTEMBER 2020
FULL YEAR JUNE 2020**

CIEL Agro & Property

		Unaudited First Quarter ended 30 September			Audited Full Year ended 30 June		
		2020	2019	Variance	2020	2019	Variance
Income Statement							
Revenue	MUR 'M	32	39	+7	113	142	-29
EBITDA before Impairments	MUR 'M	(15)	6	-21	184	144	+40
Share of results of associates	MUR 'M	64	(14)	+78	(24)	(167)	+143
Profit/(Loss) after tax	MUR 'M	44	(18)	+62	131	(63)	+164

Alteo

- Mauritius - Higher sugar prices due to MUR depreciation
Cost reductions through operational restructuring
Higher special sugar orders
Poorer sugar cane yields
- Tanzania – Higher average price on domestic market
Better crop expected for FY June 2021
- Kenya – Poor factory efficiency leading to higher losses in June 2020
Marked improvement since July 2020 with higher production and better domestic prices
- Property - Anahita Golf & Spa Resort and Anahita Golf Club activity levels at bare minimum
Continuing sale of plots

CIEL Properties

Full Year June 2020

- Revaluation gains of MUR 122M on the investment properties held by Ferney Limited and MUR 75M on the Ebene Skies building

Development Projects

- Appointment of new CEO since July 2020
- Ferney Integrated Development under the Smart City Scheme
- The launch of Ferney Agri-hub
- The launch of Ferney Nature lodge

CIEL Agro & Property strategic directions

▲ Alteo

Mauritius

- Increase mechanisation of agricultural activities
- Increased volume of exported special sugars
- Optimise revenues from by-products such as bagasse and cane trash for energy
- Establish a national biomass framework and incentivize biomass production
- Complete the development of the Northern Parcel of Anahita
- Continue developing the coastal area in the east of Mauritius through new projects
- Sale of non-strategic and abandoned cane land

Tanzania

- Complete the development of additional area under cane over 2 years

Kenya

- Maintain support on cane development by out growers and improve factory reliability
- Progress on co-generation project to diversify revenues

▲ Ferney

- Development of Ferney Master Plan in respect of its integrated sustainable project based on 4 Pillars:
 - Ferney Agri-Hub
 - Nature and Science Economy
 - Community Living
 - Eco-Tourism

▲ CIEL Properties

- Leverage the group real estate non yielding assets to create value

CIEL Textile

		Unaudited First Quarter ended 30 September			Audited Full Year ended 30 June		
		2020	2019	Variance	2020	2019	Variance
Key Figures							
Revenue	MUR'M	2,901	3,497	-17%	10,600	12,151	-13%
EBITDA before Impairments and Reorganisation costs	MUR'M	267	361	-26%	517	1,025	-50%
Profit/(Loss) after tax	MUR'M	138	201	-31%	(656)	453	-245%

Full Year June 2020

▲ Woven segment:

- Factory closure due to lockdown
- Insolvencies in retail industry
- Big demand drop, especially for classic-formal shirts

▲ Knits segment:

- Production plants closed during lockdown

▲ Knitwear segment:

- Factory closure during lockdown
- Good performance of production plant at Antsirabe, Madagascar

First Quarter September 2020

▲ Woven segment:

- Difficult quarter with more insolvencies in retail industry

▲ Knits segment:

- Good order book at high margins
- Better customer satisfaction
- Turnaround of Tropic India

▲ Knitwear segment:

- Excellent customer satisfaction
- Strong sales dynamics
- Operational efficiencies

CIEL Textile strategic directions

- Manufacturing foot print : stop our least performing-aging factories and scale up our newer assets
- Leverage our “Best Alternative to China” positioning to attract new business
- Improve credit protection
- Accelerate the implementation of our 3 strategic pillars :
 - Sustainability
 - Digitalisation
 - Talent Development
- Continue rolling-out new brand identity

		Unaudited First Quarter ended 30 September			Audited Full Year ended 30 June		
		2020	2019	Variance	2020	2019	Variance
Income Statement							
Revenue	MUR'M	884	819	8%	3,462	2,853	21%
EBITDA before Impairments	MUR'M	278	257	8%	1,305	891	46%
Profit after tax	MUR'M	138	223	-38%	501	630	-20%

BNI Madagascar

- Resilient revenue base and healthy loan book, even if the crisis impact started to be felt in Q4
- Short-term credit schemes proactively implemented to support its Corporate and SME customers, as well as moratoriums selectively granted to help clients slide through the 2 successive confinement periods
- Cost saving plan put in place to help mitigate the lower flow revenues linked to the COVID-19 pandemic
- Higher provisions recorded under IFRS 9 – Financial Instruments due to higher Expected Credit Losses ('ECL') in response to the forecasted economic impact of the pandemic as at 30 June 2020

Bank One

- Improved operational performance owing to better revenues from most business lines despite impact of lockdown in Q4
- Arrival of new CEO in March 2020 and new COO in October 2020
- With the pandemic, transaction volumes and asset growth have slowed down, with priority given to strengthening the Bank's capital base and liquidity
- Results affected by impairment of a few foreign non-performing loans

MITCO

- Slowdown in new business incorporations and increased ECL
- Renewal rate better than expected,
- Introduction of new products and services
- Costs saving measures
- Impact of the decision by the European Union to place Mauritius on the so-called 'blacklist' could be marginal provided Mauritius is kept on the list for a limited time period

IPRO

- Improved results
- Significant slowdown in activities, partly due to a cautious attitude adopted by the manager and investors, with reduced portfolio rotation and higher cash positions

Overall First Quarter September 2020 results

Performance for the first quarter in FY 21 has been negatively impacted by additional provisions taken at the level of Bank One, whilst all other companies have registered improved performance compared to last year.

CIEL Finance strategic directions

▲ **Bank One**

- Continue the deployment of innovative products and solutions, particularly aiming at the African market and building on its shareholders' franchises
- Progress on digitalisation journey
- Develop the e-commerce business, through partnerships, to offer alternative payment solutions

▲ **BNI MADAGASCAR**

- Maintain number 1 position overall and on the corporate segment, whilst putting ever greater emphasis on the retail and informal markets
- Continue digitalisation process through the development of new products and services

▲ **MITCO**

- Develop innovative marketing and sales strategies to overcome the challenge of closed borders
- Develop new products and services to retain the EU clients
- Significantly improve the upselling / cross-selling levels on the existing client base

▲ **IPRO**

- Develop innovative sales strategies to attract new investors and grow the size of IPRO Growth Fund
- Launch of a new global equity fund (open-ended long-only), initially geared towards IPRO's private and pension fund client base and to be extended to other local pension funds thereafter

▲ **Kibo**

- Successful fund raising and launch of the Kibo III fund

CIEL Healthcare

		Unaudited First Quarter ended 30 September			Audited Full Year ended 30 June		
		2020	2019	Variance	2020	2019	Variance
Income Statement							
Revenue	MUR'M	782	668	17%	2,711	2,495	9%
EBITDA before Impairments	MUR'M	161	90	79%	342	207	65%
Profit/(Loss) after tax	MUR'M	90	28	221%	(96)	(143)	33%

Full Year June 2020

- Higher occupancy rate
- Increased synergies between Clinique Darné('CD') and Wellkin in Mauritius
- Revenue impacted – patients unable to move during lockdown
- Non-urgent surgeries cancelled
- Impairment of MUR 128M booked on the goodwill of IMG Group
- Excluding this impairment charge, CIEL Healthcare's profit after tax would have been MUR 32M as at 30 June 2020

First Quarter September 2020

- C-care operations back to normal and occupancy rates better than prior year
- C-Care's increased activities
- C-Care's bed occupancy and operation theatre cases have risen
- New doctors hired
- 11 new rooms and 8 new day wards were opened at Wellkin
- Nigerian operations stable over quarter
- Ugandan operations reported lower results due to lingering effects of COVID-19

CIEL Healthcare strategic directions

- Continue to focus on patient care and quality across operations
- Continue to Improve Clinical and non-Clinical procedures in view of CHKS certification for C-Care
- Better Business Intelligence tools to drive efficiencies
- Focus on enhancing accessibility to medical services throughout Mauritius – C-Care Clinic and C-Lab collection points
- Empower and develop a pool of qualified nursing staff
- Divestment of non-core assets in Uganda and Nigeria

CIEL Hotels & Resorts

		Unaudited First Quarter ended 30 September			Audited Full Year ended 30 June		
		2020	2019	Variance	2020	2019	Variance
Income Statement							
Revenue	MUR'M	22	1,256	-98%	5,058	6,615	-24%
EBITDA before Impairments and Reorganisation costs	MUR'M	(252)	29	-969%	1,029	1,260	-18%
(Loss) after tax	MUR'M	(647)	(259)	-150%	(1,833)	(1,893)	-3%

SUN Limited

- Closure of all resorts since 20 March 2020
- Measures to contain costs and manage cashflow implemented, namely, close debtor monitoring, extension of payment terms from suppliers and voluntary salary reductions of up to 50% for management staff
- Government supports such as the Wage Assistance Scheme, lines of credit from the Bank of Mauritius and moratoriums on existing debt repayments
- Support of the Mauritius Investment Corporation Ltd (“MIC”) to meet financial commitments in the short term
- Refinancing from commercial banks
- Impairment charges of SUN’s non-financial assets mainly the Maldives asset-base
- Ineffective cash flow hedge of MUR 369M
- Minimal revenue in Q1 Sep 2020 from hotels serving as quarantine centres
- Uncertainty about border reopening expected to impact second quarter ending 30 December 2020

CIEL Hotels & Resorts strategic directions

- Finalise SUN financial restructuring with support from MIC
- Optimise cash flow monitoring
- Establish a 3-year plan to turnaround non-performing business units
- Reopening of all hotels and resorts as soon as possible if demand justifies
- Enhanced Sales & Marketing strategy and organisation
- Repositioning and potentially rebranding of Sun through strategic exercise and enhanced customer experiences
- Work on new concepts to generate new revenues and differentiate Sun Resorts' hotels
- Leverage on real-estate assets to deleverage and generate cash
- Embrace and leverage on sustainability leadership with clear commitments through SUNCARE
- Seize the COVID-19 crisis opportunity to accelerate SUN transformation into a lean and agile organisation

LOOKING AHEAD

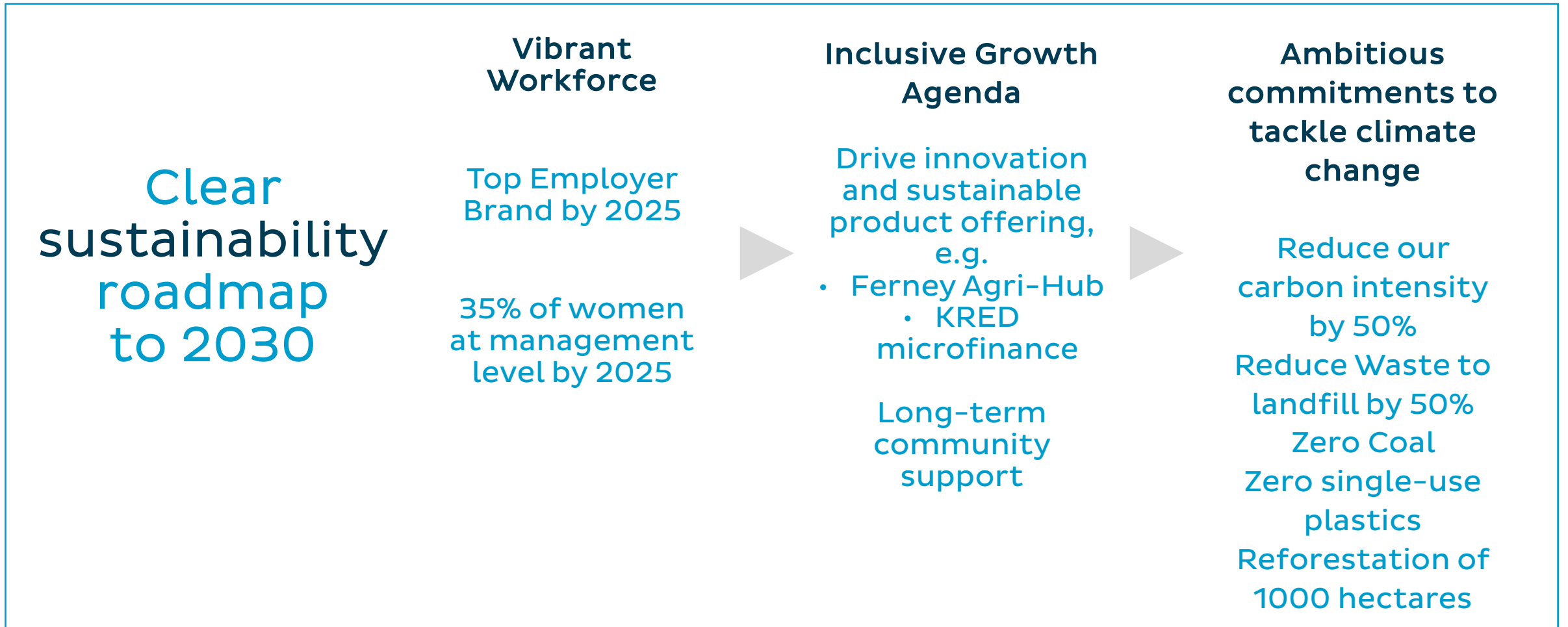
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LESSONS LEARNED

- ▶ Very solid leadership teams in place to weather the storm
- ▶ Further reorganisation and accelerated digital transformation needed to ensure leaner and more agile operations
- ▶ Strict financial discipline critical to preserve cash
- ▶ Asset-lighter model becoming increasingly necessary
- ▶ Product and service diversification, internationalisation very effective in limiting our exposure to global crisis
- ▶ Sustainability, a corporate responsibility, and an opportunity

STRONG ESG FOCUS, ACCELERATING SUSTAINABLE AGENDA



MOVING FORWARD

- ▶ Hotel results will continue to impact our profitability till tourism activity resumes
- ▶ Continued focus restoring profitability, preserving cash and optimizing capital allocation, while reassessing the strategy of each cluster as well as our overall group ambition to ensure relevance with 'new normal'
- ▶ Continue transforming our traditional industries (Agro, Hotels & Resorts and Textile)
- ▶ Lead from our international footprint (Textile, Finance, Healthcare and Agro) and strategic positions in growth segments (Finance, Healthcare and Property)
- ▶ Capitalize on innovative products and expertise (digital banking, private healthcare, sustainable property development, sustainable fashion, unique hospitality offer) to emerge stronger & more profitable

Questions

For online participants, should you want to ask a question, please use the Teams Chat function to do so.

